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Agricultural Stabilization and Conservation Service
Atomic Energy Commission
Business and Defense Services Administration
Civil Aeronautics Board
Coast Guard
Commodity Credit Corporation
Consumer and Marketing Service
Customs Bureau
Federal Aviation Administration
Federal Communications Commission
Federal Maritime Commission
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Interstate Commerce Commission
Land Management Bureau
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1949–1963

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Title 7—AGRICULTURE

Chapter VII—Agricultural Stabilization and Conservation Service (Agricultural Adjustment), Department of Agriculture

SUBCHAPTER D—PROVISIONS COMMON TO MORE THAN ONE PROGRAM

PART 794—DIVISION OF PAYMENTS AND CERTIFICATES

Sec.
794.1 Applicability.
794.2 Division of diversion payments, price support payments, and wheat marketing certificates.
794.3 Additional provisions relating to tenants and sharecroppers.

AUTHORITY: The provisions of this Part 794 issued under sec. 16(i), 79 Stat. 1190; sec. 105(e), 79 Stat. 1188, as amended; sec. 379j, 76 Stat. 630; sec. 103(d), 79 Stat. 1194; 16 U.S.C. 590p (i), 7 U.S.C. 1441 note, 7 U.S.C. 1379j, 7 U.S.C. 1444(d).

§ 794.1 Applicability.

This part is applicable to the 1968 and 1969 feed grain program, Part 775 of this chapter, as amended; the 1968 and 1969 wheat certificate program, Part 728 of this chapter, as amended; and the 1968 and 1969 upland cotton program, Part 722 of this chapter, as amended. This part supersedes, to the extent of its applicability, regulations relating to the division of payments and certificates contained in individual program regulations.

§ 794.2 Division of diversion payments, price support payments, and wheat marketing certificates.

(a) *General.* Each person on a participating farm shall be given the opportunity to participate in the program in proportion to his interest in the crops covered by the Intention to Participate and Payment Application, hereinafter called "intention form", or the interest he would have had if the crops had been produced on the acreage diverted under the program. His name shall be listed on the intention form together with the share of any diversion payment, price support payment, and wheat marketing certificates which he is to receive. If he refuses or fails to sign the intention form, the share of the payment or certificates to which he would otherwise be entitled shall nevertheless be shown on the form. Federal agencies can earn no program payments or certificates but any shares to which they would otherwise be entitled shall also be shown on the form as though they were earning them. The sum of the percentage shares of the diversion payment shall equal 100 percent, the sum of the percentage shares of the price support payment shall equal 100 percent, and the sum of the percentage shares of wheat marketing certificates shall equal 100 percent.

(b) *Division of diversion payment.* Diversion payments made under a program shall be divided in such a way that all eligible producers will share in the payments on a fair and equitable basis. If each producer whose name is listed on the intention form agrees to his percentage share of the diversion payment and it is fair and equitable, the division of payment shall be approved by a representative of the county committee subject to the provisions of § 794.3 and provisions pertaining to successors-in-interests in the applicable program regulations. The following factors should be considered in arriving at the division of the diversion payment:

(1) The basis on which the producers would have shared in the production of the acreage of the crops diverted;

(2) The savings or benefits accruing to each producer as a result of not producing the crops on the acreage diverted;

(3) The respective contributions of each producer to the establishment and maintenance of the conservation use on the acreage designated as diverted from production; and

(4) The respective relationship of the diverted acreage and increased conservation acreage to the various ownership tracts comprising a farm.

If producers whose names are listed on the intention form cannot agree on the division of the diversion payment among eligible producers on the farm, the county committee will determine the sharing of payments among such producers on a fair and equitable basis, based on the factors provided in this paragraph.

(c) *Division of price support payment or wheat marketing certificates.* Each producer's share of the farm price support payment or wheat marketing certificates for a crop shall be based on his share of the crop on the farm or the proceeds thereof, except that the State committee may approve a different division which is fair and equitable where it is determined that the distribution of crop plantings is abnormal in relation to past history of the farming operation or is contrary to customary practice, and except as provided in provisions pertaining to successors-in-interest in the applicable program regulations.

(d) *Refund of payments and wheat marketing certificates not properly divided.* Payments and wheat marketing certificates which producers receive, to which they are not entitled, including diversion payments which the county committee determines are not fair and equitable based on the factors provided in this section, shall, in the case of payment, be refunded to the county committee and, in the case of certificates, be returned to the county committee or the value thereof paid to the Commodity Credit Corporation. In the event of fraud, the producer shall be subject to the provisions pertaining to fraudulent representation in the applicable program regulations.

§ 794.3 Additional provisions relating to tenants and sharecroppers.

(a) An intention form shall not be approved for the current year if the county committee determines that any of the conditions specified below exist:

(1) The landlord or operator has not given his tenants and sharecroppers an opportunity to participate in the program;

(2) The number of tenants and sharecroppers on the farm is reduced by the landlord or operator below the number on the farm in the year prior to the current year in anticipation of or because of participating in the program. This provision shall not apply to:

(i) A tenant or sharecropper who leaves the farm voluntarily or for some reason other than being forced off the farm by the landlord or operator in anticipation of or because of participating in the program; or

(ii) A cash tenant, standing-rent tenant, or fixed-rent tenant unless such tenant was living on the farm in the year immediately preceding the current year or received 50 percent or more of his income in such year from farming.

(3) There exists between the operator or landlord and any tenant or sharecropper, any lease, contract, agreement or understanding unfairly exacted or required by the operator or landlord which was entered into in anticipation of participating in the program, the effect of which is:

(i) To cause the tenant or sharecropper to pay over to the landlord or operator any payments or wheat marketing certificates earned by him under the program;

(ii) To change the status of any tenant or sharecropper so as to deprive him of any payments, wheat marketing certificates, or other right which he would otherwise have had under the program;

(iii) To reduce the size of the tenant's or sharecropper's producer unit; or

(iv) To increase the rent to be paid by the tenant or decrease the share of the crop or its proceeds to be received by the sharecropper.

(4) The landlord or operator has adopted any other scheme or device for the purpose of depriving any tenant or sharecropper of the payments or wheat marketing certificates to which he would otherwise be entitled under the program.

If any of such conditions occur or are discovered after approval of the intention form, all or such part as the State

committee may determine of the payments or wheat marketing certificates which have been received by the producers shall, in the case of payments, be refunded to the county committee and, in the case of certificates, be returned to the county committee or the value thereof paid to the Commodity Credit Corporation.

(b) Notwithstanding any other provision of this section, a landlord or operator who in the past had tenants or sharecroppers on his land for purposes of producing the crop covered by the intention form and such individuals are now classified as employees under the Fair Labor Standards Act, may pay these individuals on a wage basis and this action will not be considered as reducing the number of tenants or sharecroppers.

Effective date: Upon publication in the FEDERAL REGISTER.

Signed at Washington, D.C., on December 14, 1967.

E. A. JAENKE,
Acting Administrator, Agricultural Stabilization and Conservation Service.

[F.R. Doc. 67-14715; Filed, Dec. 19, 1967; 8:45 a.m.]

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

PART 987—DOMESTIC DATES PRODUCED OR PACKED IN A DESIGNATED AREA OF CALIFORNIA

Revision of Free and Restricted Percentages and Withholding Factor for 1967–68 Crop Year

The Date Administrative Committee has unanimously recommended that the free and restricted percentages and the withholding factor applicable to marketable dates of the Zahidi variety for the 1967–68 crop year (§ 987.215, 32 F.R. 11847) be revised. The revision would reduce the restricted percentage for this variety from the present 28 percent to 12 percent, increase the free percentage from the present 72 percent to 88 percent, and reduce the withholding factor from the present 38.9 percent to 13.6 percent. The Committee is established under, and its recommendations are made pursuant to, the marketing agreement, as amended, and Order No. 987, as amended (7 CFR Part 987; 32 F.R. 12594), regulating the handling of domestic dates produced or packed in a designated area of California, effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674).

The present percentages for marketable Zahidi dates were based on an estimated total supply of such dates subject to regulation of 2.08 million pounds. This total included the 1967–68 production of such dates then estimated to be 1.517 million pounds, and the reported handler carryover on July 31, 1967, of uncertified marketable dates of 0.563 million pounds. The marketable production is now estimated to be 1.479 million pounds, and the carryover is reported (as corrected) to be 0.238 million pounds. The total supply subject to regulation, therefore, is presently estimated to be 1.717 million pounds, a reduction of 0.363 million pounds.

The estimated requirements for free Zahidi dates are unchanged, and total approximately 1.505 million pounds (estimated trade demand of 1.2 million pounds and handler carryover for July 31, 1968, of about 0.305 million pounds). The present supply of marketable Zahidi dates subject to regulation of 1.717 million pounds and the requirements for free dates of 1.505 million pounds require a free percentage of 88 percent.

After consideration of all relevant matter presented, including that in the notice issued in connection with the designation of the free and restricted percentages and the withholding factors for the 1967–68 crop year, the information and recommendation submitted by the Committee, and other available information, it is found that to revise § 987.215 (32 F.R. 11847) so as to change for Zahidi dates, the free and restricted percentages and the withholding factor, as set forth below, will tend to effectuate the declared policy of the act.

§ 987.215 Free and restricted percentages, and withholding factors.[1]

The various free percentages, restricted percentages, and withholding factors applicable to marketable dates of each variety shall be, for the crop year beginning August 1, 1967, and ending July 31, 1968, as follows: (a) Deglet Noor variety dates: Free percentage, 65 percent; restricted percentage, 35 percent; and withholding factor, 53.8 percent; (b) Zahidi variety dates: Free percentage, 88 percent; restricted percentage, 12 percent; and withholding factor, 13.6 percent; (c) Halawy variety dates: Free percentage, 100.0 percent; restricted percentage, 0.0 percent; and withholding factor, 0.0 percent; and (d) Khadrawy variety dates: Free percentage, 100.0 percent; restricted percentage, 0.0 percent; and withholding factor, 0.0 percent.

It is further found that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice of this specific action and engage in public rule making procedure, and that good cause exists for not postponing the effective time of this action until 30 days after publication in the FEDERAL REGISTER (5 U.S.C. 553) in that: (1) Under this marketing program, the percentages and withholding factors designated for a particular crop year, and any revisions thereof, shall be applicable to all marketable dates certified during the entire crop year; (2) the current crop year began August 1, 1967, and the revised percentages and withholding factor designated herein will automatically apply to all marketable dates certified on or after that date; (3) this action relieves restrictions and must be taken promptly to achieve its purpose; and (4) handlers are aware of this action as recommended by the Committee and require no advance notice.

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

Dated: December 15, 1967.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division.

[F.R. Doc. 67-14747; Filed, Dec. 19, 1967; 8:48 a.m.]

[1] The Date Administrative Committee included no countries other than the United States and Canada in its determination of trade demand.

Chapter XIV—Commodity Credit Corporation, Department of Agriculture

SUBCHAPTER B—LOANS, PURCHASES AND OTHER OPERATIONS

[Cotton Loan Program Regs., Amdt. 8]

PART 1427—COTTON

Subpart—Cotton Loan Program Regulations

WAREHOUSEMAN SIGNATURES ON WAREHOUSE RECEIPTS

In order to remove the requirement that warehouse receipts can only be signed with a machine or rubber-stamp facsimile signature upon authorization by Commodity Credit Corporation, § 1427.1369 of the regulations issued by Commodity Credit Corporation published in 30 F.R. 8096, 15795, 31 F.R. 4389, 9791, 32 F.R. 5671, 6969, 9302, and 14548 as Cotton Loan Program Regulations and containing terms and conditions with respect to the Cotton Loan Program, is hereby amended to read as follows:

§ 1427.1369 Warehouse receipt and insurance.

Producers may obtain loans on warehouse receipts only if they are negotiable machine card-type warehouse receipts, are issued by approved warehouses, provide for delivery of the cotton to bearer or are properly assigned by endorsement in blank so as to vest title in the holder of the receipt, and otherwise are acceptable to CCC. The warehouse receipt must contain the tag number (warehouse receipt number) and the gin bale number, must show that the cotton is covered by fire insurance, and must be dated on or prior to the date the producer signs the note. Open yard endorsement, if any, on the warehouse receipt must have been rescinded with the legend "open yard disclaimer deleted" with appropriate signature of the warehouseman or his authorized representative. Each receipt must set out in its written or printed terms a description by tag number and gross weight of the bale represented thereby, including bagging weight allowance, if any, for bales of upland cotton as specified in § 1427.1359(a). Each warehouse receipt issued for extra long staple cotton must also show the tare weight and net weight of the bale. A warehouse receipt reflecting an alteration in the weight of the bale will not be accepted by CCC unless it bears, on the face of the receipt, the following legend or similar

wording approved by CCC, duly executed by the warehouseman or his authorized representative:

Corrected weight _____

_____
(Name of warehouse)

BY
By _____
Date _____

Alterations in other inserted data on the receipt must be initialed by the warehouseman or his authorized representative. If warehouse storage charges have been paid, the receipt must be stamped or otherwise noted to show the date through which the storage charges have been paid. If warehouse receiving charges have been paid, the receipt must be stamped or otherwise noted to show such fact. If the warehouse receipt does not show that warehouse receiving charges have been paid, the amount of the loan will be reduced by the amount specified in the warehouseman's tariff for receiving charges. In such cases, the receiving charges will be paid to the warehouseman by CCC after loan maturity if the cotton is not redeemed from the loan, at time of shipment if the cotton is ordered shipped by CCC while in loan status, or after the cotton is destroyed by fire if the cotton is destroyed by fire while in loan status. If the bale was received by rail, the code number of the railroad must be entered on the receipt. If the bale has been compressed to standard density, the warehouse receipt must be stamped or otherwise noted to show whether the bale was compressed to standard density at a warehouse or to gin standard density at a gin. If the compression charge has been paid, the receipt must also be stamped or otherwise noted to show such fact. Each receipt must show the type of bagging used to wrap the bale. Block warehouse receipts will not be accepted except on cotton to be reconcentrated pursuant to § 1427.-1371.

(Secs. 4, 5, 62 Stat. 1070, as amended; secs. 101, 103, 401, 63 Stat. 1051, as amended; 15 U.S.C. 714 b and c; 7 U.S.C. 1441, 1444, 1421)

Effective date: This amendment shall become effective upon filing with the Office of the Federal Register for publication.

Signed at Washington, D.C., on December 14, 1967.

E. A. JAENKE,
Acting Executive Vice President, Commodity Credit Corporation.

[F.R. Doc. 67-14716; Filed, Dec. 19, 1967; 8:46 a.m.]

Title 9—ANIMALS AND ANIMAL PRODUCTS

Chapter I—Agricultural Research Service, Department of Agriculture

CLEANING AND DISINFECTING REQUIREMENTS

Pursuant to the provisions of the Act of May 29, 1884, as amended, the Act of February 2, 1903, as amended, the Act of March 3, 1905, as amended, the Act of May 31, 1920, the Act of September 6, 1961, and the Act of July 2, 1962 (21 U.S.C. 111–113, 114, 114a–1, 114g, 115, 116, 117, 120, 121, 123–126, 134b, 134f), the provisions of Parts 71, 76, 79, 95, and 96, Subchapters C and D, Chapter I, Code of Federal Regulations, are hereby amended in the following respects:

SUBCHAPTER C—INTERSTATE TRANSPORTATION OF ANIMALS AND POULTRY

PART 71—GENERAL PROVISIONS

1. New subparagraphs (4) and (5) are added to § 71.10(a) of Part 71 to read as follows:

§ 71.10 Substances or materials allowed as permitted disinfectants.

(a) * * *

(4) Sodium hydroxide (Lye) prepared in a fresh solution in the proportion of not less than 1 pound avoirdupois of sodium hydroxide of not less than 95 percent purity to 6 gallons of water, or one 13½ ounce can to 5 gallons of water. Due to the extreme caustic nature of sodium hydroxide solution, precautionary measures such as the wearing of rubber gloves, boots, raincoat, and goggles should be observed. An acid solution such as vinegar shall be kept readily available in case any of the sodium hydroxide solution should come in contact with the body.

(5) General disinfectants which have been registered with the Pesticides Regulation Division of the Agricultural Research Service, U.S. Department of Agriculture, and which have been shown to be tuberculocidal, may be used at a dilution which is imprinted on the label. Products not already tested for their tuberculocidal properties may be used after test and certification to the Pesticides Regulation Division by the manufacturer or distributor. Disinfectants which fall in this category are not permitted for use in outbreaks of foreign animal diseases.

* * * * *

PART 76—HOG CHOLERA AND OTHER COMMUNICABLE SWINE DISEASES

2. Section 76.33(a) of Part 76 is amended to read as follows:

§ 76.33 Disinfectants to be used.

* * * * *

(a) Sodium hydroxide (Lye) prepared in a fresh solution in the proportion of not less than 1 pound avoirdupois of sodium hydroxide of not less than 95 percent purity to 6 gallons of water, or one 13½ ounce can to 5 gallons of water. Due to the extreme caustic nature of sodium hydroxide solution, precautionary measures such as the wearing of rubber gloves, boots, raincoat, and goggles should be observed. An acid solution such as vinegar shall be kept readily available in case any of the sodium hydroxide solution should come in contact with the body.

* * * * *

PART 79—SCRAPIE IN SHEEP

3. Section 79.5 of Part 79 is amended to read as follows:

§ 79.5 Disinfection of facilities.

Railroad cars, trucks, boats, aircraft and other means of conveyance, and all other facilities, including facilities for feeding, watering, and resting sheep, which are used in connection with the interstate movement of sheep from a quarantined area shall be thoroughly cleaned and disinfected immediately after each such use. Sodium hydroxide (Lye) prepared in a fresh solution in the proportion of not less than 1 pound avoirdupois of sodium hydroxide of not less than 95 percent purity to 6 gallons of water, or one 13½ ounce can to 5 gallons of water,[1] or sodium carbonate (soda ash) at the rate of 1 pound to 3 gallons of water, shall be used in such disinfection.

Subchapter D—Exportation and Importation of Animals and Animal Products

PART 95—SANITARY CONTROL OF ANIMAL BYPRODUCTS (EXCEPT CASINGS), AND HAY AND STRAW

4. The heading, introductory paragraph, and paragraphs (b) and (c) of § 95.26 of Part 95 are amended to read as follows:

§ 95.26 Railroad cars, trucks, boats, aircraft and other means of conveyance, equipment or containers, yards, and premises; cleaning and disinfection.

Railroad cars, trucks, boats, aircraft and other means of conveyance, equipment or containers, yards, and premises which have been used in the transportation, handling, or storing of restricted import products or materials, other than those contained in leak proof cases or casks, shall be cleaned and disinfected with a disinfectant approved for use in this part under the supervision of the division at the time and in the manner provided in this section. Except as provided in paragraph (a) of this section, such railroad cars, trucks, boats, aircraft and other means of conveyance, equipment or containers, shall not be moved in interstate or foreign commerce until they have been so treated.

(a) * * *

(b) *Methods of cleaning and disinfecting.* (1) Railroad cars, trucks, aircraft and means of conveyance other than boats, equipment or containers, required by this part to be cleaned and disinfected shall be treated in the following manner: Collect all litter and other refuse therefrom and destroy by burning or other approved method, clean the exterior and interior of the cars or trucks,

[1] Due to the extreme caustic nature of sodium hydroxide solution, precautionary measures such as the wearing of rubber gloves, boots, raincoat, and goggles should be observed. An acid solution such as vinegar shall be kept readily available in case any of the sodium hydroxide solution should come in contact with the body.

and the areas of the aircraft or other means of conveyance, equipment or containers that may have been contaminated, and saturate the entire surface with a permitted disinfectant approved for use in this part.

(2) Boats required by this part to be cleaned and disinfected shall be treated in the following manner: Collect all litter and other refuse from the decks, compartments, and all other parts of the boat used for the transportation of the products or materials covered by this part, and from the portable chutes or other appliances, fixtures or areas used in loading and unloading same, and destroy the litter and other refuse by burning or by other approved methods, and saturate the entire surface of the said decks, compartments, and other parts of the boat with a permitted disinfectant approved for use in this part.

(3) Buildings, sheds, and premises required by this part to be disinfected shall be treated in the following manner: Collect all litter and other refuse therefrom and destroy the same by burning or other approved methods, and saturate the entire surface of the fencing, chutes, floors, walls, and other parts with a permitted disinfectant approved for use in this part.

(c) *Permitted disinfectants.* The disinfectants permitted for use in disinfecting railroad cars, trucks, boats, aircraft and other means of conveyance, equipment or containers, yards, and premises against infection of foot-and-mouth disease and rinderpest are freshly prepared solutions of:

(1) Sodium carbonate (4 percent) in the proportion of 1 pound to 3 gallons of water.

(2) Sodium carbonate (4 percent) plus sodium silicate (0.1 percent) in the proportion of 1 pound of sodium carbonate plus sodium silicate to 3 gallons of water.

(3) Sodium hydroxide (Lye) prepared in a fresh solution in the proportion of not less than 1 pound avoirdupois of sodium hydroxide of not less than 95 percent purity to 6 gallons of water, or one 13½-ounce can to 5 gallons of water.[1]

* * * * *

PART 96—RESTRICTION OF IMPORTATIONS OF FOREIGN ANIMAL CASINGS OFFERED FOR ENTRY INTO UNITED STATES

5. Section 96.9(a)(1) is amended to read as follows:

§ 96.9 Uncertified casings; transportation for disinfection; original shipping containers; disposition of salt.

(a) * * *

(1) Sodium hydroxide (Lye) prepared in a fresh solution in the proportion of not less than 1 pound avoirdupois of sodium hydroxide of not less than 95 percent purity to 6 gallons of water, or one 13½-ounce can to 5 gallons of water.[1]

* * * * *

(Secs. 4, 5, 23 Stat. 32, as amended, secs. 1, 2, 32 Stat. 791–792, as amended, sec. 3, 33 Stat. 1265, as amended, 41 Stat. 699, sec. 2, 65 Stat. 693, 75 Stat. 481, 76 Stat. 130; 21 U.S.C. 111–113, 114a–1, 114g, 116, 120, 121, 123–126, 134b, 134f; 29 F.R. 16210, as amended)

The purpose of the foregoing amendment is to update the regulations contained in 9 CFR, § 71.10, § 76.33, § 79.5, § 95.26, and § 96.9(a)(1), by: (1) revising the list of substances or materials allowed as permitted disinfectants under § 71.10; (2) adding aircraft and other means of conveyance to § 95.26 bringing this section into conformity with modern means of transportation; and (3) revising § 71.10, § 76.33, § 79.5, § 95.26, and § 96.9(a)(1) to make uniform the regulations and instructions contained in these parts, which are applicable to the use of certain approved disinfectants. Accordingly, under the administrative procedure provisions of 5 U.S.C. 553, it is found upon good cause that notice and other public procedure with respect to the foregoing amendment are impracticable and contrary to the public interest and good cause is found for making the amendment effective less than 30 days after publication in the FEDERAL REGISTER.

Effective date. The foregoing amendment shall become effective upon publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 14th day of December 1967.

R. J. ANDERSON,
Acting Administrator,
Agricultural Research Service.

[F.R. Doc. 67–14745; Filed, Dec. 19, 1967; 8:48 a.m.]

[1] Due to the extreme caustic nature of sodium hydroxide solution, and of sodium carbonate solution to a lesser degree, precautionary measures such as the wearing of rubber gloves, boots, raincoat and goggles should be observed. An acid solution such as vinegar shall be kept readily available in case any of the sodium hydroxide solution should come in contact with the body.

[1] Due to the extreme caustic nature of sodium hydroxide solution, precautionary measures such as the wearing of rubber gloves, boots, raincoat and goggles should be observed. An acid solution such as vinegar shall be kept readily available in case any of the sodium hydroxide solution should come in contact with the body.

SUBCHAPTER G—ANIMAL BREEDS

PART 151—RECOGNITION OF BREEDS AND BOOKS OF RECORD OF PUREBRED ANIMALS

Recognized Breeds and Books of Record

Pursuant to the provisions of Item 100.01 of Title I of the Tariff Act of 1930, as amended (19 U.S.C. 1202, Item 100.01), § 151.9 of Part 151, Title 9, Code of Federal Regulations, is hereby amended to recognize the additional breeds of animals and books of record as follows:

1. The chart in § 151.9(a) is amended by inserting the following in alphabetical order under the respective headings:

CATTLE

Code	Name of breed	Book of record	By whom published
1112	Aberdeen-Angus	New Zealand Aberdeen-Angus Herd Book.	New Zealand Aberdeen-Angus Cattle Breeders' Association, Post Office Box 83, Hastings, New Zealand.

HORSES

2233	Thoroughbred	Allgemeines deutsches Gestutbuch fur Vollblut.	Direktorium fur Vollblutzucht und Rennen, 6 Cologne Weidenpesch, Rennbahnstrasse 100, Postfach 180, Republic of Germany.
2234	do	Stud Book Uruguayo	Jefe del Stud Book Uruguayo, Jose C. Frigerio, Head, Uruguayan Jockey Club, Montevideo, Uruguay.

SHEEP

4218	Southdown	Southdown Sheep Society of New Zealand (Inc.).	The Southdown Sheep Society of New Zealand (Inc.), S.I. McKenzie, Secretary, A.M.P. Chambers, 14 Broadway, Palmerston North, New Zealand.

2. The chart in § 151.9(b) listing the recognized breeds and books of record in Canada is amended by inserting the word "Lacombe" in the proper alphabetical sequence in the column headed "Swine".

(Section 101, 76 Stat. 72, Item 100.01, Title I, Tariff Act of 1930, as amended; 19 U.S.C. 1202, Item 100.01; 29 F.R. 16210)

The amendment recognizes the Thoroughbred breed of horses listed in the Allgemeines deutsches Gestutbuch fur Vollblut and the Stud Book Uruguayo; the Aberdeen-Angus breed of cattle listed in the New Zealand Aberdeen-Angus Herd Book; the Southdown breed of sheep listed in the Southdown Sheep Society of New Zealand (Inc.); and the Lacombe breed of swine listed in the Canadian National Record of Swine.

The effect of the amendment is to provide for duty-free entry of certain purebred animals and, in order to be of maximum benefit to persons desiring to import such animals, the amendment should be made effective as soon as possible. Therefore, under the administrative procedure provisions in 5 U.S.C. 553, it is found upon good cause that notice of rule-making and other public procedure on the amendment are impracticable and unnecessary, and the amendment may be effective less than 30

days after publication in the FEDERAL REGISTER.

The foregoing amendment shall become effective upon publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 14th day of December 1967.

R. J. ANDERSON,
Acting Administrator,
Agricultural Research Service.

[F.R. Doc. 67-14746; Filed, Dec. 19, 1967; 8:48 a.m.]

Title 12—BANKS AND BANKING

Chapter II—Federal Reserve System

SUBCHAPTER A—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

PART 265—RULES REGARDING DELEGATION OF AUTHORITY

Division of Examinations; Specific Functions

1. Effective immediately, § 265.2(c) is amended by adding subparagraph (10) as follows:

§ 265.2 Specific functions delegated.

* * * * *

(c) The Director of the Division of Examinations (or, in his absence, the Acting Director) is authorized:

* * * * *

(10) To exercise the functions described in subparagraphs (1), (2), (4), and (7) of paragraph (f) of this section in cases in which the conditions specified in such subparagraphs as prerequisites to exercise of such functions by the Federal Reserve Banks are not present or in which, even though such conditions are present, the appropriate Federal Reserve Bank considers that nevertheless it should not take action on the member bank's request.

* * * * *

2a. This amendment is promulgated pursuant to and in accordance with the provisions of section 11(k) of the Federal Reserve Act (12 U.S.C. 248(k)). It is designed to provide a more expeditious means for performance of the Board's functions relating to a State member bank (1) establishing domestic branches, (2) declaring dividends in excess of net profits, (3) reducing its capital stock, and (4) investing in bank premises in an amount in excess of its capital stock. It is believed that the amendment will improve the Board's overall efficiency in fulfilling its statutory responsibilities.

b. The provisions of section 553 of Title 5, United States Code, relating to notice and public participation and to deferred effective dates, were not followed in connection with the adoption of this amendment, because such amendment is procedural in nature and accordingly does not constitute substantive rules subject to the requirements of such section.

Dated at Washington, D.C., this 22d day of November 1967.

By order of the Board of Governors.

[SEAL] MERRITT SHERMAN,
Secretary.

[F.R. Doc. 67-14708; Filed, Dec. 19, 1967; 8:45 a.m.]

Title 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs, Department of the Treasury

[T.D. 68-2]

PART 16—LIQUIDATION OF DUTIES

Sugar Content of Certain Articles From Australia

DECEMBER 12, 1967.

The Treasury Department is in receipt of official information that the rates of bounties or grants paid or bestowed by the Australian Government within the meaning of section 303, Tariff Act of 1930 (19 U.S.C. 1303), on the exportation during the month of November 1967, of approved fruit products and other approved products containing sugar amounts to Australian $113.50 per 2,240 pounds of sugar content.

The net amount of bounties or grants on the above-described commodities which are manufactured or produced in Australia is hereby ascertained, determined, and declared to be Australian $113.50 per 2,240 pounds of sugar content. Additional duties on the above-described commodities, except those commodities covered by T.D. 55716 (27 F.R. 9595), whether imported directly or indirectly from that country, equal to the net amount of the bounty shown above shall be assessed and collected.

In view of the change in the periods to be covered by countervailing duty orders relating to the sugar content of certain articles from Australia, only the three last Treasury decisions publishing such orders will be listed at any one time in the table in § 16.24(f) of the Customs Regulations.

The table in § 16.24(f) of the Customs Regulations is amended by inserting after the last line under "Australia—Sugar content of certain articles" the number of this Treasury decision in the column headed "Treasury Decision" and the words "New rate" in the column headed "Action." The table in § 16.24(f) is further amended by deleting therefrom under "Australia—Sugar content of certain articles" the number 67-239 in the column headed "Treasury Decision" and the words "New rate" appearing opposite such number in the column headed "Action."

(R.S. 251, secs. 303, 624, 46 Stat. 687, 759; 19 U.S.C. 66, 1303, 1624)

[SEAL] LESTER D. JOHNSON,
Commissioner of Customs.

Approved: December 12, 1967.

TRUE DAVIS,
Assistant Secretary of the Treasury.

[F.R. Doc. 67-14748; Filed, Dec. 19, 1967; 8:48 a.m.]

Title 20—EMPLOYEES' BENEFITS

Chapter III—Social Security Administration, Department of Health, Education, and Welfare

[Regs. No. 4, further amended]

PART 404—FEDERAL OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE (1950—)

Subpart E—Deductions; Reductions; Nonpayments; Increases

1. This revision of Subpart E of Regulations No. 4 (20 CFR 404.1001 et seq.) reorganizes, expands, and updates the provisions relating to deductions from benefits, and to reduction, increase, and nonpayment of benefits. They reflect the current substantive policies and procedures that have been and are being applied by the Social Security Administration in implementing the Social Security Act, as amended to date.

Sec.

404.401 Modification in amount of benefits or lump-sum death payments.
404.402 Interrelationship of reductions, increases, deductions, adjustments, and nonpayment of benefits.
404.403 Reduction where total monthly benefits exceed maximum family benefits payable.
404.404 How reduction for maximum affects insured individual and other persons entitled on his earnings record.
404.405 Situations where total benefits can exceed maximum because of "savings clause."
404.406 Reduction for maximum because of retroactive effect of application for monthly benefits.
404.407 Reduction because of entitlement to other benefits.
404.408 Reduction of benefits based on disability on account of receipt of workmen's compensation.
404.409 Increase of benefit amount.
404.415 Deductions because of excess earnings; annual earnings test.
404.416 Amount of deduction because of excess earnings.
404.417 Deductions because of noncovered remunerative activity outside the United States; 7-day work test.
404.418 "Noncovered remunerative activity outside the United States," defined.

Sec.
404.420 Persons deemed entitled to benefits based on an individual's earnings record.
404.421 Deductions because beneficiary failed to have a child in her care.
404.422 Deductions because of refusal to accept rehabilitation services.
404.423 Manner of making deductions.
404.424 Total amount of deductions where more than one deduction event occurs in a month.
404.425 Total amount of deductions where deduction events occur in more than 1 month.
404.428 Earnings in a taxable year.
404.429 Earnings; defined.
404.432 Excess earnings; defined for taxable years ending after December 1965.
404.433 Excess earnings; defined for taxable years beginning after December 1960, or ending after June 1961—up to and including taxable years ending December 31, 1965.
404.434 Excess earnings; method of charging.
404.435 Excess earnings; months to which excess earnings cannot be charged.
404.436 Excess earnings; months to which excess earnings cannot be charged because individual is deemed not entitled to benefits.
404.437 Excess earnings; benefit rate subject to deductions because of excess earnings.
404.439 Partial monthly benefits; excess earnings of the individual charged against his benefits and the benefits of persons entitled (or deemed entitled) to benefits on his earnings record.
404.440 Partial monthly benefits; prorated share of partial payment exceeds the benefit before deduction for excess earnings.
404.441 Partial monthly benefits; insured individual and a person entitled (or deemed entitled) on his earnings record both have excess earnings.
404.444 Charging of earnings for taxable years beginning after 1954 and before 1961; and ending before July 1961.
404.446 Definition of "substantial services."
404.447 Evaluation of factors involved in substantial services test.
404.450 Required reports of work outside the United States or failure to have care of a child.
404.451 Penalty deductions for failure to report within prescribed time limit noncovered remunerative activity outside the United States or not having care of a child.
404.452 Reports to Administration of earnings; wages; net earnings from self-employment.
404.453 Penalty deductions for failure to timely report earnings.
404.454 Good cause for failure to make required reports.
404.454 Good cause for failure to make required reports.
404.455 Request by Administration of earnings reports; effect of failure to comply with request.
404.456 Current suspension of benefits because an individual works or engages in self-employment.
404.457 Deductions where taxes neither deducted from wages of certain maritime employees nor paid.
404.458 Limiting deductions where total family benefits payable would not be affected or would be only partly affected.
Sec.
404.460 Nonpayment of monthly benefits of aliens outside the United States for 6 months.
404.461 Nonpayment of lump sum after death of alien outside United States for 6 months.
404.462 Nonpayment of hospital and medical insurance benefits of alien outside United States for 6 months.
404.463 Nonpayment of benefits of aliens outside the United States; "foreign social insurance system," and "treaty obligation" exceptions defined.
404.464 Nonpayment of benefits where individual is deported; prohibition against payment of lump sum based on deported individual's earnings records.
404.465 Conviction for subversive activities; effect on monthly benefits and entitlement to hospital insurance benefits.
404.466 Conviction for subversive activities; effect on enrollment for supplementary medical insurance benefits.
404.467 Nonpayment of benefits; individual entitled to disability insurance benefits based on blindness is engaging in substantial gainful activity.

AUTHORITY: The provisions of this Subpart E issued under secs. 205 and 1102, 53 Stat. 1368, as amended, 49 Stat. 647, as amended; sec. 5 of Reorganization Plan No. 1 of 1953, 67 Stat. 18; 42 U.S.C. 405, 1302. Additional authority cited in parentheses following the sections affected.

§ 404.401 Modification in amount of monthly benefits or lump-sum death payments.

Under certain conditions the amount of a monthly insurance benefit (see §§ 404.377–404.380 for provisions concerning special payments at age 72) or the lump-sum death payment as calculated under the pertinent provisions of sections 202 and 223 of the Act (excluding reduction for age under section 202(q) of a monthly benefit) must be increased or decreased to determine the amount actually to be paid to a beneficiary. A modification in the amount of a monthly benefit or lump-sum death payment is required in the following instances:

(a) *Reductions.* A reduction of a person's monthly benefit is required where:

(1) The total amount of the monthly benefits payable on an earnings record exceeds the maximum that may be paid (see § 404.403);

(2) An application for monthly benefits is effective for a month during a retroactive period, and the maximum has already been paid for that month or would be exceeded if such benefit were paid for that month (see § 404.406);

(3) An individual is entitled to old-age or disability insurance benefits in addition to any other monthly benefit (see § 404.407);

(4) An individual under age 62 is entitled to disability insurance benefits and to certain periodic workmen's compensation payments after 1965 because of disability (see § 404.408); or

(5) An individual is entitled in a month to a widow's or widower's insurance benefit that is reduced under sections 202 (e)(4) or (f)(5) of the Act and to any other monthly insurance benefit other than an old-age insurance benefit (see § 404.407(b)).

(b) *Increases.* Increases are required (see section 215 of the Act with respect to recomputation or recalculation):

(1) To raise the benefit up to the minimum payable (see § 404.409); or

(2) If a benefit is not a multiple of 10 cents, to raise it to the next higher multiple of 10 cents (see § 404.409).

(c) *Deductions.* A deduction from a monthly benefit or a lump-sum death payment may be required because of:

(1) An individual's earnings or work (see §§ 404.415 and 404.417);

(2) Failure of certain beneficiaries receiving wife's or mother's insurance benefits to have a child in her care (see § 404.421);

(3) The earnings or work of an old-age insurance beneficiary where a wife, husband, or child is also entitled to benefits (see §§ 404.415 and 404.417);

(4) Failure to report within the prescribed period either certain work outside the United States or not having care of a child (see § 404.451);

(5) Failure to report within the prescribed period earnings from work in employment or self-employment (see § 404.453);

(6) Refusal to accept rehabilitation services in certain cases (see § 404.422); or

(7) Certain taxes were neither deducted from the wages of maritime employees nor paid to the Federal Government (see § 404.547).

(d) *Adjustments.* Adjustments may be required because an error has been made in payments to an individual (see Subpart F of this part).

(e) *Nonpayments.* Nonpayment of monthly benefits may be required because the individual is an alien who has been outside the United States for more than 6 months (see § 404.460), because the individual on whose earnings record entitlement is based has been deported (see § 404.464), or because the individual is engaged in substantial gainful activity while entitled to disability insurance benefits based on "statutory blindness" (see § 404.467).

(f) *Recalculations.* A reduction by recalculation of a benefit amount may be prescribed because an individual has been convicted of certain offenses (see § 404.465).

(g) *Suspensions.* Suspension of monthly benefits may be required pursuant to section 203(h)(3) of the Act (the Administration has information indicating that work deductions may reasonably be expected for the year), or pursuant to section 225 of the Act (the Administration has information indicating a beneficiary is no longer disabled).

§ 404.402 Interrelationship of reductions, increases, deductions, adjustments, and nonpayment of benefits.

(a) *Deductions, reductions—increases, adjustments.* Deductions because of earnings or work (see §§ 404.415 and

404.417), failure to have a child "in her care" (see § 404.421), refusal to accept rehabilitation services (see § 404.422), as a penalty (for failure to timely report noncovered work outside the United States, failure by a woman to report that she no longer has a child "in her care" or failure to timely report earnings—see §§ 404.451 and 404.453), or because of unpaid maritime taxes (see § 404.457), are made before making any reductions because of the "maximum" (see § 404.403), before any increase because of the benefit "rounding" provisions (see § 404.409), and, except for deductions imposed as a penalty (see §§ 404.451 and 404.453), before any adjustment necessary because an error has been made in the payment of benefits (see Subpart F). However, for purposes of charging excess earnings for taxable years beginning after December 1960, or ending after June 1961, see paragraph (b) of this section and § 404.437 for reductions that apply before such charging.

(b) *Reductions—increases, nonpayments.* Reduction because of the "maximum" (see § 404.403) is made before reduction because of simultaneous entitlement to old-age or disability insurance benefits and to other benefits (see § 404.407); before increases to round the benefit (see § 404.409); before adjustment necessary because an error has been made in the payment of benefits (see Subpart F); before reduction because of entitlement after 1965 to a periodic benefit under a workmen's compensation law or plan of the United States or a State (see § 404.408); before nonpayment of an individual's benefits because he is an alien living outside the United States for 6 months (see § 404.460), or because of deportation (see § 404.464), and also before the redetermination of the amount of benefit payable to an individual who has been convicted of certain offenses (see § 404.465). Reduction of benefits because of entitlement after 1965 to a periodic benefit under a workmen's compensation law or plan (see § 404.408) is made before deductions under section 203 of the Act relating to work (see §§ 404.415, 404.417, 404.451, and 404.453) and failure to have child in care (see §§ 404.421 and 404.451) and under section 222(b) of the Act on account of refusal to accept rehabilitation services (see § 404.422).

(c) *Alien outside the United States; deportation nonpayment—deduction.* If an individual is subject to nonpayment of a benefit for a month under § 404.460 or § 404.464, no deduction is made from his benefit for that month under § 404.415, § 404.417, or § 404.421, and no deduction is made because of that individual's work from the benefit of any person entitled or deemed entitled to benefits under § 404.420, on his earnings record, for that month.

(d) *Order of priority—deductions and other withholding provisions.* Deductions and other withholding provisions are applied in accordance with the following order of priority:

(1) Current nonpayments under §§ 404.460, 404.464, 404.465, and 404.467;

(2) Current deductions under §§ 404.417, 404.421, and 404.422;

(3) Current withholding of benefits under § 404.456;

(4) Unpaid maritime tax deductions (§ 404.457);

(5) Withholdings to recover overpayments (see Subpart F of this part);

(6) Penalty deductions under §§ 404.451 and 404.453.

§ 404.403 Reduction where total monthly benefits exceed maximum family benefits payable.

Where more than one individual is entitled to benefits for the same month on the same earnings record, a reduction in the total benefits payable for that month is required (except in cases involving a "savings clause"—see § 404.405) if the maximum family benefit, as described in the following paragraphs of this section, is exceeded:

(a) *Determining maximum for months after 1964.* Where more than one person is entitled to monthly benefits for the same month on the same earnings record and the total of such monthly benefits exceeds the amount appearing in column V of the table in section 215(a) of the Act on the line on which appears in column IV the primary insurance amount of the insured individual whose earnings record is the basis for the benefits payable, the total benefits for each month after 1964 are reduced to the amount appearing in column V; provided that when any of the persons entitled to benefits on such insured individual's earnings would, except for the limitation described in § 404.353(d), be entitled to child's insurance benefits on the basis of the earnings record of one or more other insured individuals, the total benefits payable may not be reduced to less than the smaller of $368 or the sum of the maximum amounts of benefits payable on the basis of the earnings records of all such insured individuals.

(b) *Determining maximum for months before 1965 and after 1958.* Where more than one person is entitled to monthly benefits for the same month on the same earnings record and the total of such monthly benefits exceeds the amount appearing in column V of the table in section 101 of the Social Security Amendments of 1958 on the line on which appears in column IV the primary insurance amount of the insured individual whose earnings record is the basis for the benefits payable, the total benefits for each month before 1965 and after 1958 are reduced to the amount appearing in column V; provided that when any of the persons entitled to benefits on such insured individual's earnings record would, except for the limitation described in § 404.353(d), be entitled to child's insurance benefits on the basis of the earnings of one or more other insured individuals, the total benefits payable may not be reduced to less than the smaller of $254, or the sum of the maximum amounts of benefits payable on the basis of the earnings records of all such insured individuals.

(c) *Determining maximum for months before 1959 and after August 1954.* (1) Whenever the total amount of benefits payable for a month after August 1954 and before 1959 on an individual's earnings record is more than $50 and exceeds the greater of one and one-half times the individual's primary insurance amount (see § 404.232), or 80 percent of the individual's average monthly wage (see § 404.237), the total benefits are reduced to the greater of 80 percent of his average monthly wage or one and one-half times his primary insurance amount, but in no case to less than $50 nor to any amount which exceeds $200: *Provided*, That when any of the persons entitled to benefits on the individual's earnings would, except for the limitation described in § 404.353(d), be entitled to child's insurance benefits on the earnings of one or more other insured individuals, the total benefits payable may not be reduced to less than the lower of either $200 or 80 percent of the sum of the average monthly wages of all such insured individuals.

(2) Where, based upon applications filed before September 1954, two or more persons are entitled to benefits for August 1954 upon the earnings record of a deceased individual and the total benefits to which all such persons are entitled, based upon such deceased individual's earnings record, for subsequent months would be reduced by reason of this paragraph, such deceased's average monthly wage for the purpose of determining the maximum amount payable is the larger of his average monthly wage determined as described in § 404.237 or his average monthly wage determined as described in § 404.205 plus $7.

(d) *Determining maximum for months before September 1954 and after August 1952.* Whenever the total amount of benefits payable for a month after August 1952 and before September 1954 on an individual's earnings record exceeds $168.75, or is more than $45 and exceeds 80 percent of the insured individual's average monthly wage (see § 404.205), such total benefits are reduced to the lesser of $168.75 or 80 percent of the insured individual's average monthly wage, but in no case to less than $45: *Provided*, That when any of the persons entitled to benefits on such individual's earnings would, except for the limitation described in § 404.353(d), be entitled to child's insurance benefits on the earnings of one or more other insured individuals, such total benefits are reduced to the lesser of $168.75, or 80 percent of the sum of the average monthly wages of all such insured individuals, but in no case to less than $45.

§ 404.404 How reduction for maximum affects insured individual and other persons entitled on his earnings record.

If a reduction of monthly benefits is required under the provisions of § 404.403, the monthly benefit amount of each of the persons entitled to monthly benefits on the same earnings record (with the exception of the individual entitled to old-age or disability insurance benefits) is proportionately reduced so that the total benefits that can be paid in 1 month

(including an amount equal to the primary insurance amount of the old-age or disability insurance beneficiary, when applicable) does not exceed the maximum family benefit (except as provided in § 404.405 where various savings clause provisions are described).

§ 404.405 Situations where total benefits can exceed maximum because of "savings clause."

The following provisions are "savings clauses" and describe exceptions to the rules concerning the maximum amount payable on an individual's earnings record in a month as described in § 404.403. The effect of a "savings clause" is to avoid lowering benefit amounts or to guarantee minimum increases to certain persons entitled on the earnings record of the insured individual when a statutory change has been made that would otherwise disadvantage them. The reduction described in § 404.403 does not apply in the following instances:

(a) *Months after August 1954.* The reduction described in § 404.403(c) does not apply where:

(1) An insured individual was entitled to old-age insurance benefits for August 1954, and one or more other persons were also entitled to benefits for August 1954 on such individual's earnings record, and all such benefits (including the old-age insurance benefit) were based on applications filed prior to September 1954; and

(2) The total benefits payable to such other persons for any month after August 1954 (and during which the individual was entitled to an old-age insurance benefit) would be reduced to an amount lower than the total of such benefits to which such other persons were entitled for August 1954, due to the increase in the insured individual's primary insurance amount resulting from the Social Security Amendments of 1954 and by application of the reduction described in § 404.403(c). Under these circumstances the maximum amount payable on the insured individual's earnings record for such month after August 1954, is the larger of:

(i) The total benefits payable to such persons for August 1954 after the reduction described in § 404.403(d), plus the amount by which the insured individual's old-age insurance benefit was increased for months after August 1954 by reason of the Social Security Amendments of 1954, or

(ii) The maximum amount payable for August 1954, plus the excess of the amount of the old-age insurance benefit for August 1954 (computed as though the increase by the Social Security Amendments of 1954 (see § 404.230) were applicable for that month), over the actual amount of the old-age insurance benefit for such month.

(b) *Months after August 1957.* (1) The reduction described in § 404.403(c) does not apply where:

(i) Based on application filed prior to September 1957, one or more persons were entitled to parent's insurance benefits for August 1957 on the basis of a deceased individual's earnings record, and

(ii) A person becomes entitled to a widow's, widower's, or mother's insurance benefit for any subsequent month based on such deceased individual's earnings, and

(iii) The total of the benefits to which all persons are entitled for such subsequent month on the basis of such earnings record is decreased under the reduction provisions described in § 404.403(c).

(2) Under the circumstances described in subparagraph (1) of this paragraph, the amount of the benefit to which each person referred to in subdivisions (i) or (ii) of subparagraph (1) of this paragraph is entitled for such subsequent month is increased, after the application of the provisions described in § 404.403(c), as follows:

(i) In the case of a parent's insurance benefit, to the amount it would have been if the person entitled to a widow's, widower's, or mother's insurance benefit were not entitled to such benefit;

(ii) In the case of a widow's, widower's, or mother's insurance benefit, to the amount it would have been if no person were entitled to a parent's insurance benefit for such subsequent month.

(c) *Months after August 1958.* The reduction described in § 404.403(c) does not apply where:

(1) Based on applications filed prior to September 1958, one or more persons were entitled to benefits for August 1958 on the basis of the earnings record of an insured individual; and

(2) Only because of the provisions of the Social Security Amendments of 1958, a person is entitled to a parent's insurance benefit for any month after August 1958 based on such insured individual's earnings record; and

(3) The total of the benefits to which all such persons are entitled for such subsequent month on such deceased insured individual's earnings record are reduced by reason of the reduction described in § 404.403(b) or § 404.403(c). In this case the amount of the benefit to which each person described in subparagraph (1) of this paragraph is entitled for such subsequent month is increased, after the reduction described in § 404.403(c), to the amount it would be if no person referred to in subparagraph (2) of this paragraph were entitled to such parent's insurance benefit for such subsequent month.

(d) *Months after December 1958.* The reduction described in § 404.403(b) does not apply:

(1) When any person is entitled to monthly benefits for December 1958 on the basis of an application filed before January 1959 and the primary insurance amount of the individual upon whose earnings record benefits are based is determined under the provisions of section 215(a)(2) of the Act as it read before the Social Security Amendments of 1965 and the maximum amount payable, as determined by the reduction described in § 404.403(b), is less than that which would be payable as determined under the reduction described in § 404.403(c) or the amount determined under paragraph (a) of this section, if applicable, plus the excess of the primary insurance amount of the insured individual, appearing in column IV of the table appearing in section 101 of the Social Security Amendments of 1958, over his primary insurance amount as determined under the provisions of section 101(c) of the Social Security Amendments of 1958. Under these circumstances the maximum amount payable for a month on the individual's earnings is the higher amount specified in the preceding sentence.

(2) Where a person is entitled to monthly benefits based on the earnings record of an insured individual with respect to whom a period of disability began before January 1959 and continued until January 1959, or a later month, when such individual became entitled to old-age or disability insurance benefits, or died, whichever first occurred, and the primary insurance amount of the insured individual is not less than $68. In this case, the total of such benefits shall not be reduced to less than the smaller of:

(i) $254, or

(ii) The amount in column V of the table in section 101 of the Social Security Amendments of 1958 on the same line on which the insured individual's primary insurance amount appears in column IV of such table, plus the difference between such primary insurance amount and the smaller amount appearing on the same line in column II of such table.

(e) *Months after August 1960.* Where:

(1) Based on application filed prior to September 1960, one or more persons are entitled to monthly benefits for August 1960 based upon the earnings record of an insured individual, and

(2) Any person is entitled, on the basis of the insured individual's earnings, to wife's, husband's, child's, widow's, widower's, or mother's insurance benefits for any month after August 1960 and such person would not be entitled to such benefits except for the provisions of section 216(h)(1)(B), section 216(h)(2)(B), and the last sentence of section 216(e) of the Act, and

(3) The total of the monthly benefits to which all persons are entitled for such month, on the basis of the individual's earnings records for such month after August 1960, would be reduced by reason of the reduction described in § 404.403(b), the amount of the benefit to which each person referred to in subparagraph (1) of this paragraph is entitled for a month after August 1960 shall not, after the reduction described in § 404.403(b), be less than the amount it would have been (determined without regard to subparagraph (2) of paragraph (f) of this section) if no person referred to in subparagraph (2) of this paragraph was entitled to a benefit described therein for such month after August 1960. The amount of the benefit to which each person referred to in subparagraph (2) of this paragraph is entitled shall be determined under the reduction de-

scribed in § 404.403(b) taking into account the benefits payable for such subsequent month to all persons entitled to benefits on the individual's earnings record, including the insured individual himself.

(f) *Months after October 1960.* The reduction described in § 404.403(b) shall not apply to benefits for months after October 1960 in the following cases:

(1) *Prior disability period established.* Where the insured individual became entitled to old-age or disability insurance benefits based on an application filed after October 1960 and before August 1965, or if such individual died prior to becoming so entitled and no person was, based on an application filed prior to November 1960, entitled to monthly benefits for October 1960 or any earlier month, then the reduction described in § 404.403(b) shall not apply:

(i) If a period of disability began for such individual prior to January, 1959, and

(ii) Such period of disability continued until the insured individual became entitled to disability or old-age insurance benefits, or died, whichever occurred first, and

(iii) The primary insurance amount of such insured individual is determined under the provisions of section 215(a)(1) or (3) of the Act, and is $66 or more but less than $97.

Under these circumstances, the total of the benefits payable on the earnings record of the insured individual shall not be reduced to less than the amount in column II of the following table appearing on the same line on which the insured individual's primary insurance amount is shown in column I:

I PIA	II Maximum	I PIA	II Maximum
$66	$99.10	82	160.20
67	102.40	83	163.40
68	106.50	84	167.50
69	110.50	85	171.60
70	113.80	86	174.80
71	117.90	87	178.90
72	121.90	88	183.00
73	125.20	89	186.20
74	129.30	90	190.30
75	133.30	91	194.40
76	136.60	92	197.60
77	140.70	93	201.70
78	144.70	94	205.80
79	148.00	95	206.60
80	152.10	96	206.60
81	156.10		

(2) *Cases in which child's insurance benefit rate increased under 1960 amendments.* Where:

(i) Based on applications filed prior to December 1960, one or more persons were entitled upon the earnings record of a deceased individual to monthly benefits for November 1960 (but not including any person who became so entitled by reason of the provisions of section 216(h)(1)(B), section 216(h)(2)(B), and the last sentence of section 216(e) of the Act, as amended by the Social Security Amendments of 1960), and

(ii) No person (other than those persons referred to in subdivision (i) of this subparagraph and those persons entitled to child's, widow's, widower's, or mother's insurance benefits only by reason of the above cited provisions of the Act) is entitled, based on the deceased individual's earnings record, to benefits for any subsequent month (or for any month after November 1960 and prior to such subsequent month), and

(iii) The total of the benefits to which all persons referred to in clause (i) are entitled for such subsequent month on the basis of the deceased individual's earnings record, exceeds the maximum described in § 404.403(b) then, the amount of the benefit of such person referred to in subdivision (i) of this subparagraph shall be determined as follows:

(*a*) In the case of a person entitled to widow's, widower's, mother's, or parent's insurance benefits, as though the child's insurance benefit rate had not been increased and the provisions of section 216(h)(1)(B), section 216(h)(2)(B), and the last sentence of section 216(e) of the Act were not effective, and

(*b*) In the case of a person entitled to child's insurance benefits, as though no person is entitled to widow's, widower's, mother's, or parent's insurance benefits for such subsequent month and as though the maximum payable is the amount as determined under section 203(a) of the Act, as amended by the 1960 amendments, less the amount of each person's benefit for such month determined pursuant to (*a*) of this subparagraph.

(g) *Months after July 1961.* The reduction described in § 404.403(b) shall not apply where:

(1) Based on applications filed before August 1961, two or more persons were entitled to monthly benefits for July 1961, based on the earnings record of a deceased individual, and one or more of such persons is entitled to a widow's, widower's, or parent's insurance benefit for July 1961; and

(2) No person, other than the persons referred to in subparagraph (1) of this paragraph, is entitled to monthly benefits on the basis of such deceased individual's earnings record for a subsequent month or for any month after July 1961 and before such subsequent month; and

(3) The total of the benefits to which all persons are entitled for such subsequent month on the basis of the deceased individual's earnings record is to be reduced by reason of the reduction described in § 404.403(b). The amount of the benefit to which each person referred to in subparagraph (1) of this paragraph is entitled for such subsequent month, shall be determined without regard to the increase, for months after July 1961, in the benefit rate for widow's, widower's, or parent's insurance benefits to 82½ percent of the deceased individual's primary insurance amount if, after the application of the provisions occasioning such increase, such person's benefit for such month is less than the amount of such benefit for July 1961.

(h) *Months after 1964.* The reduction described in § 404.403(a) does not apply where two or more persons filed application before August 1965 and were entitled to monthly benefits for any month after December 1964 and before August 1965. In such a case, the maximum family benefit on the insured individual's earnings record, for any month after December 1964 may not be less than the larger of:

(1) The maximum family benefit for that month determined under the table in section 215(a) of the Act, or

(2) (i) For months after December 1964 and before August 1965, the total obtained by multiplying each benefit, after reduction for the maximum (and before deduction or reduction for age) as in effect before enactment of the Social Security Amendments of 1965, for each person other than a person entitled to benefits based on full-time school attendance) for that month, by 107 percent and raising each such increased amount, if it is not a multiple of 10 cents, to the next higher multiple of 10 cents.

(ii) For months after July 1965, the total obtained by multiplying each benefit, after reduction for the maximum (and before deduction or reduction for age) as in effect before enactment of the Social Security Amendments of 1965, for each person (other than a person entitled to benefits based on full-time school attendance) for the month of July 1965, by 107 percent and raising each such increased amount, if it is not a multiple of 10 cents, to the next higher multiple of 10 cents. The amount determined to be the maximum family benefit for July 1965 is the maximum payable for months thereafter, without regard to subsequent entitlement (or termination) of persons to benefits on the individual's earnings record.

(i) *Benefits of divorced wife or surviving divorced wife for months after August 1965.* Where a woman is entitled to monthly benefits as a divorced wife or as a surviving divorced wife for a month after August 1965, the benefit to which she is entitled on the earnings record of the insured individiual for such month is determined without regard to § 404.403(a), and the benefits of all other persons who are entitled for that month to monthly benefits on the earnings record of the insured individual are determined as if no such divorced wife or surviving divorced wife was entitled to benefits for that month.

§ 404.406 Reduction for maximum because of retroactive effect of application for monthly benefits.

Under the provisions described in § 404.403, beginning with the month in which a person files an application and becomes entitled to benefits on an insured individual's earnings record, the benefit rate of other persons entitled on the same earnings record (aside from the individual on whose earnings record entitlement is based) are adjusted downward, if necessary, so that the maximum benefits payable on one earnings record will not be exceeded. An application may also be effective (retroactively) for benefits for months before the month of filing (see § 404.607). For any month before the month of filing, however, benefits that have been previously certified by

the Administration for payment to other persons (on the same earnings record) are not changed. Rather, the benefit payment of the person filing the application in the later month is reduced for each month of the retroactive period to the extent that may be necessary, so that no earlier payment to some other person is made erroneous. This means that for each month of the retroactive period the amount payable to the person filing the later application is the difference, if any, between (a) the total amount of benefits actually certified for payment to other persons for that month, and (b) the maximum amount of benefits payable for that month to all persons, including the person filing later.

§ 404.407 Reduction because of entitlement to other benefits.

(a) *Entitlement to old-age or disability insurance benefit and other monthly benefit.* If an individual is entitled to an old-age insurance benefit or disability insurance benefit for any month after August 1958 and to any other monthly benefit payable under the provisions of title II of the Act (see Subpart D of this part) for the same month, such other benefit for that month, after any reduction under section 202(q) of the Act because of entitlement to such benefit for months before retirement age and any reduction under section 203(a) of the Act, is reduced (but not below zero) by an amount equal to such old-age insurance benefit (after reduction under section 202(q) of the Act) or such disability insurance benefit, as the case may be.

(b) *Entitlement to widow's or widower's benefit and other monthly benefit.* If an individual is entitled for any month after August 1965 to a widow's or widower's insurance benefit under the provisions of section 202 (e)(4) or (f)(5) of the Act and to any other monthly benefit payable under the provisions of title II of the Act (see Subpart D) for the same month, except an old-age insurance benefit, such other insurance benefit for that month, after any reduction under paragraph (a) of this section, any reduction for age under 202(q) of the Act, and any reduction under the provisions described in section 203(a) of the Act, shall be reduced, but not below zero, by an amount equal to such widow's or widower's insurance benefit after any reduction or reductions under paragraph (a) of this section or section 203(a) of the Act.

(c) *Entitlement to old-age insurance benefit and disability insurance benefit.* Any individual who is entitled for any month after August 1965 to both an old-age insurance benefit and a disability insurance benefit shall be entitled to only the larger of such benefits for such month, except that where the individual so elects, he shall instead be entitled to only the smaller of such benefits for such month.

(d) *Child's insurance benefits.* A child may, for any month, be entitled to a child's insurance benefit on more than one individual's earnings if all the conditions for entitlement described in § 404.320 are met with respect to each claim. In any case in which a child's entitlement to more than one child's insurance benefit is established for a month, such child shall be paid only the child's insurance benefit for such month which is based on the earnings of the individual who has the highest primary insurance amount.

(e) *Entitlement to more than one benefit where not all benefits are child's insurance benefits and no benefit is an old-age or disability insurance benefit.* If an individual (other than an individual to whom section 202 (e)(4) or (f)(5) of the Act applies) is entitled for any month to more than one monthly benefit payable under the provisions of this subpart, none of which is an old-age or disability insurance benefit and all of which are not child's insurance benefits, only the greater of the monthly benefits to which he would (but for the provisions of this paragraph) otherwise be entitled is payable for such month. For months after August 1965, an individual who is entitled for any month to more than one widow's or widower's insurance benefit to which section 202 (e)(4) or (f)(5) of the Act applies is entitled to only one such benefit for such month, such benefit to be the largest of such benefits.

§ 404.408 Reduction of benefits based on disability on account of receipt of workmen's compensation.

(a) *When reduction required.* Under section 224 of the Act, a disability insurance benefit to which an individual is entitled under section 223 of the Act for a month after 1965 and before the individual attains age 62 (and any monthly benefit for the same month payable to others under section 202 of the Act on the basis of the same earnings record) is reduced (except as provided in paragraph (b) of this section) by an amount as determined under paragraph (c) of this section if:

(1) The individual entitled to the disability insurance benefit is also entitled under a workmen's compensation law or plan of the United States or a State to a periodic benefit for such month for a total or partial disability (whether or not permanent) and

(2) The Secretary has, in a month before such month, received notice of such entitlement for such month, and

(3) The period of disability involved began after June 1, 1965.

(b) *When reduction not made.* The reduction of a benefit otherwise required by paragraph (a) of this section is not made if the workmen's compensation law or plan under which the periodic benefit is payable provides for the reduction of such periodic benefit when anyone is entitled to a benefit under title II of the Act on the basis of the earnings record of an individual entitled to a disability insurance benefit under section 223 of the Act.

(c) *Amount of reduction*—(1) *General.* The total of benefits payable for a month under sections 223 and 202 of the Act to which paragraph (a) of this section applies is reduced (but not below zero) by the amount by which the sum of such total of benefits and such periodic benefits payable (and actually paid) for such month to such individual under the workmen's compensation law or plan exceeds the higher of:

(i) Eighty percent of his "average current earnings," as defined in subparagraph (3) of this paragraph, or

(ii) The total of such individual's disability insurance benefit for such month and all other benefits payable for such month based on such individual's earnings record, prior to reduction under this section.

(2) *Limitation on reduction.* In no case may the total of monthly benefits payable for a month to the disabled worker and to the persons entitled to benefits for such month on his earnings record be less than:

(i) The total of the benefits payable (after reduction under paragraph (a) of this section) to such beneficiaries for the first month for which reduction under this section is made, and

(ii) Any increase in such benefits which is made effective for months after the first month for which reduction under this section is made.

(3) *Average current earnings defined.* An individual's "average current earnings" for purposes of this section means the larger of:

(d) *Items not counted for reduction.* Amounts included in the workmen's compensation award which are specifically identifiable as being for medical, legal or related expenses paid or incurred by the individual in connection with his workmen's compensation claim, or the injury or occupational disease on which it is based, are excluded in computing the reduction under paragraph (a) of this section.

(e) *Certification by individual concerning eligibility for workmen's compensation payment.* Where it appears that an individual may be eligible for a periodic benefit under a workmen's compensation law or plan which would give rise to reduction under paragraph (a) of this section, the individual may be required, as a condition of certification for payment of any benefit under section 223 of the Act to any individual for any month, and of any benefit under section 202 of the Act for such month based on such individual's earnings record, to furnish evidence as requested by the Administration and to certify as to:

(i) The average monthly wage used for purposes of computing the individual's disability insurance benefit under section 223 of the Act, or

(ii) One-sixtieth of the total of his wages and self-employment income for the 5 consecutive calendar years after 1950 for which such wages and self-employment income were highest.

(4) *Reentitlement to disability insurance benefits.* If an individual's entitlement to disability insurance benefits terminates and such individual again becomes entitled to disability insurance benefits, the amount of the reduction is again computed based on the figures specified in this paragraph (c) applicable to the subsequent entitlement.

(1) Whether he has filed or intends to file any claim for such periodic benefit, and

(2) If he has so filed, whether there has been a decision on such claim. In the absence of evidence to the contrary, reliance may be placed upon a certification that he has not filed and does not intend to file such a claim, or that he has filed and no decision has been made, in certifying any benefit for payment pursuant to section 205(i) of the Act.

(f) *Workmen's compensation benefit payable on other than a monthly basis.* Where workmen's compensation benefits are paid periodically but not monthly, or in a lump sum as a commutation of or a substitute for periodic benefits, the reduction under this section is made at such time or times and in such amounts as the Administration determines will approximate as nearly as practicable the reduction required under paragraph (a) of this section.

(g) *Priorities.* (1) For an explanation of when a reduction is made under this section where other reductions, deductions, etc., are involved, see § 404.402.

(2) Whenever a reduction in the total of benefits for any month based on an individual's earnings record is made under paragraph (a) of this section, each benefit, except the disability insurance benefit, is first proportionately decreased, and any excess of such reduction over the sum of all such benefits other than the disability insurance benefit is then applied to such disability insurance benefit.

Example: Under title II of the Act, A is entitled to a monthly disability insurance benefit of $122. His wife, B, and his two children, C and D, are entitled to monthly insurance benefits of $61 each. After adjustment for the family maximum under section 203(a) of the Act, the benefits are $122 for A and $50.60 for B, C, and D making a total of title II benefits of $273.80. In computing A's "average current earnings," it is determined that A's average monthly wage used in computing his benefit rate is $340, and his average monthly wage for his 5 years of highest earnings after 1950 is $400. Therefore, 80 percent of his "average current earnings" for purposes of the workmen's compensation deduction is $320.

A becomes entitled to workmen's compensation of $48 a week, which converted to a monthly rate amount to $208 a month (i.e., 4⅓ times $48). The total monthly benefits payable under title II of the Act ($273.80) plus the monthly workmen's compensation amount ($208) equals $481.80. The amount of the reduction for workmen's compensation is $161.80 ($481.80 minus $320); and the family benefit payable is $112 ($273.80 minus $161.80 equals $112). (The same result is obtained by subtracting the workmen's compensation amount ($208) from the applicable limit ($320).)

In this example, the $161.80 reduction would be applied first against the three section 202 benefits ($50.60 times 3 equals $151.80) leaving $10 to be deducted from the disability insurance benefit.

(h) *Effect of changes in family composition.* The addition or subtraction in the number of beneficiaries in a family may cause the family benefit to become, or cease to be, the applicable limit for reduction purposes under this section. When the family composition changes, the amount of the reduction is recomputed as though the new number of beneficiaries were entitled for the first month the reduction was imposed, i.e., the same average monthly wage, average current earnings, and workmen's compensation amount and the total benefits payable under title II of the Act for the new number of beneficiaries which would have been subjected to reduction for that first month are used. If the applicable limit both before and after the change is 80 percent of the average earnings, the amount payable remains the same and is simply redistributed among the beneficiaries entitled on the same earnings record.

Example: F is entitled to disability insurance benefits of $110.30 based on an average monthly wage of $289. His wife, G, and his child, H, are entitled to benefits under section 202 of the Act of $55.20 each. F becomes entitled to workmen's compensation of $192 a month. His average monthly wage for his 5 years of highest earnings after 1950 is $260.

The applicable limit on total benefits payable under title II of the Act and workmen's compensation is $231.20 (i.e., 80 percent of F's average current earnings). The amount payable is figured as follows:

Total title II benefits	$220.70	$220.70
Monthly workmen's compensation	192.00	
	412.70	
Less 80 percent of F's average current earnings	231.20	
Reduction amount	181.50	181.50
Amount payable		39.20

(Deducting the workmen's compensation amount ($192) from 80 percent of the average current earnings ($231.20) gives the same amount payable ($39.20).)

Later, another child, J, becomes entitled on F's earnings record and the benefits after adjustment for the family maximum but before reduction for the workmen's compensation become $110.30 to F, and $40.90 to G, H, and J each. Since the total family benefit is now higher than 80 percent of F's average current earnings, the total family benefit becomes the applicable limit and the amount payable is figured merely by deducting the workmen's compensation ($192) from the total title II benefits ($233) leaving $41 payable to F.

(i) *Effect on benefit increases.* Any increase in benefits due to a recomputation or a statutory increase in benefit rates is not subject to the reduction for workmen's compensation and does not change the amount to be deducted from the family benefits. The increase is simply added to what amount if any is payable. If a new beneficiary becomes entitled to monthly benefits on the same earnings record after the increase, the amount of the reduction is redistributed among the new number of beneficiaries entitled under section 202 of the Act and deducted from their current benefit rate.

Example: K is entitled to disability insurance benefits of $118.80 and his wife, L, and his two children, M and N, are entitled to benefits under section 202 of the Act of $47.90 each (after reduction under section 203(a) to conform to the family maximum of $262.40). K becomes entitled to workmen's compensation of $30 per week ($130 per month). The total family benefit is higher by 10 cents than 80 percent of K's average current earnings (80 percent of $328, or $262.40). Therefore, the reduction amount equals the monthly workmen's compensation. One-third of this amount (rounded downward to the nearest 10 cents), i.e., $43.30, is deducted from L, M, and N's benefits leaving benefits payable as follows: $118.80 to K, and $4.60 each to L, M, and N.

Beginning in September 1966, a statutory increase raises K's disability insurance benefit to $122 and causes L, M, and N's benefits to be increased to $50.60 each (an increase of $2.70). The benefits then payable become: $122 to K, and $7.30 (i.e., $4.60 plus $2.70) each to L, M, and N.

In February 1967, O, another child of K, becomes entitled to benefits under section 202 of the Act based on K's earnings record. The benefits payable now become $122 to K, and $37.90 each to L, M, N, and O. The amount to be deducted from the family remains the same, $130, but is to be divided among four beneficiaries instead of three. Deducting one-fourth of $130 ($32.50) from $37.90 leaves $5.40 each to L, M, N, and O, and $122 to K.

(j) *Redetermination of benefits*—(1) *General.* In the second calendar year after the year in which reduction under this section in the total of an individual's benefits under section 223 of the Act and any benefits under section 202 of the Act based on his wages and self-employment income is first required (in a continuous period of months), and in each third year thereafter, the amount of such benefits which are still subject to reduction under this section are redetermined, provided such redetermination does not result in any decrease in the total amount of benefits payable under title II of the Act on the basis of such individual's wages and self-employment income. Such redetermined benefit is effective with the January following the year in which the redetermination is made.

(2) *Average current earnings.* In making the redetermination required by subparagraph (1) of this paragraph, the individual's "average current earnings" (as defined in paragraph (c)(3) of this section) is deemed to be the product of his average current earnings as initially determined under paragraph (c)(3) of this section and the ratio of:

(i) The average of the taxable wages of all persons for whom taxable wages were reported to the Secretary for the first calendar quarter of the calendar year in which such redetermination is made, to

(ii) The average of the taxable wages of such persons reported to the Secretary for the first calendar quarter of the taxable year in which the reduction was first computed (but not counting any reduction made in benefits for a previous period of disability). Any amount determined under the preceding sentence which is not a multiple of $1 is reduced to the next lower multiple of $1.

(3) *Effect of redetermination.* Where the applicable limit on total benefits previously used was 80 percent of the average current earnings, a redetermination under this paragraph may cause an increase in the amount of benefits payable. Also, where the limit previously used was

the total family benefit, the redetermination may cause the average current earnings to exceed the total family benefit and thisu become the new applicable limit. If for some other reason (such as a statutory increase or recomputation) the benefit has already been increased to a level which equals or exceeds the benefit resulting from a redetermination under this paragraph, no additional increase is made. A redetermination is designed to bring benefits into line with current wage levels when no other change in payments has done so.

Example: Beginning January 1968, P is entitled to a disability insurance benefit of $140 and his wife, R, and child, S, are entitled to benefits under section 202 of the Act of $70 each. P becomes entitled to workmen's compensation of $208 per month. In this case, the applicable limit on the combined benefits is $360 (80 percent of P's average current earnings). Deducting the workmen's compensation amount of $208 from this limit leaves family benefits payable of $152 ($140 to P and $6 to R and S each). In 1970 a redetermination raises 80 percent of P's average current earnings to $380 effective January 1971. Thus, the family benefit payable becomes $172 ($380 minus $208). P's benefit is $140, and R's and S's benefits are $16 each.

If there had been a benefit increase in 1969 (either by a statutory increase or a recomputation) increasing P's benefit by $10 (to $150) and each other benefit by $5 (to $11), the family would already be receiving $172 ($150 plus $11 plus $11 equals $172) at the time of the redetermination, so that they would not get an additional increase. If the 1969 benefit increase made less than $172 payable to the family, the redetermination would increase the benefit to $172. Any statutory increase that takes effect after the redetermination would be added to the total family benefit.

§ 404.409 Increase of benefit amount.

(a) *Increase due to "rounding" of benefit amount.* Any monthly benefit, after any applicable computation, reduction and/or deduction, which is not a multiple of 10 cents is raised to the next higher multiple of 10 cents. Since a fraction of a cent is not a multiple of 10 cents, any benefit amount which contains any such fraction is raised to the next higher multiple of 10 cents. Thus, a child's insurance benefit of $26.104 is rounded to $26.20.

(b) *Increase of survivor's benefit to an amount equal to "minimum."* For months beginning with January 1965, where only one person is entitled to a benefit for a month based on the earnings record of a deceased individual and such benefit is less than $44, such benefit, before any reduction described in § 404.407 and any reduction for age under section 202(q) of the Act, is raised to $44. (For months after July 1961 and before January 1965, the minimum benefit was $40. For months after December 1959 and before August 1961, the minimum benefit was $33. For months after August 1954 and before January 1959, the minimum benefit was $30.)

§ 404.415 Deductions because of excess earnings; annual earnings test.

(a) *Deductions because of beneficiary's earnings.* Under the annual earnings test, deductions are made from monthly benefits (except disability insurance benefits or child's insurance benefits based on the child's disability) payable to a beneficiary for each month in a taxable year beginning after December 1954 in which the beneficiary is under age 72 and to which excess earnings are charged under the provisions described in §§ 404.434 or 404.444.

(b) *Deductions from husband's, wife's, or child's benefits because of excess earnings of the insured individual.* Deductions are made from the wife's, husband's, or child's insurance benefits payable (or deemed payable—see § 404.420) on the insured individual's earnings record because of the excess earnings of the insured individual under the provisions described in § 404.416.

§ 404.416 Amount of deduction because of excess earnings.

(a) *Taxable years beginning after December 1960, or ending after June 1961—(1) Deductions because of excess earnings of insured individual.* For taxable years beginning after 1960, or ending after June 1961, if excess earnings (as described in §§ 404.432 and 404.433) of an insured individual are chargeable under the annual earnings test to a month, a deduction is made from the total of the benefiits payable to him and to all other persons entitled (or deemed entitled—see § 404.420) on his earnings record for that month. This deduction is an amount equal to the amount of the excess earnings so charged. (See § 404.434 concerning the manner of charging such excess earnings.)

(2) *Deductions because of excess earnings of other beneficiary.* For taxable years beginning after 1960, or ending after June 1961, if benefits are payable to a person entitled (or deemed entitled—see § 404.420) on the earnings record of the insured individual, and such person has excess earnings (as described in §§ 404.432 and 404.433) charged to a month, a deduction is made from his benefits only for that month. This deduction is an amount equal to the amount of the excess earnings so charged. (See § 404.434 for charging of excess earnings where both the insured individual and such person have excess earnings.)

(b) *Taxable years beginning after 1954 and before 1961, and for taxable years ending before July 1961.* For taxable years beginning after 1954 and before 1961, and for taxable years ending before July 1961, if an individual is charged with excess earnings in a month, a deduction is made from the individual's benefit for such month in an amount equal to the benefit payable to the individual for that month. If such a deduction is made and benefits are payable to any other person entitled (or deemed entitled—see § 404.420) on such individual's earnings record, a deduction is also made from the benefits payable to such other person. This deduction is an amount equal to the total of the benefits payable to such other person for that month. (See § 404.444 concerning the manner of charging such excess earnings.)

§ 404.417 Deductions because of noncovered remunerative activity outside the United States; 7-day work test.

(a) *Deductions because of individual's activity.* Under the 7-day work test, a deduction is made from any monthly benefit (except disability insurance benefits or child's insurance benefits based on the child's disability) payable to an individual for each month in a taxable year beginning after December 1954 in which he, while under age 72, engages in noncovered remunerative activity (see § 404.418) outside the United States on seven or more different calendar days. This deduction is an amount equal to the benefit payable to the individual for that month.

(b) *Deductions from benefits because of earnings or work of an insured individual.* If a deduction, as described in paragraph (a) of this section, is made from the insured individual's benefit for a month, a deduction is also made from any wife's, husband's, or child's insurance benefit payable (or deemed payable—see § 404.420) for that month on the insured individual's earnings record. This deduction is an amount equal to any such benefit.

§ 404.418 "Noncovered remunerative activity outside the United States," defined.

An individual is engaged in noncovered remunerative activity outside the United States for purposes of deductions described in § 404.417 if:

(a) He performs services outside the United States as an employee and the services do not constitute employment as defined in Subpart K of this part and, for taxable years ending after 1955, the services are not performed in the active military or naval service of the United States; or

(b) He carries on a trade or business outside the United States (other than the performance of services as an employee) the net income or loss of which is not includable in computing his net earnings from self-employment (as defined in § 404.1050) for a taxable year and would not be excluded from net earnings from self-employment (see § 404.1052) if the trade or business were carried on in the United States. When used in the preceding sentence with respect to a trade or business, the term "United States" does not include the Commonwealth of Puerto Rico, the Virgin Islands and, with respect to taxable years beginning after 1960, Guam or American Samoa, in the case of an alien who is not a resident of the United States (including the Commonwealth of Puerto Rico, the Virgin Islands and, with respect to taxable years beginning after 1960, Guam and American Samoa), and

the term "trade or business" shall have the same meaning as when used in section 162 of the Internal Revenue Code of 1954.

§ 404.420 Persons deemed entitled to benefits based on an individual's earnings record.

For purposes of imposing deductions under the annual earnings test (see § 404.415) and the 7-day work test (see §404.417), a person who is married to an old-age insurance beneficiary and who is entitled to either a mother's insurance benefit or a child's insurance benefit based on the child's disability (and such mother's or child's benefit is based on the earnings record of some third person) is deemed entitled to such benefit based on the earnings record of the old-age insurance beneficiary to whom he or she is married. This paragraph is effective for months in any taxable year of the old-age insurance beneficiary that begins after August 1958.

§ 404.421 Deductions because beneficiary failed to have a child in her care.

Deductions for failure to have a child "in her care" (as defined in Subpart D) are made as follows:

(a) *Wife's insurance benefits.* A deduction is made from the wife's insurance benefit to which a woman (excluding a "divorced wife" as defined in § 404.1105) is entitled for any month in which she is under age 65 and does not have in her care a child of her husband entitled to a child's insurance benefit. However, a deduction is not made for any month in which she is age 62 or over, but under age 65, and there is in effect a certificate of election for her to receive an actuarially reduced wife's insurance benefit for such month (see Subpart D of this part).

(b) *Mother's insurance benefits*—(1) *Widow.* A deduction is made from the mother's insurance benefit to which a woman is entitled as the widow (see Subpart D of this part) of the deceased individual upon whose earnings such benefit is based, for any month in which she does not have in her care a child of the individual entitled to a child's insurance benefit.

(2) *Surviving divorced mother (previously designated former wife divorced).* A deduction is made from the mother's insurance benefit to which a woman is entitled as the surviving divorced mother (see Subpart D of this part) of the deceased individual upon whose earnings record such benefit is based, for any month in which she does not have in her care a child of the deceased individual who is her son, daughter, or legally adopted child and who is entitled to a child's insurance benefit based on the earnings of the deceased insured individual.

(c) *Amount to be deducted.* The amount deducted from the wife's insurance benefit or the mother's insurance benefit, as described in paragraphs (a) and (b) of this section, is equal to the amount of the benefit which is otherwise payable for the month in which she did not have a child in her care.

(d) *When child is considered not entitled to benefits.* For purposes of paragraphs (a) and (b) of this section a person is considered not entitled to a child's insurance benefit for any month in which he is age 18 or over, and:

(1) Is entitled to a child's insurance benefit based on his own disability and a deduction is made from the child's insurance benefit because of his refusal of rehabilitation services as described in § 404.422(b); or

(2) Is entitled to a child's insurance benefit because he is a full-time student at an educational institution. This subparagraph applies to benefits for months after December 1964.

§ 404.422 Deductions because of refusal to accept rehabilitation services.

(a) *Deductions because individual entitled to disability insurance benefits refuses rehabilitation services*—(1) *Disability insurance beneficiary.* A deduction is made from any benefit payable to a disability insurance beneficiary for each month in which he refuses without good cause to accept rehabilitation services available to him under a State plan approved under the Vocational Rehabilitation Act.

(2) *Other beneficiaries.* For each month in which a deduction is made from an individual's disability insurance benefit because of his refusal to accept rehabilitation services (as described in subparagraph (1) of this paragraph), a deduction is also made from:

(i) Any wife's, husband's, or child's insurance benefit payable for that month on the earnings record of the individual entitled to disability insurance benefits;

(ii) Benefits payable for that month to the disability insurance beneficiary's spouse who is entitled (on the earnings record of a third person) to a mother's insurance benefit or to a child's insurance benefit based on disability.

(b) *Deductions because individual entitled to a child's insurance benefit based on disability refuses rehabilitation services.* A deduction is made from any benefit payable to an individual who has attained age 18 and is entitled to a child's insurance benefit based on disability, for each month in which he refuses without good cause to accept rehabilitation services available to him under a State plan approved under the Vocational Rehabilitation Act unless, in that month, he is a full-time student at an educational institution.

(c) *Amount of deduction.* The amount deducted from an individual's benefit for a month under the provisions of paragraph (a) or (b) of this section is an amount equal to the benefit otherwise payable for that month.

(d) *Good cause for refusal of rehabilitation services.* An individual may refuse to accept rehabilitation services (for the purposes of paragraphs (a) and (b) of this section) if his refusal is based on good cause. For example, an individual has good cause for refusing rehabilitation services where:

(1) The individual is a member or adherent of any recognized church or religious sect which teaches its members or adherents to rely solely, in the treatment and care of any physical or mental impairment, on prayer or spiritual means through the application and use of the tenets or teachings of such church or sect; and

(2) His refusal to accept rehabilitation services was due solely to his adherence to the teachings or tenets of his church or sect.

§ 404.423 Manner of making deductions.

Deductions provided for in §§ 404.415, 404.417, 404.421, and 404.422 (as modified in § 404.458) are made by withholding benefits (in whole or in part, depending upon the amount to be withheld) for each month in which an event causing a deduction occurred. If the amount to be deducted is not withheld from the benefits payable for the month in which the event causing the deduction occurred, such amount constitutes a "deduction overpayment" and is subject to adjustment or recovery in accordance with the provisions of Subpart F of this part.

§ 404.424 Total amount of deductions where more than one deduction event occurs in a month.

If more than one of the deduction events specified in §§ 404.415, 404.417, and 404.421 occurred in any 1 month, each of which would occasion a deduction equal to the benefit for such month, only an amount equal to such benefit is deducted.

§ 404.425 Total amount of deductions where deduction events occur in more than 1 month.

If a deduction event described in §§ 404.415, 404.417, 404.421, and 404.422 occurs in more than 1 month, the total amount deducted from an individual's benefits is equal to the sum of the deductions for all months in which any such event occurred.

§ 404.428 Earnings in a taxable year.

(a) *General.* In applying the annual earnings test (see § 404.415(a)) under the provisions of this subpart, all of a beneficiary's earnings (as defined in § 404.429) for all months of his taxable year are included even though the individual is not entitled to benefits during all months of his taxable year. The taxable year of an employee is presumed to be a calendar year until it is shown to the satisfaction of the Administration that he has a different taxable year. A self-employed individual's taxable year is a calendar year unless he has a different taxable year for the purposes of subtitle A of the Internal Revenue Code of 1954. In either case, the number of months in a taxable year is not affected by (1) filing a claim for social security benefits, (2) attainment of age 18, 22, 65, 72, or any other age, (3) marriage, (4) termination of marriage, or (5) adoption. A taxable year ends with the death of the beneficiary. In such a case, the month of death is included as a month of the deceased beneficiary's tax-

able year in determining whether the beneficiary had excess earnings as defined in §§ 404.432, 404.433, and 404.444.

(b) *When derived.* Wages as defined in § 404.429(c) are derived and includable as earnings for the months and year in which the beneficiary rendered the services. Net earnings from self-employment, or net losses therefrom, are derived, or incurred, and are includable as earnings or losses, in the year for which such earnings or losses are reportable for Federal income tax purposes.

§ 404.429 Earnings; defined.

(a) *General.* When the term "earnings" is used in this subpart other than as a part of the phrase "net earnings from self-employment," it means an individual's earnings for a taxable year after 1954. It includes the sum of his wages for services rendered in such year, and his net earnings from self-employment for the taxable year, minus any net loss from self-employment for the same taxable year.

(b) *Net earnings from self-employment; net loss from self-employment.* An individual's net earnings from self-employment and his net loss from self-employment are determined under the provisions in Subpart K of this part except that:

(1) For the purposes of this section, the provisions in Subpart K of this part shall not apply that exclude from the definition of "trade or business" the following occupations:

(i) The performance of the functions of a public office;

(ii) The performance of service of a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by the order;

(iii) The performance of service by an individual in the exercise of his profession as a Christian Science practitioner;

(iv) For taxable years ending before 1965, the performance by an individual in the exercise of his profession as a doctor of medicine;

(v) For taxable years ending before 1956, the performance of service by an individual in the exercise of his profession as a lawyer, dentist, osteopath, veterinarian, chiropractor, naturopath, or optometrist.

(2) For the sole purpose of the retirement test under this subpart, an individual's gross earnings for taxable years beginning after December 1964 may not include royalties received in or after the year in which the individual attained age 65 if the royalties are attributable to a copyright or patent obtained before the taxable year in which he attained age 65 on property created by his own personal efforts.

(3) In figuring an individual's net earnings or net loss from self-employment, all net income or net loss is includable even though (i) the individual did not perform personal services in carrying on the trade or business, (ii) the net profit was less than $400, (iii) the net profit was in excess of the maximum amount creditable to his earnings record, or (iv) the net profit was not reportable for social security tax purposes.

(4) An individual's net earnings from self-employment is the excess of income over the deductions (allowed under the Internal Revenue Code) resulting from such computation. An individual's net loss from self-employment is the excess of deductions (that are allowed under the Internal Revenue Code) over income.

(c) *Wages defined.* Wages include the gross amount of an individual's wages rather than the net amount paid after deductions by the employer for items such as taxes and insurance. For purposes of this section, an individual's wages are determined under the provisions of Subpart K of this part, except that, notwithstanding the provisions of Subpart K, wages also includes:

(1) Remuneration of over $6,600 in calendar years beginning with 1966, or over $4,800 in a calendar year 1959 through 1965, or over $4,200 in a calendar year 1955 through 1958; and

(2) Cash remuneration of less than $50 paid in a calendar quarter to an employee for (i) domestic service in the private home of the employer, or (ii) service not in the course of the employer's trade or business; and

(3) Cash remuneration of less than $150 ($100 in calendar years 1955 or 1956) paid by an employer for services in agricultural labor regardless of whether the employee worked for the employer on 20 or more different days in the year; and

(4) Remuneration, cash and noncash, for service as a homeworker even though the cash remuneration paid the employee is less than $50 in a calendar quarter; and

(5) For taxable years ending after 1955, services performed outside the United States in the military or naval service of the United States; and

(6) Remuneration for services excepted from employment performed within the United States by an individual as an employee that are for that reason not considered wages under Subpart K, if the remuneration for such services is not includable in computing his net earnings from self-employment or net loss from self-employment, as defined in paragraph (b) of this section.

(d) *Presumptions concerning wages.* For purposes of this section, where reports received by the Administration show wages (as defined in paragraph (c) of this section) were paid to an individual during a taxable year, it is presumed that they were paid to him for services rendered in that year until such time as it is shown to the satisfaction of the Administration that the wages were paid for services rendered in another taxable year. If the reports of wages paid to an individual show his wages for a calendar year, the individual's taxable year is presumed to be a calendar year for purposes of this section until it is shown to the satisfaction of the Administration that his taxable year is not a calendar year.

§ 404.432 Excess earnings; defined for taxable years ending after December 1965.

For taxable years ending after December 1965, and individual's excess earnings are the amount of his earnings (as described in § 404.429) that exceed $125 times the number of months in his taxable year, except that his excess earnings do not include an amount equal to one-half of the first $1,200 of such excess amount (or equal to one-half of the entire excess amount if the excess is less than $1,200). Where the excess amount so figured is not a multiple of $1, it is reduced to the next lower dollar. Thus, in the usual 12-month-taxable-year case, an individual's excess earnings are computed as follows:

(a) $1 for each $2 of earnings over $1,500, up to and including $2,700; and

(b) $1 for each $1 over $2,700.

§ 404.433 Excess earnings; defined for taxable years beginning after December 1960 or ending after June 1961—up to and including taxable years ending December 31, 1965.

For taxable years beginning after December 1960, or ending after June 1961; up to and including taxable years ending December 31, 1965, an individual's excess earnings in a taxable year are the amount of his earnings (as described in § 404.429) for such year that exceed $100 times the number of months in his taxable year, except that his excess earnings do not include an amount equal to one-half of the first $500 of such excess amount (or equal to one-half of the entire excess amount if the excess is less than $500). Where the excess amount so figured is not a multiple of $1, it is reduced to the next lower dollar. Thus, in the usual 12-month-taxable-year case, an individual's excess earnings are computed as follows:

(a) $1 for each $2 of earnings over $1,200 up to and including $1,700; and

(b) $1 for each $1 over $1,700.

§ 404.434 Excess earnings; method of charging.

(a) *Months charged.* For purposes of imposing deductions for taxable years after 1960, the excess earnings (as described in §§ 404.432 and 404.433) of an individual are charged to each month beginning with the first month the individual is entitled in the taxable year in question and continuing, if necessary, to each succeeding month in such taxable year until all of the individual's excess earnings have been charged. Excess earnings, however, are not charged to any month described in §§ 404.435 and 404.436.

(b) *Amount of excess earnings charged—(1) Insured individual's excess earnings.* The insured individual's excess earnings are charged on the basis of $1 of excess earnings for each $1 of monthly benefits to which he and all other persons are entitled (or deemed entitled—see § 404.420) for such month on the insured individual's earnings record. (See § 404.439 where the excess earnings for a month are less than the total benefits payable for that month.)

(2) *Excess earnings of beneficiary other than insured individual.* The excess earnings of a person other than the insured individual are charged on the basis of $1 of excess earnings for each $1 of monthly benefits to which he is entitled (see 404.437) for such month. The excess earnings of such person, however, are charged only against his own benefits.

(3) *Insured individual and person entitled (or deemed entitled) on his earnings record both have excess earnings.* If both the insured individual and a person entitled (or deemed entitled) on his earnings record have excess earnings (as described in §§ 404.432 and 404.433), the insured individual's excess earnings are charged first against the total family benefits payable (or deemed payable) on his earnings record, as described in subparagraph (1) of this paragraph. Next, the excess earnings of a person entitled on the insured individual's earnings record are charged (as described in subparagraph (2) of this paragraph) against his own benefits, but only to the extent that his benefits have not already been charged with the excess earnings of the insured individual. See § 404.441 for an example of this process and the manner in which partial monthly benefits are apportioned.

§ 404.435 Excess earnings; months to which excess earnings cannot be charged.

(a) *Taxable years ending after 1965.* Notwithstanding any of the provisions described in this subpart, an individual's excess earnings in a taxable year ending after 1965 are not charged to any month in which he:

(1) Was not entitled to a monthly benefit;

(2) Was deemed not entitled to benefits (due to noncovered work outside the United States, no child in care, or refusal of rehabilitation, as described in § 404.436);

(3) Was age 72 or over;

(4) Was entitled to payment of a disability insurance benefit;

(5) Was age 18 or over and entitled to a child's insurance benefit based on disability; or

(6) Did not engage in self-employment (see paragraphs (c) and (e) of this section) and did not render services for wages (see paragraph (d) of this section) of more than $125.

(b) *Taxable years beginning after 1960 or ending after June 1961—up to and including taxable years ending before 1966.* Notwithstanding any of the provisions described in this subpart, an individual's excess earnings in a taxable year beginning after December 1960, or ending after June 1961; up to and including taxable years ending before 1966 are not charged to any month in which the individual:

(1) Was not entitled to benefits;

(2) Was deemed not entitled to benefits (see § 404.436);

(3) Was age 72 or over;

(4) Was entitled to a disability insurance benefit payment;

(5) Was age 18 or over and entitled to a child's insurance benefit based on disability; or

(6) Did not engage in self-employment (see paragraphs (c) and (e) of this section) and did not render services for wages (see paragraph (d) of this section) of more than $100.

(c) *When an individual is deemed to have engaged in self-employment.* An individual is deemed to have engaged in self-employment in any month in which he renders substantial services (as defined in § 404.446) in the operation of a trade or business (or in a combination of trades and businesses if there are more than one) as owner or partner even though there may be no earnings or net earnings from self-employment attributable to his services for such month.

(d) *Presumption regarding "services for wages."* With respect to paragraphs (a)(6) and (b)(6) of this section, and § 404.444(c)(5), an individual is presumed to have rendered services in any month for wages (as defined in § 404.429) of more than $125, or more than $100, or more than $80, whichever amount is applicable, until it is shown to the satisfaction of the Administration that the individual did not render services in such month for more than such amount.

(e) *Presumption regarding "engaged in self-employment."* With respect to paragraphs (a)(6) and (b)(6) of this section, and § 404.444(c)(5), an individual is presumed to have engaged in self-employment in each month of his taxable year until it is shown to the satisfaction of the Administration that in a particular month he did not render substantial services (see § 404.446(c)) with respect to any trade or business (or in a combination of trades and businesses if there are more than one) the net income or loss of which is includable in computing his earnings as defined in § 404.429.

§ 404.436 Excess earnings; months to which excess earnings cannot be charged because individual is deemed not entitled to benefits.

Under the annual earnings test, excess earnings (as described in § 404.432 and § 404.433) are not charged to any month in which an individual is deemed not entitled to a benefit. A beneficiary (i.e., the insured individual or any person entitled or deemed entitled on the insured individual's earnings record) is deemed not entitled to a benefit for a month if he is subject to a deduction for that month because of:

(a) Engaging in noncovered remunerative activity outside the United States (as described in § 404.417 and § 404.418); or

(b) Failure to have a child in her care (in the case of a wife under age 65 or a widow or surviving divorced mother under age 62, as described in § 404.421); or

(c) Refusal by a person entitled to a child's insurance benefit based on disability to accept rehabilitation services (as described in § 404.422). (An insured individual's excess earnings are not charged against the benefit of a child entitled (or deemed entitled) on the insured individual's earnings record for any month in which the child is subject to a deduction for refusing rehabilitation services); or

(d) Refusal by an individual entitled to a disability insurance benefit to accept rehabilitation services as described in § 404.422 (e.g., a wife's excess earnings may not be charged against her benefits for months in which the disability insurance beneficiary on whose account she is entitled to wife's benefits incurs a deduction because he refuses rehabilitation services; also, a woman's earnings may not be charged against the mother's insurance benefit or child's insurance benefit she is receiving (on the earnings record of another individual) for months in which her husband refuses rehabilitation services while he is entitled to a disability insurance benefit).

§ 404.437 Excess earnings; benefit rate subject to deductions because of excess earnings.

For purposes of deductions because of excess earnings (as described in §§ 404.432 and 404.433), the benefit rate against which excess earnings are charged is the amount of the benefit (other than a disability insurance benefit) to which the person is entitled for the month:

(a) After reduction for the "maximum" (see § 404.403 and § 404.404). The rate as reduced for the maximum as referred to in this paragraph is the one applicable to remaining entitled beneficiaries after exclusion of beneficiaries deemed not entitled under § 404.436 (due to a deduction for engaging in noncovered remunerative activity outside the United States, failure to have a child in her care, or refusal to accept rehabilitation services);

(b) After any reduction under section 202(q) of the Act because of entitlement to benefits for months before age 65 (this applies only to old-age, wife's, widow's, or husband's benefits);

(c) After any reduction in benefits payable to a person entitled (or deemed entitled; see § 404.420) on the earnings record of the insured individual because of entitlement on his own earnings record to other benefits (see § 404.407); and

(d) After any reduction of benefits payable to a person entitled or deemed entitled on the earnings record of an individual entitled to a disability insurance benefit because of such individual's entitlement to workmen's compensation for months after 1965 (see § 404.408).

§ 404.439 Partial monthly benefits; excess earnings of the individual charged against his benefits and the benefits of persons entitled (or deemed entitled) to benefits on his earnings record.

Deductions are made against the total family benefits where the excess earnings (as described in § 404.432 and § 404.433) of an individual entitled to old-age insurance benefits are charged to a month and require deductions in an amount less than the total family benefits payable on his earnings record for

that month (including the amount of a mother's or child's insurance benefit payable to a spouse who is deemed entitled on the individual's earnings record—see § 404.420). The difference between the total benefits payable and the deductions made under the annual earnings test for such month is paid (if otherwise payable under title II of the Act) to each person in the proportion that the benefit to which each is entitled (before the application of the reductions described in § 404.403 for the family maximum, § 404.407 for entitlement to more than one type of benefit, and section 202(q) of the Act for entitlement to benefits before retirement age) bears to the total of the benefits to which all of them are entitled, except that the total amount payable to any such person may not exceed the benefits which would have been payable to that person if none of the insured individual's excess earnings had been charged to that month.

Example: A is entitled to an old-age insurance benefit of $122. His wife and two children are each entitled to an original benefit rate of $61, making a total unreduced benefit of $305. After A's excess earnings have been charged to the appropriate months in the year, there remains a partial benefit of $200 payable for October, apportioned as follows:

	Original rates	Fraction of total benefit	Maximum and normal rate payable	Partial benefits payable
A	$122	2/5	$122.00	$80
Wife	61	1/5	50.60	40
Child	61	1/5	50.60	40
Child	61	1/5	50.60	40
Total	305	5/5	273.80	200

§ 404.440 Partial monthly benefits; prorated share of partial payment exceeds the benefit before deduction for excess earnings.

Where, under the apportionment described in § 404.439, a person's prorated share of the partial benefit exceeds the benefit rate to which he was entitled before excess earnings of the insured individual were charged, such person's share of the partial benefit is reduced to the amount he would have been paid had there been no deduction for excess earnings (see example). The remainder of the partial benefit is then paid to other persons eligible to receive benefits in the proportion that the benefit of each such other person bears to the total of the benefits to which all such other persons are entitled (before reduction for the family maximum). Thus, if only two beneficiaries are involved, payment is made to one as if no deduction had been imposed; and the balance of the partial benefit is paid to the other. If three or more beneficiaries are involved, however, reapportionment of the excess of the beneficiary's share of the partial benefit over the amount he would have been paid without the deduction is made in proportion to his original entitlement rate (before reduction for the family maximum). If the excess amount involved at any point totals less than $1, it is not reapportioned; instead, each beneficiary is paid on the basis of the last calculation. Also, if in the final apportionment a beneficiary's share of a partial benefit is not a multiple of 10 cents, it is rounded to the next higher multiple of 10 cents.

Example:

	Original rate	Rate after reduction for family maximum that may not be exceeded	Partial payment in proportion to original rate	Paid
Insured individual	$100	$100.00	$70	$74.80
Wife	50	33.40	35	33.40
Child	50	33.40	35	33.40
Child	50	33.40	35	33.40

Family maximum $200; insured individual's excess earnings of $25 charged to month; remaining $175 prorated as partial payment.

§ 404.441 Partial monthly benefits; insured individual and a person entitled (or deemed entitled) on his earnings record both have excess earnings.

Where both the insured individual and a person entitled (or deemed entitled) on his earnings record have excess earnings (as described in §§ 404.432 and 404.433), their excess earnings are charged, and the partial monthly benefit is apportioned, as follows:

Example: M, his wife, and one child are entitled to combined total benefits of $240 based on M's old-age insurance benefit of $120. For the taxable year in question, M's excess earnings were $1,400 and his wife's excess earnings were $360. M had wages of more than $125 in all months of the year except February, while his wife had wages of more than $125 in all months of the year. After M's excess earnings have been charged to the appropriate months (all months through June except February), there remains a partial benefit payment for July of $40, which is allocated among M, his wife, and child in the ratio that the original benefit of each bears to the sum of all their benefits, $20, $10, and $10. His wife's excess earnings are charged against her full benefit for February ($60), her partial benefit for July ($10), her full benefit for August through November, and from $50 of her December benefit, leaving a $10 benefit payable to her for that month.

§ 404.444 Charging of earnings for taxable years beginning after 1954 and before 1961; and taxable years ending before July 1961.

(a) *Taxable years beginning after August 1958 and before 1961, and taxable years ending before July 1961.* For taxable years beginning after August 1958 and before 1961, and taxable years ending before July 1961, an individual's earnings (as defined in § 404.429) are charged to a particular month for purposes of deductions described in § 404.415 as follows:

(1) If an individual's earnings for the taxable year are not more than $100 times the number of months in such taxable year, no month in such year shall be charged with any earnings.

(2) If an individual's earnings for the taxable year exceed $100 times the number of months in such year, then the first $80 of such excess (or the whole of the excess, if it is less than $80) is charged to the first month for which the individual is entitled to benefits in the taxable year; the next $80 of the excess, if any (or the whole of the excess, if it is less than $80) is charged to the next succeeding month and so on, until all of the excess is charged or until every month to which a portion of the excess is chargeable has been so charged.

(b) *Taxable years beginning after 1954 and before September 1958.* For taxable years beginning after 1954 and before September 1958, an individual's excess earnings (see § 404.429) are charged to a particular month for purposes of deductions described in § 404.415 as provided in paragraph (a) of this section except that the excess earnings are charged beginning with the last month for which the individual is entitled to benefits in the taxable year (rather than the first month of such year), and then to the next preceding month (rather than the next succeeding month), and so on until all of the excess is charged or until every month to which a portion of the excess is chargeable has been so charged.

(c) *Months to which earnings cannot be charged.* Notwithstanding any of the provisions described in this section, an individual's excess earnings in a taxable year beginning after 1954 and before 1961 and in a taxable year ending before July 1961, may not be charged to any month in which the individual:

(1) Was not entitled to a monthly benefit under Subpart D of this part; or

(2) Was engaged in noncovered remunerative activity outside the United States (see § 404.418) and a deduction was made from his benefit for such month under the provisions described in § 404.417; or

(3) Was entitled to a wife's insurance benefit or a mother's insurance benefit and for which a deduction was made from such benefit because of failure to have a child in her care; or

(4) Was age 72 or over; or

(5) Did not engage in self-employment (see § 404.435 (c) and (e)) and did not render services for wages (see §§ 404.429 and 404.435(d)) of more than $80, with respect to months in taxable years beginning after 1954 and before September 1958, or of more than $100 with respect to months in taxable years beginning after August 1958.

§ 404.446 Definition of "substantial services."

(a) *General.* In general, the substantial services test is one of whether, in view of all the services rendered by the individual and the surrounding circumstances, the individual can reasonably be considered retired in the month in question. Even though an individual performs some services in a trade or business in a month, such services are not substantial where the evidence establishes to the satisfaction of the Administration that the individual may reasonably be considered retired in that month. In determining whether an individual has or has not performed substantial services in any

month, the following factors are considered:

(1) The amount of time the individual devoted to all trades and businesses;

(2) The nature of the services rendered by the individual;

(3) The extent and nature of the activity performed by the individual before he allegedly retired as compared with that performed thereafter;

(4) The presence or absence of an adequately qualified paid manager, partner, or family member who manages the business;

(5) The type of business establishment involved;

(6) The amount of capital invested in the trade or business; and

(7) The seasonal nature of the trade or business.

(b) *Individual engaged in more than one trade or business.* When an individual, in any month, performs services in more than one trade or business, his services in all trades or businesses are considered together in determining whether he performed substantial services in self-employment in such month.

(c) *Evidentiary requirements.* An individual who alleges that he did not render substantial services in any month, or months, shall submit detailed information about the operation of the trades or businesses, including the individual's activities in connection therewith. When requested to do so by the Administration, the individual shall also submit such additional statements, information, and other evidence as the Administration may consider necessary for a proper determination of whether the individual rendered substantial services in self-employment. Failure of the individual to submit the requested statements, information, and other evidence is a sufficient basis for a determination that the individual rendered substantial services in self-employment during the period in question.

§ 404.447 Evaluation of factors involved in substantial services test.

In determining whether an individual's services are substantial, consideration is given to the following factors:

(a) *Amount of time devoted to trades or businesses.* Consideration is first given to the amount of time the self-employed individual devotes to all trades or businesses, the net income or loss of which is includable in computing his earnings as defined in § 404.429. For the purposes of this paragraph, the time devoted to a trade or business includes all the time spent by the individual in any activity, whether physical or mental, at the place of business or elsewhere in furtherance of such trade or business. This includes the time spent in advising and planning the operation of the business, making business contacts, attending meetings, and preparing and maintaining the facilities and records of the business. All time spent at the place of business which cannot reasonably be considered unrelated to business activities is considered time devoted to the trade or business. In considering the weight to be given to the time devoted to trades or businesses the following rules are applied:

(1) *Forty-five hours or less in a month devoted to trade or business.* Where the individual establishes that the time devoted to his trades and businesses during a calendar month was not more than 45 hours, the individual's services in that month are not considered substantial unless other factors (see paragraphs (b), (c), and (d) of this section), make such a finding unreasonable. For example, an individual who worked only 15 hours in a month might nevertheless be found to have rendered substantial services if he was managing a sizeable business or engaging in a highly skilled occupation. However, the services of less than 15 hours rendered in all trades and businesses during a calendar month are not substantial.

(2) *More than 45 hours in a month devoted to trades and businesses.* Where an individual devotes more than 45 hours to all trades and businesses during a calendar month, it will be found that the individual's services are substantial unless it is established that the individual could reasonably be considered retired in the month and, therefore, that such services were not, in fact, substantial.

(b) *Nature of services rendered.* Consideration is also given to the nature of the services rendered by the individual in any case where a finding that the individual was retired would be unreasonable if based on time alone (see paragraph (a) of this section). The more highly skilled and valuable his services in self-employment are, the more likely the individual rendering such services could not reasonably be considered retired. The performance of services regularly also tends to show that the individual has not retired. Services are considered in relation to the technical and management needs of the business in which they are rendered. Thus, skilled services of a managerial or technical nature may be so important to the conduct of a sizable business that such services would be substantial even though the time required to render the services is considerably less than 45 hours.

(c) *Comparison of services rendered before and after retirement.* Where consideration of the amount of time devoted to a trade or business (see paragraph (a) of this section) and the nature of services rendered (see paragraph (b) of this section) is not sufficient to establish whether an individual's services were substantial, consideration is given to the extent and nature of the services rendered by the individual before his "retirement," as compared with the services performed during the period in question. A significant reduction in the amount or importance of services rendered in the business tends to show that the individual is retired; absence of such reduction tends to show that the individual is not retired.

(d) *Setting in which services performed.* Where consideration of the factors described in paragraphs (a), (b), and (c) of this section is not sufficient to establish that an individual's services in self-employment were or were not substantial, all other factors are considered. The presence or absence of a capable manager, the kind and size of the business, the amount of capital invested and whether the business is seasonal, as well as any other pertinent factors, are considered in determining whether the individual's services are such that he can reasonably be considered retired.

§ 404.450 Required reports of work outside the United States or failure to have care of a child.

(a) *Beneficiary engages in noncovered remunerative activity; report by beneficiary.* Any individual entitled to a benefit which is subject to a deduction in that month because the individual engaged in noncovered remunerative activity outside the United States on 7 or more calendar days (see § 404.417) shall report the occurrence of such event to the Administration before the receipt and acceptance of a benefit for the second month following the month in which such event occurred.

(b) *Beneficiary receiving wife's or mother's insurance benefits does not have a child in her care; report by beneficiary.* Any person receiving wife's or mother's insurance benefits which are subject to a deduction (as described in § 404.421) because she did not have a child in her care, shall report the occurrence of such event to the Administration before the receipt and acceptance of a benefit for the second month following the month in which the deduction event occurred.

(c) *Report required by person receiving benefits on behalf of another.* Where a person is receiving benefits on behalf of a beneficiary (see Subpart Q of this part) it is his duty to make the report to the Administration required by paragraph (a) or (b) of this section, on behalf of the beneficiary.

(d) *Report; content and form.* A report required under the provisions of this section shall be filed with the Social Security Administration. (See § 404.608 for procedures concerning place of filing and date of receipt of such a report.) The report should be made on a form prescribed by the Administration and in accordance with instructions, printed threon or attached thereto, as prescribed by the Administration. Prescribed forms may be obtained at any office of the Administration. If the prescribed form is not used, the report should be properly identified (e.g., show the name and social security claim number of the beneficiary about whom the report is made), describe the events being reported, tell when the events occurred, furnish any other pertinent data (e.g., who has care of the children), and be properly authenticated (e.g., bear the signature and address of the beneficiary making the report or the person reporting on his behalf). The report should contain all the information needed for a proper determination of whether a deduction applies and, if it does, the period for which such deductions should be made.

§ 404.451 Penalty deductions for failure to report within prescribed time limit noncovered remunerative activity outside the United States or not having care of a child.

(a) *Penalty for failure to report.* If an individual (or the person receiving benefits on his behalf) fails to comply with the reporting obligations of § 404.450 within the time specified in § 404.450, a penalty deduction is made from the individual's benefits in addition to the deduction described in § 404.417 (relating to noncovered remunerative activity outside the United States) or § 404.421 (relating to failure to have care of a child).

(b) *Amount of penalty deduction.* The amount of the penalty deduction required under paragraph (a) of this section for each failure to make a timely report is equal to the amount of the deduction from the individual's benefit made under the applicable provisions described in § 404.417 or § 404.421. However, the amount of the first penalty deduction imposed against any individual is equal to the deduction imposed for the first month in which the unreported deduction event occurred, even though the failure to report within the specified time is with respect to a period of more than one month.

(c) *Determining whether failure to report is first or subsequent failure—*(1) *No prior failure.* Where no penalty deduction under paragraph (b) of this section has previously been imposed against the beneficiary for failure to report noncovered remunerative activity outside the United States or for failure to report not having care of a child, all months (and this may include 2 or more months) for which a report is overdue as of the date on which the first delinquent report is made are included in the first failure period. The earliest of the months for which "good cause" (see § 404.454) for failure to make the required report is not found is considered the first failure.

(2) *Second or subsequent failure.* After one penalty deduction under paragraph (b) of this section has been imposed against an individual, each month for which a timely report is not made (and the count commences with reports which become overdue after the date on which the first delinquent report described in subparagraph (1) of this paragraph was made) and for which "good cause" for failure to make the required report is not found, is considered separately in determining whether a penalty applies and, if so, the amount of the penalty.

Example: M became entitled in January 1964 to mother's benefits; these benefits are not payable for any month in which the mother does not have a child in her care. M accepted benefits for each month from January 1964 through June 1965. In July 1965 she reported that she had not had a child in her care in January 1965. As she was not eligible to a benefit for any month she did not have a child in her care, M's July 1965 benefit was withheld to recover the overpayment she had received for January 1965, and the next payment she received was for August 1965. No penalty was imposed for her failure to make a timely report of the deduction event that occurred in January 1965 because it was determined that good cause existed.

In March 1966 M reported that she had not had a child in her care in September or October 1965; however, she had accepted benefit payments for each month from August 1965 through February 1966. Her benefits for March and April 1966 were withheld to recover the overpayment for September and October 1965. Also, it was determined that good cause was not present for M's failure to make a timely report of the deduction event that had occurred in September 1965. A penalty equal to her benefit for September 1965 was deducted from M's May 1966 payment since this was her "first failure" to report not having a child in her care. Payments to her then were continued.

On November 4, 1966, it was learned that M had not had a child in her care in November 1965 or in June, July, or August 1966 although she had accepted benefits for June through October 1966. Consequently, M's benefits for November 1966 through February 1967 were withheld to recover the 4 months' overpayment she received for months in which she did not have a child in her care. In addition, it was determined that good cause was not present for M's failure to report the deduction events, and penalties were imposed equal to M's benefits for June, July, and August 1966. The penalty was on a month-for-month basis as this was M's "second failure" to report not having a child in her care. No further penalty applied for November 1965 because that month was included in M's "first-violation" period.

(3) *Penalty deductions imposed under § 404.453 not considered.* A failure to make a timely report of earnings as required by § 404.452, for which a penalty deduction is imposed under § 404.453, is not counted as a failure to report in determining the first or subsequent failure to report noncovered remunerative activity outside the United States or not having care of a child.

§ 404.452 Reports to Administration of earnings; wages; net earnings from self-employment.

(a) *Conditions under which a report of earnings, wages, and net earnings from self-employment is required.* An individual who, during a taxable year, is entitled to a monthly benefit (except if in each month of his taxable year he was entitled only to a disability insurance benefit) is required to report to the Administration the total amount of his earnings (as defined in § 404.429) for each such taxable year under the following provisions.

(1) *Taxable years ending after 1965.* A report is required when the individual's total earnings or wages (as defined in § 404.429) for any taxable year ending after 1965 exceed the product of $125 multiplied by the number of months in his taxable year, except that the report is not required for a taxable year if:

(i) The individual attained the age of 72 in or before the first month of his entitlement to benefits in his taxable year, or

(ii) The individual's benefit payments were suspended under the provisions described in § 404.456 for all months in a taxable year in which he was entitled to benefits and was under age 72.

(2) *Taxable years beginning after 1954 and ending before 1966.* For taxable years beginning after 1954 and ending before 1966, a report is required when an individual's total earnings or wages (as defined in § 404.429) for a taxable year exceed the product of $100 multiplied by the number of months in the taxable year, except that a report is not required if:

(i) The individual attained the age of 72 in or before the first month of his entitlement to benefits in his taxable year, or

(ii) For taxable years beginning after August 1958, the individual's benefit payments were suspended under the provisions described in § 404.456 for all months in a taxable year in which he was entitled to benefits and was under age 72.

(b) *Time within which report must be filed.* The report for any taxable year beginning after 1954 shall be filed with the Social Security Administration on or before the 15th day of the fourth month following the close of the taxable year; for example, April 15 when the beneficiary's taxable year is a calendar year. (See § 404.3(c) where the last day for filing the report falls on a Saturday, Sunday, or legal holiday, or any other day all or part of which is declared to be a nonwork day for Federal employees by statute or Executive order.) The filing of an income tax return with the Internal Revenue Service is not such a report as is required to be filed under the provisions of this section even where the income tax return shows the same wages and net earnings from self-employment that must be reported to the Administration under this section.

(c) *Report required by person receiving benefits on behalf of another.* Where a person is receiving benefits on behalf of a beneficiary (see Subpart Q of this part), it is his duty to make the report to the Administration required by this section.

(d) *Report to be made on forms prescribed by the Administration.* A report required under the provisions of this section shall be filed with the Social Security Administration. (See § 404.608 for procedures concerning place of filing and date of receipt of such a report.) The report shall be made on a form prescribed by the Administration and in accordance with the instructions printed on or attached to the form. The prescribed forms may be obtained from any office of the Social Security Administration. If the prescribed form is not used, the report should show the name and social security claim number of the beneficiary about whom the report is made; identify the taxable year for which the report is made; show the total amount of wages for which the beneficiary rendered services during his taxable year, the amount of his net earnings from self-employment for such year, and the amount of his net loss from self-employment for such year; and show the name and address of the individual making the report. To overcome the presumptions that the beneficiary rendered services for wages exceeding the allowable amount and rendered substantial services in

self-employment in each month (see § 404.435), the report should also show the specific months in which the beneficiary did not render services in employment for wages of more than the allowable amount (as described in § 404.435 and § 404.444) and did not render substantial services in self-employment (as described in § 404.446 and § 404.447).

(e) *Requirement to furnish requested information.* A beneficiary, or the person reporting on his behalf, is required to furnish any other information about the beneficiary's earnings and services that the Administration requests for the purpose of determining the correct amount of benefits payable for a taxable year (see § 404.455).

§ 404.453 Penalty deductions for failure to report earnings timely.

(a) *Penalty for failure to report earnings; general.* Penalty deductions are imposed against an individual's benefits, in addition to the deductions required because of his excess earnings (see § 404.415), if:

(1) He fails to make a timely report of his earnings as specified in § 404.452 for a taxable year beginning after 1954; and

(2) A deduction is imposed because of his earnings (see § 404.415) for that year; and

(3) He received and accepted any payment of benefits for that year.

(b) *Determining amount of penalty deduction.* The amount of the penalty deduction for failure to report earnings for a taxable year within the prescribed time is determined as follows:

(1) *First failure to file timely report.* The penalty deduction for the first failure to file a timely report is an amount equal to the individual's benefit or benefits for the last month for which he was entitled to such benefit or benefits during the taxable year.

(2) *Second failure to file timely report.* The penalty deduction for the second failure to file a timely report is an amount equal to twice the amount of the individual's benefit or benefits for the last month for which he was entitled to such benefit or benefits during such taxable year.

(3) *Subsequent failures to file timely reports.* The penalty deduction for the third or subsequent failure to file a timely report is an amount equal to three times the amount of the individual's benefit or benefits for the last month for which he was entitled to such benefit or benefits during such taxable year.

(c) *Determining whether a failure to file a timely report is first, second, or subsequent failure*—(1) *No prior failure.* Where no penalty deduction under this section has previously been imposed against the beneficiary for failure to make a timely report of his earnings, all taxable years (and this may include 2 or more years) for which a report of earnings is overdue as of the date the first delinquent report is made are included in the first failure. The latest of such years for which "good cause" for failure to make the required report (see § 404.454) is not found is considered the first failure to file a timely report.

Example: X became entitled to benefits in 1964 and had reportable earnings for 1964, 1965, and 1966. He did not make his annual reports for those years until July 1967. At that time it was found that 1966 was the only year for which he had good cause for not making a timely report of his earnings. Since all taxable years for which a report is overdue as of the date of the first delinquent report are included in the first failure period, it was found that his first failure to make a timely report was for 1965. The penalty is equal to his December 1965 benefit rate. If good cause had also been found for both 1965 and 1964, then X would have "no prior failure" within the meaning of this subsection.

(2) *Second and subsequent failures.* After one penalty deduction under paragraph (b) of this section has been imposed against an individual, each taxable year for which a timely report of earnings is not made (and the count commences with reports of earnings which become delinquent after the date the first delinquent report described in subparagraph (1) of this paragraph was made), and for which "good cause" for failure to make the required report is not found, is considered separately in determining whether the failure is the second or subsequent failure to report timely.

Example: Y incurred a penalty deduction for not making his 1963 annual report until July 1964. In August 1966 it was found that he had not made a timely report of either his 1964 or 1965 earnings, and good cause was not present with respect to either year. The penalty for 1964 is equal to twice his benefit rate for December 1964. The penalty for 1965 is equal to three times his benefit rate for December 1965.

(3) *Penalty deduction imposed under § 404.451 not considered.* A failure to make a report as required by § 404.450, for which a penalty deduction is imposed under § 404.451, is not counted as a failure to report in determining, under this section, whether a failure to report earnings or wages is the first or subsequent failure to report.

(d) *Limitation on amount of penalty deduction.* Notwithstanding the provisions described in paragraph (b) of this section, the amount of the penalty deduction imposed for failure to file a timely report of earnings for a taxable year may not exceed the number of months in that year for which the individual received and accepted a benefit and for which deductions are imposed by reason of his earnings for such year. (See § 404.458 for other limitations on the amount of the penalty deduction.)

§ 404.454 Good cause for failure to make required reports.

(a) The failure of an individual to make a timely report under the provisions described in § 404.450 and § 404.452 will not result in a penalty deduction if the individual establishes to the satisfaction of the Administration that his failure to file a timely report was due to good cause and not due to any willful neglect. In determining whether good cause for failure to report timely has been established by the individual, consideration is given to whether the failure to report within the proper time limit was the result of untoward circumstances, misleading action of the Administration, or confusion as to the requirements of the Act resulting from amendments to the Act or other legislation. For example, "good cause" may be found where failure to file a timely report was caused by:

(1) Serious illness of the individual, or death or serious illness in his immediate family;

(2) Inability of the individual to obtain, within the time required to file the report, earnings information from his employer because of death or serious illness of the employer or one in the employer's immediate family; or unavoidable absence of his employer; or destruction by fire or other damage of the employer's business records;

(3) Destruction by fire, or other damage, of the individual's business records;

(4) Transmittal of the required report, within the time required to file the report, in good faith to another Government agency even though the report does not reach the Administration until after the period for reporting has expired;

(5) Unawareness of the statutory provision that an annual report of earnings is required for the year in which the individual attained age 72 where his earnings exceeded $1,500 for a taxable year ending after 1965, or exceeded $1,200 for a taxable year ending before 1966;

(6) Failure on the part of the Administration to furnish forms in sufficient time for an individual to complete and file the report on or before the date it was due, provided the individual made a timely request to the Administration for the forms;

(7) Belief that an extension of time for filing income tax returns granted by the Internal Revenue Service was also applicable to the annual report to be made to the Social Security Administration; or

(8) Reliance upon a written report to the Social Security Administration made by, or on behalf of, the beneficiary before the close of the taxable year, if such report contained sufficient information about the beneficiary's earnings, or work, to require suspension of his benefits (see § 404.456) and the report was not subsequently refuted or rescinded.

(b) Where circumstances are similar and an individual fails on more than one occasion to make a timely report, good cause normally is not found for the second or subsequent violation.

§ 404.455 Request by Administration for reports of earnings; effect of failure to comply with request.

(a) *Request by Administration for report during taxable year; effect of failure to comply.* The Administration may, during the course of a taxable year, request a beneficiary to make a declaration of his estimated earnings (as defined in § 404.429) for his taxable year and to furnish any other information

about his earnings that the Administration may specify. If a beneficiary fails to comply with such a request from the Administration, the beneficiary's failure, in itself, constitutes justification (under section 203(h) of the Act) for a determination that it may reasonably be expected that the beneficiary will have deductions imposed under the provisions described in § 404.415 due to his earnings for that taxable year.

(b) *Request by Administration for report after close of taxable year; failure to comply.* After the close of his taxable year, the Administration may request a beneficiary to furnish a report of his earnings for the closed taxable year and to furnish any other information about his earnings for that year that the Administration may specify. If he fails to comply with this request, this failure shall, in itself, constitute justification (under section 203(h) of the Act) for a determination that the beneficiary's benefits are subject to deductions as described in § 404.415 for each month in the taxable year (or only for the months thereof specified by the Administration).

§ 404.456 Current suspension of benefits because an individual works or engages in self-employment.

(a) *Circumstances under which benefit payments may be suspended.* If, on the basis of information obtained by or submitted to the Administration, it is determined that an individual entitled to monthly benefits for any taxable year may reasonably be expected to have deductions imposed against his benefits (as described in § 404.415) by reason of his earnings for such year, the Administration may, before the close of the taxable year, suspend all or part, as the Administration may specify, of the benefits payable to the individual and to all other persons entitled (or deemed entitled—see § 404.420) to benefits on the basis of the individual's earnings record.

(b) *Duration of suspension.* The suspension described in paragraph (a) of this section shall remain in effect with respect to the benefits for each month until the Administration has determined whether or not any deduction under § 404.415 applies for such month.

(c) *When suspension of benefits becomes final.* For taxable years beginning after August 1958, if benefit payments were suspended (as described in paragraph (a) of this section) for all months of entitlement in an individual's taxable year, no benefit payment for any month in that year may be made after the expiration of the period of 3 years, 3 months, and 15 days following the close of the individual's taxable year unless, within that period, the individual, or any person entitled to benefits based on his earnings record, files with the Administration information showing that a benefit for a month is payable to the individual. Subject to the limitations of this paragraph, a determination about deductions may be reopened under the circumstances described in § 404.957.

§ 404.457 Deductions where taxes neither deducted from wages of certain maritime employees nor paid.

(a) *When deduction is required.* A deduction is required where:

(1) An individual performed services after September 1941 and before the termination of Title I of the First War Powers Act, 1941, on or in connection with any vessel as an officer or crew member; and

(2) The services were performed in the employ of the United States and employment was through the War Shipping Administration or, for services performed before February 11, 1942, through the United States Maritime Commission; and

(3) The services, under the provisions described in § 403.803(d) of Part 403 of this chapter (Regulations No. 3 of the Social Security Administration), constituted employment for purposes of title II of the Social Security Act; and

(4) The taxes imposed (by section 1400 of the Internal Revenue Code of 1939, as amended) with respect to such services were neither deducted from the individual's wages nor paid by the employer.

(b) *Amount of deduction.* The deduction required by paragraph (a) of this section is an amount equal to 1 percent of the wages with respect to which the taxes described in paragraph (a)(4) of this section were neither deducted nor paid by the employer.

(c) *How deduction is made.* The deduction required by paragraph (a) of this section is made by withholding an amount as determined under paragraph (b) of this section from any monthly benefit or lump-sum death payment based on the earnings record of the individual who performed the services described in paragraph (a) of this section.

(Sec. 907 of the Social Security Act Amendments of 1939—Public Law 379, 76th Cong.; 53 Stat. 1402, as amended by Public Law 17, 78th Cong.; 57 Stat. 47.)

§ 404.458 Limiting deductions where total family benefits payable would not be affected or would be only partly affected.

Notwithstanding the provisions described in § 404.415, § 404.417, § 404.421, § 404.422, § 404.451, and § 404.453 about the amount of the deduction to be imposed for a month, no such deduction is imposed for a month when the benefits payable for that month to all persons entitled to benefits on the same earnings record and living in the same household remain equal to the maximum benefits payable to them on that earnings record. Where making such deductions and increasing the benefits to others in the household (for the month in which the deduction event occurred) would give members of the household less than the "maximum" (as determined under § 404.404) payable to them, the amount of the deduction imposed is reduced to the difference between the maximum amount of benefits payable to them and the total amount which would have been paid if the benefits of members of the household not subject to deductions were increased to the deduction for such month may be paid the difference between the deduction so reduced and his benefit as adjusted under § 404.403 (without application of § 404.402(a)). All other persons in the household are paid, for such month, their benefits as adjusted under § 404.403 without application of § 404.402(a).

§ 404.460 Nonpayment of monthly benefits of aliens outside the United States for more than 6 months.

(a) *Nonpayment of monthly benefits.* Except as described in paragraph (b) of this section, after December 1956 no monthly benefit may be paid to any individual who is not a citizen or national of the United States, for any month after the sixth consecutive calendar month during all of which he is outside the United States, and before the first calendar month for all of which he is in the United States after such absence. (See § 404.380 regarding special payments at age 72.)

(1) For nonpayment of benefits under this section, it is necessary that the beneficiary be an alien and while an alien be outside the United States for more than six full consecutive calendar months. The period of absence exceeding 6 months does not include any month before the first month the alien became entitled to monthly benefits. A full calendar month includes 24 hours of each day of the calendar month.

(2) Nonpayment of benefits to an individual under this section does not cause nonpayment of benefits to other persons receiving benefits based on the individual's earnings record.

(b) *When nonpayment provisions do not apply.* The provisions described in paragraph (a) of this section do not apply to a benefit for any month if:

(1) The individual was, or upon application would have been, entitled to a monthly benefit for December 1956, based upon the same earnings record; or

(2) The individual upon whose earnings the benefit is based, before that month, has resided in the United States for a period or periods aggregating 10 years or more or has earned not less than 40 quarters of coverage (for purposes of this subsection a period of residence begins with the day the insured individual arrives in the United States with the intention of establishing at least a temporary home here; it continues so long as he maintains a more or less permanent attachment to and abode in the United States, accompanied by actual physical presence in the United States for a significant part of the period; and ends with the day of departure from the United States with the intention to reside elsewhere); or

(3) The individual is outside the United States while in the active military or naval service of the United States; or

(4) The individual on whose earnings the benefit is based died before that month and:

(i) Death occurred while the individual was on active duty or inactive duty training as a member of a uniformed service, or

(ii) Death occurred after the individual was discharged or released from a period of active duty or inactive duty training as a member of a uniformed service, and the Administrator of Veterans' Affairs determines, and certifies to the Secretary, that the discharge or release was under conditions other than dishonorable and that death was as a result of a disease or injury incurred or aggravated in line of duty while on active duty or inactive duty training; or

(5) The individual on whose earnings record the benefit is based worked in service covered by the Railroad Retirement Act, and such work is treated as employment covered by the Social Security Act under the provisions described in Subpart O of this part; or

(6) The nonpayment of monthly benefits under the provisions described in paragraph (a) of this section would be contrary to a treaty obligation of the United States in effect on August 1, 1956 (see § 404.463(b)); or

(7) The individual is a citizen of a foreign country that the Secretary determines has in effect a social insurance or pension system which meets all of the following conditions:

(i) Such system pays periodic benefits or the actuarial equivalent thereof; and

(ii) The system is of general application; and

(iii) Benefits are paid in this system on account of old age, retirement, or death; and

(iv) Individuals who are citizens of the United States but not citizens of the foreign country and who qualify for such benefits are permitted to receive benefits without restriction or qualification, at their full rate, or the actuarial equivalent thereof, while outside of the foreign country and without regard to the duration of their absence therefrom.

§ 404.461 Nonpayment of lump sum after death of alien outside United States for more than 6 months.

Where an individual dies outside the United States after January 1957 and no monthly benefit was or could have been paid to him for the month preceding the month in which he died because of the provisions described in § 404.460, no lump-sum death payment may be made upon the basis of the individual's earnings record.

§ 404.462 Nonpayment of hospital and medical insurance benefits of alien outside United States for more than 6 months.

No payments may be made under Part A (hospital insurance benefits) of title XVIII for items or services furnished to an individual in any month for which the prohibition described in § 404.460 against payment of benefits to an individual outside the United States for more than six full consecutive calendar months is applicable (or would be if he were entitled to any such benefits). Also, no payments may be made under Part B (supplementary medical insurance benefits) of title XVIII for expenses incurred by an individual during any month the individual is not paid a monthly benefit by reason of the provisions described in § 404.460 or for which no monthly benefit would be paid if he were otherwise entitled thereto.

§ 404.463 Nonpayment of benefits of aliens outside the United States; "foreign social insurance system," and "treaty obligation" exceptions defined.

(a) *"Foreign social insurance system" exception.* The following criteria are used to evaluate the social insurance or pension system of a foreign country to determine whether the exception described in § 404.460(b) to the alien nonpayment provisions applies:

(1) *Social insurance or pension system.* A "social insurance system" means a governmental plan which pays benefits as an earned right, on the basis either of contributions or work in employment covered under the plan, without regard to the financial need of the beneficiary. However, a plan of this type may still be regarded as a "social insurance system" though it may provide, in a subordinate fashion, for a supplemental payment based on need. A "pension system" means a governmental plan which pays benefits based on residence or age, or a private employer's plan for which the government has set up uniform standards for coverage, contributions, eligibility, and benefit amounts provided that, in both of these types of plans, the financial need of the beneficiary is not a consideration.

(2) *"In effect."* The social insurance or pension system of the foreign country must be "in effect." This means that the foreign social insurance or pension system is in full operation with regard to taxes (or contributions) and benefits, or is in operation with regard to taxes (or contribution and provision is made for payments to begin immediately upon the expiration of the period provided in the law for acquiring earliest eligibility. It is not "in effect" if the law leaves the beginning of operation to executive or other administrative action; nor is it in effect if the law has been temporarily suspended.

(3) *"General application."* The term "of general application" means that the social insurance or pension system (or combination of systems) covers a substantial portion of the paid labor force in industry and commerce, taking into consideration the industrial classification and size of the paid labor force and the population of the country, as well as occupational, size of employer, and geographical limitations on coverage.

(4) *"Periodic benefit or actuarial equivalent."* The term "periodic benefit" means a benefit payable at stated regular intervals of time such as weekly, biweekly, or monthly. "Actuarial equivalent" of a periodic benefit means the commutation of the value of the periodic benefit into a lump-sum payment, taking life expectancy and interest into account.

(5) *Benefits payable on account of old age, retirement, or death.* The requirement that benefits be payable "on account of old age, retirement, or death," is satisfied if the foreign social insurance plan or system includes provision for payment of benefits to aged or retired persons and to dependents and survivors of covered workers. The requirement is also met where the system pays benefits based only on old age or retirement. The requirement is not met where the only benefits payable are workmen's compensation payments, cash sickness payments, unemployment compensation payments, or maternity insurance benefits.

(6) *System under which U.S. citizens who qualify may receive payment while outside the foreign country.* The foreign social insurance or pension system must permit payments to qualified U.S. citizens while outside such foreign country, regardless of the duration of their absence therefrom and must make the payments without restriction or qualification to these U.S. citizens at full rate, or at the full actuarial value. The foreign system is considered to pay benefits at the full rate if the U.S. citizen receives the full benefit rate in effect for qualified beneficiaries at the time of his award, whether he is then inside or outside the paying country; and he continues to receive the same benefit amount so long as he remains outside that country, even though he may not receive any increases going into effect after his award, provided that in those other countries in which such increases are denied to beneficiaries, they are denied to all beneficiaries including nationals of the paying country.

(7) *List of countries which meet the social insurance or pension system exception in section 202(t)(2) of the Act.* The following countries have been found to have in effect a social insurance or pension system which meets the requirements of section 202(t)(2) of the Act. Unless otherwise specified, each country meets such requirements effective January 1957. The effect of these findings is that beneficiaries who are citizens of such countries may be paid benefits regardless of the duration of their absence from the United States.

Austria (except from January 1958 through June 1961).
Bolivia.
Brazil.
Canada (beginning January 1966).
Chile.
Congo (Kinshasa), Republic of (beginning July 1961).
Costa Rica (beginning May 1962).
Cyprus (beginning October 1964).
Ecuador.
Ivory Coast.
Luxembourg.
Malta (beginning September 1964).
Monaco.
Panama.
Philippines (beginning June 1960).
Poland (beginning March 7, 1957).
San Marino (beginning January 1965).
Spain (beginning May 1966).
Turkey.
United Kingdom.
Upper Volta (beginning October 1960).
Yugoslavia.

(b) *The "treaty obligation" exception.* It is determined that the Treaties of Friendship, Commerce, and Navigation now in force between the United States and the Federal Republic of Germany, Greece, the Republic of Ireland, Israel, Italy, Japan, and Nicaragua, respectively, create treaty obligations precluding the application of § 404.460(a) to citizens of such countries; and that the Treaty of Friendship, Commerce, and Navigation now in force between the United States and the Kingdom of the Netherlands creates treaty obligations precluding the application of § 404.460(a) to citizens of that country with respect to monthly survivors benefits only. There is no treaty obligation that would preclude the application of § 404.460(a) to citizens of any country other than those listed above.

§ 404.464 Nonpayment of benefits where individual is deported; prohibition against payment of lump sum based on deported individual's earnings records.

(a) *Old-age or disability insurance benefits.* When an individual is deported (after September 1, 1954) under the provisions of paragraphs (1), (2), (4), (5), (6), (7), (10), (11), (12), (14), (15), (16), (17), or (18) of section 241(a) of the Immigration and Nationality Act, no old-age or disability insurance benefit is payable to the individual for any month occurring after the month in which the Administration is notified by the Attorney General of the United States that the individual has been deported and before the month in which the individual is thereafter lawfully admitted to the United States for permanent residence. An individual is considered lawfully admitted for permanent residence as of the month he enters the United States with permission to reside here permanently.

(b) *Other monthly benefits.* If, under the provisions described in paragraph (a) of this section, no old-age or disability insurance benefit is payable to an individual for a month, no monthly insurance benefit is payable for that month, based upon the individual's earnings record, to any other person who is not a citizen of the United States and who is outside the United States for any part of that month.

(c) *Lump-sum death payment.* No lump-sum death payment is payable on the basis of the earnings of an individual deported under paragraphs (1), (2), (4), (5), (6), (7), (10), (11), (12), (14), (15), (16), (17), or (18) of section 241(a) of the Immigration and Nationality Act if the individual dies in or after the month in which notice that he has been deported is received by the Administration and before the month in which the individual is thereafter lawfully admitted to the United States for permanent residence.

§ 404.465 Conviction for subversive activities; effect on monthly benefits and entitlement to hospital insurance benefits.

(a) *Effect of conviction.* Where an individual is convicted of any offense (committed after August 1, 1956) under chapter 37 (relating to espionage and censorship), chapter 105 (relating to sabotage), or chapter 115 (relating to treason, sedition, and subversive activities) of title 18 of the United States Code, or under section 4, 112, or 113 of the Internal Security Act of 1950, as amended, the court, in addition to all other penalties provided by law, may order that, in determining whether any monthly benefit is payable to the individual for the month in which he is convicted or for any month thereafter, and in determining whether the individual is entitled to hospital insurance benefits under Part A of title XVIII for any such month, and in determining the amount of the benefit for that month, the following are not to be taken into account:

(1) Any wages paid to such individual, or to any other individual, in the calendar quarter in which such conviction occurred or in any prior calendar quarter, and

(2) Any net earnings from self-employment derived by the individual, or any other individual, during the taxable year in which the conviction occurred or during any prior taxable year.

(b) *Recalculation of benefit.* When notified by the Attorney General that the additional penalty as described in paragraph (a) of this section has been imposed against any individual entitled to benefits under section 202 or section 223 of the Act (see Subpart D), the Administration, for the purposes of determining the individual's entitlement to such benefits as of the month in which convicted and the amount of the benefit, will exclude the applicable wages and net earnings in accordance with the order of the court.

(c) *Effect of pardon.* In the event that an individual, with respect to whom the additional penalty as described in paragraph (a) of this section has been imposed, is granted a pardon of the offense by the President of the United States, such penalty is not applied in determining such individual's entitlement to benefits, and the amount of such benefit, for any month beginning after the date on which the pardon is granted.

§ 404.466 Conviction for subversive activities; effect on enrollment for supplementary medical insurance benefits.

An individual may not enroll under Part B (supplementary medical insurance benefits) of title XVIII if he has been convicted of any offense described in § 404.465.

§ 404.467 Nonpayment of benefits; individual entitled to disability insurance benefits based on blindness is engaging in substantial gainful activity.

An individual who has attained age 55 and who meets the definition of disability for disability insurance benefit purposes based on "statutory blindness," as defined in § 404.1501, may be entitled to disability insurance benefits for months in which he is engaged in certain types of substantial gainful activity. No payment, however, may be made to the individual or to beneficiaries entitled to benefits on his earnings record for any month in which such individual engages in any type of substantial gainful activity.

2. Section 404.365 is deleted. The material contained in this section has been transferred to § 404.464 without substantive change and with a continuity of force and effect. This change has been made solely for the purposes of organization.

3. *Effective date.* The foregoing amendments shall become effective on the date of publication in the FEDERAL REGISTER.

Dated: December 5, 1967.

[SEAL] ROBERT M. BALL,
Commissioner of Social Security.

Approved December 14, 1967.

WILBUR J. COHEN,
Acting Secretary of Health, Education, and Welfare.

[F.R. Doc. 67-14735; Filed, Dec. 19, 1967; 8:47 a.m.]

Title 21—FOOD AND DRUGS

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

SUBCHAPTER D—HAZARDOUS SUBSTANCES

PART 191—HAZARDOUS SUBSTANCES; DEFINITIONS AND PROCEDURAL AND INTERPRETATIVE REGULATIONS

Exemptions for Small Packages, Minor Hazards, and Special Circumstances

Effective on date of publication of this order in the FEDERAL REGISTER, § 191.63 is republished in its entirety as follows for codification and editorial change purposes. No substantive changes are made hereby.

§ 191.63 Exemptions for small packages, minor hazards, and special circumstances.

(a) The following exemptions are granted for the labeling of hazardous substances under the provisions of § 191.62:

(1) When the sole hazard from a substance in a self-pressurized container is that it generates pressure or when the sole hazard from a substance is that it is flammable or extremely flammable, the name of the component which contributes the hazard need not be stated.

(2) Common matches, including book matches, wooden matches, and so-called "safety" matches are exempted from the labeling requirements of section 2(p)(1) of the act insofar as they apply to the product being considered hazardous because of being "flammable" or "highly flammable" as defined in § 191.1(k).

(3) Paper items such as newspapers, wrapping papers, toilet and cleansing tissues, and paper writing supplies are exempted from the labeling require-

ments of section 2(p)(1) of the act insofar as they apply to the products being considered hazardous because of being "flammable" or "extremely flammable" as defined in § 191.1(k).

(4) Thread, string, twine, rope, cord, and similar materials are exempted from the labeling requirements of section 2(p)(1) of the act insofar as they apply to the products being considered hazardous because of being "flammable" or "extremely flammable" as defined in § 191.1(k).

(5) Laboratory chemicals intended only for research or investigational and other laboratory uses (except those in home chemistry sets) shall be exempt from the requirements of placement provided in §191.101 if all information required by that section and the act are placed with the required prominence on the label panel adjacent to the main panel.

(6) Small-arms ammunition packaged in retail containers is exempted from the labeling requirements of section 2(p)(1) of the act: *Provided*, That such containers' labels bear the following:

(i) The common or usual name of the ammunition in the container.

(ii) The statement: "Warning—keep out of the reach of children," or its practical equivalent.

(iii) The name and place of business of the manufacturer, packer, seller, or distributor.

The term "ammunition" as used in this subparagraph includes small-arms ammunition and loads for powder-actuated tools in a form ready for use in a pistol, revolver, rifle, shotgun, or powder-actuated tool, including blank cartridges and shells.

(7) Rigid or semirigid ball-point ink cartridges are exempt from the labeling requirements of section 2(p)(1) of the act insofar as such requirements would be necessary because the ink contained therein is a "toxic" substance as defined in § 191.1(f)(1): *Provided*, That:

(i) The ball-point ink cartridge is of such construction that the ink will, under any reasonably foreseeable conditions of manipulation or use, emerge only from the ball-point end.

(ii) When tested by the method described in § 191.1(f)(1), the ink does not have an LD 50 single oral dose of less than 500 milligrams per kilogram of body weight of the test animal.

(iii) The cartridge does not have a capacity of more than 2 grams of ink.

(8) Containers of paste shoe waxes, past auto waxes, and paste furniture and floor waxes containing toluene (also known as toluol), xylene (also known as xylol), petroleum distillates and/or turpetine in the concentrations described in § 191.7(a)(4) and (6) are exempt from the labeling requirements of § 191.7(b)(3)(ii) and (5) if the viscosity of such products is sufficiently high that they will not flow from their opened containers when inverted for 5 minutes at a temperature of 80° F., and are exempt from bearing a flammability warning statement if the flammability of such waxes is due solely to the presence of solvents which have flashpoints above 80° F. when tested by the method described in § 191.13.

(9) Porous-tip ink-marking devices are exempt from the labeling requirements of section 2(p)(1) of the act and § 191.7(b)(3)(ii) and (iii) and (4) insofar as such requirements would be necessary because the ink contained therein is a toxic substance as defined in § 191.1(f)(1); and/or because the ink contains 10 percent or more by weight of toluene (also known as toluol), xylene (also known as xylol), or petroleum distillates as defined in § 191.7(a)(4); and/or because the ink contains 10 percent or more by weight of ethylene glycol: *Provided*, That:

(i) The porous-tip ink-marking devices are of such construction that the ink is held within the device by an absorbent material so that there is no free liquid within the device, and under any reasonably foreseeable conditions of manipulation and use including reasonably foreseeable abuse by children, the ink will emerge only through the porous writing nib of the device; and

(ii) (*a*) The device has a capacity of not more than 10 grams of ink, and the ink, when tested by methods described in § 191.1(f)(1), has an LD_{50} single oral dose of not less than 2.5 grams per kilogram of body weight of the test animal; or

(*b*) The device has a capacity of not more than 12 grams of ink and the ink, when tested by methods described in § 191.1(f)(1), has an LD_{50} single oral dose of not less than 3.0 grams per kilogram of body weight of the test animal.

(10) Viscous nitrocellulose-base adhesives containing more than 4 percent methyl alcohol by weight are exempted from the label statement "Cannot be made nonpoisonous" required by § 191.7(b)(2): *Provided*, That:

(i) The total amount of methyl alcohol, by weight, in the product does not exceed 15 percent; and

(ii) The contents of any container does not exceed 2 fluid ounces.

(11) Packages containing polishing or cleaning products which consist of a carrier of solid particulate or fibrous composition and which contain toluene (also known as toluol), xylene (also known as xylol), or petroleum distillates in the concentrations described in § 191.7(a)(4) are exempt from the labeling requirements of § 191.7(b)(3)(ii), provided that such toluene, xylene, or petroleum distillate is fully absorbed by the solid, semisolid, or fibrous carrier and cannot be expressed therefrom with any reasonably foreseeable conditions of manipulation.

(12) Containers of dry ink intended to be used as a liquid ink after the addition of water are exempt from the labeling requirements of section 2(p)(1) of the act and § 191.7(b)(4), insofar as such requirements would be necessary because the dried ink contained therein is a toxic substance as defined in § 191.1(f)(1) and/or because the ink contains 10 percent or more ethylene glycol as defined in § 191.7(a)(3): *Provided*, That:

(i) When tested by the method described in § 191.1(f)(1), the dry ink concentrate does not have an LD_{50}[1] single oral dose of less than 1 gram per kilogram of body weight of the test animal.

(ii) The dry ink concentrate enclosed in a single container does not weigh more than 75 milligrams.

(iii) The dry ink concentrate does not contain over 15 percent by weight of ethylene gycol.

(13) Containers of liquid and semisolid substances such as viscous-type paints, varnishes, lacquers, roof coatings, rubber-vulcanizing preparations, floor-covering adhesives, glazing compounds, and other viscous products containing toluene (also known as toluol), xylene (also known as xylol), or petroleum distillates in concentrations described in § 191.7(a)(4) are exempt from the labeling requirements of § 191.7(b)(3)(ii) insofar as that paragraph applies to such toluene, xylene, or petroleum distillates: *Provided*, That the viscosity of the substance, or of any liquid that may separate or be present in the container, is not less than 150 Saybolt Universal Seconds at 100° F.

(14) Customer-owned portable containers that are filled by retail vendors with gasoline, kerosene (kerosine), or other petroleum distillates are exempt from the provision of section 2(p)(1)(A) of the act, which requires that the name and place of business of the manufacturer, distributor, packer, or seller appear on the label of such containers, provided that all the other label statements required by section 2(p)(1) of the act and § 191.7(b)(3) appear on the labels of containers of the substances named in this subparagraph.

(15) Cellulose sponges are exempt from the labeling requirements of section 2(p)(1) of the act and § 191.7(b)(4), insofar as such requirements would be necessary because they contain 10 percent or more of diethylene glycol as defined in § 191.7(a)(2): *Provided*, That:

(i) The cellulose sponge does not contain over 15 percent by weight of diethylene glycol.

(ii) The diethylene glycol content is completely held by the absorbent cellulose material so that there is no free liquid within the sponge as marketed.

(16) Containers of substances which include salt (sodium chloride) as a component are exempt from the labeling requirements of section 2(p)(1) of the act insofar as such requirements would be necessary because the salt contained therein is present in a quantity sufficient to render the article "toxic" as defined in § 191.1(f)(1): *Provided*, That the labels of such containers bear a conspicuous statement that the product contains salt.

(17) The labeling of substances containing 10 percent or more of ferrous oxalate is exempt from the requirement of § 191.109(f) that it bear the word

[1] Lethal dose, median (lethal for 50 percent or more of test group).

"Poison," which would otherwise be required for such concentration of a salt of oxalic acid.

(18) Packages containing articles intended as single-use spot removers, and which consist of a cotton pad or other absorbent material saturated with a mixture of dry-cleaning solvents, are exempt from the labeling requirements of section 2(p)(1) of the act insofar as they apply to the "flammable" hazard as defined in § 191.1(k)(2): *Provided*, That:

(i) The article is packaged in a sealed foil envelope.

(ii) The total amount of solvent in each package does not exceed 4.5 milliliters.

(iii) The article will ignite only when in contact with an open flame, and when so ignited, the article burns with a sooty flame.

(19) Packages containing articles intended as single-use spot removers, and which consist of a cotton pad or other absorbent material containing methyl alcohol, are exempt from the labeling requirements of § 191.7(b)(2): *Provided*, That:

(i) The total amount of cleaning solvent in each package does not exceed 4.5 milliliters of which not more than 25 percent is methyl alcohol.

(ii) The liquid is completely held by the absorbent materials so that there is no free liquid within the packages marketed.

(20) Cigarette lighters containing petroleum distillate fuel are exempt from the labeling requirements of section 2(p)(1) of the act and § 191.7(b)(3), insofar as such requirements would be necessary because the petroleum distillate contained therein is "flammable" and because the substance is named in § 191.7(a)(4) as requiring special labeling: *Provided*:

(i) That such lighters contain not more than 10 cubic centimeters of fuel at the time of sale; and

(ii) That such fuel is contained in a sealed compartment that cannot be opened without the deliberate removal of the flush-set, screw-type refill plug of the lighter.

(21) Containers of dry granular fertilizers and dry granular plant foods are exempt from the labeling requirements of section 2(p)(1) of the act, insofar as such requirements would be necessary because the fertilizer or plant food contained therein is a toxic substance as defined in § 191.1(f)(1): *Provided*, That:

(i) When tested by the method described in § 191.1(f)(1) the product has a single dose LD–50 of not less than 3.0 grams per kilogram of body weight of the test animal;

(ii) The label of any such exempt dry granular fertilizers discloses the identity of each of the hazardous ingredients;

(iii) The label bears the name and address of the manufacturer, packer, distributor, or seller; and

(iv) The label bears the statement "Keep out of the reach of children" or its practical equivalent.

(22) Small plastic capsules containing a paste composed of powdered metal solder mixed with a liquid flux are exempt from the requirements of section 2(p)(1) of the act: *Provided*, That:

(i) The capsule holds not more than ½-milliliter of the solder mixture;

(ii) The capsule is sold only as a component of a kit; and

(iii) Adequate caution statements appear on the carton of the kit and on any accompanying labeling which bears directions for use.

(23) Chemistry sets and other science education sets intended primarily for use by juveniles, and replacement containers of chemicals for such sets, are exempt from the requirements of section 2(p)(1) of the act: *Provided*, That:

(i) The immediate container of each chemical that is hazardous as defined in the act and regulations thereunder bears on its main panel the name of such chemical, the appropriate signal word for that chemical, and the additional statement "Read back panel before using" (or "Read side panel before using," if appropriate), and bears on the back (or side) panel of the immediate container the remainder of the appropriate cautionary statement for the specific chemical in the container; and

(ii) The experiment manual or other instruction booklet accompanying such set bears on the front page of the leaflet as a preface to any written matter in the leaflet (or on the cover, if any there be), the following caution statement within the borders of a rectangle and in the type size specified in § 191.101:

> WARNING—This set contains chemicals that may be harmful if misused. Read cautions on individual containers carefully. Not to be used by children except under adult supervision.

and

(iii) The outer carton of such set bears on the main display panel within the borders of a rectangle and in the type size specified in § 191.101 the caution statement specified in subdivision (ii) of this subparagraph.

(24) Fire extinguishers containing fire extinguishing agents which are stored under pressure or which develop pressure under normal conditions of use are exempt from the labeling requirements of section 2(p)(1) of the act insofar as such requirements apply to the pressure hazard as defined in § 191.1(m): *Provided*, That:

(i) If the container is under pressure both during storage and under conditions of use, it shall be designed to withstand a pressure of at least 6 times the charging pressure at 70° F., except that carbon dioxide extinguishers shall be constructed and tested in accordance with applicable Interstate Commerce Commission specifications; or

(ii) If the container is under pressure only during conditions of use, it shall be designed to withstand a pressure of not less than 5 times the maximum pressure developed under closed nozzle conditions at 70° F. or 1½ times the maximum pressure developed under closed nozzle conditions at 120° F., whichever is greater.

(25) Cleaning and spot removing kits intended for use in cleaning carpets, furniture, and other household objects, and kits intended for use in coating, painting, antiquing, and similarly processing various surfaces, furniture, furnishings, equipment, sidings, etc., are exempt from the requirements of section 2(p)(1) of the act: *Provided*, That:

(i) The immediate container of each hazardous substance in the kit is fully labeled and in conformance with the requirements of the act and regulations issued thereunder; and

(ii) The carton of the kit bears on the main display panel (or panels) within a borderline, and in the type size specified in § 191.101, the following caution statement: "(Insert proper signal word as specified in subdivision (iii) of this subparagraph.) This kit contains the following chemicals that may be harmful if misused: (List hazardous chemical components by name.) Read cautions on individual containers carefully. Keep out of the reach of children."

(iii) If either the word "POISON" or "DANGER" is required on the container of any component of the kit, the same word shall be required to appear as part of the caution statement on the kit carton. If both "POISON" and "DANGER" are required in the labeling of any component or components in the kit, the word "POISON" shall be used. In all other cases the word "WARNING" or "CAUTION" shall be used.

(26) Packages containing articles intended as single use spot removers and containing methyl alcohol are exempt from the labeling specified in § 191.7(b)(2): *Provided*, That:

(i) The total amount of cleaning solvent in each unit does not exceed 1 milliliter, of which not more than 40 percent is methyl alcohol.

(ii) The liquid is contained in a sealed glass ampoule enclosed in a plastic container with a firmly attached absorbent wick at one end through which the liquid from the crushed ampoule must pass, under the contemplated conditions of use.

(iii) The labeling of each package of the cleaner bears the statement, "WARNING—Keep out of reach of children" or its practical equivalent, and the name and place of business of the manufacturer, packer, distributor, or seller.

(27) Packaged fireworks assortments intended for retail distribution are exempt from section 2(p)(1) of the act: *Provided*, That:

(i) The package contains only fireworks devices suitable for use by the public and designed primarily to produce visible effects by combustion, except that small devices designed to produce audible effects may also be included if the audible effect is produced by a charge of not more than 2 grains of pyrotechnic composition;

(ii) Each individual article in the assortment is fully labeled and in conform-

ance with the requirements of the act and regulations issued thereunder; and

(iii) The outer package bears on the main display panel (or panels) within the borders of a rectangle and in the type size specified in § 191.101 the following caution statement: "*WARNING*—This assortment contains items that may be hazardous if misused and should be used only under adult supervision. Important: Read cautions on individual items carefully."

(28) Packages containing felt pads impregnated with ethylene glycol are exempt from the labeling requirements of § 191.7(b)(4): *Provided*, That:

(i) The total amount of ethylene glycol in each pad does not exceed 1 gram; and

(ii) The liquid is held by the felt pad so that there is no free ethylene glycol within the package.

(29) Cigarette lighters containing butane and/or isobutane fuel are exempt from the labeling requirements of section 2(p)(1) of the act, insofar as such requirements would otherwise be necessary because the fuel therein is extremely flammable and under pressure: *Provided*, That:

(i) The lighters contain not more than 12 grams of fuel at the time of sale.

(ii) The fuel reservoir is designed to withstand a pressure of at least 1½ times the maximum pressure which will be developed in the container at 120° F.

(30) The outer retail containers of solder kits each consisting of a small tube of flux partially surrounded by a winding of wire-type cadmium-free silver solder are exempt from the labeling requirements of section 2(p)(1) of the act: *Provided*, That:

(i) The metal solder contains no cadmium and is not otherwise hazardous under the provisions of the act.

(ii) The tube of flux in the kit is fully labeled and in conformance with the act and regulations thereunder, and any accompanying literature which bears directions for use also bears all the information required by section 2(p) of the act.

(iii) The main panel of the outer container bears in type size specified in § 191.101 the following: The signal word, the statement of principal hazard or hazards, the statement "Keep out of the reach of children," or its practical equivalent, and instructions to read other cautionary instructions on the tube of flux within.

(31) Visual novelty devices consisting of sealed units, each of which unit is a steel and glass cell containing perchloroethylene, among other things, are exempted from the requirements of § 191.101(a) that would otherwise require a portion of the warning statement to appear on the glass face of the device: *Provided*, That:

(i) The device contains not more than 75 milliliters of perchloroethylene and contains no other component that contributes substantially to the hazard.

(ii) The following cautionary statement appears elsewhere on the device in the type size specified in § 191.101 (c) and (d):

WARNING—HARMFUL VAPORS MAY RESULT IF BROKEN

Contains perchloroethylene. Do not expose to extreme heat or cold. If broken, open windows until all odor of the chemical is gone. Keep out of the reach of children.

A practical equivalent may be substituted for the statement "Keep out of the reach of children."

(32) Hollow plastic toys containing mineral oil are exempt from the labeling specified in § 191.7(b)(3)(ii), under the following conditions:

(i) The article contains no other ingredient that would cause it to possess the aspiration hazard specified in § 191.7(b)(3)(ii).

(ii) The article contains not more than 6 fluid ounces of mineral oil.

(iii) The mineral oil has a viscosity of at least 70 S.U.S. at 100° F.

(iv) The mineral oil meets the specifications in the N.F. for light liquid petrolatum.

(v) The container bears the statement "CAUTION—Contains light liquid petrolatum N.F. Discard if broken or leak develops."

(33) Containers of mineral oil having a capacity of not more than 1 fluid ounce and intended for use in producing a smoke effect for toy trains are exempt from the labeling specified in § 191.7(b)(3)(ii), under the following conditions:

(i) The mineral oil meets the specifications in the N.F. for light liquid petrolatum.

(ii) The mineral oil has a viscosity of at least 130 S.U.S. at 100° F.

(iii) The article contains no other ingredient that contributes to the hazard.

(iv) The label declares the presence of light liquid petrolatum and the name and place of business of the manufacturer, packer, distributor, or seller.

(34) Viscous products containing more than 4 percent by weight of methyl alcohol, such as adhesives, asphalt-base roof and tank coatings, and similar products, are exempt from bearing the special labeling that would otherwise be required by § 191.7(b)(2): *Provided*, That:

(i) The product contains not more than 15 percent by weight of methyl alcohol.

(ii) The methyl alcohol does not separate from the other ingredients upon standing or through any foreseeable use or manipulation.

(iii) The viscosity of the product is not less than 7,000 centipoises at 77° F.

(iv) Labeling bears the statement "Contains methyl alcohol—use only in well-ventilated area—keep out of the reach of children."

(Sec. 3(c), 74 Stat. 374; 15 U.S.C. 1262)

Dated: December 11, 1967.

R. E. DUGGAN,
Acting Associate Commissioner for Compliance.

[F.R. Doc. 67-14734; Filed, Dec. 19, 1967; 8:47 a.m.]

Title 46—SHIPPING

Chapter I—Coast Guard, Department of Transportation

[CGFR 67-87]

FIRE PROTECTION ON BOTH NEW AND EXISTING PASSENGER VESSELS (100 GROSS TONS OR OVER)

1. Pursuant to the notice of proposed rule making published in the FEDERAL REGISTER of January 24, 1967 (32 F.R. 795-807), and the Merchant Marine Council Public Hearing Agenda dated March 20, 1967 (CG-249), the Merchant Marine Council held a public hearing on March 20, 1967, for the purpose of receiving comments, views, and data. The proposals considered were identified as Items PH 1-67 to PH 13-67, inclusive. Item PH 5-67 contained proposals regarding fire protection on both new and existing passenger vessels (100 gross tons or over) (CG-249, pages 89 to 116, inclusive). Item PH 5k-67 (CG-249, pages 115 and 116) and Item PH 10g-67 (CG-249, pages 183 to 185, inclusive) contained proposed changes to 46 CFR 113.25-5 and 113.25-10(b) regarding general alarm systems for all categories of vessels. These proposals, as revised, are adopted and set forth in this document.

2. Interested persons have been afforded an opportunity to participate in the consideration of these proposals and certain changes were made in the proposals in Item PH 5-67 and Item PH 10g-67. The changes made in various sections are to make it clear that all passenger vessels of 100 gross tons or over, regardless of the date of construction, on an international voyage must substantially meet current fire protection requirements. The change in 46 CFR 113.25-10(b)(1) regarding feeder distribution panels removes a conflict with other regulations and allows more flexibility in application. The Merchant Marine Council's actions with respect to comments received and proposals in Item PH 5-67 and Item PH 10g-67 are approved.

3. By virtue of the authority vested in me as Commandant, U.S. Coast Guard, by section 632 of Title 14, United States Code, and Department of Transportation Order 1100.1, dated March 31, 1967 (49 CFR 1.4(a)(2), 32 F.R. 5606), to promulgate regulations in accordance with the laws cited with regulations below, the following amendments are prescribed and shall be effective on and after November 2, 1968, for both new and existing vessels as described in the regulations; however, the regulations in this document may be complied with in lieu of existing requirements prior to that date.

SUBCHAPTER F—MARINE ENGINEERING

PART 55—PIPING SYSTEMS AND APPURTENANCES

4. The authority note for Part 55 is amended to read as follows:

AUTHORITY: The provisions of this Part 55 issued under R.S. 4405, as amended, 4462, as amended; 46 U.S.C. 375, 416. Interpret or apply R.S. 4399, as amended, 4400, as amended, 4417, as amended, 4417a, as amended, 4418, as amended, 4421, as amended, 4426–4431, as amended, 4433, as amended, 4434, as amended, 4453, as amended, 4488, as amended, 4491, as amended, sec. 14, 29 Stat. 690, as amended, sec. 10, 35 Stat. 428, as amended, 41 Stat. 305, as amended, secs. 1, 2, 49 Stat. 1544, 1545, as amended, sec. 17, 54 Stat. 166, as amended, sec. 3, 54 Stat. 347, as amended, sec. 3, 70 Stat. 152, sec. 3, 68 Stat. 675, sec. 6(b)(1), 80 Stat. 938; 46 U.S.C 361, 362, 391, 391a, 392, 399, 404–409, 411, 412, 435, 481, 489, 366, 395, 363, 367, 526p, 1333, 390b, 50 U.S.C. 198, 49 U.S.C. 1655(b); E.O. 11239, July 31, 1965, 30 F.R. 9671, 3 CFR, 1965 Supp. Department of Transportation Order 1100.1, Mar. 31, 1967, 49 CFR 1.4(a)(2), 32 F.R. 5606, unless as otherwise noted.

Subpart 55.10—Pumping Arrangements and Piping Systems

5. Section 55.10–40(g) is amended to read as follows:

§ 55.10–40 Fuel oil service systems.

* * * * *

(g) Service oil pumps shall be equipped with means of control from a readily accessible position outside of the boiler room which will always be accessible in the event of a fire occurring in the compartment in which the pumps are located. All passenger ships on an international voyage, regardless of the date of construction, shall comply with the requirements of this paragraph.

PART 61—INSTALLATIONS, TESTS, INSPECTIONS, MARKINGS, AND OFFICIAL FORMS

6. The authority note for Part 61 is amended to read as follows:

AUTHORITY: The provisions of this Part 61 issued under R.S. 4405, as amended, 4462, as amended; 46 U.S.C. 375, 416. Interpret or apply R.S. 4399, as amended, 4400, as amended, 4417, as amended, 4417a, as amended, 4418, as amended, 4421, as amended, 4426–4431, as amended, 4433, as amended, 4434, as amended, 4453, as amended, 4488, as amended, 4491, as amended, sec. 14, 29 Stat. 690, as amended, sec. 10, 35 Stat. 428, as amended, 41 Stat. 305, as amended, secs. 1, 2, 49 Stat. 1544, 1545, as amended, sec. 17, 54 Stat. 166, as amended, sec. 3, 54 Stat. 347, as amended, sec. 3, 70 Stat. 152, sec. 3, 68 Stat. 675, sec. 6(b)(1), 80 Stat. 938; 46 U.S.C. 361, 362, 391, 391a, 392, 399, 404–409, 411, 412, 435, 481, 489, 366, 395, 363, 367, 526p, 1333, 390b, 50 U.S.C. 198, 49 U.S.C. 1655(b); E.O. 11239, July 31, 1965, 30 F.R. 9671, 3 CFR, 1965 Supp. Department of Transportation Order 1100.1, Mar. 31, 1967, 49 CFR 1.4(a)(2), 32 F.R. 5606.

Subpart 61.05—Installations

7. Section 61.05–25 is amended by adding a new paragraph (b), reading as follows:

§ 61.05–25 Means of stopping machinery.

* * * * *

(b) All passenger ships on an international voyage, regardless of the date of construction, shall comply with the requirements of this section.

SUBCHAPTER H—PASSENGER VESSELS

PART 72—CONSTRUCTION AND ARRANGEMENT

8. The authority note for Part 72 is amended to read as follows:

AUTHORITY: The provisions of this Part 72 issued under R.S. 4405, as amended, 4462, as amended; 46 U.S.C. 375, 416. Interpret or apply R.S. 4399, as amended, 4400, as amended, 4417, as amended, 4418, as amended, 4421, as amended, 4426, as amended, 4433, as amended, 4453, as amended, 4488, as amended, 4490, as amended, 4491, as amended, sec. 14, 29 Stat. 690, as amended, sec. 10, 35 Stat. 428, as amended, 41 Stat. 305, as amended, sec. 5, 49 Stat. 1384, as amended, secs. 1, 2, 49 Stat. 1544, 1545, as amended, sec. 17, 54 Stat. 166, as amended, sec. 3, 54 Stat. 347, as amended, sec. 3, 70 Stat. 152, sec. 3, 68 Stat. 675, sec. 6(b)(1), 80 Stat. 938; 46 U.S.C. 361, 362, 391, 392, 399, 404, 411, 435, 481, 482, 489, 366, 395, 363, 369, 367, 526p, 1333, 390b, 50 U.S.C. 198, 49 U.S.C. 1655(b); E.O. 11239, July 31, 1965, 30 F.R. 9671, 3 CFR, 1965 supp. Department of Transportation Order 1100.1, Mar. 31, 1967, 49 CFR 1.4(a)(2), 32 F.R. 5606.

Subpart 72.05—Structural Fire Protection

9. Section 72.05–90 is amended to read as follows:

§ 72.05–90 Vessels contracted for prior to May 26, 1965.

(a) Vessels of 100 gross tons and over, contracted for prior to May 26, 1965, on an international voyage; and vessels of 100 gross tons and over, contracted for on or after May 28, 1936, and prior to May 26, 1965, not on an international voyage; shall meet the following requirements:

(1) Existing structure, arrangements, and materials previously approved will be considered satisfactory so long as they meet the minimum requirements of this paragraph and are maintained in good condition to the satisfaction of the Officer in Charge, Marine Inspection. Minor repairs and alterations may be made to the same standards as the original construction.

(2) The details shall be in general agreement with §§ 72.05–5 through 72.05–60.

(b) Vessels of 100 gross tons and over, contracted for prior to May 28, 1936, not on an international voyage, shall meet the following requirements:

(1) Existing structure, arrangements, and materials previously approved will be considered satisfactory so long as they meet the minimum requirements of this paragraph and are maintained in good condition to the satisfaction of the Officer in Charge, Marine Inspection. Minor repairs and alterations may be made to the same standards as the original construction.

(2) All vessels in ocean or coastwise service shall be fitted above the bulkhead deck with fire-resisting bulkheads and doors spaced not more than 131 feet apart which are capable of resisting the passage of flame for a period of at least 1 hour.

(3) All vessels with berth or stateroom accommodations for 50 or more passengers shall be fitted with an approved automatic sprinkling system unless deemed unnecessary by the Commandant. This system shall be so installed as to protect all enclosed parts of the vessel accessible to passengers or crew while the vessel is being navigated, except cargo holds, machinery spaces, and when of fire-resisting construction, toilets, bathrooms, and spaces of similar construction. Where, in the case of a particular vessel, the Commandant does not consider the installation of an automatic water-sprinkling system necessary, such vessel shall be protected in such enclosed parts of the vessel as the Commandant shall deem necessary, with an automatic electric or pneumatic fire-detecting and alarm system, used singly or in combination, of a type approved by the Commandant.

(c) Vessels of less than 100 gross tons, contracted for prior to May 26, 1965, which carry more than 150 passengers, shall meet the following requirements:

(1) Existing structure, arrangements, and materials previously approved will be considered satisfactory so long as they meet the minimum requirements of this paragraph and are maintained in good condition to the satisfaction of the Officer in Charge, Marine Inspection. Minor repairs and alterations may be made to the same standards as the original construction.

(2) For such vessels, contracted for on or after November 19, 1952, and prior to May 26, 1965, on an international voyage, the details shall be in general agreement with §§ 72.05–5 through 72.05–60.

PART 76—FIRE PROTECTION EQUIPMENT

10. The authority note for Part 76 is amended to read as follows:

AUTHORITY: The provisions of this Part 76 issued under R.S. 4405, as amended, 4462, as amended; 46 U.S.C. 375, 416. Interpret or apply R.S. 4417, as amended, 4418, as amended, 4426, as amended, 4488, as amended, 4491, as amended, sec. 10, 35 Stat. 428, as amended, 41 Stat. 305, as amended, secs. 1, 2, 49 Stat. 1544, 1545, as amended, sec. 17, 54 Stat. 166, as amended, sec. 3, 54 Stat. 347, as amended, sec. 3, 70 Stat. 152, sec. 3, 68 Stat. 675, sec. 6(b)(1), 80 Stat. 938; 46 U.S.C. 391, 392, 404, 481, 489, 395, 363, 367, 526p, 1333, 390b, 50 U.S.C. 198, 49 U.S.C. 1655(b); E.O. 11239, July 31, 1965, 30 F.R. 9671, 3 CFR, 1965 Supp. Department of Transportation Order 1100.1, Mar. 31, 1967, 49 CFR 1.4(a)(2), 32 F.R. 5606.

Subpart 76.10—Fire Main System, Details

11. Subpart 76.10 is amended by inserting after § 76.10–1 a new § 76.10–3, reading as follows:

§ 76.10–3 Water availability.

(a) On all vessels on an international voyage, regardless of the date of construction, water pressure from the firemain protecting enclosed spaces shall be immediately available by maintenance of water pressure on the firemain at all times when passengers are aboard the vessel, or by remote control of fire pumps which control shall be easily operable and readily accessible.

(b) Where approved remote controls are not installed, an alarm shall be fitted which will sound in the engine room indicating a drop of water pressure on the system.

12. Section 76.10–10 is amended by changing paragraphs (f) and (g) to read as follows:

§ 76.10–10 Fire hydrants and hose.

* * * * *

(f) The outlet at each fire hydrant shall be provided with a cock or valve fitted in such a position that the fire hose may be removed while the firemain is under pressure. In addition, the outlet shall be limited to any position from the horizontal to the vertical pointing downward, so that the hose will lead horizontally or downward to minimize the possibility of kinking.

(g) Each fire hydrant shall be provided with a single length of hose with nozzle attached and a spanner. A suitable hose rack or other device shall be provided for the proper stowage of the hose. If the hose is not stowed in the open or behind glass so as to be readily seen, the enclosure shall be marked in accordance with § 78.47–20. In addition, the accommodation and service areas of the ship shall be provided with two approved combination nozzles and suitable applicators. These nozzles and applicators may be stowed at the discretion of the master, but shall be convenient for immediate use in event of an emergency.

* * * * *

13. Section 76.10–90(a) is amended by revising subparagraphs (3) and (4) and by adding a new subparagraph (5), reading as follows:

§ 76.10–90 Installations contracted for prior to May 26, 1965.

(a) * * *

(3) When reasonable and practicable, where two or more fire pumps are required, they shall not all be located in the same space. Vessels on an international voyage shall, however, comply with the requirements of § 76.10–5(h).

(4) The general requirements of § 76.10–5 (c) through (h), 76.10–10 (d) through (i), and 76.10–15 shall be complied with insofar as is reasonable and practicable. In addition, vessels on an international voyage shall comply with the requirements of § 76.10–5(b).

(5) Vessels on an international voyage shall comply with the requirements of § 76.10–3.

Subpart 76.15—Carbon Dioxide Extinguishing Systems, Details

14. Section 76.15–90(a)(2) is amended to read as follows:

§ 76.15–90 Installations contracted for prior to November 19, 1952.

(a) * * *

(2) The details of the systems shall be in general agreement with §§ 76.15–5 through 76.15–40 insofar as is reasonable and practicable, with the exception of § 76.15–5(e) (1) through (3) covering spaces other than cargo spaces, which systems may be installed in accordance with subparagraphs (3) through (6) of this paragraph. However, the foregoing exception shall not be permitted for vessels on an international voyage.

* * * * *

PART 77—VESSEL CONTROL AND MISCELLANEOUS SYSTEMS AND EQUIPMENT

15. The authority note for Part 77 is amended to read as follows:

AUTHORITY: The provisions of this Part 77 issued under R.S. 4405, as amended, 4462, as amended; 46 U.S.C. 375, 416. Interpret or apply R.S. 4417, as amended, 4418, as amended, 4426, as amended, 4488, as amended, 4491, as amended, sec. 10, 35 Stat. 428, as amended, 41 Stat. 305, as amended, secs. 1, 2, 49 Stat. 1544, 1545, as amended, sec. 17, 54 Stat. 166, as amended, sec. 3, 54 Stat. 347, as amended, sec. 3, 70 Stat. 152, sec. 3, 68 Stat. 675, sec. 6(b)(1), 80 Stat. 938; 46 U.S.C. 391, 392, 404, 481, 489, 395, 363, 367, 526p, 1333, 390b, 50 U.S.C. 198, 49 U.S.C. 1655(b); E.O. 11239, July 31, 1965, 30 F.R. 9671, 3 CFR, 1965 Supp. Department of Transportation Order 1100.1, Mar. 31, 1967, 49 CFR 1.4(a)(2), 32 F.R. 5606.

Subpart 77.35—Fireman's Outfit

16. Section 77.35–5 is amended by adding paragraphs (f), (g), and (h), reading as follows:

§ 77.35–5 General.

* * * * *

(f) Boots and gloves shall be of rubber or other electrically nonconducting material.

(g) The helmet shall provide effective protection against impact.

(h) Protective clothing shall be of material that will protect the skin from the heat of fire and burns from scalding steam. The outer surface shall be water resistant.

16a. Section 77.35–10 is amended by revising paragraph (a) to read as follows:

§ 77.35–10 Fireman's outfit.

(a) A fireman's outfit shall consist of one self-contained breathing apparatus with lifeline attached, one flashlight, one flame safety lamp, a rigid helmet, boots and gloves, protective clothing, and one fire ax.

* * * * *

PART 78—OPERATIONS

17. The authority note for Part 78 is amended to read as follows:

AUTHORITY: The provisions of this Part 78 issued under R.S. 4405, as amended, 4462, as amended; 46 U.S.C. 375, 416. Interpret or apply R.S. 4417, as amended, 4418, as amended, 4426, as amended, 4453, as amended, sec. 10, 35 Stat. 428, as amended, 41 Stat. 305, as amended, secs. 1, 2, 49 Stat. 1544, 1545, as amended, secs. 17, 3, 54 Stat. 166, 347, as amended, sec. 3, 70 Stat. 152, sec. 3, 68 Stat. 675, sec. 6(b)(1), 80 Stat. 938; 46 U.S.C. 391, 392, 404, 481, 489, 395, 363, 367, 526p, 1333, 390b, 50 U.S.C. 198, 49 U.S.C. 1655(b); E.O. 11239, July 31, 1965, 30 F.R. 9671, 3 CFR, 1965 Supp. Department of Transportation Order 1100.1, Mar. 31, 1967, 49 CFR 1.4(a)(2), 32 F.R. 5606; unless otherwise noted.

18. The authority notes for Subparts 78.07, 78.13, 78.14, 78.17, 78.30, 78.47, 78.70, and 78.80 and for §§ 78.45–1, 78.75–1 and 78.85–1 are amended by deleting references to Treasury Department Orders 167–32, 167–38, and 167–46.

Subpart 78.47—Markings for Fire and Emergency Equipment, Etc.

19. Section 78.47–53(a) is amended by inserting between the words "red" and "letters" the phrase "daylight-reflecting" so that it reads as follows:

§ 78.47–53 Automatic ventilation dampers.

(a) The manual operating positions for automatic fire dampers in ventilation ducts passing through main vertical zone bulkheads shall be identified by red daylight-reflecting letters at least one-half-inch high "VENTILATION FIRE DAMPER." In addition, the open and closed positions shall be similarly marked.

SUBCHAPTER J—ELECTRICAL ENGINEERING

PART 111—ELECTRICAL SYSTEM; GENERAL REQUIREMENTS

20. The authority note for Part 111 is amended to read as follows:

AUTHORITY: The provisions of this Part 111 issued under R.S. 4405, as amended, 4462, as amended; 46 U.S.C. 375, 416. Interpret or apply R.S. 4399, as amended, 4400, as amended, 4417, as amended, 4417a, as amended, 4418, as amended, 4421, as amended, 4426, as amended, 4427, as amended, 4433, as amended, 4453, as amended, 4488, as amended, 4491 as amended, sec. 14, 29 Stat. 690, as amended, sec. 10, 35 Stat. 428, as amended, 41 Stat. 305, as amended, sec. 5, 49 Stat. 1384, as amended, secs. 1, 2, 49 Stat. 1544, 1545, as amended, sec. 17, 54 Stat. 166, as amended, sec. 3, 54 Stat. 347, as amended, sec. 3, 70 Stat. 152, sec. 3, 68 Stat. 675, sec. 6(b)(1), 80 Stat. 938; 46 U.S.C. 361, 362, 391, 391a, 392, 399, 404, 405, 411, 435, 481, 489, 366, 395, 363, 369, 367, 526p, 1333, 390b, 50 U.S.C. 198, 49 U.S.C. 1655(b); E.O. 11239 July 31 1965, 30 F.R. 9671, 3 CFR, 1965 Supp. Department of Transportation Order 1100.1, Mar. 31, 1967, 49 CFR 1.4(a)(2), 32 F.R. 5606.

Subpart 111.50—Distribution and Circuit Loads

21. Section 111.50–5(c) is amended by adding a new subparagraph (2) reading as follows:

§ 111.50–5 Ship's service power circuits.

* * * * *

(c) *Ventilation systems.* * * *

(2) The remote control means for stopping accommodation and machinery space ventilation fans required by this paragraph shall be provided on all passenger vessels on an international voyage regardless of the date of construction.

* * * * *

Subpart 111.65—Special Requirements for Certain Locations and Systems

22. Section 111.65–15(a) is amended by revising subparagraph (2) and by adding a new subparagraph (3), reading as follows:

§ 111.65–15 Special requirements for motion picture projection rooms and projection equipment.

(a) *General.* * * *

(2) *Nonprofessional type projectors.* Projectors of the nonprofessional or miniature type may be operated without a projection room.

(3) *Film.* Only acetate or slow-burning film may be used. Nitrocellulose film is specifically prohibited.

* * * * *

PART 112—EMERGENCY LIGHTING AND POWER SYSTEM

23. The authority note for Part 112 is amended to read as follows:

AUTHORITY: The provisions of this Part 112 issued under R.S. 4405, as amended, 4462, as amended; 46 U.S.C. 375, 416. Interpret or apply R.S. 4399, as amended, 4400, as amended, 4417, as amended, 4417a, as amended, 4418, as amended, 4421, as amended, 4426, as amended, 4427, as amended, 4433, as amended, 4453, as amended, 4488, as amended, 4491, as amended, sec. 14, 29 Stat. 690, as amended, sec. 10, 35 Stat. 428, as amended, 41 Stat. 305, as amended, sec. 5, 49 Stat. 1384, as amended, secs. 1, 2, 49 Stat. 1544, 1545, as amended, sec. 17, 54 Stat. 166, as amended, sec. 3, 54 Stat. 347, as amended, sec. 3, 70 Stat. 152, sec. 3, 68 Stat. 675, sec. 6(b)(1), 80 Stat. 938; 46 U.S.C. 361, 362, 391, 391a, 392, 399, 404, 405, 411, 435, 481, 489, 366, 395, 363, 369, 367, 526p, 1333, 390b, 50 U.S.C. 198, 49 U.S.C. 1566(b); E.O. 11239, July 31, 1965, 30 F.R. 9671, 3 CFR, 1965 Supp. Department of Transportation Order 1100.1, Mar. 31, 1967, 49 CFR 1.4(a)(2), 32 F.R. 5606.

Subpart 112.90—Emergency Lighting and Power Systems for Vessels Contracted for Prior to November 19, 1952

24. Subpart 112.90 is amended by inserting after § 112.90–1 a new § 112.90–3 reading as follows:

§ 112.90–3 Emergency lighting and power systems for passenger vessels, contracted for prior to November 19, 1952, on an international voyage.

(a) The emergency lighting and power systems for passenger vessels, contracted for prior to November 19, 1952, on an international voyage shall meet the applicable standards of Subparts 112.05 through 112.55.

25. Section 112.90–5 is amended by changing the heading and paragraph (a) to read as follows:

§ 112.90–5 Emergency lighting system for ocean and coastwise passenger vessels, contracted for prior to November 19, 1952, other than passenger vessels on an international voyage.

(a) The emergency lighting system for ocean and coastwise vessels, contracted for prior to November 19, 1952, other than passenger vessels on an international voyage, shall be in accordance with this section.

* * * * *

26. Section 112.90–10 is amended by changing the heading and paragraph (a) to read as follows:

§ 112.90–10 Emergency lighting system for passenger vessels, contracted for prior to November 19, 1952, other than ocean and coastwise passenger vessels and passenger vessels on an international voyage.

(a) The emergency lighting system for passenger vessels, contracted for prior to November 19, 1952, other than ocean and coastwise passenger vessels and passenger vessels on an international voyage, shall be in accordance with this section.

* * * * *

PART 113—COMMUNICATION AND ALARM SYSTEMS AND EQUIPMENT

27. The authority note for Part 113 is amended to read as follows:

AUTHORITY: The provisions of this Part 113 issued under R.S. 4405, as amended, 4462, as amended; 46 U.S.C. 375, 416. Interpret or apply R.S. 4399, as amended, 4400, as amended, 4417, as amended, 4417a, as amended, 4418, as amended, 4421, as amended, 4426, as amended, 4427, as amended, 4433, as amended, 4453, as amended, 4488, as amended, 4491, as amended, sec. 14, 29 Stat. 690, as amended, sec. 10, 35 Stat. 428, as amended, 41 Stat. 305, as amended, sec. 5, 49 Stat. 1384, as amended, secs. 1, 2, 49 Stat. 1544, 1545, as amended, sec. 17, 54 Stat. 166, as amended, sec. 3, 54 Stat. 347, as amended, sec. 3, 70 Stat. 152, sec. 3, 68 Stat. 675, sec. 6(b)(1), 80 Stat. 938; 46 U.S.C. 361, 362, 391, 391a, 392, 399, 404, 405, 411, 435, 481, 489, 366, 395, 363, 369, 367, 526p, 1333, 390b, 50 U.S.C. 198, 49 U.S.C. 1655(b); E.O. 11239, July 31, 1965, 30 F.R. 9671, 3 CFR, 1965 Supp. Department of Transportation Order 1100.1, Mar. 31, 1967, 49 CFR 1.4(a)(2), 32 F.R. 5606.

Subpart 113.25—General Alarm Systems

28. Section 113.25–5 is amended to read as follows:

§ 113.25–5 Operation.

(a) The general alarm system shall consist of electric vibrating bells located throughout passengers' and crew's quarters, machinery spaces, and work spaces, and so located as to warn all occupants in an emergency. The general alarm system shall be operated by means of manually operated contact makers with one contact maker located in the wheelhouse. Except for the one located in the wheelhouse, all contact makers shall be protected against tampering by an enclosure provided with a breakable transparent window.

(b) On passenger vessels and cargo and miscellaneous vessels the general alarm system shall be operated by two readily accessible, manually operated contact makers. One contact maker shall be located in the same space as the feeder distribution panel, or, if no feeder distribution panel is provided, in the same space as the branch circuit distribution panel. The other contact maker shall be located in the wheelhouse. Where the general alarm power supply is in or adjacent to the wheelhouse only one contact maker need be provided. One additional contact maker may be installed at an accessible location.

(c) On tank vessels four manually operated contact makers shall be provided in accessible locations for operating the general alarm system. The contact makers shall be provided at the following locations: (1) Wheelhouse, (2) space where feeder distribution panel is located, (3) deck officers' quarters furthest from engineroom, and (4) engineroom. Where feeder distribution panels are not provided a contact maker shall be provided in the same space as the branch circuit distribution panel. Where the general alarm power supply is located in or adjacent to the wheelhouse the requirement that a contact maker be provided in the space where the feeder distribution panel is located is not applicable.

(d) On vessels on which an emergency squad is organized, on vessels having a manual fire alarm system, and on all passenger vessels (regardless of date of construction) on an international voyage, an independent manually operated contact maker shall be located in the wheelhouse and so connected as to operate only the general alarm bells located in crew's quarters and machinery spaces.

(1) In lieu of this arrangement on vessels on an international voyage, a separate special alarm system may be fitted for the same purpose, and to sound in the same areas.

29. Section 113.25–10(b) is amended by revising subparagraph (1) and by adding a new subparagraph (7), reading as follows:

§ 113.25–10 General requirements.

* * * * *

(b) *Distribution of general alarm system feeders and branch circuits.* (1) A feeder distribution panel shall be provided to divide the system into the required number of zone feeders. The distribution panel shall afford overcurrent protection for each zone feeder, but no disconnect switches shall be provided. The distribution panel shall be located in an enclosed space adjacent to the general alarm battery enclosure. If the arrangement of the vessel is such that only one zone feeder is required, the branch circuit distribution panel required by this paragraph may be substituted for the feeder distribution panel.

* * * * *

(7) General alarm feeders and branch circuit cables shall be located in passageways and shall avoid staterooms, lockers, galleys, machinery spaces, and other enclosed spaces except insofar as it is necessary to supply general alarm bells in those spaces.

* * * * *

30. Section 113.25–90 is amended by adding a new paragraph (d) reading as follows:

§ 113.25–90 General alarm system for existing vessels.

* * * * *

(d) All passenger vessels, regardless of the date of construction, on an international voyage shall have general alarm systems meeting the requirements in §§ 113.25–5(d) and 113.25–10(b).

Subpart 113.50—Emergency Loudspeaker System

31. Section 113.50–5(a) is amended by adding at end thereof a new subparagraph (7) reading as follows:

§ 113.50–5 General requirements.

(a) * * *

(7) Accommodation spaces and service spaces.

* * * * *

32. Section 113.50–90(b)(1) is amended by adding at the end thereof a new subdivision (v) reading as follows:

§ 113.50–90 Emergency loudspeaker systems for existing vessels.

* * * * *

(b) *General requirements.* (1) * * *

(v) Accommodation spaces and service spaces.

* * * * *

Dated: December 14, 1967.

W. J. SMITH,
Admiral, U.S. Coast Guard,
Commandant.

[F.R. Doc. 67-14713; Filed, Dec. 19, 1967; 8:45 a.m.]

Title 47—TELECOMMUNICATION

Chapter I—Federal Communications Commission

[Docket No. 17746; FCC 67-1343]

PART 73—RADIO BROADCAST SERVICES

Table of Assignments; FM Broadcast Stations in Benton, Ill., etc.

Report and Order. In the matter of amendment of § 73.202 *Table of Assignments,* FM Broadcast Stations (Benton, Ill., Erwin, Tenn., Monticello, Ill., Danville, Ky., Rushville, Ind., Dover and New Philadelphia, Ohio, Waco and Corsicana, Tex., Milford, Ohio, Lancaster and Cynthiana, Ky., Oxnard, Calif., West Frankfort, Ill., and Sierra Vista, Ariz.), Docket No. 17746; RM–1176, RM–1182, RM–1189, RM–1190, RM–1161, RM–1187, RM–1183, RM–1193, RM–1181, RM–1174.

1. The Commission has before it for consideration its notice of proposed rule making, FCC 67–1068, issued in this proceeding on September 22, 1967, and published in the FEDERAL REGISTER on September 27, 1967 (32 F.R. 13527), proposing a number of changes in the FM Table of Assignments advanced by various interested parties and on our own motion. A number of comments were filed pursuant to the notice and all were considered in making the following determinations. Except as noted, the proposals were unopposed and all population figures are taken from the 1960 U.S. Census.

2. *RM–1176, Benton, Ill. (Banks and Freeland Broadcasters); RM–1182, Erwin, Tenn. (WEMB, Inc.); RM–1189, Monticello, Ill. (Robert F. Grubb).* In these three cases, interested parties are seeking the assignment of a first Class A channel to a community, without requiring any other changes in the Table. The communities range in size from 3,210 to 7,023 persons. With the exception of Erwin, Tenn., which has a daytime-only AM station, they do not have any AM station. We are of the view that the communities named merit the requested assignments and that they would serve the public interest. We are therefore assigning Channel 252A to Benton, Ill., 280A to Erwin, Tenn., and 288A to Monticello, Ill.

3. *RM–1190. Danville, Ky.* In a petition for rule making filed on July 31, 1967, WHIR, Inc., licensee of radio Station WHIR(AM), Danville, Ky., requested the assignment of Channel 296A to Danville as a first FM outlet. Danville is a community of 9,010 persons. It is the county seat and largest community in Boyle County, which has a population of 21,257. The only AM station in the community, WHIR, is a Class IV station. Petitioner states that sites are available, such as that of WHIR, for the use of the proposed channel from which all the required minimum spacings can be met and from which the required signal can be placed over all of Danville.

4. Kentucky Broadcasting System, prospective applicant for a new FM station at Versailles, Ky., opposes the assignment of Channel 296A to Danville and urges instead that this channel be assigned to Versailles, Ky. Since the two communities are less than the required cochannel spacing, the two proposals are mutually exclusive. No other channel appears to be completely available to resolve the conflict. Kentucky submits that "while Danville has a slightly larger population" than Versailles, the difference between these small towns is not significant. Versailles has a population of 4,060 and the county in which it is located (Woodford) has a population of 11,913. This city and county do not have any AM station or FM assignments. Versailles is located about 12 miles west of Lexington, Ky., but not in its urbanized area or its SMSA. Kentucky presents various statistics concerning the industries, commerce, educational and recreational facilities of Versailles to support the need of this community for an FM outlet. Kentucky attaches a number of letters from local official, civic, and educational leaders purporting to show that the stations in the area do not provide for the local needs of Versailles and that thus the community needs a local FM outlet for local news, sports, emergency announcements and the like. It is also contended that the proposed assignment would service nearby Lawrenceburg, Ky., a number of residents of which are employed in Versailles. Finally, this party states that a site for the use of Channel 296A at Versailles would have to be located about 2 miles out of town (in the direction of Lexington) to conform to the rules and that Channel 296A is the only channel which can be assigned to Versailles in conformance with all the required separations.

5. In its reply comments WHIR urges that there is a substantial community of interest between Versailles and Lexington in view of the convenient commuting distance via a four-lane highway, and the many Versailles residents who work in Lexington. It suggests that there is a more suitable assignment available for the Versailles-Lawrenceburg area but concedes that not all the requirements could be met on this channel (265A) at the assumed sites. WHIR finally submits that in the event the Commission should determine not to use this channel as suggested, that the proposed Channel 296A be assigned to a community, such as Harrodsburg, which is located within 25 miles of Danville, Versailles, and Lawrenceburg, in order that a choice may be made upon a hearing record between the competing applications.

6. We have carefully considered all the comments in this case and the pertinent facts regarding the two communities of Danville and Versailles and conclude, on balance, that the assignment of Channel 296A should go to Danville. Weighing in favor of Versailles is the fact that it has no AM station, whereas Danville has a Class IV station. On the other hand Danville is over twice as large as Versailles and its county is also almost twice as large as that in which Versailles is located. Further, Versailles is much closer to a population center (Lexington) being only 12 miles from that city while Danville is about 30 miles from it. Lexington has three Class C stations in operation. It also has an educational FM station and three unlimited time AM stations. Versailles is also only 12 miles from Frankfort which has a Class IV AM station and a Class A FM station. Thus, the local radio needs of Versailles are more likely to be met by these stations. In view of the above, we believe that Danville should be preferred for its first FM assignment and are therefore assigning Channel 296A to this community. In reaching this decision we have taken into account the suggestions made by the petitioner as to possible solutions to the conflict presented between Danville and Versailles. The assignment of Channel 265A to Versailles has not been shown to be technically feasible and so cannot be considered. The second suggestion to assign Channel 296A to Harrodsburg so that all applications can be judged on the basis of a hearing record is also not without difficulties. Harrodsburg already has an FM assignment and would not merit a second assignment in view of its small size and the scarcity of available channels in this area.

7. *RM–1187. Dover and New Philadelphia, Ohio.* In response to a petition for rule making filed on July 21, 1967, by The Tuscarawas Broadcasting Co., licensee of Station WBTC(AM), Uhrichsville, Ohio, we invited comments on a request for the reassignment of Channel

269A from Dover-New Philadelphia, Ohio, to Dover, and the assignment of Channel 240A to New Philadelphia as follows:

City	Channel No.	
	Present	Proposed
Dover-New Philadelphia, Ohio	269A	
Dover, Ohio		269A
New Philadelphia, Ohio		240A

8. Dover is a community of 11,300 persons and New Philadelphia of 14,241. Both are located in Tuscarawas County, approximately 3 miles apart. The county has a population of 76,789 and New Philadelphia is its seat and largest community. One Class IV AM station is licensed to both communities. An application has been filed for Channel 269A by the licensee of this station for use at Dover. This application (BPH-5860) was granted on November 8, 1967. The purpose of the subject petition is thus to provide each community with its own FM assignment. Petitioner submits that New Philadelphia is an important trade, transportation, and commercial center and includes a large number of statistics in support of this claim. It further urges that the proposal would provide the community with its first local FM service and would provide an outlet for emergency weather reports, news, sports and other public affairs programs.[1]

9. While it appears that each of the communities named is large enough to warrant an FM assignment in spite of their proximity, attention was invited to the public notice of May 12, 1967, Policy to Govern Requests for Additional FM Assignments, FCC 67-577, especially the showing to be made as to the areas which may be precluded from future needed assignments on the channel requested and the six adjacent channels. Petitioner submits a showing which indicates that there would be no areas precluded on all the adjacent Class B channels due to existing stations in the general area. With respect to Channel 240A itself, there would be an area in which Channel 240A could not be used in the event it is assigned to New Philadelphia, but there are no communities of any substantial size in it which do not already have an FM assignment.

10. We are of the view that the subject proposal has merit and that its adoption would serve the public interest. It would provide each of these communities with its own local FM outlet and the people in the county with a choice in programing. We are therefore adopting it.

[1] Dover Broadcasting Co., Inc., the Dover-New Philadelphia AM licensee and FM permittee, Dover-New Philadelphia, Ohio, filed an opposition to the proposal mainly on the ground that a showing of need for the additional assignment, and the areas which will be precluded as a result of the assignment proposed, were not indicated. This party, however, dismissed its opposition in a later pleading.

11. *RM-1183. Milford, Ohio.* In a petition filed on May 9, 1967 and supplemented on July 26, 1967, Milford Associates, prospective applicant for a new FM station in Milford, Ohio, requested the assignment of Channel 296A to Milford. Milford is a community of 4,131 persons and the county in which most of the community and its population is located, Clermont, has a population of 80,530 persons. Petitioner submits that Clermont is essentially agricultural in nature, that it does not have any radio outlet, and that the assignment of Channel 296A is technically feasible at a site about 4 miles southwest of Milford. WTRE-FM on Channel 297 at Greensburg, Ind., was granted a construction permit to change its site (BPH-5517) on January 23, 1967. The assignment of Channel 296A to Milford is only feasible in the event this station does in fact move to the proposed site.

12. In view of the fact that Milford is located approximately 13 miles east of Cincinnati and in its urbanized area (but not in its Standard Metropolitan Statistical Area) petitioner makes the showing required in the May 12, 1967, Public Notice—Policy to Govern Requests for Additional FM Assignments. This showing indicates that there would be no areas precluded on all the six adjacent channels by the proposed assignment due to existing stations in the general area. The assignment of Channel 296A to Milford would, however, preclude the use of this channel in an area to the southeast of Cincinnati, almost all of which falls in the north central tip of Kentucky. The only communities in this area which do not already have an FM assignment are under 2,000 population.

13. After consideration of the pertinent facts presented in this case, we are of the view that Milford merits the assignment of a first FM assignment, especially since it would not deprive any other community of comparable size of such an assignment. However, since Channel 296A is not feasible at Milford, until WTRE-FM moves its site to the one authorized in BPH-5517, we shall accept, but not grant, any application for the assignment until WTRE-FM moves to its approved site. We are therefore assigning Channel 296A to Milford with this condition.

14. *RM-1193. Lancaster and Cynthiana, Kentucky.* In a petition filed on August 21, 1967, South C. Bevins, tr/as Lancaster Broadcasters, licensee of Station WIXI (AM), Lancaster, Ky., requested the assignment of Channel 292A to Lancaster, Ky. by substituting Channel 272 for 292A at Cynthiana, Ky., as follows:

City	Channel No.	
	Present	Proposed
Lancaster, Ky		292A
Cynthiana, Ky	292A	272A

Lancaster is a community of 3,021 persons and the county in which it is located and of which it is the county seat (Garrard) has a population of 9,747 persons. WIXI, a daytime-only AM station licensed to petitioner, is the only radio station in the community. Petitioner states that an FM station would permit a greater service in the area, which is in the center of a prosperous farm, residential, and recreational region. It submits that Channel 292A is the only channel which can be assigned to Lancaster in conformance with the rules.

15. Since a site for Channel 272A at Cynthiana would have to be located about 2 miles from the community in order to meet the required minimum spacings, and since Channel 276A could be assigned to Cynthiana without this deficiency, we invited comments on the following in lieu of the Bevin's proposal:

City	Channel No.	
	Present	Proposed
Lancaster, Ky		292A
Cynthiana, Ky	292A	276A

In an opposition to the original Bevins proposal received just after the notice was issued, WCYN Radio, Inc., licensee of Station WCYN(AM) at Cynthiana and applicant for a new FM station on presently assigned Channel 292A, opposed the 272A assignment because it could not be used at its AM site and meet required mileage separations. It stated that the location of an FM operation at a separate site would be uneconomical, if not altogether impractical. It did not oppose substitution of 276A if it does not present this problem. Cynthiana is a community of 5,641 persons, the county seat and largest community in Harrison County (population 13,704). WCYN, the sole radio station in the county, is a Class IV station.

16. An opposition and counterproposal to the Notice proposal was filed by Robert E. Johnson, licensee of radio Station WAXU(AM), Georgetown, Ky. WAXU urges that Channel 272A be assigned to Cynthiana and that Channel 276A be assigned to Georgetown. This party submits that Channel 276A is the only one which can be assigned to Georgetown in accordance with the rules, that Georgetown has a population of 6,986 and is the county seat of Scott County, which has a population of 15,376, that the only radio station in the community, WAXU, is a daytime-only station, and that the area is an important agricultural, industrial, and educational one. WAXU contends that Georgetown needs Channel 276A more than Cynthiana, but that in any event Channel 272A can be assigned to Cynthiana with only a small derogation of the separation rules (approximately 1.1 miles). Georgetown is located about 11 miles NNW of Lexington and Cynthiana is about 28 miles NNE of that city. Lancaster is about 30 miles SSW of Lexington.

17. In a reply to the Johnson counterproposal to assign Channel 276A to

Georgetown and 272A to Cynthiana,[2] WCYN urges that any proposal which would require a separate site for the FM station at Cynthiana would effectively deprive that community of an FM outlet. However, this party states that it would not object to the assignment of Channel 272A to Cynthiana and would be willing to amend its pending application provided it is granted a waiver of the approximate 1 mile separation deficiency toward WLJC(FM) at Beattyville on the same channel.

18. We are presented here with requests for a Class A assignment in each of three communities in northcentral Kentucky, all of which appear to merit a first FM assignment. They range in size from 3,021 to 5,641 and two have only daytime-only AM stations, the third having a Class IV AM station (Cynthiana). The proposal to assign Channel 276A to Cynthiana would permit only two assignments, whereas the Georgetown counterproposal to assign Channel 272A to Cynthiana (and 276A to Georgetown) would permit three assignments. However, the use of Channel 272A at Cynthiana would require the selection of a site over 1 mile from the community. While this deficiency is undesirable, the area in question is one in which available frequencies are very scarce, and it thus may be the only manner in which all three communities may have an available FM channel. We are of the view therefore that the proposal to assign a channel to each community is to be preferred in spite of the problem presented by the restriction in available sites for the applicant in Cynthiana. We are thus adopting the Georgetown proposal and assigning Channel 292A to Lancaster, Ky., 276A to Georgetown, and 272A to Cynthiana. We are not at this time ruling on the WCYN request for a waiver of the spacing rule but will give consideration to such a request in the event it is presented to us in the licensing proceeding.

19. *RM–1181, Oxnard, Calif.* In a petition filed on July 14, 1967, and supplemented on August 24, 1967, Cullen B. Tendick, prospective applicant for a new FM station in Oxnard, Calif., requested the addition of Channel 244A to Oxnard, Calif., as follows:

City	Channel No.	
	Present	Proposed
Oxnard, Calif.	284	244A, 284

Oxnard, the largest community but not the county seat of Ventura County, has a population of 40,265 persons, and its county has a population of 199,138 persons. It has a Class B FM station in operation and two unlimited time AM stations, one of which is licensed to Ventura-Oxnard in combination. Ventura, about 10 miles away, has two Class B stations and a Class IV AM station, in addition to the Ventura-Oxnard station.

20. In support of the request for a second assignment in Oxnard, petitioner states that the estimated 1966 population of the city is 62,540, that the proposal conforms to all the spacing rules, and that he intends to file an application for a new FM station in Oxnard in the event the proposal is adopted. Mr. Tendick also points out that there is a need to serve the large Spanish speaking population in the area. As to the possible preclusion of future needed assignments in other communities, petitioner submits that there would be no areas in which assignments would be precluded on any of the adjacent channels due to the proposed assignment due to existing stations in the general area. However, there would be an area so precluded on Channel 244A which would include a number of communities including Port Hueneme, Santa Paula, El Rio, and Fillmore. It is urged that several channels including 252A, 272A, and 288A are available for future use in some of these communities.

21. Oxnard Broadcasting Corp., licensee of KOXR(AM) and KPMJ–FM, Oxnard, Calif., opposes the addition of Channel 244A to Oxnard on the grounds that there is no need for the additional outlet in view of the many AM and FM stations in the county, that it would degrade the quality of FM service in the area, and that other communities, such as Santa Paula, Fillmore, Moorpark, and Ojai, are growing rapidly and are more in need of their own local outlet than Oxnard needs an additional FM station. Answering these contentions in his comments, Tendick, while recognizing that program plans are properly the subject of an application rather than rule making, states that a well balanced format of music and public affairs would not disturb "the decorum of the FM service". He also submits as a further showing of need for the additional FM assignment a letter from a local educator.

22. Upon consideration of all the comments and data submitted in this case, we are of the view that the requested addition of a second FM assignment to Oxnard is warranted and that it would serve the public interest. Oxnard is a rather large community (40,265) and is growing rapidly (1966 estimate 62,540). The only FM assignment to the community is already in operation, so that the additional assignment would provide a competitive service and a possibility of diversity in programing.

23. Because of the possible preclusion of the proposed 244A assignment on use of that channel elsewhere, we also proposed in the Notice to consider Channel 252A for Oxnard instead. Without the Oxnard assignment, either channel could be used at a number of places mentioned by the parties, but 244A can be used at Fillmore and 252 cannot, and thus use of the latter at Oxnard has less of a preclusive effect (because of the existing stations in the area, chiefly at Los Angeles, neither assignment would have any effect on adjacent channels). Therefore, we are assigning Channel 252A to Oxnard, leaving 244A (and some other channels) available for the future needs of other communities in the area. Also, since no other Class B channel can be assigned to Oxnard, we are of the belief that the mixture of Class A and B assignments is justified under the circumstances presented in this case.

24. *RM–1174, Waco and Corsicana, Tex.* On June 28, 1967 (Supplemented on Aug. 21, 1967), Baylor University, licensee of educational FM broadcast station KWBU–FM, Channel 210, Waco, Tex., filed a petition requesting rule making looking toward the addition of Channel 296A to Waco, as follows:

City	Channel No.	
	Present	Proposed
Waco, Tex.	238, 248, 260	238, 248, 260, 296A

Waco has a population of 97,808 and its SMSA has a population of 150,600. The three Class C channels are either occupied or applied for. Waco also has three AM stations and one is assigned to Waco-Marlin.

25. One of the stated purposes of the subject proposal is to remove a problem of interference to reception of television Station KCEN–TV, Channel 6, operating from a site about midway between Waco and Temple, Tex., from the operation of KWBU–FM on educational Channel 210 in the educational band adjacent to Channel 6. KWBU–FM previously operated on Channel 218 which, for "several reasons was not considered satisfactory" (chiefly, second harmonic interference to reception of TV Station WFAA–TV, Dallas, Channel 8) and therefore Baylor requested and was granted permission to move to Channel 210, starting operation thereon in May, 1966. Baylor contends that the interference would remove the sole source of NBC programs in the area of KWBU–FM, since the Dallas NBC outlet (Ch. 5) suffers interference in this area from Temple Channel 6. It further contends that a move out of the educational band is needed and cites the recent report of the Research Division of the Office of Chief Engineer of the Commission "Calculations for Educational FM Channel Assignments in Areas Served by TV Channel 6" dated July 14, 1967, and numbered R–6702. The second reason for the requested assignment is to provide Baylor with an assignment which would permit commercial operation. Baylor previously filed an application for commercial Channel 248 with a request for a waiver of the minimum power requirement but that this was denied by the Commission on December 7, 1966. It submits further that it does not intend to operate KWBU–FM as a commercial station for the foreseeable future but that it is "of

[2] This pleading was filed late. However, WCYN points out that the Johnson comments and counterproposal were not found in the public reference file of this docket—due perhaps to the current move of the Commission to its new headquarters—and asks the Commission to accept the reply in light of the circumstances presented. We are of the view that good cause has been shown in this case and are considering this pleading in spite of its lateness.

the opinion that there will come a time when the proper training of its students will require the operation of the station as a commercial station". In favor of a commercial assignment, Baylor urges that such an operation would be beneficial to students since such stations operate on split-second timing, require careful scheduling of programs and announcements, and develop skills in persuading advertisers to use the station and customers to buy the products advertised.

26. As to the possible impact of the proposed assignment, a showing is included indicating the areas in which Channel 296A and the six adjacent channels would be precluded as a result of the proposed assignment. This showing indicates that there will be no areas of preclusion on Channels 293, 295, 297, 298 and 299 due to existing stations and assignments in other areas. However, there would be a small area precluded on Channel 294 to the northwest of Waco, and a rather large area on Channel 296A itself. With respect to Channel 296A, Baylor submits that there are three unused Class A assignments in this area (Channel 221A at Hamilton, Channel 244A at Marlin, and 265A at Mexia) and that the only community in the area, other than Waco, with a population of over 10,000 population is Corsicana. This community has a population of 20,344 and has a Class IV AM station. Baylor suggests that Channel 300 can be assigned to Corsicana in the event there is a future demand for a local facility.

27. With respect to the alleged interference problem, Baylor does not give any information on the extent of the interference caused but submits that a large number of Waco households are involved and that complaints have been received by both Baylor and KCEN–TV. In another proceeding, Docket 14185, concerning assignments in the educational FM band, KCEN–TV filed comments on this point in which it submitted the results of a card survey showing that 53 percent of the people reported interference trouble after KWBU–FM went on the air on Channel 210 as compared with those reporting no trouble. The area of interference is asserted to be near Baylor University in an area of high population density.

28. In view of the showing made by the petitioner we invited comments on the Baylor proposal to add a Class A channel to Waco in order that KWBU–FM may shift to it from Channel 210 in the educational FM band. Since, however, Channel 296A appeared desirable as a first assignment Class A for the fairly large community of Corsicana and another Class A channel is available for assignment (Channel 252A) for Waco, we proposed the following amendments to the table:

City	Channel No.	
	Present	Proposed
Corsicana, Tex.		296A
Waco, Tex.	238, 248, 260	238, 248, *252A, 260

29. In view of the fact that the proposed addition of Channel 252A to Waco is for the express purpose of removing the interference problem which now exists due to the operation of KWBU–FM on Channel 210 in the educational band, permitting this channel to be available for application by other parties would defeat the intention of the rule making and would perpetuate the serious interference problem and, since petitioner proposed to continue to operate KWBU–FM as an educational station "for the foreseeable future" we proposed that the proposed channel should be reserved for educational use by means of an asterisk placed on the channel in the Table (similar to the method used in the TV broadcast service) and that we should modify the license of KWBU–FM to specify operation on Channel 252A in lieu of 210, in the event the proposal were adopted. Should the licensee at some future date wish to operate on the reserved channel commercially instead of as a noncommercial educational station, we stated that a petition for rule making could be filed to remove the reservation and that consideration would be given to the situation in the area at that time. We further proposed to add the following to paragraph (a) of § 73.202:

> Channels designated with an asterisk are assigned for use by noncommercial educational broadcast stations only.

30. KWTX Broadcasting Co., licensee of television Station KWTX–TV, channel 10, Waco, Tex., opposes the assignment of Channel 252A to Waco on the grounds that, while it would remove the interference to television reception of Channel 6, it would cause harmonic interference to reception of its Channel 10. KWTX urges that Channel 296A, which it submits would not cause interference to any television station received regularly in the Waco area, be assigned to Waco instead. It states that the second harmonic of Channel 252A falls within Channel 10 and attaches a statement of its Chief Engineer to the effect that, in his opinion, Channel 252A will cause interference to the video and lower color sidebands of KWTX–TV within the immediate area of the FM transmitter, which is located in a densely populated residential area. KWTX urges that this potential danger of interference to its signals can and should be eliminated by assigning Channel 296A to Waco in lieu of 252A.

31. Baylor concurs in the KWTX opposition to the assignment of Channel 252A to Waco and again urges that Channel 296A instead be assigned to Waco for use by the university. It states further than Corsicana need not be without an FM channel should Channel 296A be assigned to Waco, since Channel 300 is technically feasible in that community, it suggests that either this assignment be made now or that none be made at this time. It reiterates its position that the time will come when KWBU–FM would best serve the interests of its students by operating as a commercial station and that it therefore contemplates requesting the Commission to remove the educational reservation at some future date.

32. We have considered all the comments and data submitted in this case and conclude that the public interest would be served by making available an FM channel in the commercial band for use by Baylor University and by reserving it for noncommercial educational use at this time. Our concern in proposing Channel 252A for Waco rather than 296A, as proposed by petitioner, was to preserve a channel for future use in the rather large community of Corsicana, which has no FM assignment at present. Since Channel 300 is available for assignment at Corsicana, we believe that this assignment would also serve the public interest. Normally, we would assign a Class A channel to a community the size of Corsicana. However, since no other Class A channel is available and since Corsicana is far removed from population centers (Waco is the nearest at a distance of over 50 miles), we believe the assignment of a Class C channel would be appropriate in this case. The assignment of Channel 296A to Waco would not present any danger of interference to any TV station regularly received in the area, while the assignment of Channel 300 would provide a needed first assignment to Corsicana. We are therefore adopting these assignments and also reserving Channel 296A at Waco for educational use in the manner of the reservations in television. We are further modifying the license of KWBU–FM to specify operation on the new channel and amending Section 73.202 (a) to provide for channel designations for noncommercial educational stations in the commercial band.

33. *RM–1161, Rushville, Ind.* On February 13, 1967 (amended on May 31, 1967), Gene Hammond Kinman, prospective applicant for a new FM station in Rushville, Ind., filed a petition for rule making looking toward the assignment of Channel 232A as a first assignment to Rushville, Ind. Rushville is a community of 7,264 persons and is located about 35 miles southeast of Indianapolis. It is the county seat and largest community in Rush County, which has a population of 20,393. It has no AM station.[2] Various statistics are supplied by petitioner to show the commercial importance of Rushville and the surrounding nearby communities.

34. The previous efforts of another interested party to obtain the assignment of Channel 232A for Rushville and the opposition of Shelby County Broadcasting Co., Inc., licensee of Stations WSVL and WSVL–FM, Shelbyville, Ind., were described in the Notice and need not be repeated here. We wish to note that our previous denial of the proposed assignment was based primarily on the finding in the record that the proposed assignment was not technically feasible.

[2] WSVL–FM, Shelbyville, Ind., located about 17 miles southwest of Rushville maintains auxiliary studios in that community.

We added that the fact that another station in a different community (Shelbyville) maintained auxiliary studios in Rushville did not disqualify it for a local radio assignment. See memorandum opinion and order issued in RM-1035 on December 20, 1966, FCC 66-1165. Based upon the showing in the Kinman petition that a site in fact is available from which all the required minimum spacings can be met and from which the required signal can be placed over all of Rushville, we invited comments on the subject petition

35. In support of his request, Kinman states that Rushville is the largest city in the county and is its trading center, that it is served by six railroads as well as several bus and private trucking firms, that it contains a number of large industrial and manufacturing firms, and that it has a number of schools, hospitals, banks, and service clubs. Finally he points out that the county does not have any FM or standard broadcast station and that Channel 232A is the only channel which can be assigned to it in conformance with the rules. As to the technical feasibility of the proposed assignment, petitioner submits an engineering exhibit giving complete details about a proposed site, including terrain elevation from 2 to 10 miles in the eight normal directions and in three additional directions through and tangent to the community of Rushville. Based upon this exhibit Mr. Kinman concludes that the assignment would conform to all the required spacings and could place the required signal over all of Rushville. Shelby County Broadcasting Co., opposes the proposed assignment, principally on the grounds that the proposal is not technically feasible. Shelby argues that the Kinman engineering showing "contains a fatal error". The error alluded to refers to the fact that the proposed Kinman site as plotted on a topographic map is not the same as those which would be depicted by the geographical coordinates given and that the distance to the pertinent station for the site shown on the map shows a shortage of about 0.2 mile.

36. In reply comments Kinman concedes that an error was made in the geographical coordinates for the proposed site shown on the topographic map attached to the engineering showing. Kinman now submits a new showing based on a nearby site which indicates that the required spacings can be met and that the required signal can be placed over the city of Rushville.[4]

37. Based upon a careful review of the comments and data submitted in the proceeding we are of the view that the proposal to assign Channel 232A to Rushville would serve the public interest and should be adopted. The assignment would provide the community of 7,264 persons and the surrounding area with a first locally located radio broadcast outlet and another source of programing. While the assignment is not ideal from the point of view of the necessary location of a site about seven miles from Rushville, it appears to be the only way in which a local FM station is feasible in this area in which channels are very scarce. As to technical feasibility, we are of the view that sufficient showing has been made that a site should be available from which all the requirements of the rules can be met. We are therefore assigning Channel 232A to Rushville with the condition that a site be selected which conforms to all the technical rules.

38. *West Frankfort, Ill., and Sierra Vista, Ariz.* In addition to the changes discussed above, the Commission also invited comments to make two Class A substitutions in the Table in order to remove short-spaced assignments as follows:

City	Channel No.	
	Present	Proposed
West Frankfort, Ill.	296A	292A
Sierra Vista, Ariz.	261A	265A

39. We are adopting these changes in order to remove the shortages involved. The use of Channel 292A at West Franfort, Ill., will require a site about 2 miles east of the town.

40. Authority for the adoption of the amendments, adopted herein is contained in sections 4(i), 303, and 307(b) of the Communications Act of 1934, as amended.

41. In accordance with the foregoing determinations: *It is ordered*, That effective January 23, 1968, § 73.202 of the Commission's rules, the FM Table of Assignments, is amended to read, insofar as the communities named are concerned, as follows:

City	*Channel No.*
Arizona:	
Sierra Vista	265A
California:	
Oxnard	252A, 284
Illinois:	
Benton	252A
Monticello	288A
West Franfort	292A
Indiana:	
Rushville	232A
Kentucky:	
Cynthiana	272A
Danville	296A
Georgetown	276A
Lancaster	292A
Ohio:	
Dover	269A
Milford	296A
New Philadelphia	240A
Tennessee:	
Erwin	280A
Texas:	
Corsicana	300
Waco	238, 248, 260, *296A

42. *It is further ordered*, Pursuant to section 316 of the Communications Act of 1934, as amended, that the outstanding authorization for Station KWBU-FM, Channel 210, Waco, Tex., held by Baylor University, is modified, to specify operation on Channel 296A in lieu of Channel 210 subject to the following condition:

(a) That the licensee shall submit to the Commission by January 13, 1968, all the technical information normally required for the issuance of a construction permit for operation on Channel 296A, including any changes in antenna and transmission line.

43. *It is further ordered*, That effective January 23, 1968, paragraph (a) of § 73.202 is amended to read as follows:

§ 73.202 Table of Assignments.

(a) *General.* The following table of assignments contains the channels (other than noncommercial educational channels) assigned to the listed communities in the United States, its territories and possessions. Channels designated with an "A" are for Class A FM stations. All other listed channels are for Class B stations in Zones I and I-A and for Class C stations in Zone II. Channels designated with an asterisk are assigned for use by noncommercial educational broadcast stations only.

* * * * *

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

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

Adopted: December 13, 1967.

Released: December 15, 1967.

FEDERAL COMMUNICATIONS COMMISSION,[5]

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

[F.R. Doc. 67-14723; Filed, Dec. 19, 1967; 8:46 a.m.]

[Docket No. 17660; FCC 67-1337]

PART 73—RADIO BROADCAST SERVICES

Experimental Period of FM Broadcast Stations

Report and Order. In the matter of amendment of § 73.262 of the Commission's rules with respect to the experimental period of FM Broadcast Stations, Docket No. 17660, RM-1140.

1. The Commission has before it for consideration its notice of proposed rule making, FCC 67-953, issued in this proceeding on August 14, 1967, and published in the FEDERAL REGISTER on August 17, 1967 (32 F.R. 11886), inviting comments on a proposal to amend the rule concerning the period for experimental operation of FM broadcast stations. The notice was issued in response to a petition filed on April 25, 1967, RM-1140, by the National Association of Broadcasters (NAB) and supported by the American Broadcasting Co. (ABC), requesting both a longer daily experimental period for FM stations to test and maintain appa-

[4] This pleading was filed on Nov. 27, 1967, after the last day for filing reply comments but Kinman requests that it be considered in spite of the late filing. He submits that he was unaware of the Shelby opposition comments and was not able to examine them in the public reference room, probably because of the move of the Commission's offices to its new headquarters, and that he had the new engineering showing prepared as soon as possible. We believe that good cause has been shown for the late filing and are considering it herein.

[5] Commissioner Lee dissenting to paragraph 18 and Commissioner Cox dissenting to the additional assignments to Oxnard, Calif. and Waco, Tex.

ratus and to permit experimentation at other times, under certain limitations, for the improvement of the station's technical facilities.

2. The present rule in this regard, § 73.262, limits the experimental period for FM stations to the period between 1 a.m. and 6 a.m., local standard time, and does not make provision for other times as does the TV rule (§ 73.666). The rule as proposed by NAB reads as follows:

§ 73.262 *Experimental operation.* (a) The period between 12 midnight and 6 a.m. local standard time may be used for experimental purposes in testing and maintaining apparatus by the licensee of any FM broadcast station on its assigned frequency and not in excess of its authorized power, without specific authorization from the Commission.

(b) FM broadcast stations may (upon informal application) conduct technical experimentation directed to the improvement of technical phases of operation during other time periods subject to the following conditions:

(1) That the licensee complies with the provisions of § 73.261 with regard to the minimum number of hours of transmission.

(2) That no transmissions are radiated outside of the authorized channel and subject to the condition that no interference is caused to the transmission of other FM broadcast stations.

3. NAB urges, in support of its request for increased hours of experimentation for testing and maintenance of facilities, that FM facilities are allocated upon the same fundamental philosophy as television facilities (which are not limited as to time during which nonprogram material may be transmitted); that the propagation characteristics of FM signals are similar to television signals, that the nature of FM and television signals do not require restrictive time periods for experimentation as is required in the case of standard broadcast signals, and that the mileage separation plan affords the necessary protection to other stations. Because of the similarities of FM and television signals, the NAB requests that the FM experimental period for testing and maintenance of facilities be lengthened one hour so as to permit testing from midnight to 6 a.m., local standard time, instead of from 1 to 6 a.m., local standard time. NAB further states that, because many FM stations operate on limited schedules and with limited personnel, the present rule works, in many cases, an unnecessary hardship on personnel, by having to return to the station for the testing period thereby resulting in added expense to the licensee. NAB claims that this one hour increase will result in no degradation of the Commission's technical standards, and no "perceptible" increase in interference will occur to other FM broadcast stations.

4. With respect to its request for permission for FM stations to conduct experimental tests looking toward improvement of its facilities, the NAB states that, with the increased complexity in the transmission of FM signals brought about by SCA and stereophonic broadcasting, it is necessary to conduct tests other than during the designated experimental period. This is claimed to be necessary because SCA and stereophonic broadcasting, in many cases, requires precise adjustment of both the receiver and the antenna system. Since the receiver adjustments are made by the listener and service personnel during daylight and early evening hours, NAB requests that the Commission provide, upon proper conditions, that experimentation may be made in periods other than the designated experimental period. The conditions for experimentation looking toward improvement of an FM station are (1) that informal application must be made to the Commission; (2) that the FM station complies with § 73.261 of the rules which deals with minimum hours of transmission; and (3) that no interference is caused to other FM stations.

5. All the comments filed in the proceeding support the requested relaxation in the rule. These were filed by J. G. Rountree, Columbia Broadcasting System, Inc., Maryland/District of Columbia/Delaware Broadcaster's Association, Inc., Radio Station WASH(FM), Ohio Association of Broadcasters, and ABC. No oppositions to the NAB proposal were filed. Some of the parties, however, suggest that the proposal does not go far enough and propose two changes in the rule to be finally adopted. One is that routine test and maintenance activities be permitted at any hour of the day without informal application for authority, and the other is that the time reference in the rule be made to local clock time rather than local standard time. With respect to tests conducted during hours other than specified for the experimental period, it is submitted that licensees will not abuse such a privilege since it is to their self-interest to take no action which would alienate their listening audiences.

6. Upon review of the comments, we believe that, as to routine testing at any time, we can relax the requirement for prior informal authority without adversely affecting the public interest while at the same time relieving the Commission and the licensees of the burden of seeking and receiving permission each time such tests are deemed necessary. However, we are of the view that notification of the commencement of such tests and adjustments to the Engineer in Charge of the district in which the station is located, and the Commission in Washington are necessary for the purpose of answering inquiries concerning the operation of the stations. The rule we are adopting will reflect this change. In this respect there is a further clarification needed. While the NAB proposal refers to "technical experimentation", the only references in the petition to experimentation are to routine testing of equipment, adjustments of equipment for SCA and stereo operation, and the like. There appears to be no intention to include actual experimentation with signals and standards other than those authorized in the rules, as is the case with the TV rule. It may be useful to include such experimental operation by FM stations, and the rule adopted will include it. However, since this type of operation may have an impact on the listening public and the development of the FM broadcast service, we are retaining the requirement for prior Commission approval of such operations.

7. In the matter of changing the rule to specify local clock time rather than local standard time, the contentions are made that people's living habits are geared to locally adopted clock time, and that the purpose of the proposed amendment will be defeated if local standard time is retained in the rule. For example, during the summer months, when daylight saving time is in effect, the station could not begin testing until 1 a.m. daylight saving time or 12 midnight, standard time. If the station during this same summer period, wished to begin programming at 6 a.m. daylight saving time, it would have to cut short its testing period, having only 5 hours instead of the intended 6 hours. Following adoption of the Uniform Time Act of 1966, what was hitherto been called "daylight saving time," and is sometimes called "advanced time," has become all but universal in the conterminous 48 states from late April until late October. We agree with the contention of these parties that the rule should read in terms of the local time prevailing in the community. Accordingly we are changing the time reference to read "prevailing local time." Other Commission rules will be amended to the same effect in the near future.

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

9. In view of the foregoing: *It is ordered*, That effective January 22, 1968, § 73.262 of the Commission's rules is amended to read as shown below. *It is further ordered*, That this proceeding is terminated.

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

Adopted: December 13, 1967.

Released: December 15, 1967.

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

1. Section 73.262 is amended to read as follows:

Section 73.262 Experimental operation.

(a) The period between 12 midnight and 6 a.m., prevailing local time, may be used for experimental purposes in testing and maintaining apparatus by the licensee of any FM broadcast station on its assigned frequency and not in excess of its authorized power, without specific authorization from the Commission.

(b) FM broadcast stations may (with prior notification to the Commission and the Engineer in Charge of the radio district in which the station is located) test, maintain, and adjust the apparatus at the station during other time periods; and may (upon informal application)

conduct technical experimentation directed to the improvement of technical phases of operation during other time periods, and for such purposes may utilize a signal other than the standard FM signal, subject to the following conditions:

(1) That the licensee complies with the provisions of § 73.261 with regard to the minimum number of hours of operation.

(2) That emissions outside the authorized bandwidth shall comply with § 73.317(a) and that no interference is caused to the transmissions of other FM broadcast stations.

(3) No charges either direct or indirect shall be made by the licensee of an FM broadcast station for the production or transmission of programs when conducting technical experimentation.

[F.R. Doc. 67-14724; Filed, Dec. 19, 1967; 8:46 a.m.]

Proposed Rule Making

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[14 CFR Part 91]

[Reg. Docket No. 7947; Notice 67-53]

TURBOJET POWERED CIVIL AIRPLANES

Proposed Altitude Warning Devices

The Federal Aviation Administration is considering rule-making action that would require the installation of an altitude warning device on each turbojet powered civil airplane operated in air commerce.

Interested persons are invited to participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications should identify the docket number and be submitted in duplicate to the Federal Aviation Administration, Office of the General Counsel, Attention: Rules Docket, 800 Independence Avenue SW., Washington, D.C. 20590. All communications received on or before February 19, 1968, will be considered by the Administrator before taking action on the proposed rule. The proposals contained in this notice may be changed in the light of comments received. All comments submitted will be available both before and after the closing date for comments, in the Rules Docket, for examination by interested persons.

On February 6, 1967, the FAA issued advance notice of proposed rule making 67-2 (32 F.R. 2860). This advance notice announced that the agency was considering rule making that would require that some type of device to warn of approaches to, and deviations from, preselected altitude be installed in all large airplanes, and small turbine powered airplanes operated in air commerce. A substantial number of comments were received in response to the advance notice, and a review of these comments indicates that there is substantial disagreement throughout the aviation community as to the desirability of requiring the installation of an altitude warning device. The advance notice contained five specific questions which were posed to elicit as much relevant information as possible. The specific questions together with a summary of the comments received follows:

(1) Should the FAA require that all large airplanes, and small turbine powered airplanes, operated in air commerce be equipped with some type of system that would provide additional warnings to the flight deck crew of significant altitude changes? Should such a requirement be limited to IFR equipped airplanes or to Part 121 operations?

Many of the comments agreed that there is an altitude awareness problem, that an altitude warning system was desirable, and urged the FAA to proceed forthwith with rule-making action to require such a system. Other comments, while agreeing that there is an altitude awareness problem, argued that additional cockpit procedures and cockpit noises could create sufficient additional safety hazards to more than offset the gains achieved by the system. A third position taken in a number of comments was that while such a system may ultimately prove to be desirable, regulatory action at this time is premature. These latter comments, for the most part, urged further research. Many of these comments argued that if an efficient, economical system was developed it would no doubt be installed voluntarily by a large percentage of the airplane operators at which regulatory action would be directed. The majority of the comments favorable to the proposal were opposed to a mandatory requirement for reciprocating engine powered airplanes. The concensus was that such a requirement should be limited to high performance jet aircraft. There was only limited support for limiting a requirement to IFR equipped aircraft.

(2) If such a requirement is adopted should a specific system be required or should only the parameters be described so that each operator can modify the system to be installed in its airplanes, as long as the parameters are met?

Of the comments that supported the proposed requirement the vast majority favored prescribing only the parameters of the system so that various systems and operational procedures could be tried.

(3) What types of warning should be provided? Visual, audio, both, or combinations thereof? How close to the preselected altitude should the warning be given?

The majority of the favorable comments favored both visual and audio warnings. To the extent that there was a concensus a visual warning about 1,000 feet and an audio warning about 500 feet preceding the recommended altitude were recommended.

(4) Should both independent and integral systems be permitted? The agency would expect that any regulation proposed would require that an integral system, if permitted, would be incapable of contaminating the altimeter portion or portions of that system.

Most of the relevant comments favored allowing either an independent or an integral system provided that an integral system would not contaminate or degrade the basic altimetry system.

(5) How much lead time would be required for installation on airplanes affected?

Of the few comments that were directed to this question there were several estimates of 1 year while at least one comment recommended 30 months.

After considering all of the comments on ANPRM 67-2, and upon further evaluation of the entire problem of cockpit altitude awareness, the FAA believes that requiring an altitude warning device at this time is necessary and warranted. While the problem of altitude awareness is as old as aviation itself, the magnitude of the problem has increased with the advent of high-performance airplanes and traffic-saturated airways and is becoming acute as the performance capabilities of airplanes and the volume of traffic continue to mount. This prognosis is substantiated by several recent incidents, in addition to those discussed in the advance notice of proposed rule making, involving lack of cockpit altitude awareness where a major disaster was narrowly averted. A summary of the known facts in two of these recent incidents follows:

1. A large turbojet powered airplane was approaching its destination airport with weather approximately 200 feet ceiling and one-half mile visibility. The flight recorder shows the airplane was at 3,000 feet when 9 minutes from the airport. Between 8¼ and 4¼ minutes from the airport, descent was made from 3,000 feet to 180 feet mean sea level (MSL) 10.4 miles from the airport. The terrain in this area is 120 MSL. The Instrument Landing System (ILS) outer marker (OM) for the landing runway is located 5.6 miles from the end of the runway. Glide slope interception altitude at the OM is 1,692 feet. An air disaster would have occurred had the flight been 60 feet lower.

2. A large turbojet powered airplane had been cleared from cruising altitude of 33,000 feet to 6,000 feet at the 30-mile Distance Measuring Equipment (DME) fix from the VOR. The copilot was flying the airplane and initiated the descent using reverse thrust during descent. Apparently realizing he was unsure of his altitude he asked the other crewmembers what the altitude was. At the same time he applied power and pulled up reportedly commenting that things looked too flat. This action was apparently concurrent with response from the other crewmembers that they also were unsure of the altitude. Subsequently the captain estimated that they were within 100 to 150 feet of the surface. The first officer said he believed it was approximately 200 feet. The flight engineer was unsure but estimated 500 feet. A preliminary readout of the flight recorder indicates "sea level." All of the crewmembers said that they must have misread their altimeters by 10,000 feet. The altimeter used is a 3-pointer type. The captain admits his last "call out" of altitude was 22,500 feet.

In the two incidents given above, no human life was lost, but each missed

disaster by an extremely narrow margin. Both were directly attributable to lack of altitude awareness.

In making the determination that requiring an altitude warning device is necessary the FAA recognizes that, as many of the commentators argued, no additional system or systems can ever completely eliminate the element of human error. The FAA is also well aware that the benefits to be derived from the addition of any system involving additional cockpit procedures, warning lights, and noises, must be carefully weighed against the potential hazards resulting from the increased burden on the flight deck crew. The agency also considers the cost of any new system to determine whether that cost is justified by the potential benefits to be derived from the new system.

After weighing all of these considerations, and after considering all of the comments on ANPRM 67-2 the FAA has decided that there are sufficient positive benefits to be gained therefrom to justify requiring a cockpit altitude warning device. The FAA has further decided that at this time any requirement for the installation of such a device should be limited to turbojet powered civil aircraft where the problem is accentuated by the high rates of climb and descent. It has also determined that either an independent or an intergral device may be installed so long as the basic altimetry system is not affected. It has further determined that there should be at least 400 feet separation between the points where the visual and audio signals are activated to provide adequate utilization of the two warnings. Since the requirement for such a device would apply to all turbojet powered aircraft operated in air commerce, only a requirement in Part 91 is necessary, and based upon the present state of the art, the FAA believes that installation of an altitude warning device should be accomplished 18 months after adoption of a regulatory requirement.

In consideration of the foregoing, it is proposed to amend Part 91 of the Federal Aviation Regulations by adding a new § 91.34 to read as follows:

§ 91.34 Altitude warning device; turbojet powered civil airplanes.

(a) No person may operate a turbojet powered U.S. registered civil airplane after the applicable date set forth in paragraph (e) of this section unless that airplane is equipped with an approved altitude warning device that can:

(1) Provide both visual and audio warnings as a preselected altitude is approached at activating points, within the parameters described in paragraph (b) of this section, that are selected by the operator;

(2) Provide both visual and audio warnings whenever the airplane deviates from the selected altitude by a preselected margin that is within the parameters described in paragraph (b) of this section;

(3) Be tested prior to flight, without special testing equipment, to determine that the visual and audio warnings are operating properly; and

(4) Accept barometric settings.

(b) Except as provided in paragraph (d) of this section, no person may operate a turbojet powered airplane after the applicable date unless the altitude warning device required by paragraph (a) of this section is in operable condition and is preset to provide the required visual and audio warnings within the following parameters—

(1) The visual warning activates at least 700 feet but not more than 1,500 feet before the selected altitude is reached, and continues at least until the audio warning occurs;

(2) The audio warning activates at least 200 feet but not more than 800 feet before the selected altitude is reached; and

(3) The visual and audio warning activating points are separated by at least 400 feet.

(4) Both the visual and audio warnings activate whenever the airplane deviates from the selected altitude by the amount selected by the operator within the ranges prescribed in subparagraphs (1) and (2) of this paragraph.

(c) Each operator to which this section applies shall prepare procedures for use of the altitude warning device and each flight crewmember shall comply with those procedures.

(d) An operator may:

(1) Ferry a turbojet airplane with an inoperative altitude warning device from a place where repair or replacement cannot be made to a place where they can be made;

(2) Continue a flight as originally planned, if the altitude warning device becomes inoperative after the airplane has taken off;

(3) Conduct an airworthiness flight test, during which the altitude warning device is turned off, to test it or to test any altimeter or other equipment in the airplane; or

(4) Ferry a newly acquired airplane from the place where possession of it was taken to a place where the altitude warning device is to be installed.

(e) The altitude warning device required by paragraph (a) of this section must be installed in each turbojet powered aircraft 18 months after the effective date of any adopted rule.

This notice of proposed rule making is issued under the authority of sections 313(a), and 601 of the Federal Aviation Act of 1958 (49 U.S.C. 1354(a) and 1421).

Issued in Washington, D.C., on December 14, 1967.

JAMES F. RUDOLPH,
Director, Flight Standards Service.

[F.R. Doc. 67-14714; Filed, Dec. 19, 1967; 8:45 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[47 CFR Part 73]

[Docket No. 17924; FCC 67-1336]

FM BROADCAST STATIONS

Table of Assignments; Warner Robins and Hawkinsville, Ga.

In the matter of amendment of § 73.202, Table of Assignments, FM Broadcast Stations. (Warner Robins and Hawkinsville, Ga.), Docket No. 17924, RM-1210.

1. On October 20, 1967, and amended on November 2, 1967, WRBN, Inc., licensee of Radio Station WRBN (AM), Warner Robins, Ga., filed a petition requesting rule making to amend the FM Table of Assignments so as to assign a Class A FM channel to Warner Robins, Ga.,by making a change in the Hawkinsville assignment as follows:

City	Channel No.	
	Present	Proposed
Hawkinsville, Ga.	269A	280A
Warner Robins, Ga.		269A

2. Warner Robins is located about 13½ miles south of Macon, outside of its urbanized area but within its Standard Metropolitan Statistical Area. It has no FM assignment but has two daytime-only AM stations. Its population is 18,633 and that of its county (Houston) is 39,154. While it is not the county seat, it is the largest community in Houston County. Hawkinsville, the county seat and largest community in Pulaski County, has a population of 3,967. Pulaski County has a population of 8,204. Hawkinsville is located about 38 miles SSE of Macon. Its sole radio station is a daytime-only operation.

3. Two applications have been filed for the Hawkinsville Channel 269A, one by Tri-County Broadcasting Co., Inc., licensee of Station WCEH, Hawkinsville, and the second by the petitioner, and these have been designated for comparative hearing in Docket Nos. 17579 and 17580. The Warner Robins application was filed under the so-called "25 mile rule", § 73.203(b). Thus, the purpose of the subject petition is to provide a channel to each community and to eliminate the need for the comparative hearing.

4. WRBN submits that Warner Robins is the largest city in Georgia outside an urbanized area with no FM assignment, that the proposal would provide each community with a local FM service, that it would permit prompt establishment of

two new FM services, and that it conforms to all the rules.[1]

5. We are of the view that comments should be invited on the WRBN proposal in order that all interested parties may submit their views and relevant data. Attention is directed to the May 12, 1967, Public Notice, Policy to Govern Requests for Additional FM Assignments, and the showings required for assignments to communities which are near population centers and seeking to eliminate comparative hearings.

6. Authority for the adoption of the amendments proposed herein is contained in sections 4(i), 303, and 307(b) of the Communications Act of 1934, as amended.

7. Pursuant to applicable procedures set out in § 1.415 of the Commission's rules, interested parties may file comments on or before January 12, 1968, and reply comments on or before January 29, 1968. All submissions by parties to this proceeding or by persons acting in behalf of such parties must be made in written comments, reply comments or other appropriate pleadings.

8. In accordance with the provisions of § 1.419 of the rules, an original and 14 copies of all written comments, replies, pleadings, briefs, or other documents shall be furnished the Commission.

Adopted: December 13, 1967.

Released: December 15, 1967.

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

[F.R. Doc. 67-14725; Filed, Dec. 19, 1967; 8:46 a.m.]

[1] Tri-County Broadcasting Co. conditionally supports the WRBN proposal "with provision for amendment in hearing status of the application of Tri-County Broadcasting Co., Inc. (Docket No. 17580, File No. BPH-5737) to specify Channel 280." We will consider this comment and the conditional support in the proceeding itself.

FEDERAL MARITIME COMMISSION

[46 CFR Part 510]

[Docket No. 67-58]

COMPENSATION AND FREIGHT FORWARDER CERTIFICATION

Notice of Proposed Rule Making

Notice is hereby given that pursuant to section 4 of the Administrative Procedure Act (5 U.S.C. 553) and sections 43 and 44 of the Shipping Act, 1916 (46 U.S.C. 841a and 841b), the Federal Maritime Commission is considering the amendment of paragraph (a) of § 510.24, Title 46, CFR. The purpose of this amendment is to require a licensee forwarder to disclose the name of the actual shipper on the "shipper" line of the bill of lading, in order to be entitled to compensation, thereby enabling the conferences to more effectively police their Commission approved dual rate contracts.

Section 510.24(a) (Rule 510.24(a)) was promulgated on October 21, 1966. The purpose of the rule, as stated in the preamble thereto, was to prevent unlawful rebating and "* * * to lend a measure of integrity to lawful dual rate contracts." It has recently come to the Commission's attention, however, that certain licensee forwarders are evading the spirit, if not the letter, of the rule by naming themselves on the "shipper" line of the bill of lading as agents for a shipper who is disclosed elsewhere in the body of the bill.[1] As a result of the foregoing, conferences have been frustrated in their efforts to adequately and effectively police their dual rate contracts as required by statute and the Commission's rules.

Accordingly, in order to enable conferences to more effectively police their Commission approved dual rate contracts, it is proposed that § 510.24(a) be amended to read as follows:

§ 510.24 Compensation and freight forwarder certifications.

(a) No oceangoing common carrier shall pay to a licensee, and no licensee shall charge or receive from any such carrier, either directly or indirectly, any compensation or payment of any kind whatsoever, whether called "brokerage," "commission," "fee," or by any other name, in connection with any cargo or shipment unless the name of the actual shipper is disclosed on the shipper identification line appearing above the cargo description data of the ocean bill of lading.

* * * * *

Interested persons may participate in this rulemaking proceeding by filing with the Secretary, Federal Maritime Commission, Washington, D.C. 20573, on or before January 24, 1968, an original and 15 copies of their views or arguments pertaining to the proposed amended rules. All suggestions for changes in the text as set out above should be accompanied by drafts of the language thought necessary to accomplish the desired change and by statements and arguments in support thereof.

The Federal Maritime Commission, Bureau of Compliance, Office of Hearing Counsel shall participate in the proceeding and shall file Reply to Comments on or before February 14, 1968, by serving an original and 15 copies on the Federal Maritime Commission and one copy to each party who filed written comments. Answers to Hearing Counsel's replies shall be submitted to the Federal Maritime Commission on or before March 6, 1968.

By order of the Federal Maritime Commission.

[SEAL] THOMAS LISI,
Secretary.

[F.R. Doc. 67-14812; Filed, Dec. 19, 1967; 8:48 a.m.]

[1] Under this practice, the actual shipper's name usually appears in the "Description of packages and goods" column of the bill of lading.

[46 CFR Part 536]

[Docket No. 67-34; General Order 13]

COMMON CARRIERS BY WATER IN FOREIGN COMMERCE OF UNITED STATES

Discontinuance of Proceeding

On May 30, 1967 (32 F.R. 7857), the Commission published a proposed rule designed to exempt certain types of vessels providing service for vehicles in the foreign commerce of the United States from the tariff filing requirements of section 18(b) of the Shipping Act, 1916.

A number of strenuous objections to the proposed rule were filed. Hearing Counsel, in reply, suggest that, in view of the number and substance of the objections, the matter warrants further consideration by the Commission staff.

The Commission is of the opinion that publication of the proposed rule in its present form would be inappropriate at this time and that the matter should be given further study. *Accordingly, it is ordered*, That this proceeding is discontinued.

By the Commission.

[SEAL] THOMAS LISI,
Secretary.

[F.R. Doc. 67-14730; Filed, Dec. 19, 1967; 8:47 a.m.]

Notices

DEPARTMENT OF THE TREASURY

OFFICE OF ADMINISTRATIVE SERVICES

Delegation of Authority Relating to Fees for Record Services

Pursuant to the authority vested in the Director of the Office of Administrative Services by 31 CFR 1.6(c), I hereby delegate authority to Heads of Bureaus or their delegates whose records are made available pursuant to 31 CFR Part 1 to establish appropriate fees for services rendered by their bureaus in the disclosure of records under 5 U.S.C. 552, other than fees for furnishing copies of records, and of certified and validated copies of records, and for record search.

The authority hereby delegated shall be exercised in accordance with 31 U.S.C. Supp. II, 483a, Bureau of the Budget Circular No. A-25, and supplements, and Treasury Administrative Circular 67 (Revised), and supplements.

Any fee schedule established under this delegation shall be published in the FEDERAL REGISTER, as a notice or as otherwise appropriate. A copy of the fee schedule shall be forwarded to my office.

In addition, bureaus covered by this delegation are authorized to impose and collect the following fees for furnishing facsimile copies of records by photocopy or similar process:

Size	*Each page (one side) cents, each*
Up to 8½" x 14"----------	10
Up to 12" x 18" but larger than 8½" x 14"----------	40
Up to 18" x 24" but larger than 12" x 18"----------	80

Effective date. This delegation shall be effective upon publication in the FEDERAL REGISTER.

Dated: November 29, 1967.

[SEAL] PAUL MCDONALD,
Director of Administrative Services.

[F.R. Doc. 67-14717; Filed, Dec. 19, 1967; 8:46 a.m.]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

IDAHO

Notice of Proposed Withdrawal and Reservation of Lands

DECEMBER 12, 1967.

The Corps of Engineers, Department of the Army has filed an application, Serial Number I-2013, for the withdrawal of the lands described below, from all forms of appropriation under the public land laws, including the mining laws (30 U.S.C. Ch. 2), mineral leasing laws and the grazing of livestock, subject to valid existing rights.

The applicant desires the land for use in connection with project planning of the Ririe Dam and Reservoir, and for use as a wildfowl reserve.

For a period of 30 days from the date of publication of this notice, all persons who wish to submit comments, suggestions, or objections in connection with the proposed withdrawal may present their views in writing to the undersigned officer of the Bureau of Land Management, Department of the Interior, Room 334, Federal Building, 550 West Fort Street, Boise, Idaho 83702.

The authorized officer of the Bureau of Land Management will undertake such investigations as are necessary to determine the existing and potential demand for the lands and their resources. He will also undertake negotiations with the applicant agency with the view of adjusting the application to reduce the area to the minimum essential to meet the applicant's needs, to provide for the maximum concurrent utilization of the lands for purposes other than the applicant's, to eliminate lands needed for purposes more essential than the applicant's, and to reach agreement on the concurrent management of the lands and their resources.

He will also prepare a report for consideration by the Secretary of the Interior who will determine whether or not the lands will be withdrawn as requested by the Department of the Army, Corps of Engineers.

The determination of the Secretary on the application will be published in the FEDERAL REGISTER. A separate notice will be sent to each interested party of record.

If circumstances warrant it, a public hearing will be held at a convenient time and place, which will be announced.

The lands involved in this application are:

T. 6 N., R. 39 E.,
Sec. 30, all lands within the section which are or may later be determined to be omitted Public Lands.

The area described aggregates 54.20 acres, more or less.

ORVAL G. HADLEY,
Manager, Land Office.

[F.R. Doc. 67-14709; Filed, Dec. 19, 1967; 8:45 a.m.]

National Park Service

MESA VERDE NATIONAL PARK, COLO.

Notice of Intention to Negotiate Concession Contract

Pursuant to the provisions of section 5 of the Act of October 9, 1965 (79 Stat. 969; 16 U.S.C. 20), public notice is hereby given that thirty (30) days after the date of publication of this notice, the Department of the Interior, through the Director of the National Park Service, proposes to negotiate a concession contract with Mr. Emmett C. Koppenhafer d.b.a. MV Pack and Saddle, authorizing him to provide concession facilities and services for the public at Mesa Verde National Park, Colo., for a period of five (5) years from January 1, 1968 through December 31, 1972.

The foregoing concessioner has performed his obligations under the prior contract to the satisfaction of the National Park Service and, therefore, pursuant to the Act cited above, is entitled to be given preference in the renewal of the contract and in the negotiation of a new contract. However, under the Act cited above, the Secretary is also required to consider and evaluate all proposals received as a result of this notice. Any proposals to be considered and evaluated must be submitted within thirty (30) days after the publication of this notice.

Interested parties should contact the Chief of Concessions Management, National Park Service, Washington, D.C. 20240, for information as to the requirements of the proposed contract.

EDWARD A. HUMMEL,
Assistant Director, National Park Service.

DECEMBER 12, 1967.

[F.R. Doc. 67-14721; Filed, Dec. 19, 1967; 8:46 a.m.]

DEPARTMENT OF COMMERCE

Business and Defense Services Administration

UNIVERSITY OF COLORADO MEDICAL CENTER ET AL.

Notice of Applications for Duty-Free Entry of Scientific Articles

The following are notices of the receipt of applications for duty-free entry of scientific articles pursuant to section 6(c) of the Educational, Scientific and Cultural Materials Importation Act of 1966 (Public Law 89-651; 80 Stat. 897). Interested persons may present their views with respect to the question of whether an instrument or apparatus of equivalent scientific value for the purposes for which the article is intended to be used is being manufactured in the United States. Such comments must be filed in triplicate with the Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration, Washington, D.C. 20230, within 20 calendar days after date on

which this notice of application is published in the FEDERAL REGISTER.

Regulations issued under cited Act, published in the February 4, 1967 issue of the FEDERAL REGISTER, prescribe the requirements applicable to comments.

A copy of each application is on file, and may be examined during ordinary Commerce Department business hours at the Office of Scientific and Technical Equipment, Department of Commerce, Room 5123, Washington, D.C.

A copy of each comment filed with the Director of the Office of Scientific and Technical Equipment must also be mailed or delivered to the applicant, or its authorized agent, if any, to whose application the comment pertains; and the comment filed with the Director must certify that such copy has been mailed or delivered to the applicant.

Docket No. 68-00231-33-77040. Applicant: University of Colorado Medical Center, 4200 East Ninth Avenue, Denver, Colo. 80220. Article: Double focussing Mass Spectrometer, with ion pumps, field emission source and kit of replacement parts. Manufacturer: Associated Electrical Industries Limited, United Kingdom. Intended use of article: Applicant states:

The Mass Spectrometer will be predominantly used for the identification of abnormal metabolites in biological fluids in conjunction with gas and amino acid column chromatography. These studies will be part of the Center's program for the investigation of inborn errors of metabolism. The instrument will also be used in two other programs; the first is the identification of complex brain lipids from children dying from degenerative central nervous system disease and the second is in the sequence analysis of peptides from urine and of insulin fragments from juvenile diabetics.

Application received by Commissioner of Customs: November 15, 1967.

Docket No. 68-00232-33-33300. Applicant: Carney Hospital, 2100 Dorchester Avenue, Boston, Mass. 02124. Article: Gastroscope, Machda Fiber, Model FGS-B. Manufacturer: Manabu Medical Instruments Co., Ltd., Japan. Intended use of article: Applicant states: That the article will be used "To have direct vision of the stomach—to make target biopsies of stomach. Can confirm Histology of gastric lesions via biop." Application received by Commissioner of Customs: November 15, 1967.

Docket No. 68-00233-33-02800. Applicant: Los Angeles County General Hospital, Southern California Regional Dialysis Center, 1200 North State Street, Los Angeles, Calif. 90033. Article: Artificial Kidney Machine, Jikei Model Electro-Dialyzer. Manufacturer: Tatebe Seishudo Co., Ltd., Japan. Intended use of article: Applicant states:

The Jikei Electrodialyzer, utilizes a scientific principle of electrodialysis which has not been physically evaluated, to my knowledge, in the United States. Our research program will involve the effect of voltage and current plus the effect of material transfer across semipermeable membranes. The research, to date, is limited to specific ion transfer or molecule migration with respect to electrical current inputs. The properties to be determined by the proposed research program involving the Jikei Electrodialyzer will be the above mentioned properties in relationship to whole blood in an effort to determine the operational requirements, and to establish specifications.

The intended use of the purchased equipment item is for scientific investigation into the adequacy of the principles and design of the device. * * *

Application received by Commissioner of Customs: November 15, 1967.

Docket No. 68-00234-33-46500. Applicant: Tulane University, School of Medicine, 1430 Tulane Avenue, New Orleans, La. 70112. Article: Diamond Knives and Adaptors for ultramicrotomy. Manufacturer: Friedrich Dehmer, West Germany. Intended use of article: Applicant states: "The articles and accessories * * * are to be used to obtain ultrathin sections of human intestinal mucosal specimens embedded in epoxy resins. * * *" Application received by Commissioner of Customs: November 15, 1967.

Docket No. 68-00235-01-11000. Applicant: Washington University School of Medicine, Lindell and Skinker, St. Louis, Mo. 63130. Article: Combined Gas Chromatograph—Single Focusing Mass Spectrometer, LKB Model 9000 consisting of Model 9001 Analyzer Unit, 9002 Control Unit, 9065 Three-Phase Transformer, 9042 Direct Inlet System, and 9056 Thermostated Galvanometer Block. Manufacturer: LKB Produkter AB, Sweden. Intended use of article: The application shows several examples of research problems typical of those for which the instrument will be used, that are highlighted as follows: (1) The stable isotope composition of molecules which have undergone biochemical transformations will be determined. (2) Metabolic studies will be carried out on human subjects afflicted with congenital biochemical disorders. (3) Unidentified substances encountered in the examination of tissue preparations and biochemical reactions by gas chromatography will be identified through mass spectrometry. (4) Substances emerging from the gas chromotography will be studied directly by the mass spectrometer. Application received by the Commissioner of Customs: November 5, 1967.

CHARLEY M. DENTON,
Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration.

[F.R. Doc. 67-14705; Filed, Dec. 19, 1967; 8:45 a.m.]

HARVARD UNIVERSITY

Notice of Decision on Application for Duty-Free Entry of Scientific Article

The following is a decision on an application for duty-free entry of a scientific article pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651; 80 Stat. 897) and the regulations issued thereunder (32 F.R. 2433 et seq.).

A copy of the record pertaining to this decision is available for public review during ordinary business hours of the Department of Commerce, at the Office of Scientific and Technical Equipment, Department of Commerce, Room 5123, Washington, D.C. 20230.

Docket No. 67-00062-15-14030. Applicant: Harvard University, Purchasing Department, 75 Mount Auburn Street, Cambridge, Mass. 02138. Article: Blink Comparator modified and with motorized drive, Type 4 with E12 drive, Serial No. 6/67. Manufacturer: Grubb Parsons & Co., Ltd., England. Intended use of article: Photographic plates of the same area of the sky taken at different times will be compared on this device to determine the appearance of new or changed objects. Comments: No comments have been received with respect to this application. Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article for the purpose for which such article is intended to be used, was available for delivery within reasonable time. (See § 602.1(f), Title 15 CFR, 32 F.R. 2433 et seq.) Reasons: The applicant placed its order for the foreign article in April 1967. The only domestic manufacturer responding to the applicant's invitation to bid on a comparable apparatus was the Astro Mechanics, Inc. (Astro). However, the apparatus offered by Astro was not at that time in production. According to the information received from Astro (letter dated Nov. 30, 1967 and attachment thereto), the comparable domestic apparatus was available for delivery 6 months from receipt of purchase order. It is noted that this offer is dated November 1, 1967.

Accordingly, we find that at the time the applicant placed its order for the foreign article, no instrument or apparatus of equivalent scientific value to the foreign article, for the purpose for which such article is intended to be used, was being manufactured in the United States.

The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used, which was being manufactured in the United States when the applicant placed its order for the foreign article.

CHARLEY M. DENTON,
Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration.

[F.R. Doc. 67-14706; Filed, Dec. 19, 1967; 8:45 a.m.]

NORTHWESTERN STATE COLLEGE

Notice of Decision on Application for Duty-Free Entry of Scientific Article

The following is a decision on an application for duty-free entry of a scientific article pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651; 80 Stat. 897) and the regulations issued thereunder (32 F.R. 2433 et seq.).

A copy of the record pertaining to this decision is available for public review during ordinary business hours of the Department of Commerce, at the Office of Scientific and Technical Equipment, Department of Commerce, Room 5123, Washington, D.C. 20230.

Docket No. 67-00141-33-46040. Applicant: Northwestern State College, Natchitoches, La. 71457. Article: Electron Microscope, Hitachi Perkin-Elmer Model HU-11C. Manufacturer: Hitachi Ltd., Japan. Intended use of article: Applicant states:

The article will be used for research and teaching at graduate and undergraduate levels in the study of fine structure of cells primarily in microbiology and immunology.

1. Materials to be studied include bacteria, viruses, and related phagocytic and propagating mammalian cells.

2. Ultrastructural studies of cell walls (including cell membranes) of *Brucella*, of lysosomal relationships of staphylococcal toxin, of phagocytized bacteria and ferritin and other antigen-coated inert particles, and of morphological relationships of viruses to propagating cells are to be carried out in which 5 Angstroms resolution will be required. Studies of thin sections of less than 800 Angstroms thickness will require the increased contrast provided by a 25 kilovolt beam in contrast to the 50 kilovolt beam provided by the competitive domestic instrument.

3. Objectives of the studies include: Determination of reactive sites of serum factors upon cell wall layers of *Brucella* following treatments to remove various components. Observations of the structure of lysosomal limiting membranes of kidney tubular epithelial cells under the in vivo labilizing influence of purified staphylococcal alpha toxin. Changes in phagocytized bacteria and antigen-coated inert particles upon ingestion by phagocytes. The morphologic relationships of viruses growing in propagating cells.

Comments: No comments have been received with respect to this application. Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used, is being manufactured in the United States. Reasons: (1) The foreign article provides a guaranteed resolution of 5 Angstroms. The only known comparable domestic instrument, the Model EMU-4 electron microscope manufactured by the Radio Corporation of America (RCA), provides a guaranteed resolution of 8 Angstroms. (The lower the numerical rating in terms of Angstroms, the better the resolving capabilities.) For the purposes for which the foreign article is intended to be used, we find that the difference in the resolving capabilities between the foreign article and the domestic instrument to be pertinent. (2) The foreign instrument provides accelerating voltages of 25, 50, 75, and 100 kilovolts, whereas the domestic instrument provides only 50 and 100 kilovolt accelerating voltages. It has been experimentally established that for thin unstained specimens, the optimum contrast is provided by the lower accelerating voltage of the foreign article. The purposes for which the foreign article is intended to be used include studies of thin sections of less than 800 Angstroms. Therefore, the lower accelerating voltage provided by the foreign article is pertinent.

For the foregoing reasons, we find that the RCA Model EMU-4 electron microscope is not of equivalent scientific value to the foreign article for the purposes for which such article is intended to be used.

The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used, which is being manufactured in the United States.

CHARLEY M. DENTON,
Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration.

[F.R. Doc. 67-14707; Filed, Dec. 19, 1967; 8:45 a.m.]

Bureau of International Commerce

[File No. 23(67)-8]

JOHANN M. ROCKELMANN (JOMRO)

Order Denying Export Privileges for Indefinite Period

In the matter of Johann M. Rockelmann (JOMRO), Augustastrasse 59, 3440 Eschwege, Federal Republic of Germany, Respondent, File No. 23(67)-8.

The Director, Investigations Division, Office of Export Control, Bureau of International Commerce, U.S. Department of Commerce, has applied for an order denying to the above-named respondent all export privileges for an indefinite period because the said respondent, without good cause being shown, failed to furnish answers to interrogatories and failed to furnish certain records and other writings specifically requested. This application was made pursuant to § 382.15 of the Export regulations (Title 15, Chapter III, Subchapter B, Code of Federal Regulations).

In accordance with the usual practice, the application for an indefinite denial order was referred to the Compliance Commissioner, Bureau of International Commerce, who after consideration of the evidence has recommended that the application be granted. The report of the Compliance Commissioner and the evidence in support of the application have been considered.

The evidence presented shows that the respondent firm, Johann M. Rockelmann (sometimes called JOMRO), is engaged in the production and distribution of parts and accessories for textile machinery and has a place of business in Eschwege, West Germany; that Josef Heidenreich is the manager of the firm and he and his wife, Ilse Heidenreich, are coowners; that on January 2, 1967, following earlier negotiations, the respondent ordered from a supplier in the United States parts for certain textile machines. The aforesaid Investigations Division is conducting an investigation under the Export Control Act into the facts and circumstances which led to the ordering of said parts by respondent and also as to the intended ultimate destination of said parts (whether Cuba or some other unauthorized destination) to determine whether violations of the Export Control regulations were involved in the transaction. It is impracticable to subpoena the respondent, and relevant and material interrogatories relating to its participation in the transaction were served on it pursuant to § 382.15 of the Export regulations. The respondent also, pursuant to said section, was requested to furnish certain specific documents relating to the transaction. Said respondent has failed to furnish answers to said interrogatories and to furnish the documents requested as required by said section, and it has not shown good cause for such failure. I find that an order denying export privileges to said respondent for an indefinite period may properly be entered under § 382.15 of the Export regulations and that such an order is reasonably necessary to protect the public interest and to achieve effective enforcement of the Export Control Act of 1949, as amended.

Accordingly, it is hereby ordered,

I. All outstanding validated export licenses in which respondent appears or participates in any manner or capacity are hereby revoked and shall be returned forthwith to the Bureau of International Commerce for cancellation.

II. The respondent, its successors, representatives, agents, and employees hereby are denied all privileges of participating, directly or indirectly, in any manner or capacity, in any transaction involving commodities or technical data exported from the United States in whole or in part, or to be exported, or which are otherwise subject to the Export regulations. Without limitation of the generality of the foregoing, participation prohibited in any such transaction, either in the United States or abroad, shall include participation, directly or indirectly, in any manner or capacity: (a) As a party or as a representative of a party to any validated export license application; (b) in the preparation or filing of any export license application or reexportation authorization, or any document to be submitted therewith; (c) in the obtaining or using of any validated or general export license or other export control document; (d) in the carrying on of negotiations with respect to, or in the receiving, ordering, buying, selling, delivering, storing, using, or disposing of any commodities or technical data in whole or in part exported or to be exported from the United States; and (e) in the financing, forwarding, transporting, or other servicing of such commodities or technical data.

III. Such denial of export privileges shall extend not only to the respondent, but also to its agents, employees, representatives, and partners, including Joseph Heidenreich and Ilse Heidenreich, coowners, and to any other person, firm, corporation, or business organization with which the respondent now or hereafter may be related by affiliation, ownership, control, position of responsibility, or other connection in the conduct of trade or services connected therewith.

IV. This order shall remain in effect until the respondent provides responsive answers to the interrogatories heretofore served upon it and furnishes the documents requested therein or gives adequate reasons for failure to do so, except insofar as this order may be amended or modified hereafter in accordance with the Export regulations.

V. No person, firm, corporation, partnership, or other business organization, whether in the United States or elsewhere, without prior disclosure to and specific authorization from the Bureau of International Commerce, shall do any of the following acts, directly or indirectly, or carry on negotiations with respect thereto, in any manner or capacity, on behalf of or in any association with the respondent or any related party, or whereby the respondent or related party may obtain any benefit therefrom or have any interest or participation therein, directly or indirectly: (a) Apply for, obtain, transfer, or use any license, Shipper's Export Declaration, bill of lading, or other export control document relating to any exportation, reexportation, transshipment, or diversion of any commodity or technical data exported or to be exported from the United States, by, to, or for any such respondent or related party denied export privileges; or (b) order, buy, receive, use, sell, deliver, store, dispose of, forward, transport, finance, or otherwise service or participate in any exportation, reexportation, transshipment, or diversion of any commodity or technical data exported or to be exported from the United States.

VI. A copy of this order shall be served on respondent.

VII. In accordance with the provisions of § 382.15 of the Export regulations, the respondent may move at any time to vacate or modify this Indefinite Denial Order by filing with the Compliance Commissioner, Bureau of International Commerce, U.S. Department of Commerce, Washington, D.C. 20230, an appropriate motion for relief, supported by substantial evidence, and may also request an oral hearing thereon, which, if requested shall be held before the Compliance Commissioner at Washington, D.C., at the earliest convenient date.

This order shall become effective on December 21, 1967.

Dated: December 14, 1967.

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

[F.R. Doc. 67-14720; Filed, Dec. 19, 1967; 8:46 a.m.]

Maritime Administration

AMERICAN EXPORT ISBRANDTSEN LINES, INC.

Notice of Application for Approval of Certain Cruises

Notice is hereby given that American Export Isbrandtsen Lines, Inc., acting pursuant to Public Law 87-45, has applied to the Maritime Administration for approval of the following listed cruises by the SS Constitution in January 1968:

Sails New York	Arrives New York	Itinerary
Jan. 2...	Jan. 10...	San Juan, St. Thomas, St. Maarten.
Jan. 10...	Jan. 17...	San Juan, St. Thomas.
Jan. 17...	Jan. 25...	San Juan, St. Thomas, St. Maarten.

Any person, firm or corporation having any interest, within the meaning of Public Law 87-45, in the foregoing who desires to offer data, views, or arguments should submit the same in writing, in triplicate, to the Secretary, Maritime Subsidy Board, Washington, D.C. 20235, by close of business on December 26, 1967. In the event an opportunity to present oral argument is also desired, specific reason for such request should also be included. The Maritime Subsidy Board will consider these comments and views and take such action with respect thereto as in its discretion it deems warranted.

Dated: December 18, 1967.

By order of the Maritime Subsidy Board.

JAMES S. DAWSON, Jr.,
Secretary.

[F.R. Doc. 67-14836; Filed, Dec. 19, 1967; 8:48 a.m.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of the Secretary

MOTOR VEHICLE POLLUTION CONTROL

California State Standards; Procedures for Public Hearing

Statement. On December 5, 1967, the Secretary of Health, Education, and Welfare, by notice published in the FEDERAL REGISTER (32 F.R. 17443, December 5, 1967) called a public hearing pursuant to section 208(b) of the Clean Air Act as amended (42 U.S.C. 1857 et seq.).

The hearing is intended to provide an opportunity for interested persons to state their views or arguments, or to provide pertinent information relating to the action proposed to be taken by the Secretary which was set out in the notice as follows:

> Now, therefore, I hereby give formal notice that after a public hearing as required by the statute, I will waive application of the prohibitions of section 208(a) to the State of California with respect to applicable State standards which are more stringent than applicable Federal standards unless I find that the State of California does not require standards more stringent than applicable Federal standards to meet compelling and extraordinary conditions or that such State standards and accompanying enforcement procedures are not consistent with section 202(a) * * *.

The pertinent standards and test procedures for 1968, 1969, and 1970 model year new motor vehicles and new motor vehicle engines are contained in the following identified publications:

Federal: 1968 and subsequent model years—45 CFR Part 85.

California: Title 17, Chapter 5, Article 2, California Administrative Code; California Test Procedure and Criteria for Motor Vehicle Exhaust Emission Control (Revised June 7, 1967) published by the California Air Resources Board (Motor Vehicle Pollution Control Board).

A copy of the above described material is available for inspection at the office of the Presiding Officer, Room 2428, HEW, South Building, Washington, D.C. 20201. Copies of the Federal regulations will be provided upon request to that office. Copies of the California standards and test procedures are available upon request to the California Air Resources Board, Suite 1085, 417 South Hill Street, Los Angeles, Calif. 90013.

Procedure. Since the public hearing is designed to give interested persons an opportunity to participate in this rulemaking proceeding by the presentation of data, views, arguments, or other pertinent information concerning the Secretary's proposed action, there are no adversary parties as such. Statements by the participants will not be made under oath and the participants will not be subject to cross-examination.

Presentations by the participants should be addressed to the following considerations:

1. Whether the specific standards and related test procedures applicable to the control of emissions from 1968, 1969, and 1970 model year new motor vehicles or new motor vehicle engines adopted by the State of California and identified above are more stringent than the Federal standards and related test procedures applicable to the pertinent model year new motor vehicles or new motor vehicle engines;

2. Whether such standards and related test procedures adopted by the State of California are required to meet compelling and extraordinary conditions in the State of California; and

3. Whether such standards and related test procedures (and accompanying enforcement procedures) adopted by the State of California are consistent with section 202(a) of the Clean Air Act as amended.

In order to assure full opportunity for the presentation of data, views, and arguments by participants, the Presiding Officer will, upon request of the participants, allow a reasonable time after the close of the hearing for the submission of written data, views, arguments, or other pertinent information to be included as part of the record of the public hearing.

A verbatim record of the proceeding will be made and a copy of the transcript will be made available on request at the expense of the person so requesting.

The determination of the Secretary regarding the action to be taken under

section 208(b) of the Clean Air Act with respect to the waiver of the application of the prohibitions of section 208(a) to the State of California is not required to be made solely on the record of the public hearing and other scientific engineering and related pertinent information not included in the transcript of the public hearing may also be considered.

Dated: December 18, 1967.

S. SMITH GRISWOLD,
Presiding Officer.

[F.R. Doc. 67-14795; Filed, Dec. 19, 1967; 8:48 a.m.]

AIR POLLUTION CONTROL: INTERSTATE AIR POLLUTION IN NEW YORK-NEW JERSEY METROPOLITAN AREA

Conference of Air Pollution Control Agencies; Notice of Date, Time and Place of Second Session

Whereas pursuant to § 105(c)(1)(A) of the Clean Air Act (42 U.S.C. 1857d (c)(1)(A)) the Secretary of Health, Education, and Welfare on November 22, 1966 (31 F.R. 14790) called a conference of air pollution control agencies in the New York-New Jersey Metropolitan area, and

Whereas pursuant to formal notice (31 F.R. 15201, December 1, 1966) the first session of said conference, concerned primarily with air pollution caused by sulfurous compounds and carbon monoxide was held January 3 through 13 and on January 19, 1967,

Now, therefore, pursuant to such notice of the Secretary of Health, Education, and Welfare, notice is hereby given of the second session of the conference which will be concerned primarily with air pollution caused by particulate matter. The second session will also hear reports of remedial action in accordance with recommendations issued on March 17, 1967, by the Secretary of Health, Education, and Welfare in the light of the discussions at the first session of this conference. Notice that said second session will be convened on Tuesday, January 30, 1968, beginning at 10 a.m., e.s.t., at the Alumni Hall, New York University School of Medicine, 550 First Avenue, New York, N.Y., is hereby given to the air pollution control agencies of the following:

State of New Jersey—New Jersey State Health Department.
State of New York—New York State Air Pollution Control Board.
The Interstate Sanitation Commission.

All municipalities, as defined in section 302(f) of the Clean Air Act (42 U.S.C. 1857h(f)), located in the following named counties:

New York—Nassau, Rockland, and Westchester;
New Jersey—Bergen, Essex, Hudson, Middlesex, Monmouth, Morris, Passaic, Somerset, and Union; and
The city of New York.

A technical report concerning particulate pollution in the New York-New Jersey Metropolitan Area entitled "New York-New Jersey Air Pollution Abatement Activity, Phase II Particulate Matter" and prepared for the Interstate Air Pollution Conference by the National Center for Air Pollution Control is available to interested persons from the Office of the Presiding Officer, Room 2428, South Building, Department of Health, Education, and Welfare, Washington, D.C. 20201. Interested persons desiring to present their views to the conference with respect to such report and other pertinent information should file not later than January 25, 1968, a notice of such intention and, if practicable, five copies of the proposed presentation (and other relevant material) with the office of the Presiding Officer, Room 2428, South Building, Department of Health, Education, and Welfare, Washington, D.C. 20201.

A transcript of the proceedings of this session will be maintained and will be made available on request of any person at the expense of such person.

Dated: December 18, 1967.

S. SMITH GRISWOLD,
Presiding Officer.

[F.R. Doc. 67-14799; Filed, Dec. 19, 1967; 8:48 a.m.]

DEPARTMENT OF TRANSPORTATION

Coast Guard

[CGFR 67-89]

FUNNEL MARK OF THE UNITED STATES STEEL CORP. (INTERCOASTAL AND GREAT LAKES FLEET)

Notice of Registration

The Commandant, U.S. Coast Guard, in accordance with the provisions of 19 CFR 3.81 (§ 3.81, Customs Regulations), issued under the authority of the Act of May 28, 1908, as amended (46 U.S.C. 49), has registered the funnel mark of the United States Steel Corp. (Intercoastal and Great Lakes Fleet) as described below:

(a) The funnel mark will appear on a black and silver funnel, the uppermost one-third being black and the remaining two-thirds silver. A silver colored United States Steel Corp. trademark will appear on the port and starboard sides of the funnel centered symmetrically in the black portion with the lateral axis of the trademark parallel to the collar of the funnel. The trademark consists of a silver ring, the outside diameter of which is 6', the inside diameter 5'-1½''. Centered in the ring are the letters "USS" in silver. The height of the letters is 2½'. The width of the "U" is 1.25', the width of the "S" 's is 1.3'.

Colored scale replica drawings of the funnel mark described above are on file with the Federal Register Division, National Archives and Record Service.

Dated: December 7, 1967.

W. J. SMITH,
Admiral, U.S. Coast Guard,
Commandant.

[F.R. Doc. 67-14736; Filed, Dec. 19, 1967; 8:47 a.m.]

ATOMIC ENERGY COMMISSION

[Docket No. 50-266]

WISCONSIN MICHIGAN POWER CO. AND WISCONSIN ELECTRIC POWER CO.

Notice of Issuance of Amendment to Provisional Construction Permit

Notice is hereby given that the Commission has issued, effective as of the date of issuance, Amendment No. 1, set forth below, to Provisional Construction Permit No. CPPR-32 which was issued to the Wisconsin Michigan Power Co. on July 19, 1967. Provisional Construction Permit No. CPPR-32 authorizes Wisconsin Michigan Power Co. to construct a pressurized water nuclear reactor designed to operate at 1,396 thermal megawatts (Point Beach Unit No. 1) at its site in the town of Two Creeks, Manitowoc County, Wis.

Amendment No. 1 reflects a change in the ownership of the facility. As a result of this change, the Wisconsin Electric Power Co. and the Wisconsin Michigan Power Co. each own a one-half, undivided interest in the facility.

Neither Amendment No. 1 nor this change in ownership affects Wisconsin Michigan Power Co's. responsibilities with respect to design and construction of the facility as set forth in Provisional Construction Permit No. CPPR-32.

Within fifteen (15) days from the date of publication of this notice in the FEDERAL REGISTER, the Wisconsin Michigan Power Co. or the Wisconsin Electric Power Co. may file a request for a hearing, and any person whose interest may be affected by the issuance of this amendment may file a petition for leave to intervene. Requests for a hearing and petitions for leave to intervene shall be filed in accordance with the Commission's rules of practice, 10 CFR Part 2. If a request for hearing or a petition for leave to intervene is filed within the time specified in this notice, the Commission will issue a notice of hearing or appropriate order.

For further details with respect to this amendment, see a copy of application, dated November 3, 1967, which is available for public inspection at the Commission's Public Document Room, 1717 H Street, NW., Washington, D.C.

Dated at Bethesda, Md., this 13th day of December 1967.

For the Atomic Energy Commission.

PETER A. MORRIS,
Director,
Division of Reactor Licensing.

[Construction Permit No. CPPR-32 Amdt. 1]

WISCONSIN MICHIGAN POWER CO., AND WISCONSIN ELECTRIC POWER CO.

AMENDMENT TO PROVISIONAL CONSTRUCTION PERMIT

The Atomic Energy Commission (the Commission) has found that:

A. The application for amendment of Construction Permit No. CPPR-32, dated November 3, 1967, complies with the requirements of the Atomic Energy Act of 1954, as amended, and the Commission's regulations, 10 CFR Ch. 1.

B. Prior public notice of the proposed issuance of this amendment is unnecessary because this amendment does not involve significant hazard considerations different from those previously evaluated.

C. Issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public.

Construction Permit No. CPPR-32 is amended as follows:

1. The name, "Wisconsin Electric Power Co.," is included in the title immediately below "Wisconsin Michigan Power Co."

2. Paragraph 1. is deleted and the following is substituted:

"1. Pursuant to section 104(b) of the Atomic Energy Act of 1954, as amended (the Act) and Title 10, Chapter 1, Code of Federal Regulations, Part 50, 'Licensing of Production and Utilization Facilities', and pursuant to the order of the Atomic Safety and Licensing Board, the Atomic Energy Commission (the Commission) hereby issues a provisional construction permit to Wisconsin Michigan Power Co. and Wisconsin Electric Power Co. (the applicants) for a utilization facility designed to operate at 1,396 megawatts (thermal) (the facility), described in the application and amendments thereto filed in this matter and in evidence received at the public hearing upon that application. The facility, known as the Point Beach Unit No. 1, will be located at the applicants' site in the town of Two Creeks, Manitowoc County, Wis."

3. Paragraph 2.C. is deleted and the following is substituted:

"2.C. This construction permit authorizes Wisconsin Michigan Power Co. to own an undivided, one-half interest in the facility and to construct the facility described in the application and the hearing record in accordance with the principal architectural and engineering criteria set forth therein and authorizes Wisconsin Electric Power Co. to own an undivided, one-half interest in the facility."

4. Paragraph 3. is deleted and the following is substituted:

"3. This permit is provisional to the extent that a license authorizing operation of the facility will not be issued by the Commission to the applicants unless (a) the applicants submit to the Commission, by amendment to the application, the complete final safety analysis report, portions of which may be submitted and evaluated from time to time; (b) the Commission finds that the final design provides reasonable assurance that the health and safety of the public will not be endangered by the operation of the facility in accordance with procedures approved by it in connection with the issuance of said license; and (c) the applicants submit proof of financial protection and the execution of an indemnity agreement as required by section 170 of the Act."

This amendment is effective as of the date of issuance.

Date of issuance: December 13, 1967.

For the Atomic Energy Commission.

PETER A. MORRIS,
Director,
Division of Reactor Licensing.

[F.R. Doc. 67-14704; Filed, Dec. 19, 1967; 8:45 a.m.]

CIVIL AERONAUTICS BOARD

[Docket No. 19311 etc.; Order E-26126]

SEDALIA, MARSHALL, BOONVILLE STAGE LINE, INC.

Order To Show Cause

DECEMBER 15, 1967.

Issued under delegated authority.

The establishment of service mail rates for SEDALIA, MARSHALL, BOONVILLE STAGE LINE, INC., Docket Nos. 19311, 19317, 19318, 19319, 19320; Order No. E-26126.

By notices of intent filed on November 29, and 30, 1967, pursuant to 14 CFR Part 298, the Postmaster General petitioned the Board to establish for Sedalia, Marshall, Boonville Stage Line, Inc., (Stage Line), an air taxi operator, final service mail rates of (1) 35 cents per trip mile for the transportation of mail by aircraft between Sidney, North Platte, and Grand Island, Nebr., in Piper Navajo type aircraft; (2) 35.15 cents per trip mile between Valentine and North Platte, Nebr. in Piper Twin Comanche type aircraft; (3) 36 cents per trip mile between O'Neill, Norfolk, and Grand Island, Nebr., in Piper Aztec type aircraft; (4) 49 cents per trip mile between McCook and North Platte, Nebr., in twin Comanche type aircraft; (5) 35 cents per trip mile between Chadron, Alliance, and North Platte, Nebr., in Piper Aztec type aircraft.

The Postmaster General states that the scheduled services of the certificated route carrier in these markets do not meet postal requirements. Stage Line proposes to use the all weather twin-engine type aircraft listed above in providing the mail service. No protest or objection has been filed against the services proposed in the notice of intent, and the time for filing such objections has now expired.

The Postmaster General also states that the proposed rates are acceptable to the Department and the carrier, and represent fair and reasonable rates of compensation for the services which the carrier will perform. The Postmaster General believes these services will meet postal needs in these markets.

Since no mail rates are presently in effect for this carrier in these markets, it is in the public interest to fix and determine the fair and reasonable rates of compensation to be paid to Stage Line by the Postmaster General for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, between the aforesaid points. Upon consideration of the notices of intent and other matters officially noticed, it is proposed to issue an order[1] to include the following findings and conclusions:

1. That the fair and reasonable final service mail rates to be paid to Sedalia, Marshall, Boonville Stage Line, Inc., pursuant to section 406 of the Act for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, as described in the notices of intent, shall be (1) 35 cents per trip mile between Sidney, North Platte, and Grand Island, Nebr.; (2) 35.15 cents per trip mile between Valentine and North Platte, Nebr.; (3) 36 cents per trip mile between O'Neill, Norfolk, and Grand Island, Nebr.; (4) 49 cents per trip mile between McCook and North Platte, Nebr.; and (5) 35 cents per trip mile between Chadron, Alliance, and North Platte, Nebr.

2. The final service mail rates here fixed and determined are to be paid in their entirety by the Postmaster General.

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204(a) and 406 thereof, and regulations promulgated in 14 CFR Part 302, 14 CFR Part 298, and 14 CFR 385.14(f),

It is ordered, That:

1. All interested persons and particularly Sedalia, Marshall, Boonville Stage Line, Inc., the Postmaster General, and Frontier Airlines, Inc., are directed to show cause why the Board should not adopt the forgoing proposed findings and conclusions and fix, determine, and publish the final rates specified above, as the fair and reasonable rates of compensation to be paid to Stage Line, for the transportation of mail by aircraft, the facilities used and useful therefore, and the services connected therewith as specified above;

2. Further procedures herein shall be in accordance with 14 CFR Part 302, and if there is any objection to the rates or to the other findings and conclusions proposed herein, notice thereof shall be filed within 10 days, and if notice is filed, written answer and supporting documents shall be filed within 30 days after the date of service of this order;

3. If notice of objection is not filed within ten days after service of this order, or if notice is filed and answer is not filed within 30 days after service of this order, all persons shall be deemed to have waived the right to a hearing and all other procedural steps short of a final decision by the Board, and the Board may enter an order incorporating the findings and conclusions proposed herein and fix and determine the final rates specified herein;

4. If answer is filed presenting issues for hearing, the issues involved in de-

[1] As this order to show cause does not constitute a final action and merely affords interested persons an opportunity to be heard on the matters herein proposed, it is not regarded as subject to the review provisions of Part 385 (14 CFR Part 385). The provisions of that part dealing with petitions for Board review will be applicable to any final action which may be taken by the staff in this matter under authority delegated in § 385.14(g).

termining the fair and reasonable final rates shall be limited to those specifically raised by the answer, except insofar as other issues are raised in accordance with Rule 307 of the rules of practice (14 CFR 302.307); and

5. This order shall be served upon Sedalia, Marshall, Boonville Stage Line, Inc., the Postmaster General, and Frontier Airlines, Inc.

This order will be published in the FEDERAL REGISTER.

[SEAL] HAROLD R. SANDERSON,
Secretary.

[F.R. Doc. 67-14728; Filed, Dec. 19, 1967; 8:46 a.m.]

[Docket Nos. 19321, 19322; Order No. E-26123]

TROJAN AIRWAYS, INC.

Order To Show Cause

DECEMBER 14, 1967.

Issued under delegated authority.

By notices of intent filed on November 30, 1967, pursuant to 14 CFR Part 298, the Postmaster General petitioned the Board to establish for Trojan Airways, Inc., an air taxi operator, a final service mail rate of 35 cents per trip mile for the transportation of mail by aircraft between (1) Lincoln and Grand Island, Nebr., and (2) between Omaha and Grand Island, Nebr.

The Postmaster General states that the scheduled services of the certificated route carrier in these markets do not meet postal requirements. Trojan proposes to use Beechcraft D-18-S type aircraft in providing the mail service. No protest or objection has been filed against the services proposed in the notices of intent, and the time for filing such objections has now expired.

The Postmaster General also states that the proposed rate is acceptable to the Department and the carrier, and represents a fair and reasonable rate of compensation for the services which the carrier will perform. The Postmaster General believes these services will meet postal needs in this market.

Since no mail rate is presently in effect for this carrier in these markets it is in the public interest to fix and determine the fair and reasonable rate of compensation to be paid to Trojan Airways, Inc., by the Postmaster General for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, between the aforesaid points. Upon consideration of the notices of intent and other matters officially noticed, it is proposed to issue an order[1] to include the following findings and conclusions:

1. That the fair and reasonable final service mail rate to be paid to Trojan Airways, Inc., pursuant to section 406 of the Act for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith between (1) Lincoln and Grand Island, Nebr., and (2) Omaha and Grand Island, Nebr., as described in the notices of intent, shall be 35 cents per trip mile.

2. The final service mail rate here fixed and determined is to be paid in its entirety by the Postmaster General.

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204(a) and 406 thereof, and regulations promulgated in 14 CFR, Part 302, 14 CFR, Part 298, and 14 CFR 385.14(f),

It is ordered, That:

1. All interested persons and particularly Trojan Airways, Inc., the Postmaster General, and Frontier Airlines, Inc., are directed to show cause why the Board should not adopt the foregoing proposed findings and conclusions and fix, determine, and publish the final rate specified above, as the fair and reasonable rate of compensation to be paid to Trojan Airways, Inc., for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith as specified above;

2. Further procedures herein shall be in accordance with 14 CFR Part 302, and if there is any objection to the rate or to the other findings and conclusions proposed herein, notice thereof shall be filed within 10 days, and if notice is filed, written answer and supporting documents shall be filed within 30 days after the date of service of this order;

3. If notice of objection is not filed within 10 days after service of this order, or if notice is filed and if answer is not filed within 30 days after service of this order, all persons shall be deemed to have waived the right to a hearing and all other procedural steps short of a final decision by the Board, and the Board may enter an order incorporating the findings and conclusions proposed herein and fix and determine the final rate specified herein;

4. If answer is filed presenting issues for hearing, the issues involved in determining the fair and reasonable final rate shall be limited to those specifically raised by the answer, except insofar as other issues are raised in accordance with Rule 307 of the rules of practice (14 CFR 302.307); and

5. This order shall be served upon Trojan Airways, Inc., the Postmaster General, and Frontier Airlines, Inc.

This order will be published in the FEDERAL REGISTER.

[SEAL] HAROLD R. SANDERSON,
Secretary.

[F.R. Doc. 67-14729; Filed, Dec. 19, 1967; 8:46 a.m.]

[1] As this order to show cause does not constitute a final action and merely affords interested persons an opportunity to be heard on the matters herein proposed, it is not regarded as subject to the review provisions of Part 385 (14 CFR Part 385). The provisions of that part dealing with petitions for Board review will be applicable to any final action which may be taken by the staff in this matter under authority delegated in section 385.14(g).

FEDERAL COMMUNICATIONS COMMISSION

[Docket No. 17670-17672; FCC 67M-2051]

DURHAM-RALEIGH TELECASTERS, INC., ET AL.

Order Rescheduling Hearing Conference

In re applications of Durham-Raleigh Telecasters, Inc., Durham, N.C., Docket No. 17670, File No. BPCT-3882; Triangle Telecasters, Inc., Durham, N.C., Docket No. 17671, File No. BPCT-3883; WTVY, Inc., Durham, N.C., Docket No. 17672, File No. BPCT-3885; for construction permit for new television broadcast station (Channel 28).

It is ordered, That the hearing conference now scheduled for January 5, 1968, be and the same is hereby rescheduled for January 4, 1968, 2 p.m., in the Commission's offices, Washington, D.C.

Issued: December 8, 1967.

Released: December 14, 1967.

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

[F.R. Doc. 67-14726; Filed, Dec. 19, 1967; 8:46 a.m.]

[Docket No. 17431, 17432, FCC 67M-2072]

INDUSTRIAL COMMUNICATIONS SYSTEMS, INC.

Order Regarding Procedural Dates

In re applications of Industrial Communications Systems, Inc., for a construction permit to establish a new station in the Domestic Public Point-to-Point Microwave Radio Service at Los Angeles, Calif., Docket No. 17431, File No. 5444-C1-P-66; for a construction permit to establish a new station in the Domestic Public Point-to-Point Microwave Radio Service at Santiago Peak, Calif., Docket No. 17432, File No. 5445-C1-P-66.

It is ordered, That the unopposed motion for continuance filed by counsel for Industrial Communications Systems, Inc. is granted, and the procedural dates (FCC 67M-1849) are extended as follows:

Parties to furnish direct affirmative case exhibits on issues on which each has burden of proof to counsel for other parties and Hearing Examiner: From December 29, 1967, to January 29, 1968.

Receipt of notification of witnesses desired for cross-examination: From January 12, 1968, to February 12, 1968.

Hearing: From January 30, 1968, to March 5, 1968.

Issued: December 12, 1967.

Released: December 15, 1967.

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

[F.R. Doc. 67-14727; Filed, Dec. 19, 1967; 8:46 a.m.]

FEDERAL MARITIME COMMISSION

CONCORDIA LINE A/S AND FRED OLSEN AND CO.

Notice of Proposed Cancellation of Agreements

Notice is hereby given that a request for cancellation of the following agreement, pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814) has been filed with the Commission.

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1321 H Street NW., Room 609; or may inspect agreements at the offices of the District Managers, New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments with reference to an agreement including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the comments should indicate that this has been done.

Notice of intent to cancel agreement No. 8351 filed by:

Mr. Thomas K. Roche, Haight, Gardner, Poor & Havens, 80 Broad Street, New York, N.Y. 10004.

Agreement Number 8351, as amended, originally approved March 12, 1959, between Concordia Line and Fred Olsen & Co. covers the establishment and maintenance of a joint cargo liner service under the trade name "Concordia Line-Great Lakes Service" in the trades between ports of the Great Lakes of the United States and Canada, the St. Lawrence River and Seaway, Newfoundland and the Canadian Maritimes and ports of the Mediterranean and adjacent seas (including Gibraltar and Black Sea ports) and Atlantic ports of Portugal, Spain, and Morocco.

Dated: December 15, 1967.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 67-14731; Filed, Dec. 19, 1967; 8:47 a.m.]

FINNLINES AND MEYER LINE

Notice of Agreement Filed for Approval

Notice is hereby given that the following agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1321 H Street NW., Room 609; or may inspect agreements at the offices of the District Managers, New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments with reference to an agreement including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the comments should indicate that this has been done.

Notice of agreement filed for approval by:

Mr. C. E. Mahlstedt, Vice President, Boyd, Weir & Sewell, Inc., General Agents for Meyer Line, 17 Battery Place, New York, N.Y. 10004.

Agreement No. 9680, between Finnlines and Meyer Line, which operate regular services in the trades between ports in Europe and United States North Atlantic ports, provides for the interchange of cargo containers and/or related equipment in accordance with the terms and conditions set forth therein.

Dated: December 15, 1967.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 67-14732; Filed, Dec. 19, 1967; 8:47 a.m.]

PORT OF OAKLAND AND HOWARD TERMINAL

Notice of Agreement Filed for Approval

Notice is hereby given that the following agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement(s) at the Washington office of the Federal Maritime Commission, 1321 H Street NW., Room 609; or may inspect agreements at the offices of the District Managers, New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments with reference to an agreement including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C., 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter), and the comments should indicate that this has been done.

Notice of agreement filed for approval by

Mr. J. Kerwin Rooney, Port Attorney, Port of Oakland, 66 Jack London Square, Oakland, Calif. 94607.

Agreement No. T-2110 between the Port of Oakland (Oakland) and Howard Terminal (Howard) is a nonexclusive preferential assignment agreement covering the 1 year lease of certain marine terminal property in the Port of Oakland, Calif. As compensation, Howard will pay Oakland 65 percent of all revenue from dockage, wharfage, wharf demurrage, and storage and freight transfer service charges, and retain 35 percent for itself. Howard may not use more than 25 percent of the premises for storage without Oakland's prior consent. Howard agrees to observe and enforce just and reasonable rates, regulations and practices conforming them as nearly as possible to those published in Oakland's tariff. Howard's rates, regulations and practices shall be subject to review and control by Oakland and no change therein shall be made without the prior written approval of Oakland.

Dated: December 15, 1967.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 67-14733; Filed, Dec. 19, 1967; 8:47 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 7-2802]

BUNKER-RAMO CORP.

Notice of Application for Unlisted Trading Privileges and of Opportunity for Hearing

DECEMBER 14, 1967.

In the matter of application of the Philadelphia - Baltimore - Washington Stock Exchange for unlisted trading privileges in a certain security.

The above named national securities exchange has filed an application with the Securities and Exchange Commission pursuant to section 12(f)(1)(B) of the Securities Exchange Act of 1934 and Rule 12f-1 thereunder, for unlisted trading privileges in the common stock of the following company, which security is listed and registered on one or more other national securities exchange:

The Bunker-Ramo Corp., File No. 7-2802.

Upon receipt of a request, on or before December 28, 1967, from any interested person, the Commission will determine whether the application shall be set down for hearing. Any such request should state briefly the nature of the interest of the person making the request and the position he proposes to take at the hearing, if ordered. In addition, any interested person may submit his views or any additional facts bearing on the said application by means of a letter addressed to the Secretary, Securities and Exchange Commission, Washington 25, D.C., not later than the date specified. If no one requests a hearing, this application will be determined by order of the Commission on the basis of the facts stated therein and other information

contained in the official files of the Commission pertaining thereto.

For the Commission (pursuant to delegated authority).

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 67-14710; Filed, Dec. 19, 1967; 8:45 a.m.]

INTERAMERICAN INDUSTRIES, LTD.

Order Suspending Trading

DECEMBER 14, 1967.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the capital stock of Interamerican Industries, Ltd., Calgary, Alberta, Canada, being traded in the United States otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

It is ordered, Pursuant to section 15(c)(5) of the Securities Exchange Act of 1934, that trading in the United States in such securities otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period December 15, 1967 through December 24, 1967, both dates inclusive.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 67-14711; Filed, Dec. 19, 1967; 8:45 a.m.]

[File No. 1-1277]

PENROSE INDUSTRIES CORP.

Order Suspending Trading

DECEMBER 14, 1967.

The common stock $2 par value, of Penrose Industries Corp., being listed and registered on the American Stock Exchange pursuant to provisions of the Securities Exchange Act of 1934 and the 5 percent Cumulative Convertible Preferred stock, $20 par value of Penrose Industries Corp., being traded otherwise than on a national securities exchange; and

It appearing to the Securities and Exchange Commission that the summary suspension of trading in such securities on such Exchange and otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

It is ordered, Pursuant to sections 15(c)(5) and 19(a)(4) of the Securities Exchange Act of 1934, that trading in such securities on the American Stock Exchange and otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period December 15, 1967 through December 24, 1967, both dates inclusive.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 67-14712; Filed, Dec. 19, 1967; 8:45 a.m.]

ROVER SHOE CO.

Order Suspending Trading

DECEMBER 13, 1967.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock of Rover Shoe Co., Bushnell, Fla., and stock purchase warrants of Rover Shoe Co. being traded otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

It is ordered, Pursuant to section 15(c)(5) of the Securities Exchange Act of 1934, that trading in such securities otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period December 13, 1967 through December 22, 1967, both dates inclusive.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 67-14722; Filed, Dec. 19, 1967; 8:46 a.m.]

INTERSTATE COMMERCE COMMISSION

NOTICE OF FILING OF MOTOR CARRIER INTRASTATE APPLICATIONS

DECEMBER 15, 1967.

The following applications for motor common carrier authority to operate in intrastate commerce seek concurrent motor carrier authorization in interstate or foreign commerce within the limits of the intrastate authority sought, pursuant to section 206(a)(6) of the Interstate Commerce Act, as amended October 15, 1962. These applications are governed by Special Rule 1.245 of the Commission's rules of practice, published in the FEDERAL REGISTER, issue of April 11, 1963, page 3533, which provides, among other things, that protests and requests for information concerning the time and place of State Commission hearings or other proceedings, any subsequent changes therein, and any other related matters shall be directed to the State Commission with which the application is filed and shall not be addressed to or filed with the Interstate Commerce Commission.

State Docket No. 10132, filed November 21, 1967. Applicant: OZONE MOTOR LINE, INC., 4552 North Villere Street, New Orleans, La. Applicant's representative: John Schwab, 617 North Boulevard, Baton Rouge, La. Certificate of public convenience and necessity sought to operate a freight service as follows: Transportation of *general commodities*, in both directions, serving all intermediate points between La Place, La., and Ponchatoula, La.: From La Place, La., over U.S. Highway 51, to Ponchatoula, La. (for carrier operating convenience, closed doors, serving no intermediate points); thence over U.S. Highway 51 from Ponchatoula, La., to Hammond, La.; thence over U.S. Highway 190 to Baton Rouge. Both intrastate and interstate authority sought.

HEARING: Not yet assigned. Requests for procedural information, including the time for filing protests, concerning this application should be addressed to the Louisiana Public Service Commission, Baton Rouge, La. 70804, and should not be directed to the Interstate Commerce Commission.

By the Commission.

[SEAL] H. NEIL GARSON, *Secretary.*

[F.R. Doc. 67-14739; Filed, Dec. 19, 1967; 8:47 a.m.]

[Notice 511]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

DECEMBER 14, 1967.

The following are notices of filing of applications for temporary authority under section 210a(a) of the Interstate Commerce Act provided for under the new rules of Ex Parte No. MC 67 (49 CFR Part 340) published in the FEDERAL REGISTER, issue of April 27, 1965, effective July 1, 1965. These rules provide that protests to the granting of an application must be filed with the field official named in the FEDERAL REGISTER publication, within 15 calendar days after the date of notice of the filing of the application is published in the FEDERAL REGISTER. One copy of such protest must be served on the applicant, or its authorized representative, if any, and the protests must certify that such service has been made. The protests must be specific as to the service which such protestant can and will offer, and must consist of a signed original and six copies.

A copy of the application is on file, and can be examined at the Office of the Secretary, Interstate Commerce Commission, Washington, D.C., and also in the field office to which protests are to be transmitted.

MOTOR CARRIERS OF PROPERTY

No. MC 217 (Sub-No. 12 TA), filed December 8, 1967. Applicant: POINT TRANSFER, INC., Post Office Box 1450, Station C, Canton, Ohio 44708. Applicant's representative: Henry M. Wick, Jr., 2310 Grant Building, Pittsburgh, Pa. 15219. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Iron and steel and iron and steel articles*, from the plantsite of Jones & Laughlin Steel Corp. at or near Hennepin, Putnam County, Ill., to points in Indiana, Iowa, Arkansas, Kentucky, Minnesota, Michigan, Missouri, Ohio, Oklahoma, Nebraska, Tennessee, and Wisconsin, for 150 days. Supporting shipper: Jones & Laughlin Steel Corp., 3 Gateway Center, Pittsburgh, Pa. 15230. Send protests to: G. J. Baccei, District Supervisor, Interstate Commerce Commission, 435 Federal Building, 215 Superior Avenue, Cleveland, Ohio 44114.

No. MC 13569 (Sub-No. 21 TA), filed December 8, 1967. Applicant: THE LAKE

SHORE MOTOR FREIGHT COMPANY, 1200 South State Street, Girard, Ohio 44420. Applicant's representative: A. David Millner, 744 Broad Street, Newark, N.J. 07102. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Iron and steel articles*, from the plantsite of Jones & Laughlin Steel Corp., Putnam County, Ill., to points in Arkansas, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Ohio, Tennessee, and Wisconsin, Oklahoma, and Nebraska, for 150 days. Supporting shipper: Jones & Laughlin Steel Corp., 3 Gateway Center, Pittsburgh, Pa. 15230. Send protests to: G. J. Baccei, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 435 Federal Building, 215 Superior Avenue, Cleveland, Ohio 44114.

No. MC 30844 (Sub-No. 245 TA), filed December 8, 1967. Applicant: KROBLIN REFRIGERATED XPRESS, INC., Commercial Street, Post Office Box 5000, Waterloo, Iowa 50704. Applicant's representative: Larry L. Strickler (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, meat byproducts, and articles* distributed by meat packinghouses as described in sections A and C of appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766 (except hides and commodities in bulk, in tank vehicles), from the plantsite and/or facilities of Geo. A. Hormel & Co., Austin, Minn., to points in Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, and the District of Columbia, for 180 days. Supporting shipper: Geo. A. Hormel & Co., Post Office Box 800, Austin, Minn. 55912. Send protests to: Chas. C. Biggers, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 332 Federal Building, Davenport, Iowa 52801.

No. MC 38383 (Sub-No. 22 TA), filed December 8, 1967. Applicant: THE GLENN CARTAGE COMPANY, 1115 South State Street, Girard, Ohio 44420. Applicant's representative: Henry M. Reinerth (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Iron and steel and iron and steel articles*, from the plantsite of Jones & Laughlin Steel Corp. at or near Hennepin, Putnam County, Ill., to points in Indiana, Iowa, Arkansas, Kentucky, Minnesota, Michigan, Missouri, Ohio, Oklahoma, Nebraska, Tennessee, and Wisconsin, for 150 days. Supporting shipper: Jones & Laughlin Steel Corp., 3 Gateway Center, Pittsburgh, Pa. 15230. Send protests to: District Supervisor, G. J. Baccei, Interstate Commerce Commission, Bureau of Operations, 435 Federal Building, 215 Superior Avenue, Cleveland, Ohio 44114.

No. MC 116077 (Sub-No. 227 TA), filed December 8, 1967. Applicant: ROBERTSON TANK LINES, INC., 5700 Polk Street, Post Office Box 1505, Houston, Tex. 77001. Applicant's representative: J. C. Browder (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Hydrocarbon solvents*, in bulk, in tank vehicles, from Addis, La., to Pasadena, Tex., for 180 days. Supporting shipper: Ethyl Corp., T. J. Davis, General Traffic Manager, Box 341, Baton Rouge, La. 70821. Send protests to: District Supervisor, John C. Redus, Bureau of Operations, Interstate Commerce Commission, Post Office Box 61212, Houston, Tex. 77061.

No. MC 124841 (Sub-No. 5 TA) filed December 8, 1967. Applicant: DALE D. JACOBS, Route 4, Dell Avenue, Walla Walla, Wash. 99362. Applicant's representative: George R. LaBissoniere, 920 Logan Building, Seattle, Wash. 98101. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Beet pulp* in sacks and in bulk, from Wheeler, Moses Lake, Quincy, and Toppenish, Wash., to points in Umatilla County, Oreg., for 180 days. Supporting shipper: Archie Harris Feed Lot, Box 397, Milton-Freewater, Oreg. 97862. Send protests to: L. C. Taylor, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 401 U.S. Post Office, Spokane, Wash. 99201.

No. MC 125708 (Sub-No. 78 TA), filed December 8, 1967. Applicant: HUGH MAJOR, 150 Sinclair Avenue, South Roxana, Ill. 62087. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Such merchandise as is dealt in by wholesale, retail, and chain grocery and food business houses*, from points in Benton and Grant Counties, Ind., and Wright County, Minn., to Brentwood, Mo., for 150 days. Supporting shipper: General Grocer Company, Box 7049, Main Post Office, St. Louis, Mo. 63177. Send protests to: Harold Jolliff, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 476, 325 West Adams Street, Springfield, Ill. 62704.

No. MC 127946 (Sub-No. 3 TA), filed December 6, 1967. Applicant: MARTIN ALAN, INC., Rural Route No. 4, 46809, Post Office Box 780, Fort Wayne, Ind. 46801. Applicant's representative: Robert W. Loser, 409 Chamber of Commerce Building, Indianapolis, Ind. 46204. Authority sought to operate as a *contract carrier* by motor vehicle, over irregular routes, transporting: *Drugs and sundries, including items dealt in by drug stores or hospitals*, from the plant and warehouse facilities of the South Bend Drug Co., Inc., South Bend, Ind., to points in that part of Indiana, on and north of U.S. Highway 40, points in the Lower Peninsula of Michigan, and that part of Ohio bounded on the east by Interstate Highway 75 from Toledo, Ohio, to its intersection with Interstate Highway 70, and bounded on the south by Interstate 70 to the Indiana-Ohio State line including points located on the highways set forth above. Restricted: The operations authorized here are limited to a transport service to be performed under a continuing contract or contracts with South Bend Drug Co., Inc., of South Bend, Ind., for 180 days. Supporting shipper: South Bend Drug Co., Inc., 1602 North Ironwood Drive, South Bend, Ind. Send protests to: District Supervisor, J. H. Gray, Bureau of Operations, Interstate Commerce Commission, 308 Federal Building, Fort Wayne, Ind. 46802.

No. MC 128007 (Sub-No. 11 TA), filed December 7, 1967. Applicant: HOFER, INC., 4032 Parkview Drive, Post Office Box 583, Pittsburg, Kans. 66762. Applicant's representative: John E. Jandera, 641 Harrison Street, Topeka, Kans. 66603. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Feeds*, from Pittsburg, Kans., to points in Texas, North Dakota, South Dakota, Alabama, and Louisiana, for 180 days. Supporting shipper: Harvest Brand, Inc., Post Office Box 46, Pittsburg, Kans. 66762. Send protests to: M. E. Taylor, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 906 Schweiter Building, Wichita, Kans. 67202.

By the Commission.

[SEAL] H. NEIL GARSON, *Secretary*.

[F.R. Doc. 67-14740; Filed, Dec. 19, 1967; 8:47 a.m.]

[Notice 512]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

DECEMBER 15, 1967.

The following are notices of filing of applications for temporary authority under section 210a(a) of the Interstate Commerce Act provided for under the new rules of Ex Parte No. MC 67 (49 CFR Part 340) published in the FEDERAL REGISTER, issue of April 27, 1965, effective July 1, 1965. These rules provide that protests to the granting of an application must be filed with the field official named in the FEDERAL REGISTER publication, within 15 calendar days after the date of notice of the filing of the application is published in the FEDERAL REGISTER. One copy of such protest must be served on the applicant, or its authorized representative, if any, and the protests must certify that such service has been made. The protests must be specific as to the service which such protestant can and will offer, and must consist of a signed original and six copies.

A copy of the application is on file, and can be examined at the Office of the Secretary, Interstate Commerce Commission, Washington, D.C., and also in the field office to which protests are to be transmitted.

MOTOR CARRIERS OF PROPERTY

No. MC 22229 (Sub-No. 48 TA), filed December 7, 1967. Applicant: TERMINAL TRANSPORT COMPANY, INC., 248 Chester Avenue SE., 30301, Post Office Box 1918, Atlanta, Ga. 30316. Applicant's representative: Ralph B. Matthews, 248 Chester Avenue SE., Atlanta, Ga. 30316. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transport-

ing: *General commodities*, serving the plantsite of Sweetheart Plastics, Inc., at or near Conyers, Ga., as an off-route point in connection with service presently authorized to and from Atlanta, Ga., for 180 days. Supporting shipper: Frank M. Cushman Associates as representative of Sweetheart Plastics, Inc., 36 South Main Street, Sharon, Mass. 02067. NOTE: Applicant intends to tack with authority MC 22229 and subs and MC 30073 and subs. Send protests to: William L. Scroggs, District Supervisor, Interstate Commerce Commission, Room 309, 1252 West Peachtree Street NW., Atlanta, Ga. 30309.

No. MC 26088 (Sub-No. 12 TA), filed December 7, 1967. Applicant: THE SANDERS TRUCK TRANSPORTATION CO., INC., Highway 301 North, Post Office Box 68, Allendale, S.C. 29810. Applicant's representative: William Addams, 1776 Peachtree Street NW., Atlanta, Ga. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Builtup wall panels, consisting of stone (cast or natural), wood, metal, or glass, clay, or other ceramic products, or synthetics* embedded in a resinous matrix, *brick and clay tile*, between points in Richmond County, Ga., Aiken County, S.C., on the one hand, and, on the other, points in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia, for 180 days. Supporting shipper: Merry Brothers Brick & Tile Co., Post Office Box 1474, Augusta, Ga. 30903. Send protests to: Arthur B. Abercrombie, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 601A Federal Building, 901 Sumter Street, Columbia, S.C. 29201.

No. MC 110420 (Sub-No. 556 TA), filed December 7, 1967. Applicant: QUALITY CARRIERS, INC., 100 South Calumet Street, Post Office Box 339, Burlington, Wis. 53105. Applicant's representative: Fred H. Figge (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods*, from Duluth, Minn., to Bloomington, Cairo, Centralia, Champaign, Chicago, Danville, East St. Louis, Eldorado, Elgin, Galesburg, Joliet, Litchfield, Marion, Mattoon, Moline, Murphysboro, Peoria, Rock Island, Springfield, and Staunton, Ill.; Anderson, Bloomington, Evansville, Fort Wayne, Indianapolis, Madison, Marion, Muncie, Richmond, South Bend, Terre Haute, Vincennes, Yorktown, and Bluffton, Ind.; Ames, Burlington, Cedar Rapids, Charlton, Davenport, Des Moines, and Dubuque, Esterville, Fort Dodge, Iowa City, Mason City, Muscatine, Sioux City, and Waterloo, Iowa; Ashland, Bowling Green, Covington, Greenville, Glasgow, Lexington, Louisville, Owensboro, Paducah, and Springfield, Ky.; Battle Creek, Detroit, Flint, Grand Rapids, Jackson, Livonia, Muskegon, Saginaw, and Vassar, Mich.; Cape Girardeau, Jefferson City, Joplin, Kansas City, Mexico, Moberly, St. Louis, Scott City, Sikeston, Springfield, and Hannibal Mo.; Akron, Bellefontaine, Cincinnati, Cleveland, Columbus, Dayton, Lima, Springfield, Toledo, Xenia, and Youngstown, Ohio, for 180 days. Supporting shipper: Jeno's, Inc., 525 Lake Avenue South, Duluth, Minn. 55801 (Dick Archambault, General Traffic Manager). Send protests to: Lyle D. Helfer, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 135 West Wells Street, Room 807, Milwaukee, Wis. 53203.

No. MC 119632 (Sub-No. 31 TA), filed December 7, 1967. Applicant: REED LINES, INC., 634 Ralston Avenue, Defiance, Ohio 43512. Applicant's representative: A. Charles Tell, 100 East Broad Street, Columbus, Ohio 53215. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Glass and plastic containers*, with or without closures and *empty fiberboard containers*, in straight or mixed shipments, from Brockway, Pa., to Chicago, Ill.; Cincinnati, Ohio; and Detroit, Mich.; for 180 days. Supporting shipper: Brockway Glass Co., Inc., Brockway, Pa. Send protests to: Keith D. Warner, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 5234 Federal Office Building, 234 Summit Street, Toledo, Ohio 43604.

No. MC 124841 (Sub-No. 6 TA), filed December 8, 1967. Applicant: DALE D. JACOBS, Route 4, Dell Avenue, Walla Walla, Wash. Applicant's representative: George L. LaBissoniere, 920 Logan Building, Seattle, Wash. 98101. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods, plant supplies, and plant equipment*, between Milwaukie, Portland, Salem, Hillsboro, Woodburn, Ontario, Weston, Pendleton, and Milton-Freewater, Oreg., Walla Walla, Spokane, Quincy, Burlington, and Wheeler, Wash., and Heyburn, Nampa, Caldweel, Burley, Lewiston, and American Falls, Idaho. Limited to a transportation service to be performed under a continuing contract with Terminal Ice & Cold Storage Co., of Portland, Oreg. NOTE: Applicant states that he is already authorized under Docket No. MC 124841 Sub-2 to transport frozen foods, plant supplies, and plant equipment as herein applied for between Milwaukie, Portland, Salem, Hillsboro, Woodburn, Ontario, Weston, Pendleton, and Milton-Freewater, Oreg., Walla Walla and Spokane, Wash., and Heyburn, Nampa, Caldweel, Burley, Lewiston, and American Falls, Idaho; therefore applicant only seeks to add Quincy, Burlington, and Wheeler, Wash., to the authority already authorized at Terminal Ice & Cold Storage Co. locations in the State of Washington, in order to give a complete interplant service for this supporting shipper, for 180 days. Supporting shipper: Terminal Ice & Cold Storage Co., 514 Pittock Block, Portland, Oreg. 97205. Send protests to: L. C. Taylor, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 401 U.S. Post Office, Spokane, Wash. 99201.

No. MC 126045 (Sub-No. 10 TA), filed December 8, 1967. Applicant: ALTER TRUCKING AND TERMINAL CORPORATION, 2333 Rockingham Road, Post Office Box 3122, Davenport, Iowa. Applicant's representative: John W. Lavender (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Salt*, in bulk, from La Crosse, Wis., to points in Minnesota, for 180 days. Supporting shipper: International Salt Co., Clarks Summit, Pa. Send protests to: Chas. C. Biggers, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 332 Federal Building, Davenport, Iowa 52801.

No. MC 127047 (Sub-No. 5 TA), filed December 8, 1967. Applicant: ED RACETTE & SON, INC., 5409 North Broadway, Wichita, Kans. 67219. Applicant's representative: John E. Jandera, 641 Harrison Street, Topeka, Kans. 66603. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Thermal insulation products, material supplies and equipment used in the installation thereof*, between Shreveport, La., Kansas City and Wichita, Kans., Aurora, Ill., and points in Michigan, Indiana, Wyoming, Louisiana, Kansas, Missouri, Oklahoma, and Colorado, for 180 days. Supporting shipper: Insulation Industries, Inc., 307 South Hydraulic, Wichita, Kans. 67211. Send protests to: M. E. Taylor, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 906 Schweiter Building, Wichita, Kans. 67202.

No. MC 127789 (Sub-No. 4 TA), filed December 7, 1967. Applicant: BENETTI TRUCKING CORPORATION, 228 Berry Street, Brooklyn, N.Y. 11211. Applicant's representative: Morton E. Kiel, 140 Cedar Street, New York, N.Y. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Housewares and kitchen gadgets*, between Old Bethpage, N.Y., on the one hand, and, on the other, points in the New York, N.Y., commercial zone, including Port Newark and the port authority piers in Elizabeth, N.J., for 150 days. Supporting shipper: Wall Trading Corp., 156 Fifth Avenue, New York, N.Y. 10010. Send protests to: Robert E. Johnston, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 346 Broadway, New York, N.Y. 10013.

No. MC 127832 (Sub-No. 2 TA), filed December 7, 1967. Applicant: C & S TRANSFER, INC., Post Office Box 5249, Macon, Ga. 31208. Applicant's representative: William Addams, 1776 Peachtree Street, NW., Atlanta, Ga. 30309. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Foodstuffs and supplies and equipment* used in the operation of cafeterias and restaurants for the account of State Wholesale Foods, Inc., between Macon, Ga., and Anniston, Auburn, Dothan, Gadsden, Huntsville, Oneonta, and Sylacauga, Ala., for 150 days. Supporting shipper: State Wholesale Food, Inc., 507 Fifth Street, Macon, Ga. 31201. Send protests to: William L. Scroggs, District Supervisor, Interstate

Commerce Commission, Bureau of Operations, Room 309, 1252 West Peachtree Street, NW., Atlanta, Ga. 30309.

No. MC 128007 (Sub-No. 12 TA), filed December 7, 1967. Applicant: HOFER, INC., Post Office Box 583, 4032 Parkview Drive, Pittsburg, Kans. 66762. Applicant's representative: John E. Jandera, 641 Harrison Street, Topeka, Kans. 66603. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Feed ingredients*, from Nebraska City and Omaha, Nebr., to points in Missouri on and north of Interstate Highway I–70 and west of U.S. Highway 63, for 180 days. Supporting shipper: Hooker Chemical Corp., Farm Chemicals Division, 79 Progress Parkway, Maryland Heights, Mo. 63042. Send protests to: M. E. Taylor, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 906 Schweiter Building, Wichita, Kans. 67202.

No. MC 129550 (Sub-No. 1 TA), filed December 8, 1967. Applicant: HOWARD W. MIXON AND FRED MIXON, JR., a partnership, doing business as MIXON BROS., Box 131, Idabel, Okla. 74745. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Bakery products*, unfrozen, from Hope, Ark., to points in Washington, Oregon, California, Arizona, Nevada, Idaho, Montana, Wyoming, Colorado, New Mexico, Texas, Utah, and Oklahoma, for 150 days. Supporting shipper: Meyer's Bakery of Hope, Post Office Drawer M, Hope, Ark. 71801. Send protests to: C. L. Phillips, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 350, American General Building, 210 Northwest Sixth, Oklahoma City, Okla. 73102.

By the Commission.

[SEAL] H. NEIL GARSON, *Secretary*.

[F.R. Doc. 67-14741; Filed, Dec. 19, 1967; 8:47 a.m.]

[Notice 477]

MOTOR CARRIER ALTERNATE ROUTE DEVIATION NOTICES

DECEMBER 15, 1967.

The following letter-notices of proposals to operate over deviation routes for operating convenience only have been filed with the Interstate Commerce Commission, under the Commission's Deviation Rules Revised, 1957 (49 CFR 211.1(c)(8)) and notice thereof to all interested persons is hereby given as provided in such rules (49 CFR 211.1(d)(4)).

Protests against the use of any proposed deviation route herein described may be filed with the Interstate Commerce Commission in the manner and form provided in such rules (49 CFR 211.1(e)) at any time, but will not operate to stay commencement of the proposed operations unless filed within 30 days from the date of publication.

Successively filed letter-notices of the same carrier under the Commission's Deviation Rules Revised, 1957, will be numbered consecutively for convenience in identification and protests if any should refer to such letter-notices by number.

MOTOR CARRIERS OF PROPERTY

No. MC 40719 (Deviation No. 2), PAYNE FREIGHT LINES, INC., 1515 Maine Street, Des Moines, Iowa 50314, filed December 7, 1967. Carrier's representative: Stephen Robinson, 2212 39th Street, Des Moines, Iowa 50310. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *general commodities*, with certain exceptions, over a deviation route as follows: From Des Moines, Iowa, over city streets to Iowa Highway 415, thence north over Iowa Highway 415 to junction Interstate Highway 80, thence west over Interstate Highway 80 to junction Interstate Highway 29, thence south over Interstate Highway 29 to Omaha, Nebr., and return over the same route, for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities, over pertinent service routes as follows: (1) From Des Moines, Iowa, over Iowa Highway 60 to junction Interstate Highway 35, thence south over Interstate Highway 35 to junction Iowa Highway 92, thence west over Iowa Highway 92 to junction U.S. Highway 169, thence south over U.S. Highway 169 to Mount Ayr, Iowa, and (2) from Tingley, Iowa, over Iowa Highway 259 to junction U.S. Highway 169, thence over U.S. Highway 169 to Afton, Iowa, thence over U.S. Highway 34 to junction U.S. Highway 275, thence over U.S. Highway 275 to Council Bluffs, Iowa, thence across the Missouri River to Omaha, Nebr., and return over the same routes.

No. MC 59680 (Deviation No. 54), STRICKLAND TRANSPORTATION CO., INC., Post Office Box 5689, Dallas, Tex. 75222, filed December 5, 1967. Carrier proposes to operate as a *common carrier*, by motor vehicles, of *general commodities*, with certain exceptions, over a deviation route as follows: Between Springfield, Mass., and Cleveland, Ohio, over Interstate Highway 90, for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities, over a pertinent service route as follows: From Springfield, Mass., over U.S. Highway 5 to New Haven, Conn., thence over U.S. Highway 1 to Newark, N.J., thence over the New Jersey Turnpike to junction Pennsylvania Turnpike, thence over the Pennsylvania Turnpike to junction Ohio Turnpike, thence over the Ohio Turnpike to junction U.S. Highway 21, thence over U.S. Highway 21 to Cleveland, Ohio, and return over the same route.

No. MC 76177 (Deviation No. 3), BAGGETT TRANSPORTATION COMPANY, 2 South 32d Street, Birmingham, Ala. 35233, filed December 6, 1967. Carrier's representative: Harold G. Hernly, 711 14th Street NW., Washington, D.C. 20005. Carrier proposes to operate as a *common carrier*, by motor vehicles, of *general commodities*, with certain exceptions, over deviation routes as follows: (1) From Athens, Ala., over Interstate Highway 65 to Birmingham, Ala., (2) from Birmingham, Ala., over Interstate Highway 65 to Montgomery, Ala., (3) from Attalla, Ala., over Interstate Highway 59 to Chattanooga, Tenn., (4) from Attalla, Ala., over Interstate Highway 59 to Birmingham, Ala., (5) from Atlanta, Ga., over Interstate Highway 75 to Cartersville, Ga., (6) from Atlanta, Ga., over Interstate Highway 85 to Montgomery, Ala., (7) from Birmingham, Ala., over Interstate Highway 20 to Atlanta, Ga., (8) from Birmingham, Ala., over Interstate Highway 65 to Mobile, Ala., and (9) from Mobile, Ala., over Interstate Highway 10 to New Orleans, La., and return over the same routes, for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities, over pertinent service routes as follows: (1) From Athens, Ala., over U.S. Highway 31 to Birmingham, Ala., (2) from Birmingham, Ala., over U.S. Highway 31 to Montgomery, Ala., (3) from Attalla, Ala., over U.S. Highway 411 to Centre, Ala., thence over Alabama Highway 9 to Cedar Bluff, Ala., thence over Alabama Highway 68 to the Alabama-Georgia State line, thence over Georgia Highway 114 to Summerville, Ga., thence over U.S. Highway 27 to Chattanooga, Tenn., (4) from Attalla, Ala., over U.S. Highway 11 to Birmingham, Ala., (5) from Atlanta, Ga., over U.S. Highway 41 to Cartersville, Ga., (6) from Atlanta, Ga., over U.S. Highway 41 to junction U.S. Highway 411, thence over U.S. Highway 411 via Rome, Ga., and Gadsden, Ala., to junction U.S. Highway 11, thence over U.S. Highway 11 to Birmingham, Ala., (7) from Birmingham, Ala., over U.S. Highway 31 to Jemison, Ala., thence over Alabama Highway 191 to Maplesville, Ala., thence over Alabama Highway 22 to Selma, Ala., thence over Alabama Highway 41 to junction Alabama Highway 21, thence over Alabama Highway 21 to Atmore, Ala., thence over U.S. Highway 31 to Mobile, Ala., and (8) from Mobile, Ala., over U.S. Highway 90 to New Orleans, La., and return over the same routes.

No. MC 107605 (Deviation No. 3), ADVANCE–UNITED EXPRESSWAYS, INC., 2601 Broadway Road, Minneapolis, Minn. 55413, filed December 6, 1967. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *general commodities*, with certain exceptions, over deviation routes, as follows: (1) From St. Paul, Minn., over Interstate Highway 94 to junction Interstate Highways 90 and 94 east of Tomah, Wis., thence over Interstate Highways 90 and 94 to junction Interstate Highways 90 and 94 east of Madison, Wis., thence over Interstate Highway 90 to Chicago, Ill., (2) from La Crescent, Minn., over Interstate Highway 90 to junction Interstate Highways 90 and 94 east of Tomah, Wis., thence over the route described in (1) above to Chicago, Ill., (3) from St. Paul, Minn., over Interstate Highway 94 to junction Interstate Highways 90 and 94, east of Tomah, Wis., thence over Interstate Highways 90 and 94 to Madison, Wis., (4) from La Crescent, Minn., over Interstate

Highway 90 to junction Interstate Highways 90 and 94 east of Tomah, Wis., thence over the route described in (3) above to Madison, Wis., (5) from Madison, Wis., over Interstate Highway 94 to Milwaukee, Wis., restricted to the transportation of shipments moving between the Minneapolis-St. Paul, Minn., commercial zone, on the one hand, and, on the other, Milwaukee, Wis., and (6) from Chicago, Ill., over Interstate Highway 94 to Milwaukee, Wis., and thence over Interstate Highway 94 to Madison, Wis., and thence over Interstate Highways 90 and 94 as described above to St. Paul, Minn., and return over the same routes, for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities, over pertinent service routes as follows:

(1) From St. Paul, Minn., over U.S. Highway 21 to Chicago, Ill. (also from St. Paul, Minn., over U.S. Highway 61 to La Crosse, Wis., thence over U.S. Highway 16 to Tomah, Wis., thence over U.S. Highway 12 to Chicago, Ill.), (2) from St. Paul, Minn., over U.S. Highway 12 to Madison, Wis. (also from St. Paul over U.S. Highway 61 to La Crosse, Wis., thence over U.S. Highway 16 to Tomah, Wis., thence over U.S. Highway 12 to Madison), (3) from Madison, Wis., over Wisconsin Highway 30 to Milwaukee, Wis., restricted to the transportation of shipments moving between the Minneapolis-St. Paul, Minn., commercial zone, on the one hand, and, on the other, Milwaukee, Wis., (4) from Chicago, Ill., over U.S. Highway 41 to Pleasant Prairie, Wis., restricted to the transportation of shipments between Chicago, Ill., and Minneapolis, Minn., and (5) from Pleasant Prairie, Wis., over U.S. Highway 41 to Milwaukee, Wis., thence over Wisconsin Highway 145 to junction U.S. Highway 45, thence over U.S. Highway 45 to Fond du Lac, Wis., thence over U.S. Highway 41 to Oshkosh, Wis., thence over Wisconsin Highway 110 to junction U.S. Highway 10, thence over U.S. Highway 10 to Fairchild, Wis. thence over U.S. Highway 12 to Minneapolis, Minn., and return over the same route.

No. MC 111594 (Deviation No. 10), C. W. TRANSPORT, INC., High Street, Wisconsin Rapids, Wis. 54494, filed December 7, 1967. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *general commodities*, with certain exceptions, over a deviation route as follows: From junction U.S. Highways 10 and 12 at Fairchild, Wis., over U.S. Highway 10 to junction Interstate Highway 94, thence over Interstate Highway 94 to junction U.S. Highway 12 near Eau Claire, Wis., and return over the same route, for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities, over a pertinent service route as follows: From junction U.S. Highways 12 and 10 at Fairchild, Wis., over U.S. Highway 12 to junction Interstate Highway 94, near Eau Claire, Wis., and return over the same route.

MOTOR CARRIER OF PASSENGER

No. MC 61616 (Deviation No. 25), MIDWEST BUSLINES, INC., 433 West Washington Avenue, North Little Rock, Ark. 72114, filed December 4, 1967. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *passengers and their baggage, and express and newspapers* in the same vehicle with passengers, over deviation routes as follows: (1) From junction U.S. Highway 64 and Interstate Highway 40, 3.7 miles west of Mulberry, Ark., over Interstate Highway 40 to junction U.S. Highway 71, thence over U.S. Highway 71 (an access road) to Alma, Ark., a distance of 7.8 miles, and (2) from Alma, Ark., over U.S. Highway 71 (an access road) to junction Interstate Highway 40, thence over Interstate Highway 40 to junction Interstate Highway 540, thence over Interstate Highway 540 (an access road) to Van Buren, Ark., a distance of 7 miles, and return over the same routes, for operating convenience only. The notice indicates that the carrier is presently authorized to transport passengers and the same property, over a pertinent service route as follows: From Fort Smith, Ark., over U.S. Highway 64 to junction U.S. Highway 65, thence over U.S. Highway 65 to junction U.S. Highway 70, thence over U.S. Highway 70 to Memphis, Tenn., and return over the same route.

By the Commission.

[SEAL] H. NEIL GARSON,
Secretary.

[F.R. Doc. 67-14742; Filed, Dec. 19, 1967; 8:47 a.m.]

[Notice 1133]

MOTOR CARRIER APPLICATIONS AND CERTAIN OTHER PROCEEDINGS

DECEMBER 15, 1967.

The following publications are governed by Special Rule 1.247 of the Commission's rules of practice, published in the FEDERAL REGISTER issue of April 20, 1966, which became effective May 20, 1966.

The publications hereinafter set forth reflect the scope of the applications as filed by applicant, and may include descriptions, restrictions, or limitations which are not in a form acceptable to the Commission. Authority which ultimately may be granted as a result of the applications here noticed will not necessarily reflect the phraseology set forth in the application as filed, but also will eliminate any restrictions which are not acceptable to the Commission.

APPLICATIONS ASSIGNED FOR ORAL HEARING

MOTOR CARRIERS OF PROPERTY

No. MC 115841 (Sub-No. 320), filed December 11, 1967. Applicant: COLONIAL REFRIGERATED TRANSPORTATION, INC., 1215 Bankhead Highway West, Post Office Box 2169, Birmingham, Ala. 35201. Applicant's representative: C. E. Wesley (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Foods, foodstuffs, and food preparations, and advertising, premiums, and display materials* when moving therewith, in vehicles equipped with mechanical refrigeration (except bananas and commodities in bulk in tank vehicles), from points in the New York, N.Y., commercial zone as defined by the Commission in 1 M.C.C. 665, points in New York within 5 miles of the New York, N.Y., commercial zone and points in Bergen, Essex, Hudson, Passaic, and Union Counties, N.J., to points in Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, Ohio, points in Pennsylvania on and west of U.S. Highway 15, West Virginia and Wisconsin. NOTE: Applicant states it can already serve some of these same states either direct or by tacking over points in Tennessee and that this application will help to reduce the amount of tacking required to these various States. However, tacking will be done if any be feasible.

HEARING: January 15, 1968, in the Federal Trade Commission, Hearing Room B, 14th floor, 30 Church Street, New York, N.Y., before Examiner Isadore Freidson.

No. MC 39249 (Sub-No. 4) (Republication), filed December 22, 1966, published FEDERAL REGISTER issue January 19, 1967, and republished this issue. Applicant: MARTIN MARANO, doing business as MARTY'S EXPRESS, 1236 Adams Avenue, Philadelphia, Pa. 19135. Applicant's representative: Stephen J. Kovrak, 5712 Torresdale Avenue, Philadelphia, Pa. 19135. By application filed December 22, 1966, applicant seeks a certificate of public convenience and necessity authorizing operation, in interstate or foreign commerce, as a common carrier by motor vehicle over irregular routes of rugs, linoleum, all floor coverings and related articles and return of cones used in the transportation thereof (1) from Wilmington, Del., to Willow Grove and Philadelphia, Pa., and (2) from Pennsauken, N.J., to Willow Grove and Philadelphia, Pa. A supplemental order of the Commission, Operating Rights Board dated November 30, 1967, and served December 12, 1967, finds that the present and future public convenience and necessity require operation by applicant, in interstate or foreign commerce as a common carrier by motor vehicle, over irregular routes, of (1) rugs from Willow Grove, Pa., to Philadelphia, Pa., and (2) jute from Wilmington, Del., and Pennsauken, N.J., to Willow Grove, Pa.; that applicant is fit, willing, and able properly to perform such service and to conform to the requirements of the Interstate Commerce Act and the Commission's rules and regulations thereunder. Because it is possible that other parties, who have relied upon the notice of the application as published may have an interest in and would be prejudiced by the lack of proper notice of the authority described in the findings, in this order, a notice of the authority actually granted will be published in the FEDERAL REGISTER and issuance of a certificate in this proceeding will be withheld for a period of 30

days from the date of such publication, during which period any proper party in interest may file a petition to reopen or for other appropriate relief setting forth in detail the precise manner in which it has been so prejudiced.

No. MC 126145 (Sub-No. 10) (Republication), filed June 26, 1967, published FEDERAL REGISTER issue of July 13, 1967, and republished this issue. Applicant: PHILLIPS TRUCKING, a corporation, 20299 Valley Boulevard, Rialto, Calif. 92376. Applicant's representative: R. Y. Schureman, 1010 Wilshire Boulevard, Los Angeles, Calif. 90017. By application filed June 26, 1967, applicant seeks a certificate of public convenience and necessity authorizing operation, in interstate or foreign commerce, as a common carrier by motor vehicle, over irregular routes of *aggregates* (except cement and pozzolan) used in the manufacture of cement, concrete or concrete products, or for roofing or landscaping, between points in Inyo, Mono, Riverside, San Bernardino, San Diego, and Ventura Counties, Calif., on the one hand, and, on the other, points in Clark and Nye Counties, Nev., restricted against the transportation of aggregates in bags or sacks from points in Clark County, Nev., to points in California above described. An order of the Commission, Operating Rights Board, dated November 21, 1967, and served December 7, 1967, finds that operation by applicant, in interstate or foreign commerce, as a common carrier by motor vehicle, over irregular routes, of (1) aggregates (except cement and pozzolan) from points in Inyo, Mono, San Bernardino, Ventura, and Riverside Counties, Calif., to points in Nye and Clark Counties, Nev., and (2) *aggregates* (except cement and pozzolan), in bulk, from Las Vegas, Nev., to points in Riverside, San Bernardino, San Diego, Ventura, Mono, and Inyo Counties, Calif.; that applicant is fit, willing, and able properly to perform such service and to conform to the requirements of the Interstate Commerce Act and the Commission's rules and regulations thereunder. Because it is possible that other persons, who have relied upon the notice of the application as published, may have an interest in and would be prejudiced by the lack of proper notice of the authority described in the findings in this order, a notice of the authority actually granted will be published in the FEDERAL REGISTER and issuance of a certificate in this proceeding will be withheld for a period of 30 days from the date of such publication during which period any proper party in interest may file a petition to reopen or for other appropriate relief setting forth in detail the precise manner in which it has been so prejudiced.

No. MC 127806 (Sub-No. 5) (Republication), filed July 20, 1967, published FEDERAL REGISTER issues August 3, 1967, and November 22, 1967, and republished this issue. Applicant: BEER TRANSPORT, INC., 130 Steamboat Road, Great Neck, N.Y. Applicant's representative: Edward F. Bowes, 1060 Broad Street, Newark, N.J. 07102. By application filed July 20, 1967, applicant seeks a permit authorizing operation, in interstate or foreign commerce, as a contract carrier by motor vehicle, over irregular routes, of (1) Malt beverages (other than in bulk in tank vehicles) and advertising materials, between Brooklyn, N.Y., and Orange, N.J., plantsites of Rheingold Breweries, Inc., on the one hand, and, on the other, the plantsite of Jacob Ruppert, Inc., at New Bedford, Mass., (2) hops in bales, yeast in barrels, and brewing supplies, including brewing chemicals in fiber barrels or metal drums and ditamatious earth in bags, from Brooklyn, N.Y., and Orange, N.J., to New Bedford, Mass., under contract with Rheingold Breweries, Inc., in (1) and (2) above; and (3) malt beverages (other than in bulk in tank vehicles), and advertising materials from the plantsite of Jacob Ruppert Brewery, Inc., in New Bedford, Mass., to Weathersfield, Willimantic, and Fairfield, Conn., under contract with C. Carbone & Co., Inc. A supplemental order of the Commission, Operating Rights Board dated November 21, 1967, and served December 11, 1967, as amended, finds that operation by applicant, in interstate or foreign commerce, as a contract carrier by motor vehicle, over irregular routes, of (1) *malt beverages*, in containers, and related advertising materials, between Brooklyn, N.Y., and Orange, N.J., plantsites of Rheingold Breweries, Inc., on the one hand, and, on the other, plantsite of Jacob Ruppert, Inc., at New Bedford, Mass.

(2) *Brewery materials, and supplies* (except in bulk), from Brooklyn, N.Y., and Orange, N.J., to New Bedford, Mass., under a continuing contract with Rheingold Breweries, Inc., in (1) and (2) above; (3) *malt beverages*, in containers, and *related advertising materials*, from the plantsite of Jacob Ruppert Brewery, Inc., in New Bedford, Mass., to Weathersfield, Willimantic, and Fairfield, Conn., under a continuing contract with Ramapo Valley Distributors, Inc., will be consistent with the public interest and the national transportation policy; that applicant is fit, willing, and able properly to perform such service and to conform to the requirements of the Interstate Commerce Act and the Commission's rules and regulations thereunder. Because it is possible that other parties, who have relied upon the notice of the application as published, may have an interest in and would be prejudiced by the lack of proper notice of the authority described in the findings in this order, a notice of the authority actually granted will be published in the FEDERAL REGISTER and issuance of a permit in this proceeding will be withheld for a period of 30 days from the date of such publication, during which period any proper party in interest may file a petition to reopen or for other appropriate relief setting forth in detail the precise manner in which it has been so prejudiced.

No. MC 129311 (Republication), filed August 7, 1967, published FEDERAL REGISTER issue of August 25, 1967, and republished this issue. Applicant: IRVING L. GEER, doing business as I. L. GEER, 211 Terrace Street, Warren, Pa. 16365. Applicant's representative: Kenneth T. Johnson, Bank of Jamestown Building, Jamestown, N.Y. 14701. By application filed August 7, 1967, applicant seeks a certificate of public convenience and necessity authorizing operation, in interstate or foreign commerce, as a common carrier by motor vehicle over irregular routes, of crude oil in tank trucks (straight) having a capacity of not over 4,500 gallons, from the townships of Busti and Kiantone in Chautauqua County, N.Y., to Mead Township, Warren County, Pa. An order of the Commission, Operating Rights Board dated November 30, 1967, and served December 7, 1967, finds that the present and future public convenience and necessity require operation by applicant, in interstate or foreign commerce, as a common carrier by motor vehicle, over irregular routes, of *crude oil*, in tank vehicles, from points in the townships of Busti and Kiantone in Chautauqua County, N.Y., to points in Mead Township, Warren County, Pa.; that applicant is fit, willing, and able properly to perform such service and to conform to the requirements of the Interstate Commerce Act and the Commission's rules and regulations thereunder. Because it is possible that other parties, who have relied upon the notice of the application as published, may have an interest in and would be prejudiced by the lack of proper notice of the authority described in the findings in this order, a notice of the authority actually granted will be published in the FEDERAL REGISTER and issuance of a certificate in this proceeding will be withheld for a period of 30 days from the date of such publication, during which period any proper party in interest may file a petition to reopen for other appropriate relief setting forth in detail the precise manner in which it has been so prejudiced.

APPLICATION FOR CERTIFICATE OR PERMIT WHICH IS TO BE PROCESSED CONCURRENTLY WITH APPLICATIONS UNDER SECTION 5 GOVERNED BY SPECIAL RULE 1.240 TO THE EXTENT APPLICABLE

No. MC 7075 (Sub-No. 17), filed December 6, 1967. Applicant: NEMASKET TRANSPORTATION COMPANY, INC., 54 Grove Street, Middleboro, Mass. 02346. Applicant's representative: Kenneth B. Williams, 111 State Street, Boston, Mass. 02109. Authority sought to operate as a *common carrier*, by motor vehicle, transporting: (A) Over regular routes: *General commodities* (except those of unusual value, classes A and B explosives, household goods as defined by the Commission, commodities in bulk, commodities requiring special equipment and those injurious or contaminating to other lading), between Boston and Medway, Mass., (1) from Boston over U.S. Highway 1 to junction Massachusetts Highway 109, thence over Massachusetts Highway 109 to Medway; (2) from Boston over U.S. Highway 1 to junction Massachusetts Highway 1A, thence over Massachusetts Highway 1A to Walpole, Mass., thence over Massachusetts Highway 27 to Medfield, Mass., thence over Massachusetts Highway 109 to Medway;

and (3) from Boston to Walpole, Mass., as specified above, thence over Massachusetts Highway 1A to Wrentham, thence over Massachusetts Highway 140 to Franklin, Mass., thence over unnumbered highway to Medway; and return over the same routes, serving the intermediate and off-route points of Dedham, Westwood, Norwood, Walpole, Norfolk, Wrentham, and Franklin, Mass. (B) Over irregular routes: *General commodities* (except those of unusual value, classes A and B explosives, household goods as defined by the Commission, commodities in bulk, commodities requiring special equipment and those injurious or contaminating to other lading), between points in Massachusetts. NOTE: This application is a matter directly related to Docket No. MC-F-9968, published FEDERAL REGISTER issue of December 13, 1967. If a hearing is deemed necessary, applicant requests it be held at Boston, Mass.

APPLICATIONS UNDER SECTIONS 5 AND 210a(b)

The following applications are governed by the Interstate Commerce Commission's special rules governing notice of filing of applications by motor carriers of property or passengers under sections 5(a) and 210a(b) of the Interstate Commerce Act and certain other proceedings with respect thereto. (49 CFR 1.240.)

MOTOR CARRIERS OF PROPERTY

No. MC-F-9901 (Amendment) (ORIOLE MOTOR CARRIER CORP.—Purchase—MOTOR CARRIER CORP.), published in the October 11, 1967, issue of the FEDERAL REGISTER, on page 14137. By amendment, filed December 11, 1967, the name of vendee is changed to MILFORD EXPRESS, INC., in lieu of Oriole Motor Carrier Corp.

No. MC-F-9971. Authority sought for purchase by INTERNATIONAL TRANSPORT, INC., South Highway 52, Rochester, Minn. 55901, of the operating rights of JETWAY, INC., Box 230, Lansdale, Pa. 19446, and for acquisition by HOWELL INTERNATIONAL, INC., and, in turn by PAUL S. DOPP, both of 29 Broadway, New York, N.Y., of control of such rights through the purchase. Applicants' attorneys and representative: Axelrod, Goodman and Steiner, 39 South La Salle Street, Chicago, Ill. 60603, and John W. Frame, Post Office Box 626, 2207 Old Gettysburg Road, Camp Hill, Pa. 17011. Operating rights sought to be transferred: *Machinery*, as a *common carrier*, over irregular routes, between certain specified points in Pennsylvania, on the one hand, and, on the other, points in Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Delaware, Maryland, Virginia, North Carolina, Ohio, and the District of Columbia; and *building construction materials* which, because of size or weight, require the use of special equipment or special handling, between Wilkes-Barre, Pa., and points within 10 miles of Wilkes-Barre, on the one hand, and, on the other, points in New York, New Jersey, Connecticut, Rhode Island, and Massachusetts. Vendee is authorized to operate as a *common carrier* in all points in the United States. Application has not been filed for temporary authority under section 210a(b).

No. MC-F-9972. Authority sought for purchase by BROWN MOTOR LINES, INC., Rural Delivery No. 2, Lowellville, Ohio, of the operating rights of CHARLES H. OAKES (HOMER J. MICKLETHWAITE, Executor), 402 Masonic Temple, Portsmouth, Ohio, and for acquisition by RICHARD H. DEARING, 40 Coblentz Drive, Poland, Ohio, of control of such rights through the purchase. Applicants' attorney: Earl N. Merwin, 85 East Gay Street, Columbus, Ohio 43215. Operating rights sought to be transferred: *Natural stone*, rough quarried, sawed, chipped, dressed, polished, or otherwise treated, as a *common carrier*, over irregular routes, from McDermott, Ohio, to certain specified points in Pennsylvania and West Virginia; and *steel*, structural or fabricated, from Huntington, W. Va., to Cleveland, Ohio, from Pittsburgh, Pa., to Georgetown and Youngstown, Ohio. Vendee is authorized to operate as a *common carrier* in Ohio, New York, Pennsylvania, and West Virginia. Application has not been filed for temporary authority under section 210a(b).

No. MC-F-9973. Authority sought for purchase by BASS TRANSPORTATION CO., INC., Old Croton Road, Flemington, N.J. 08822, of the operating rights of OCO TRANSPORTATION CO., 3328 Vega Avenue, Cleveland, Ohio 44113, and for acquisition by LEO Y. SELESNICK, and IRA BASS, both also of Flemington, N.J., of control of such rights through the purchase. Applicants' representative: Bert Collins, 140 Cedar Street, New York, N.Y. 10006. Operating rights sought to be transferred: (A) *Pulpboard and byproducts thereof, fiberboard and byproducts thereof*, and *paperboard and byproducts thereof*, as a *contract carrier*, over irregular routes, from certain specified points in Ohio, to points in Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, Missouri, New Jersey, New York, Pennsylvania, Tennessee, Virginia, West Virginia, Wisconsin, and the District of Columbia, from Rittman, Ohio, to points in Connecticut, Massachusetts, and Rhode Island; *machinery, materials and supplies* (except waste paper, liquid commodities in bulk, and those commodities requiring the use of special equipment) used in the manufacture of pulpboard and byproducts thereof, fiberboard and byproducts thereof, and paperboard and byproducts thereof, from points in Connecticut, Massachusetts, and Rhode Island, to Rittman, Ohio, from points in Delaware, Illinois, Indiana (except South Bend), Kentucky, Maryland, Michigan (except Plymouth), Missouri, New Jersey, New York (except Lockport), Pennsylvania (except Pittsburgh), Tennessee, Virginia, West Virginia, Wisconsin, and the District of Columbia, to certain specified points in Ohio; *paperboard and paperboard products*, from Lancaster, Pa., to points in New York, New Jersey, Delaware, Maryland, Virginia, Ohio, West Virginia, and the District of Columbia; *skids, pallets, and containers* on or in which such paperboard and paperboard products are shipped from points in the destination territory specified immediately above to Lancaster, Pa.;

Machinery, materials, and supplies used in the manufacture of paperboard and paperboard products (except liquid commodities in bulk, and except waste paper), from points in New York (except New York, N.Y.), New Jersey (except Hudson, Essex, and Bergen Counties), Delaware, and Ohio, to Lancaster, Pa.; *skids, pallets, and containers* on or in which such machinery, materials, and supplies are shipped, from Lancaster, Pa., to points in the origin territory specified immediately above. Restriction: The operations authorized above are limited to a transportation service to be performed under a continuing contract, or contracts, with Packaging Corp. of America, Rittman, Ohio; (B) *waste paper*, from points in Tennessee, Virginia, and Wisconsin, to Akron and Cleveland, Ohio, from points in Tennessee, Virginia, and Wisconsin, to Rittman, Ohio, from points in Connecticut, Delaware, Illinois, Indiana, Kentucky, Maryland, Massachusetts, Michigan, Missouri, New York, New Jersey, Pennsylvania, Rhode Island, West Virginia, and the District of Columbia, to certain specified points in Ohio; and *skids, pallets, and empty containers* on or in which waste paper is shipped, from Rittman, Ohio, to points in Tennessee, Virginia, and Wisconsin, from certain specified points in Ohio, to points in Connecticut, Delaware, Illinois, Indiana, Kentucky, Maryland, Massachusetts, Michigan, Missouri, New York, New Jersey, Pennsylvania, Rhode Island, West Virginia, and the District of Columbia. Restriction: The operations authorized in section (B) hereof, are limited to a transportation service to be performed under a continuing contract, or contracts, with the following shippers: Oco Wastepaper Co., Cincinnati, Ohio, Akron Industrial Salvage Co., Akron, Ohio, Packaging Corp. of America, Rittman, Ohio. Vendee is authorized to operate as a *contract carrier* in New York, New Jersey, Maine, Connecticut, Rhode Island, Massachusetts, New Hampshire, Pennsylvania, Delaware, Maryland, Virginia, West Virginia, Ohio, Arkansas, Colorado, Iowa, Kansas, Minnesota, Missouri, Nebraska, Oklahoma, Wisconsin, Wyoming, Illinois, Indiana, Michigan, Kentucky, Louisiana, Mississippi, Tennessee, Alabama, Georgia, Florida, North Carolina, South Carolina, California, Washington, Oregon, Utah, Nevada, Montana, New Mexico, Vermont, North Dakota, South Dakota, Texas, and the District of Columbia. Application has not been filed for temporary authority under section 210a(b).

No. MC-F-9974. Authority sought for purchase by C & E TRUCKING CORPORATION, Saugerties, N.Y., of the operating rights of PALMER TRANSFER, INC. (THOMAS J. FOLEY, JR., Trustee In Bankruptcy), 803-810 Connell Building, Scranton, Pa. 18503, and for acquisition by EARL STACKS, c/o C & E Trucking, Saugerties, N.Y., of control of such rights through the purchase. Applicants' attor-

ney and representative: Herbert Burstein, 160 Broadway, New York, N.Y. 10038, and Albert H. Aston, 930 Miners National Bank Building, Wilkes-Barre, Pa. 18701. Operating rights sought to be transferred: *Cream*, as a *common carrier*, over irregular routes, from certain specified points in New York, and Mansfield, Pa., to Harrisonburg and Richmond, Va., and Somerville, Mass.; *ice cream mixtures*, from certain specified points in New York, and Mansfield, Pa., to Philadelphia, Pa., Richmond and Harrisonburg, Va., Newark, N.J., New York, N.Y., and Somerville, Mass.; *milk* and *milk products*, between certain specified points in Pennsylvania, New Jersey, and New York; *flour*, in bulk, in hopper-type vehicles, from Buffalo, N.Y., to Scranton, Pa.; *dry sugar*, in bulk, in insulated hopper-type trailers, from Philadelphia, Pa., to points in New Jersey, Delaware, Maryland, and certain specified points in Virginia and West Virginia; and *ice cream mix*, in bulk, in tank vehicles, from Dushore, Pa., to Southbury, Conn. Vendee is authorized to operate as a *contract carrier* in New York, Vermont, Maryland, Pennsylvania, Virginia, New Jersey, Delaware, and New Hampshire. Application has been filed for temporary authority under section 210a(b).

No. MC–F–9975. Authority sought for purchase by ALL-AMERICAN TRANSPORT, INC., 1500 Industrial Avenue, Sioux Falls, S. Dak. 57101, of the operating rights of KEY TRUCKING CO., INC., Post Office Box 280, Cicero, Ill. 60650, and for acquisition by BUFFALO EXPRESS, INC., and, in turn by H. LAUREN LEWIS, both also of Sioux Falls, S. Dak., of control of such rights through the purchase. Applicants' attorneys: Axelrod, Goodman, and Steiner, 39 South La Salle Street, Chicago, Ill. 60603. Operating rights sought to be transferred: Under a certificate of registration, in Docket No. MC–120542 Sub-1, covering the transportation of household goods and commodities in general, as a common carrier, in intrastate commerce, within the State of Illinois. Vendee is authorized to operate as a *common carrier* in Wisconsin, Iowa, Illinois, South Dakota, Minnesota, Nebraska, and North Dakota. Application has been filed for temporary authority under section 210a (b). NOTE: MC–29120 Sub-No. 97 is a matter directly related.

No. MC–F–9976. Authority for merger into FOWLER & WILLIAMS, INC., 1300 Meylert Avenue, Scranton, Pa., of the operating rights and property of PERKIOMEN TRANSFER, INC., Schoenerville Road and Coolidge Avenue, Allentown, Pa., and for acquisition by HILTON G. FOWLER (MRS. H. G. (E. M.) FOWLER AND MICHAEL J. FOWLER, Trustees), both also of Scranton, Pa., of control of such rights and property through the transaction. Applicants' attorneys: John J. Dempsey, Jr., Suite 1200 Miners National Bank Building, Wilkes-Barre, Pa. 18701, and Charles J. Williams, 47 Lincoln Park, Newark, N.J. 07102. Operating rights sought to be merged: *General commodities*, except those of unusual value, and except dangerous explosives, household goods as defined in *Practices of Motor Common Carriers of Household Goods*, 17 M.C.C. 467, new automobiles, commodities in bulk, commodities requiring special equipment, and those injurious or contaminating to other lading, as a *common carrier*, over regular and irregular routes, between Pennsburg, Pa., and New York, N.Y. serving the intermediate points of Newark, N.J., and Easton, Pa., and those between Pennsburg and Easton, Pa.; and off-route points in Pennsylvania within 30 miles of Pennsburg, between Philadelphia, Pa., and Pennsburg, Pa., serving all intermediate points, over one alternate regular route, for operating convenience only. FOWLER & WILLIAMS, INC., is authorized to operate as a *common carrier* in Pennsylvania, New Jersey, New York, Connecticut, Maryland, Virginia, Michigan, and the District of Columbia. Application has not been filed for temporary authority under section 210a(b). NOTE: FOWLER & WILLIAMS, INC., controls PERKIOMEN TRANSFER, INC., through ownership of capital stock pursuant to authority granted in Docket No. MC–F–7775, effective September 13, 1961, and consummated January 5, 1962.

No. MC–F–9977. Authority sought for control and merger by H. W. TAYNTON COMPANY, INC., 40 Main Street, Wellsboro, Pa. 16901, of the operating rights and property of ITHICA DELIVERY, INC., 407 Third Street, Ithica, N.Y. 14850, and for acquisition by ROBERT E. TAYNTON, SR., ELIZABETH MARBLE, PAUL TAYNTON, FLORENCE TAYNTON and the COMMONWEALTH BANK & TRUST CO., Trustees all also of Wellsboro, Pa., of control of such rights and property through the transaction. Applicants' attorneys and representative: Bowes & Millner, 744 Broad Street, Newark, N.J. 07102 and Robert De Kroyft, 24 Branford Place, Newark, N.J. 07102. Operating rights sought to be controlled and merged: *General commodities*, except those of unusual value, classes A and B explosives, livestock, household goods as defined by the Commission, commodities in bulk, and articles of excessive dimensions, as a *common carrier*, over a regular route, between Ithica, N.Y., and Syracuse, N.Y., serving all intermediate points, and the off-route point of Preble, N.Y.; and under a certificate of registration, in Docket No. MC–55817 Sub 3, covering the transportation of general commodities, as a common carrier in intrastate commerce, within the State of New York. H. W. TAYNTON COMPANY, INC. is authorized to operate as a *common carrier* in Pennsylvania, New York, New Jersey, Delaware, Ohio, Maryland, Rhode Island, Massachusetts, West Virginia, Connecticut, Indiana, and Kentucky. Application has been filed for temporary authority under section 210a(b). NOTE: MC–109821 Sub 25 is a matter directly related.

By the Commission.

[SEAL] H. NEIL GARSON, *Secretary.*

[F.R. Doc. 67-14743; Filed, Dec. 19, 1967; 8:47 a.m.]

[Notice 64]

MOTOR CARRIER TRANSFER PROCEEDINGS

DECEMBER 15, 1967.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 279), appear below:

As provided in the Commission's Special Rules of Practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC–FC–70008. By order of November 30, 1967, the Transfer Board approved the transfer to Richmond Transfer, Inc., Richmond, Mo., of the operating rights of certificates in Nos. MC–3790, MC–3790 (Sub-No. 7), and MC–3790 (Sub-No. 9) issued June 22, 1954, June 17, 1958, and October 15, 1962, respectively, to Williams Transfer, Inc., Richmond, Mo., authorizing the transportation of general commodities, with exceptions, between Kansas City, Kans., and Richmond, Higginsville, and Lexington, Mo., serving intermediate and off-route points, from Kansas City, Kans., to Excelsior Springs, Mo., serving intermediate points, between Lexington, Mo., and points within 10 miles thereof, on the one hand, and, on the other, points in Wyandotte County, Kans., and between Lawson, Mo., and Kansas City, Mo., and Kansas City, Kans., serving no intermediate points; livestock from Excelsior Springs, Mo., to Kansas City, Kans., serving intermediate and off-route points; miles between Lexington, Mo., and points within 10 miles thereof, on the one hand, and, on the other, Pittsburg, Kans.; and household goods between Lawson, Mo., and points within 25 miles of Lawson, on the one hand, and, on the other, points in Kansas, Nebraska, Iowa, and Illinois, and between Lexington, Mo., and points within 10 miles of Lexington, on the one hand, and, on the other, points in Kansas. Carl V. Kretsinger, 450 Professional Building, Kansas City, Mo. 64106, attorney for applicants.

No. MC–FC–70011. By order of November 30, 1967, the Transfer Board approved the transfer to Margaret Emanuele doing business as Emanuele Motor Lines, Akron, Ohio, of the operating rights of Grace T. Klein, doing business as Jones Trucking, Suffield, Ohio, of corrected permit in No. MC–35893, issued January 14, 1963, authorizing the transportation over irregular routes, of such commodities as are manufactured, processed or dealt in by rubber manufacturers and steel product manufacturers, and equipment, materials, and supplies used in the conduct of such businesses, from Akron, Ohio, to points in Rhode Island,

Massachusetts, Connecticut, in a described portion of New York, and in a described portion of New Jersey; tire fabric, from Fall River and New Bedford, Mass., to Akron, Ohio, scrap tires and tubes, from Boston, Cambridge, New Bedford, Pittsfield, Fall River, and Springfield, Mass., Hartford, Conn., Newark, N.J., Albany and New York, N.Y., and points on Long Island, N.Y., to Akron, Ohio, and chemicals, from Naugatuck, Conn., to Akron, Ohio, as restricted therein. Robert R. May, 500 First National Tower, Akron, Ohio 44308, attorney for applicants.

No. MC–FC–70019. By order of November 30, 1967, the Transfer Board approved the transfer to R. J. (Red) Andrews, doing business as R. J. (Red) Andrews Truck Line, Corsicana, Tex., of permits in No. MC–125941 and MC–125941 (Sub-No. 1) issued June 21, 1965, and September 30, 1965, respectively, to J & S Truck Line, Inc., Corsicana, Tex., authorizing the transportation of dry fertilizer, fertilizer materials, and feed grade urea, as excepted, from Kerens, and points within 10 miles thereof, Gainesville, Pittsburg, and Vernon, Tex., to points in Arkansas, Colorado, Kansas, Louisiana, Missouri, Nebraska, New Mexico, and Oklahoma; and from Littlefield, Tex., to points in Arkansas, Colorado, Kansas, Louisiana, Missouri, Nebraska, New Mexico, and Oklahoma. James W. Hightower, 136 Wynnewood Professional Building, Dallas, Tex. 75224, attorney for applicants.

No. MC–FC–70021. By order of November 30, 1967, the Transfer Board approved the transfer to Bees Van & Storage, Inc., 733B East Oak Street, Post Office Box 321, Santa Maria, Calif., of the certificate in No. MC–76492, issued March 15, 1967 to E. Bernece Hubbard, doing business as Bee's Van & Storage, same address, authorizing the transportation of household goods, between points within 25 miles of Santa Maria, Calif., including Santa Maria.

No. MC–FC–70040. By order of December 11, 1967, the Transfer Board approved the transfer to George Russo and Rocco R. Russo, doing business as Russo Trucking Co., Jersey City, N.J., of the operating rights in certificate No. MC–8214, issued October 22, 1940, to J. Siegel Trucking Corp., New York, N.Y., authorizing the transportation of poultry, butter, eggs, cheese, groceries, and meat and meat products, between a specified area (30 miles of the City Hall, New York, N.Y.) in New York, New Jersey, and Connecticut. *Dual operations are involved:* Robert B. Pepper, 297 Academy Street, Jersey City, N.J. 07306, representative for applicants.

[SEAL] H. NEIL GARSON,
Secretary.

[F.R. Doc. 67–14744; Filed, Dec. 19, 1967; 8:48 a.m.]

APPLICATION FORM OP–OR–9; SUPPLEMENTAL INSTRUCTIONS—SHIPPER CERTIFICATION

DECEMBER 15, 1967.

By its report in *Schaefer and Schaefer Ext.—New York City*, 106 M.C.C. 100 (decided Nov. 17, 1967), the entire Commission has directed that the following portions of its report be published in the FEDERAL REGISTER and distributed with its application Form OP–OR–9 (49 CFR 1003.1), Application for Motor Carrier Certificate or Permit, revised April 6, 1966:

Application form OP–OR–9 requires an applicant to indicate whether its application will be supported by shippers, or others, who will present evidence in support of the application, as to their need for the service proposed. * * * The requirement contained in the application form is clear. It requires, for applications which are to be supported by 10 or fewer public witnesses, the filing of supporting certifications by each such supporting shipper known to the applicant at the time the application is filed. Should more than 10 supporting witnesses be contemplated by the applicant, additional certifications of support must be presented in such number as to be reasonably representative of the total number of witnesses contemplated and the scope of the requested authority. This representative number must be sufficient to apprise both this Commission and interested parties of the identity and character of support upon which applicant will rely. * * * Henceforth, in addition to the filing of the certifications accompanying its application, an applicant will be required to file with this Commission an additional certification of each witness (if less than 10) not known to the applicant at the time of filing of the application but who becomes known prior to the submission of evidence. Such certification shall be filed with the Commission as soon as practicable following discovery of the witness, shall contain a statement by the witness as to the date on which he first made his support known to the applicant, and copies of such certification shall be served by applicant upon all parties of record.

In those instances in which more than 10 shippers support the application, it behooves the applicant, at the time of filing, (1) to submit with the application sufficient certifications of support in excess of 10 to be reasonably representative of the total number of witnesses to be presented and the scope of authority applied for, (2) to indicate the total number of shippers whose testimony will be presented, and (3) to identify by name and location those shippers on whose behalf certifications are not filed. If the number of supporting shippers should be increased subsequent to the filing of the application, information regarding identity and location of each of the subsequently acquired supporting shippers should be transmitted promptly to the Commission and all parties to the proceeding.

Noncompliance with the aforementioned requirements, absent a showing of good cause for failing in their observance, will result in the disallowance of testimony and evidence proffered by public witnesses upon whose behalf certifications or identifications (by name and location) have not been filed. * * *

Strict adherence to these requirements shall be expected with respect to all applications pending at the time of such publication and to all applications filed subsequent thereto.

By the Commission.

[SEAL] H. NEIL GARSON,
Secretary.

[F.R. Doc. 67–14738; Filed, Dec. 19, 1967; 8:48 a.m.]

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PART II

Section 1

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Interstate Commerce Commission

•

REPUBLICATION AND REDESIGNATIONS OF REGULATIONS



Title 49—TRANSPORTATION

Chapter X—Interstate Commerce Commission

REPUBLICATION AND REDESIGNATIONS OF REGULATIONS

Effective April 1, 1967 (32 F.R. 5606, Apr. 5, 1967), the following parts of Title 49 of the Code of Federal Regulations were transferred from the Interstate Commerce Commission to the Department of Transportation:

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The remaining regulations of the Interstate Commerce Commission are transferred from Chapter I of 49 CFR to Chapter X of that title and are redesignated and republished as set forth below.

[SEAL] H. NEIL GARSON, *Secretary.*

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Appendix I.
Appendix IV.

Subpart A—General

§ 1000.1 Description of official seal.

(a) *Description.* A constellation of 13 stars above an American bald eagle with wings displayed and inverted holding in his dexter talon an olive branch and in his sinister a bundle of seven arrows, in his beak a scroll inscribed "E Pluribus Unum," bearing a shield paleways of 13 pieces argent and gules, a chief azure; all within an encircling inscription "Interstate Commerce Commission, 1887," and a decorative outer border.



(b) *Colors.* When illustrated in color, the background is National Flag blue, the eagle and olive branch proper, and the arrows, stars, scroll and encircling inscription white. The motto is of the same blue as the background, and the blue of the shield is a medium shade. The outer border of the seal and the edge of the shield are gold color.

(Sec. 12, 24 Stat. 383 as amended, sec. 17, 40 Stat. 270, as amended; 49 U.S.C. 12, 17)

§ 1000.5 Credentials required by special agents, accountants, and examiners.

(a) *Carrier records and property subject to inspection and examination.* (1) Persons appointed as special agents, accountants, and examiners of the Commission are authorized to enter upon, to inspect and examine any and all lands, buildings, and equipment of carriers and other persons subject to the Interstate Commerce Act and related Acts, and to inspect and copy any and all accounts, books, records, memoranda, correspondence, and other documents of carriers, and other persons subject to the Act.

(2) Inspection or copying authority with respect to persons who furnish cars or protective service against heat or cold to or on behalf of a carrier or an express company, shall be limited to accounts, books, records, memoranda, correspondence, and other documents which pertain or relate to cars or protective service.

(3) Carriers and other persons subject to the Act shall submit their accounts, books, records, memoranda, correspondence, and other documents for inspection and copying, and such carriers and other persons shall submit their lands, buildings, and equipment for examination and inspection, to any special agent, accountant, or examiner of the Commission upon demand and the display of a Commission credential identifying him as a special agent, accountant, or examiner.

(b) *Definition of "other persons subject to the Act."* The term "other persons subject to the Act" as used in this section includes:

(1) brokers subject to part II of the Interstate Commerce Act, freight forwarders subject to part IV of the Act, lessors of carrier operating rights, receivors, trustees, administrators, executors, and other persons having custody, possession, or control of carrier operations or the business of other persons subject to the Act;

(2) persons who furnish railroad cars or protective service against heat or cold to or on behalf of railroads or express companies (but only with respect to records pertaining to the cars or protective services to furnished);

(3) associations of carriers or brokers subject to the Act which perform any service or engage in any activities in connection with any traffic, transportation, or facilities subject to the Act;

(4) and, to the extent specified in orders of the Commission issued under section 5 of the Act, persons controlling two or more carriers.

(c) *Definition of special agents, accountants, and examiners.* The duties of the following described employees or positions, and such other employees of the Commission as the Chairman shall specify in writing, include those of special agent, accountant, or examiner and they are hereby authorized to inspect and copy records and to inspect and examine lands, buildings and equipment in the same manner and to the same extent as special agents, accountants, and examiners:

Commissioners.
Managing Director.
Assistant Managing Director.
Directors and Assistant Directors, Chiefs and Assistant Chiefs of Sections of the Bureaus of: Accounts; Enforcement; and, Operations.
Attorneys.
Auditors.
Field Assistants.
General Engineers.
Investigators (Officer-in-Charge).
Investigators.
Regional Managers.
Regional Directors (Operations).
Assistant Regional Directors (Operations).
Associate Regional Directors (Operations).
Regional Supervisors (Car Service).
Supervisory Railroad Service Agents.
Railroad Service Agents.
Transportation Specialists (District Supervisors).
Transportation Specialists (Officer-in-Charge).
Supervisory Transportation Specialists.
Transportation Cost Analysts.
Transportation Rate Agents.

(d) Facsimile of the Commission's credential:

United States of America
INTERSTATE COMMERCE COMMISSION
WASHINGTON

This is to certify, ...
whose signature appears hereon, has been appointed
.....
of the Interstate Commerce Commission with authority to enter upon, to inspect and examine lands, buildings and equipment and to inspect and copy records and papers of carriers and other persons subject to the Interstate Commerce Act as provided in the said Act and related Acts and in regulations of the Commission.

In witness whereof, I have hereunto set my hand and affixed the seal of said Commission at its office in Washington, District of Columbia, this ..... day of ....., A.D. 19....

(Signature of employee)

No. .....

Secretary of the Interstate Commerce Commission.

GPO 806425 ICC Form 1019a

(Sec. 6, 36 Stat. 915, as amended, secs. 12, 20, 24 Stat. 383, as amended, 386, as amended, sec. 25, 41 Stat. 498, as amended, sec. 220, 49 Stat. 563, as amended, sec. 313, 54 Stat. 944, as amended, sec. 412, 56 Stat. 294, as amended; 45 U.S.C. 29, 49 U.S.C. 12, 20, 26, 320, 913, 1012)

§ 1000.10 Availability of statements of policy, interpretations, and other matters not required to be published in the Federal Register.

(a) The Interstate Commerce Commission, in performing its duties under the Interstate Commerce Act, frequently formulates and adopts statements of general policy, or interpretations of general applicability, and other matters not required to be published in the FEDERAL REGISTER in rendering decisions in proceedings involving the operating rights, financial structures, or rates and practices of brokers, electric railways, express companies, freight forwarders, motor carriers, pipelines, private car companies, rail carriers, and water carriers. Because such statements of policy and interpretations of general applicability are scattered throughout more than 320,000 pages in over 400 volumes of Commission reports and because such policies and interpretations must be revised or repealed from time to time as required by changing technology and economic conditions, it is not feasible, and is wholly impractical, to state them separately and publish them in the FEDERAL REGISTER. Further, to be fully understood, such statements of general policy or interpretations of general applicability must be read in context in the Commission's reports where they are explained, revised, or repealed in relation to the factual situations to which they are applicable. Notice is hereby given that those portions of the printed reports of decisions of the Interstate Commerce Commission which contain statements of general policy or interpretations of general applicability are digested, arranged topically, and indexed both in the multivolume set "Interstate Commerce Acts Annotated" (supplemented monthly by the "Advance Bulletin of Interstate Commerce Acts Annotated") and in the index-digests in the backs of bound volumes of Interstate Commerce Commission reports. The multivolume set, "Interstate Commerce Acts Annotated" and the three series of Interstate Commerce Commission reports (i.e., I.C.C., M.C.C. and Val. Rep.) are published and sold by the Government Printing Office, and are sent free to Depository Libraries (44 U.S.C. 82), which include all State libraries, two libraries in each congressional district, the libraries of land grant colleges, and other libraries. Copies are also available for public examination in the Interstate Commerce Commission Library in Washington, D.C. The indexes in these publications are maintained in compliance with the provision in 5 United States Code 552(a)(2). The "Advance

Bulletin of Interstate Commerce Acts Annotated" and recent reports, which have not yet been included in published indexes, are available upon request from the Office of the Secretary, Interstate Commerce Commission.

(b) Because of the large volume of reports, it is the policy of the Commission to print for publication in bound volumes only reports of those cases decided by the entire Commission or by a division thereof and more significant reports of employee boards. With few exceptions, reports and orders of employee boards are duplicated ("no print reports and orders") and distributed to the parties and made available to the press. From time to time "no print reports and orders" are cited as precedents in other cases. Therefore, notice is hereby given that duplicated "no print reports and orders", are indexed by docket number and title, and filed by subject matter and are available for public inspection in the Section of Reference Services of the Commission in Washington, D.C. These indexes and files are maintained in compliance with the provision in 5 United States Code 552(a)(2). Persons outside Washington, D.C., can obtain information about, or copies of, such duplicated reports by writing to the Secretary of the Commission.

(Sec. 12, 24 Stat. 383, as amended, 49 U.S.C. 12; 81 Stat. 54, 5 U.S.C. 552)

Subpart B—Canons of Conduct

AUTHORITY: The provisions of this Subpart B issued under E.O. 11222; 1964–65 Comp. 3 CFR, 5 CFR 735.104.

§ 1000.735–11 General standard of conduct.

Members and employees of the Commission shall perform their duties so as to insure that the Interstate Commerce Act and related statutes are administered fairly and expeditiously and with a view to carrying out the National Transportation Policy. They shall be courteous and prompt in serving the public.

§ 1000.735–12 Prohibited financial interests.

Members and employees shall not be employed by or hold any official relation to, or own any securities of, or be in any manner pecuniarily interested in carriers to the extent prohibited by the Interstate Commerce Act.

§ 1000.735–13 Disqualifying interests.

Members and employees shall not participate in any matter in which they have a substantial pecuniary interest, or other interest which might affect or appear to affect their actions in this matter.

§ 1000.735–14 Gifts, entertainment, and favors.

(a) Members and employees of the Commission shall not solicit or accept, directly or indirectly, any thing of value as a loan, gift, gratuity, entertainment, or favor, which might reasonably be interpreted by others as being of such a nature that it could affect their impartiality, from any person, association, or group, if they have reason to believe that the person, association, or group (1) has, or is seeking to obtain, contractual or other business or financial relationships with the Commission; or (2) conducts operations or activities that are subject to regulation by the Commission or (3) has interests which may be substantially affected by the member's or employee's performance or nonperformance of his official duty; or (4) is in any way attempting to affect the member's or employee's official actions. They should not accept from any person, association, or group unusual hospitality which is unwarranted by the personal relations of the parties. Members and employees, to the extent permitted by law and approved by the Commission, may receive bona fide reimbursement for actual expenses for travel and such other necessary subsistence for which no Government payment or reimbursement is made when attending industry meetings and conventions, but they shall not accept any payment for any discussion or appearance at such industry meetings or conventions or any reimbursement for excessive personal living expenses, gifts, entertainment, or other personal benefits.

(b) Members and employees shall avoid any action, whether or not specifically prohibited herein, which might result in, or create the appearance of: (1) Using public office for private gain; (2) giving preferential treatment to any person; (3) impeding Commission efficiency or economy; (4) losing complete independence or impartiality; (5) making a Commission decision outside official channels; or (6) affecting adversely the confidence of the public in the integrity of the Commission.

(c) Members and employees shall not solicit contributions from any other member or employee, or make a donation, for a gift to a member or employee in a superior official position. Members or employees in a superior official position shall not accept a gift presented as a contribution from members or employees receiving less salary than himself.

(d) Members and employees shall not accept a gift, present, decoration, or other thing from a foreign government unless authorized by Congress as provided by the Constitution and in 5 U.S.C. 7341.

§ 1000.735–15 Disclosure and misuse of information.

Members and employees of the Commission shall not use for personal gain or disclose to unauthorized persons confidential information not available to the general public. They shall not disclose or release official information prior to the time authorized for its release.

§ 1000.735–16 Outside employment.

(a) Members and employees shall not engage in any outside employment or other outside activity, including teaching, lecturing, writing, consultation, discussion or appearance, with or without compensation, in circumstances which might (1) reasonably result in a conflict of interest or an apparent conflict of interest between his private interests and his official Government duties and responsibilities; or (2) interfere with the efficient performance of his official duties; or (3) bring discredit upon, or cause unfavorable criticism of, the Commission.

(b) Advance authorization for employees to engage in outside employment, in any event, shall be obtained from the Director of Personnel, via supervisory channels. See ICC Manual—Administration, pp. 22–781 and 24–311.

§ 1000.735–17 Future employment.

If a member or employee of the Commission entertains a proposal for future employment by any person subject to regulation by the Commission or by associations or representatives of such persons, such member or employee should refrain from participating in the decision or disposition of any matter in which such person, association or representative is known to have a direct or substantial interest, both during such negotiation and, if such employment is accepted, until he severs his connection with the Commission.

§ 1000.735–18 Ex parte communications.

Members and employees of the Commission must conform to the standards adopted by the Commission on July 1, 1963, reprinted in Appendix C of the General Rules of Practice of the Commission.

§ 1000.735–19 Use of Federal property.

Members and employees of the Commission shall not directly or indirectly use, or allow the use of, Federal property of any kind, including property leased to the Government, for other than officially approved activities. They also have a positive duty and responsibility to protect and conserve all Federal property, including equipment, supplies and other property, which is entrusted or issued to them.

§ 1000.735–20 Use of intoxicants.

Members and employees of the Commission shall not consume intoxicants so as to impede the discharge of their official duties.

§ 1000.735–21 Indebtedness.

Members and employees shall pay each just financial obligation in a proper and timely manner, especially one imposed by law such as Federal, State, or local taxes. For the purpose of this section, a "just financial obligation" means one acknowledged by the employee or reduced to judgment by a court, and "in a proper and timely manner" means in a manner which the agency determines does not, under the circumstances, reflect adversely on the Government as his employer. In the event of dispute between an employee and an alleged creditor, this section does not require an agency to determine the validity or amount of the disputed debt.

§ 1000.735–22 Immoral or notoriously disgraceful conduct.

Members and employees of the Commission shall not engage in criminal,

infamous, dishonest, improper or disgraceful conduct which violates common decency or morality or subjects the Commission to adverse criticism or disrepute.

§ 1000.735–23 Intermediaries.

Members and employees of the Commission shall not recommend or suggest the use of any nongovernmental intermediary (individual, firm, corporation, or other entity) offering any service as consultant, agency representative, attorney, expeditor, or specialist for the purpose of assisting in any negotiations, transactions, or other business with or before this Commission: *Provided, however*, That making available general reference lists of such nongovernmental intermediaries, the use of which is authorized by the Secretary of the Commission, shall not be deemed to be in violation of this section.

§ 1000.735–24 Gambling, betting, and lotteries.

Members and employees shall not participate, while on Federally-owned or leased property or while on duty for the Commission, in any gambling activity including the operation of a gambling device, in conducting a lottery or pool, in a game for money or property, or in selling or purchasing a numbers slip, ticket, chance, voice, share or any other similar device.

§ 1000.735–25 Miscellaneous statutory provisions.

Each member and employee shall acquaint himself with the statutory provisions in Appendix IV, attached hereto and made a part hereof, which relate to his ethical and other conduct as a member and employee of the Commission and the Government.

§ 1000.735–26 Statements of employment and financial interests.

(a) All employees in the positions specified in Appendix I, attached hereto and made a part hereof, shall submit to the Director of Personnel within 90 days from the effective date of the regulations in this subpart, or if appointed after said effective date, within thirty days after his entrance on duty, a confidential statement of employment and financial interests on ICC Form No. 1164, attached hereto as Appendix II and made a part hereof.[1]

(b) Any changes in, or additions to, the information contained in an employee's statement of employment and financial interests shall be reported in a supplementary statement at the end of the quarter in which the change occurs. Quarters end March 31, June 30, September 30, and December 31. Where no changes or additions occur in a quarter, no negative report is required; but a supplementary statement, negative or otherwise, shall be filed by each employee as of June 30 of each year.

(c) The financial statements required herein are in addition to, and not in substitution for, or in derogation of, any similar requirement imposed by law, order, or regulation. The submission of financial statements by employees does not permit him or any other person to participate in matters in which participation is prohibited by law, order, or regulation.

(d) The interest, if any, of a spouse, minor child, or any blood relation who is a member of, and resident in an employee's immediate household shall be reported as his interest. If that information is to be supplied by others, it should be so indicated in Part IV.

(e) In the event any of the required information, including holdings placed in trust, is not known to the employee but is known to another person, the employee should request that other person to submit the information on his behalf and should report such request in Part IV.

(f) Employees are not required to submit any information relating to their connection with, or interest in, a professional society or a charitable, religious, social, fraternal, recreational, public service, civic, or political organization or any similar organization not conducted as a business enterprise and which is not engaged in the ownership or conduct of a business enterprise. Educational and other institutions doing research and development or related work involving grants of money from contracts with the Government are deemed "business enterprises" for purposes of this report and should be included.

§ 1000.735–27 Review of statements of employment and financial interests.

(a) Financial statements shall be held confidential and the information contained therein shall not be disclosed except as provided herein and as the Chairman or the Civil Service Commission may determine for good cause shown.

(b) The Director of Personnel shall review the annual statements and supplementary statements of employment and financial interests for the purpose of ascertaining the existence of conflicts of interests on the part of employees and shall notify the employee concerned, who shall promptly submit an explanation of the conflicts or appearance of conflicts of interest to the Director of Personnel.

(c) The Director of Personnel shall seek the advice of the General Counsel when there is a conflict or appearance of conflict of interest. The General Counsel shall render his opinion to the Director of Personnel who shall inform the employee of necessary steps to be taken to remedy the situation. If the matter is not resolved by appropriate action of the employee or otherwise, the Director of Personnel shall report the conflict or appearance of conflict through the Managing Director and the General Counsel (who is the counsellor for the agency) to the Chairman.

(d) Upon consideration of the employee's explanation and the report of the General Counsel, the Chairman shall decide and direct, if necessary, the Director of Personnel to take immediate and appropriate disciplinary or other remedial action to end the conflict or apparent conflict of interest in accordance with the appropriate procedures specified in ICC Manual—Administration, beginning on p. 22–761.

§ 1000.735–28 Interpretation and advisory service.

(a) The Director of Personnel shall furnish a copy of the Canons of Conduct to each member and employee immediately upon issuance and to each new member and new employee upon his entrance on duty and shall thereafter, annually or as circumstances may warrant, bring to the attention of each member and employee the Canons of Conduct and all revisions thereof.

(b) Legal advice shall be provided to members and employees with respect to interpretations of these Canons of Conduct, questions of conflicts of interest, or any other matters covered therein by designation of a Counselor and Deputy Counselors by the Chairman.

§ 1000.735–29 Specific provisions governing special Government employees.

(a) A special Government employee, as defined in 18 U.S.C. 202, shall not use (1) his Government employment for a purpose that is, or gives the appearance of being, motivated by a desire for private gain for himself or another person particularly one with whom he has family, business, or financial ties; (2) any inside information obtained as a result of his Government employment for private gain for himself or another person either by direct action on his part or by counsel, recommendation, or suggestion to another person, particularly one with whom he has family, business or financial ties; or (3) his Government employment to coerce, or give the appearance of coercing, a person to provide financial benefit to himself or another person, particularly one with whom he has family, business, or financial ties.

(b) Special Government employees shall adhere to all Canons of Conduct specified in this subpart except §§ 1000.735–16(b) and 1000.735–26. In lieu thereof, each special Government employee shall submit a statement of his employment and financial interests on ICC Form No. 1163 (attached hereto as Appendix III and made a part hereof [1]), to the Director of Personnel at the time of his employment and shall keep his statement current throughout his employment by submitting supplementary statements whenever any change in, or addition to, the information contained in his statement occurs.

§ 1000.735–30 Disciplinary and other remedial action.

Any violation of these Canons of Conduct by an employee shall be cause for appropriate disciplinary or other remedial action as provided in ICC Manual—Administration, beginning on p. 22–761, which may be in addition to any penalty prescribed by law.

[1] Form filed as part of the original document.

[1] Filed as part of the original document.

APPENDIX I

LIST OF EMPLOYEES REQUIRED TO SUBMIT ICC FORM NO. 1164

(Confidential Statement of Employment and Financial Interests)

Commissioners' Offices:

1. All staff members except the Administrative Assistants, secretarial and clerical employees.

Office of the Managing Director:

1. Managing Director.[1]
2. Assistant Managing Director.[1]
3. Director of Personnel.
4. Regional Managers.
5. Chief and Assistant Chief, Section of Administrative Services.
6. Chief and Assistant Chief, Procurement Branch, Section of Administrative Services.
7. Chief, Space Management Branch, Section of Administrative Services.

Office of the Secretary:

1. Secretary.[1]
2. Assistant Secretary.

Office of Proceedings:

1. Director.[1]
2. Deputy Directors.[1]
3. Hearing Examiners including Chief and Assistant Chief.[1]
4. Chairman and Members, Review Boards Nos. 1 through 5.
5. Chairman and Members of the Transfer Board.
6. Chairman and Members of the Temporary Authorities Board.
7. Chairman and Members, Finance Board.[2] Nos. 1, 2, and 3.[4]
8. Chairman and Members, Operating Rights Board.[4]
9. All Attorneys in grade GS-15 and not otherwise specified herein.

Office of the General Counsel:

1. General Counsel.[1]
2. Deputy General Counsel.[1]
3. Chiefs of Sections.[1]

Bureau of Accounts:

1. Director.[1]
2. Assistant Director.[1]
3. Chiefs of Sections.
4. Chairman and Members, Accounting and Valuation Board.[4]

Bureau of Economics:

1. Director.[1]
2. Assistant Director.[1]
3. Chiefs of Sections.

Bureau of Enforcement:

1. Director.[1]
2. Assistant Director.[1]
3. Chiefs of Sections.
4. Regional Attorneys.

Bureau of Operations:

1. Director.[1]
2. Assistant Director.[1]
3. Chiefs of Sections.
4. Chairman and Members of the following Boards: Insurance; Railroad Service Board MC Leasing.[4]
5. Regional Directors, Operations.

Bureau of Traffic:

1. Director.[1]
2. Assistant Director.[1]
3. Chiefs of Sections.
4. Chief, Informal Cases Branch, Section of Rates and Informal Cases.
5. Chairman and Members, Board of Suspension.
6. Chairman and Members, Fourth Section Board.
7. Chairman and Members, Special Permission Board.[2]
8. Chairman and Members, Released Rates Board.[2]

[1] Incumbents of these positions occupy grade GS-16 or above.

[2] Chairman and members occupy other positions generally below GS-16 and serve on an ad hoc basis. Boards generally constitute 3 members each.

[4] Chairman and usually one member occupy positions at grade GS-16 or above and serve on an ad hoc basis.

[2] Chairman and Members of Review Boards 1, 2, 4, and 5, and Released Rates Board occupy positions at grade GS-16 or above.

APPENDIX IV

MISCELLANEOUS STATUTORY PROVISIONS

Each employee has a positive duty to acquaint himself with each statute that relates to his ethical and other conduct as an employee of the Interstate Commerce Commission and of the Government. Therefore, each member and employee shall acquaint himself with the following statutory and nonstatutory provisions which relates to his ethical and other conduct:

1. House Concurrent Resolution 175, 85th Congress, 2d session, 72 Stat. B12, the Code of Ethics for Government Service.

2. The prohibition against bribery of public officials (18 U.S.C. 201) which imposes a maximum penalty of $20,000 fine or three times the money or thing received, whichever is greater; 15 years' imprisonment; or both; and removal;

3. The prohibition against receiving compensation for claims, contracts, etc. (18 U.S.C. 203), which imposes a maximum penalty of $10,000 fine; 2 years' imprisonment; or both; and removal;

4. The prohibition against prosecuting claims against and other matters affecting the Government (18 U.S.C. 205), which imposes a maximum penalty of $10,000 fine, 2 years' imprisonment; or both;

5. The prohibition against prosecuting claims involving matters connected with former duties—disqualification of partners (18 U.S.C. 207), which imposes a maximum penalty of $10,000 fine; 2 years' imprisonment; or both;

6. The prohibition against an interested person acting as a Government agent (18 U.S.C. 208), which imposes a maximum penalty of $10,000 fine; 2 years' imprisonment; or both;

7. The prohibition against salaries or contributions from other than Government sources (18 U.S.C. 209), which imposes a maximum penalty of $5,000 fine; 1 year imprisonment; or both;

8. The prohibition against acceptance of solicitation to obtain public office (18 U.S.C. 211), which imposes a maximum penalty of $1,000 fine; 1 year imprisonment; or both;

9. The prohibition against lobbying with appropriated funds (18 U.S.C. 1913), which imposes a maximum penalty of $500 fine; 1 year imprisonment; or both; and removal;

10. The prohibition against disloyalty and striking (5 U.S.C. 118p, 5 U.S.C. 118r) which imposes a maximum penalty of $1,000 fine; 1 year and a day's imprisonment; or both; and removal;

11. The prohibition against employment of member of Communist organization (50 U.S.C. 784), which imposes a maximum penalty of $10,000 fine; 5 years' imprisonment; or both; and removal;

12. The prohibition against disclosing of classified information (18 U.S.C. 798), which imposes a maximum penalty of $10,000 fine; 10 years' imprisonment; or both;

13. The prohibition against disclosing of confidential information (18 U.S.C. 1905), which imposes a maximum penalty of $1,000 fine; 1 year imprisonment; or both; and removal;

14. The prohibition against habitual use of intoxicants to excess (5 U.S.C. 640), which imposes a maximum penalty of removal;

15. The prohibition against the misuse of Government vehicles (5 U.S.C. 78c), which imposes a maximum penalty of removal;

16. The prohibition against the misuse of franking privilege (18 U.S.C. 1719), which imposes a maximum penalty of $300 fine;

17. The prohibition against the deceit in examination or personnel action (5 U.S.C. 637), which imposes a maximum penalty of $1,000 fine; 1 year imprisonment; or both;

18. The prohibition against fraud and false statement (18 U.S.C. 1001), which imposes a maximum penalty of $10,000 fine; 5 years' imprisonment; or both;

19. The prohibition against multilating or destroying public records (18 U.S.C. 2071), which imposes a maximum penalty of $2,000 fine; 3 years' imprisonment; or both; and removal;

20. The prohibition against counterfeiting and forging transportation requests (18 U.S.C. 508), which imposes a maximum penalty of $5,000 fine; 10 years' imprisonment; or both;

21. The prohibition against embezzlement and theft of Government money, property, or records (18 U.S.C. 641), which imposes a maximum penalty of $10,000 fine; 10 years' imprisonment; or both;

22. The prohibition against failure to account for public money (18 U.S.C. 643), which imposes a maximum penalty of fine equal to amount embezzled; imprisonment not more than 10 years; or both;

23. The prohibition against wrongfully converting property of another (18 U.S.C. 654), which imposes a fine equal to amount embezzled; imprisonment not more than 10 years; or both;

24. The prohibition against unauthorized use of documents relating to duties (18 U.S.C. 285), which imposes a maximum penalty of $5,000 fine; 5 years' imprisonment; or both;

25. The prohibition against political activity (5 U.S.C. 1181), which imposes a maximum penalty of removal;

26. The prohibition against solicitation of political contributions (18 U.S.C. 602), which imposes a maximum penalty of $5,000 fine; 3 years' imprisonment; or both;

27. The prohibition against solicitation of political contributions in Federal buildings (18 U.S.C. 603), which imposes a maximum penalty of $5,000 fine; 3 years' imprisonment; or both;

28. The prohibition against making political contributions (18 U.S.C. 607), which imposes a maximum penalty of $5,000 fine; 3 years' imprisonment; or both;

29. The prohibition limiting political contributions and purchases (18 U.S.C. 608) which imposes a maximum penalty of $5,000 fine; 3 years' imprisonment; or both;

30. The prohibition against making a donation as a gift to an employee in a superior official position (5 U.S.C. 113);

31. The prohibition against holding stocks or having other pecuniary interest in any mode of transportation (49 U.S.C. 11 and 305(1)); and,

32. The prohibition against participating in any hearing or proceedings in which there is pecuniary interest (49 U.S.C. 17(3)).

PART 1001—INSPECTION OF RECORDS

Sec.

1001.1 Records available at the Commission's Washington office.
1001.2 Records available at the Commission's regional and detached offices.
1001.3 Certified copies of records, etc.
1001.4 Requests to inspect other records not considered public under 5 U.S.C. 552.

Appendix.

AUTHORITY: The provisions of this Part 105a issued under sec. 12, 24 Stat. 383, as amended, 81 Stat. 54; 49 U.S.C. 12; 5 U.S.C. 552.

§ 1001.1 Records available at the Commission's Washington office.

The following specific files and records in the custody of the Secretary are available to the public (secs. 16, 204, 316, and 417 of the Interstate Commerce Act, 49 U.S.C. 16, 304, 916, and 1017), and may be inspected at the Commission's office in Washington upon reasonable request during the Commission's business hours between 8:30 a.m. and 5:00 p.m., Monday through Friday.

(a) Copies of tariffs, rate schedules, section 22 quotations or tenders, classifications, powers of attorney, concurrences, and contracts filed with the Commission pursuant to sections 6, 22, 217, 218, 306, 405, and 409 of the Act (49 U.S.C. 6, 22, 317, 318, 906, 1005, and 1009).

(b) Annual and other periodic reports filed with the Commission pursuant to sections 20, 220, 313, and 412 of the Act (49 U.S.C. 20, 320, 913, and 1912).

(c) Annual reports, maps, profiles, and other data filed with the Commission pursuant to section 19a.

(d) All docket files, including pleadings, depositions, exhibits, transcripts of testimony, recommended and proposed reports, exceptions, briefs, and reports and orders of the Commission in any proceeding and carrier operating authorities granted in such proceedings.

(e) File of instruments or documents recorded pursuant to section 20c and index thereto.

(f) ICC Manual-Administration.

§ 1001.2 Records available at the Commission's regional and detached offices.

Copies of certain rate schedules, tariffs, reports and operating authorities filed by and applicable to motor and water carriers and freight forwarders are available for inspection at field offices the locations of which are set forth in the appendix to this part. Such records are available upon reasonable request during its regular business hours, Monday through Friday. Records not available at the field offices may be obtained and inspected in accordance with the provisions of § 1001.1.

§ 1001.3 Certified copies of records, etc.

Copies of and extracts from public records will be certified by the Secretary, under the seal of the Commission. Persons requesting the Commission to prepare such copies should clearly state the material to be copied, and whether it shall be certified. Charges will be made for certification and for the preparation of copies as provided in Part 1002 of this chapter.

§ 1001.4 Requests to inspect other records not considered public under 5 U.S.C. 552.

Requests to inspect records other than those now deemed to be of a public nature shall be addressed to the Secretary. If the Secretary rules that such records cannot be made available because they are exempt under the provisions of 5 U.S.C. 552(a)(3) (sec. 1, 81 Stat. 54), appeal from such ruling may be addressed to the Chairman whose decision shall be administratively final.

AVAILABILITY OF COMMISSION RECORDS FOR PUBLIC INSPECTION
INTERSTATE COMMERCE COMMISSION FIELD OFFICES

ICC regions	Location of offices	Bureaus and offices represented [1]	In charge [1]
One	Boston, Mass. 02203; Regional Headquarters: 2211-B John F. Kennedy Federal Building, Government Center.	A, E, O, OMD	RM
	Albany, N.Y. 12207, 518 New Federal Building, Maiden Lane and Broadway.	A, O	OIC
	Binghamton, N.Y. 13902, 215 Post Office Building	O	OIC
	Buffalo, N.Y. 14203, 518 Federal Office Building, 121 Ellicott Street.	O	OIC
	Hartford, Conn. 06101, 324 Post Office Building, 135 High Street.	O	OIC
	Lebanon, N.H. 03766, 24 Hanover Street	O	OIC
	Montpelier, Vermont (address to be announced)	O	OIC
	Newark, N.J. 07102, 363 Industrial Office Building, 1060 Broad Street.	A, O	OIC
	New York, N.Y. 10013, Room 1111, 346 Broadway	A, E, O	OIC
	Portland, Maine 04112, 305 Post Office and Courthouse, 76 Pearl Street.	O	OIC
	Providence, R.I. 02903, 187 Westminister Street	O	OIC
	Springfield, Mass. 01103, 338 Federal Building, 436 Dwight Street.	O	OIC
	Syracuse, N.Y. 13202, O'Donnell Building, 301 Erie Boulevard, West.	O	OIC
	Trenton, N.J. 08608, 410 Post Office Building, 402 East State Street.	O	OIC
Two	Philadelphia, Pa. 19106; Regional Headquarters: 900 Customhouse, Second and Chestnut Streets.	A, E, O, OMD	RM
	Baltimore, Md. 21202, 1125 Federal Building, Charles Center, 31 Hopkins Plaza.	A, O	OIC
	Charleston, W. Va. 25301, 3202 Federal Office Building, 500 Quarrier Street.	O	OIC
	Cincinnati, Ohio 45202, 1010 Federal Building, 550 Main Street.	O	OIC
	Cleveland, Ohio 44114, 435 Federal Building, 215 Superior Avenue NE.	A, O	OIC
	Columbus, Ohio 43215, 236 New Post Office Building, 85 Marconi Boulevard.	E, O	OIC
	Harrisburg, Pa. 17101, 218 Central Industrial Building, 100 North Cameron Street.	O	OIC
	Pittsburgh, Pa. 15222, 2109 Federal Building, 1000 Liberty Avenue.	A, O	OIC
	Richmond, Va. 23240, 10-502 Federal Building, 400 North Eighth Street.	A, O	OIC
	Roanoke, Va. 24011, 215 Campbell Avenue SW	O	OIC
	Salisbury, Md. 21801, 206-B Post Office Building, East Main Street.	O	OIC
	Scranton, Pa. 18503, 309 Post Office Building, North Washington Avenue and Linden Street.	O	OIC
	Toledo, Ohio 43604, 5234 Federal Office Building, 234 Summit Street.	O	OIC
	Washington, D.C. 20423, ICC Building, 12th and Constitution Avenue NW.	A, O	OIC
	Wheeling, W. Va. 26003, 531 Hawley Building, 1025 Main Street.	O	OIC
Three	Atlanta, Ga. 30309; Regional Headquarters: 1252 West Peachtree Street NW.	A, E, O, OMD	RM
	Birmingham, Ala. 35203, 2121 Building, 2121 8th Avenue North.	O	OIC
	Charlotte, N.C. 28202, Room 206, 327 North Tryon Street.	A, O	OIC
	Columbia, S.C. 29201, 601A Federal Office Building, 901 Sumter Street.	O	OIC
	Jackson, Miss. 39201, 312-A U.S. Post Office and Courthouse.	O	OIC
	Jacksonville, Fla. 32202, 288 Federal Office Building, 400 West Bay Street.	A, O	OIC
	Lexington, Ky. 40507, 207 Exchange Building, 147 North Upper Street.	O	OIC
	Louisville, Ky. 40202, 426 Post Office Building, 601 West Broadway.	O	OIC
	Memphis, Tenn. 38103, 390 Federal Office Building, 167 North Main Street.	O	OIC
	Miami, Fla. 33130, 51 Southwest First Avenue, Room 1621.	O	OIC
	Nashville, Tenn. 37203, 706 U.S. Courthouse, 801 Broadway.	A, O	OIC
	Raleigh, N.C. 27605, 401 Oberlin Road, Cameron Village Station.	O	OIC
Four	Chicago, Ill. 60604; Regional Headquarters: 1086 U.S. Courthouse and Federal Office Building, 219 South Dearborn Street.	A, E, O, OMD	RM
	Detroit, Mich. 48226, Room 1110, David Broderick Tower Building, 10 Witherill Street.	A, O	OIC
	Fargo, N. Dak. 58101, 213 South Plaza Building, 1621 South University Drive.	O	OIC
	Fort Wayne, Ind. 46802, 308 Federal Building	O	OIC
	Indianapolis, Ind. 46204, Eighth Floor, Century Building, 36 South Pennsylvania Street.	A, O	OIC
	Lansing, Mich. 48933, 221 Federal Building, 325 West Allegan Street.	O	OIC
	Madison, Wis. 53703, 214 North Hamilton Street, Room 100.	O	OIC
	Milwaukee, Wis. 53202, 511 Cawker Building, 135 West Wells Street.	O	OIC
	Minneapolis, Minn. 55401, 448 Federal Building and U.S. Courthouse, 110 South Fourth Street.	A, E, O	OIC
	Pierre, S. Dak. 57501, 309 Federal Building, South Pierre and Sioux Streets.	O	OIC
	Springfield, Ill. 62704, 476 Land of Lincoln Building, 325 West Adams Street.	O	OIC

See footnote at end of table.

AVAILABILITY OF COMMISSION RECORDS FOR PUBLIC INSPECTION
INTERSTATE COMMERCE COMMISSION FIELD OFFICES—CON.

ICC regions	Location of offices	Bureaus and offices represented [1]	In charge [1]
Five	Fort Worth, Tex. 76102; Regional Headquarters: 9A27 Fritz Garland Lanham Federal Building, 819 Taylor Street.	A, E, O, OMD	RM
	Amarillo, Tex. 79101, Miller Building, 918 Tyler Street.	O	OIC
	Dallas, Tex. 75202, 513 Thomas Building, 1314 Wood Street.	A, O	OIC
	Davenport, Iowa 52801, 332 Federal Building, Fourth and Perry Streets.	O	OIC
	Des Moines, Iowa 50309, 227 Federal Office Building, Fifth Street and Court Avenue.	O	OIC
	El Paso, Tex. 79901, 107-A Post Office Building, 219 Mills Street.	O	OIC
	Houston, Tex. 77002, 8610 Federal Building and U.S. Courthouse, 515 Rusk Avenue.	A, O	OIC
	Kansas City, Mo. 64106, 1100 Federal Office Building, 911 Walnut Street.	A, E, O	OIC
	Lincoln, Nebr. 68508, 315 U.S. Courthouse and Post Office, 129 North 10th Street.	O	OIC
	Little Rock, Ark. 72201, 2519 Federal Office Building, Capitol and State Streets.	O	OIC
	New Orleans, La. 70113, Room T-4009, Federal Building and Post Office, 701 Loyola Avenue.	O	OIC
	Oklahoma City, Okla. 73102, 350 American General Building, 210 Northwest Sixth Street.	O	OIC
	Omaha, Nebr. 68102, 705 Federal Office Building, 106 South 15th Street.	O	OIC
	St. Louis, Mo. 63103, 3248 Federal Building, 1520 Market Street.	A, O	OIC
	San Antonio, Tex. 78205, 200 Manion Building, 301 Broadway.	O	OIC
	Sioux City, Iowa 51101, 304 Post Office Building	O	OIC
	Topeka, Kans. 66603, 234 Federal Building	O	OIC
	Wichita, Kans. 67202, 906 Schweiter Building, 106 North Main Street.	O	OIC
Six	San Francisco, Calif. 94102; Regional Headquarters: 13001 Federal Office Building, 450 Golden Gate Avenue.	A, E, O, OP, OMD	RM
	Albuquerque, N. Mex. 87101, 109 Federal Building, 421 Gold Avenue SW.	O	OIC
	Anchorage, Alaska 99501, 51-52 Federal Building	O	OIC
	Billings, Mont. 59101, 251 Post Office Building	O	OIC
	Boise, Idaho 83702, 203 Eastman Building, 105 North Eighth Street.	O	OIC
	Carson City, Nev. 89701, 212 Telegraph Building, 11 West Telegraph Street.	O	OIC
	Casper, Wyo. 82601, D and S Building, 255 North Center Street.	O	OIC
	Denver, Colo. 80202, 2022 Federal Building, 1961 Stout Street.	A, O	OIC
	Los Angeles, Calif. 94102, 7708 Federal Building, 300 North Los Angeles Street.	A, O	OIC
	Phoenix, Ariz. 85025, 3427 Federal Building, 230 North First Avenue.	O	OIC
	Portland, Oreg. 97204, 450 Multnomah Building, 120 Southwest Fourth Street.	A, E, O	OIC
	Salt Lake City, Utah, 84111, 2224 Federal Building, 125 South State Street.	O	OIC
	Seattle, Wash. 98101, 6130 Arcade Building, 1319 Second Avenue.	A, O	OIC
	Spokane, Wash. 99201, 401 U.S. Post Office Building, West 914 Riverside Avenue.	O	OIC

A—Accounts.
E—Enforcement.
O—Operations.
OMD—Office of the Managing Director.
OP—Office of Proceedings.
RM—Regional Manager.
OIC—Officer-in-Charge.

TERRITORIAL COVERAGE OF THE FIELD OFFICES BY REGION

Region	Headquarters	States
1	Boston, Mass.	Massachusetts, Maine, Vermont, New Hampshire, Rhode Island, New York, New Jersey, Connecticut.
2	Philadelphia, Pa.	Pennsylvania, Maryland, Delaware, District of Columbia, Virginia, Ohio, West Virginia.
3	Atlanta, Ga.	Georgia, Florida, Alabama, North and South Carolina, Tennessee, Kentucky, Mississippi.
4	Chicago, Ill.	Illinois, Indiana, Michigan, Minnesota, Wisconsin, North and South Dakota.
5	Fort Worth, Tex.	Missouri, Iowa, Nebraska, Kansas, Texas, Oklahoma, Arkansas, Louisiana.
6	San Francisco, Calif.	Colorado, Wyoming, New Mexico, Utah, Montana, Oregon, Washington, Idaho, Alaska, Hawaii, California, Arizona, Nevada.

PART 1002—FEES

Sec.
1002.1 Fees for copying, certification, and services in connection therewith.
1002.2 Filing fees.

§ 1002.1 Fees for copying, certification, and services in connection therewith.

Certifications and copies of such tariffs, reports and other public records and documents on file with the Interstate Commerce Commission, as may be practicable to furnish, will be made on the following basis:

(a) Certificate of the Secretary, $1.

(b) Services involved in examination of tariffs or schedules for preparation of photostat copies or certified copies of tariffs or schedules or extracts therefrom at the rate of $6 per hour.

(c) Services involved in checking records to be certified to determine authenticity, the clerical work, etc., incidental thereto, at the rate of $3 per hour.

(d) Photostat copies of tariffs, reports and other documents, at the rate of $1.20 per exposure. Copy of one or more pages may be made with one exposure, depending on size of page.

(e) Xerox copy of tariffs, reports and other documents, 25 cents per letter-size or legal-size sheet.

(f) Minimum charge of $1 will be made for copying service.

(g) Payment for services described in paragraphs (a) through (f) of this section may be made in cash or by postal money order or check payable to the order of the Secretary, Interstate Commerce Commission, Washington, D.C., and forwarded to his office.

(h) Transcript of testimony and of oral argument, or extracts therefrom, may be purchased by the public from the Commission's official reporter. For the fiscal year beginning July 1, 1965, the official reporter is the CSA Reporting Corporation, 300 7th Street SW., Washington, D.C., and transcripts will be furnished to the public at the following maximum rates per page of approximately 200 words:

75 cents per page for regular copy and $1.55 per page for daily copy for hearings or arguments held at Washington, D.C., and
85 cents per page for regular copy and $1.95 per page for daily copy for hearings or agruments held at points in the United States other than Washington, D.C., and other than in the States of Alaska and Hawaii.

Application for copies and payment therefor should be made direct to the official reporter.

(Sec. 501, 65 Stat. 290; 5 U.S.C. 140)

NOTE: The following statement of policy relating to the matter of the official reporting service for the Interstate Commerce Commission, dated June 11, 1964, appears at 29 F.R. 8418, July 3, 1964.

During the past five years, the Commission has experienced serious difficulty obtaining responsive bids for its reporting services contract. Only one responsive bid was received each year during this period. For fiscal year 1965, beginning July 1, 1964, the Commission received no responsive bids to its invitation for bids on the contract for reporting services.

The lack of bidders for the contract results from the steadily decreasing sales of copies of the official transcript by the Official Reporter. It was brought to the Commission's attention that the decrease in sales is directly connected with the recopying of the transcript by the Practitioners in Commission proceedings from sources other than the Official Reporter. On a number of occasions the members of the Commission's bar through their committee representatives have been informed by the Commission that the continuance of the practice of recopying transcripts by sources other than the Official Reporter would jeopardize efforts to obtain bidders for contracts for reporting services. However, despite assurances that the unofficial recopying practice would be discouraged, there has been little affect upon the sales of official copies. The sale of official copies has continued to decrease with the result that, as stated, no responsive bids were received to the Commission's recent invitation for bids for the reporting contract for fiscal year 1965.

Since the present contract for reporting services expires June 30, 1964, the Commission was confronted with the serious situation of having no reporter service available to record the hundreds of hearings scheduled for July 1964 as well as those which will be held during the remainder of the year. In order to prevent a cessation of Commission proceedings, steps were immediately taken to negotiate a contract with the present Official Reporter. These negotiations were successfully concluded only after the contractor was assured that the Commission would take affirmative measures to discourage the practice of recopying transcripts of hearings by unofficial sources. In addition, the Commission agreed to permit the contractor to cancel the field portion of the contract upon 30 day's notice in the event that these measures proved unsuccessful.

The Commission having been informed of this matter announces the following statement of policy:

The Commission has determined that it is in the public interest to limit to the fullest extent possible the cost of purchases of the official transcripts by the general public. In addition, the Commission is aware that the Official Reporter's ability to perform the duties set forth in the contract will be seriously impaired if his sales of copies of these official transcripts decrease, and that this would adversely affect the Commission's ability to perform its statutory duties to the detriment of the public interest. Practitioners before the Commission have a duty to uphold the policies of the Commission with respect to its procedures; therefore, it is the Commission's firm policy to discourage the reproduction of copies of transcript from any source other than the Official Reporter. A statement of the Commission's policy shall be made by the Hearing Officer or by a Joint Board in each Commission proceeding.

§ 1002.2 Filing fees.

(a) *Manner of payment.* All filing fees will be payable at the time and place the application, petition, or notice is tendered for filing. Fees will be payable to the Interstate Commerce Commission by check drawn upon funds deposited in a bank in the United States or money order payable in U.S. currency.

(b) *Fees not refundable.* Fees will be assessed for every filing in the types of proceedings listed in the schedule of fees contained in paragraph (d) of this section. After the application, petition, or notice has been accepted for filing by the Commission, the filing fee will not be refunded regardless of whether the application, petition, or notice is granted or approved, denied, dismissed, or withdrawn. If an application, petition, or notice is rejected by the Commission as incomplete or for some other reason, the fee will be returned.

(c) *Related or consolidated proceedings.* (1) Separate fees need not be paid on related applications filed by the same applicant which would be the subject of one proceeding, such as a single petition for modification of more than one certificate or permit held by the same person; a related plan of track relocation, joint use, purchase of trackage rights, and issuance of securities; a section 5 motor common carrier acquisition application combined with a related section 207 application for a certificate of public convenience and necessity; or the like. In such instances, the only fee to be assessed will be that applicable to the embraced proceeding which carries the highest filing fee as listed in paragraph (d) of this section.

(2) Separate fees will be assessed for the filing of temporary authority applications as provided in paragraph (d) (7) of this section, regardless of whether such applications are related to an application for corresponding permanent authority.

(3) The Commission may reject concurrently filed applications, petitions, or notices asserted to be related and refund the filing fee if, in its judgment, they embrace two or more severable matters which should be the subject of separate proceedings.

(d) *Schedule of filing fees.*[1]

REGULATIONS GOVERNING FEES FOR SERVICE

	Type of proceeding	Fee
	PART I—APPLICATION FOR OPERATING AUTHORITY OR EXEMPTIONS	
(1)	An application for a certificate authorizing the construction, extension, acquisition, or operation of lines of railroad. Section 1 (18) (20)	$200
(2)	A motor carrier exemption application. Section 204a(4a)	10
(3)	An application for motor common carrier authority, including an application for a certificate of registration. Sections 206 and 206(a) (6)	200
(4)	An application for motor contract carrier authority. Section 209	200
(5)	A petition to renew authority to transport explosives under section 206 or 209	5
(6)	A petition to modify permits of motor carriers by the addition of a shipper or shippers for whom service may be performed. Section 209	50
(7)	An application for motor carrier temporary authority; provided, that no fee will be assessed for an application for emergency temporary authority as defined in 49 CFR § 1131.1(b)(1). Section 210a(a)	40
(8)	An application for a broker's license. Section 211	200
(9)	A water carrier exemption application. Section 302 or 303	200
(10)	An application for water common carrier authority. Section 309	200
(11)	An application for water contract carrier authority. Section 309	200
(12)	An application for water carrier temporary authority. Section 311(a)	40
(13)	An application for freight forwarder authority. Section 410	200
(14)	A petition to remove or alter an operating restriction contained in a certificate or permit and petitions seeking modification, clarification or interpretation of a certificate or permit. (No fee is required for a request seeking the modification of a certificate or permit only to the extent or making a correction or a change in the name presently appearing therein of (a) a shipper or owner of a plantsite, or (b) a geographical point or highway.)	200
(15)	An application for authority to deviate from authorized regular route. 49 CFR Part 1042	10
	PART II—APPLICATIONS TO DISCONTINUE TRANSPORTATION SERVICE	
(16)	An application for authority to abandon all or a portion of a line of railroad or the operation thereof. Section 1(18)	200
(17)	Notice or petition to discontinue train or ferry service. Section 13a	200
	PART III—APPLICATIONS TO ENTER UPON A PARTICULAR FINANCIAL TRANSACTION OR JOINT ARRANGEMENT	
(18)	An application for use of terminal facilities. Section 3(5)	125
(19)	An application for the pooling or division of traffic. Section 5(1)	100
(20)	An application of two or more carriers to consolidate or merge their properties or franchises, or any part thereof, into one corporation for the ownership, management and operation of the properties theretofore in separate ownership. Section 5(2)	200
(21)	An application of a noncarrier to acquire control of two or more carriers through ownership of stock or otherwise. Section 5(2)	200
(22)	An application to acquire trackage rights over, joint ownership in, or joint use of, any railroad lines owned and operated by any other carrier and terminals incidental thereto. Section 5(2)	200
(23)	An application of a carrier or carriers to purchase, lease or contract to operate the properties of another, or to acquire control of another by purchase of stock or otherwise. Section 5(2)	200
(24)	An application for a determination of fact of competition. Section 5(15)	100
(25)	An application for approval of, or to amend, a rate association agreement. Section 5a	200
(26)	An application for authority to hold a position as officer or director. Section 20a(12)	10
(27)	An application to issue securities; an application to assume obligation or liability in respect to securities of another; an application or petition for modification of an outstanding authorization; or an application for exemption from competitive bidding requirements of Ex Parte No. 158, 49 CFR, § 1115.23. Sections 20a, 20b, or 214	200
(28)	An application for temporary authority to operate a motor or water carrier. Section 210a(b) or 311(b)	40
(29)	An application for transfer or lease of a certificate or permit, including a certificate of registration, and a broker license or change of control of companies holding broker's licenses. Sections 212(b), 312 or 410(g)	50
(29a)	A petition to transfer a water carrier exemption authorized under sections 302 and 303 to the successor	50
(30)	An application for approval of a motor vehicle rental contract. 49 CFR § 1057.6(b)	10
	PART IV—OTHER PROCEEDINGS	
(31)	An application for relief from the long-and-short haul and aggregate-of-intermediates provisions, including applications for relief with respect to additional commodities, origins or destinations, but not including petitions for modification of conditions, effective or not yet effective of outstanding orders, or amendments to applications not yet disposed of. Section 4	100
(32)	An application for authority to establish released value rates or ratings, except that no fee will be assessed for applications seeking such authority in connection with reduced rates established to relieve distress caused by drought and other calamitous visitation under section 22(1) of the act. Sections 20(11), 219, 413	125
(33)	An application for special permission for short notice or the waiver of tariff-publishing requirements, including applications to extend or eliminate the scheduled expiration date of an outstanding special permission or to broaden the application thereof to additional territory or tariffs, except amendments to pending applications not yet disposed of, and applications to postpone the effectiveness of suspended schedules, when carrier or agent is requested to do so, in order to afford the Commission more time for disposition of the proceeding or to postpone the scheduled effective date of protested schedules or those for which a fourth-section application has been filed, in order to afford the boards more time within which to process the protests or applications	15

PART 1003—LIST OF FORMS

Sec.
1003.1 Motor Carrier and Broker Forms.
1003.2 Water Carrier Application Forms.
1003.3 Freight Forwarder Forms.
1003.4 Forms for Issuance of Securities and Assumption of Obligations.

AUTHORITY: The forms listed in this Part 1003 are issued under sec. 12, 24 Stat. 383, as amended; sec. 204, 49 Stat. 546, as amended; sec. 304, 54 Stat. 933; and sec. 403, 56 Stat. 285; 49 U.S.C. 12, 304, 904, and 1003.

[1] Statutory references are to the Interstate Commerce Act. The proceedings for which fees are assessed are arranged in four major categories and, within those categories, in order of the pertinent statutory provision.

NOTE: The forms listed in this part are prescribed for various applications under the Interstate Commerce Act and the Commission's regulations contained in Subchapters A and B of this chapter.

Other printed forms are prescribed in the Commission's Regulations governing accounts, records, and reports contained in Subchapter C of this chapter.

All prescribed forms listed in this part and Subchapter C include instructions for their completion.

Copies of all prescribed forms are available upon request from the Office of the Secretary, Interstate Commerce Commission, Washington, D.C. 20423.

§ 1003.1 Motor Carrier and Broker Forms.

(a) Application Forms.

BOC–3 Designation of Agent for Service of Process.

Section 221(c) of the Interstate Commerce Act. This form is required to be filed by all motor carriers and brokers prior to issuance of operating authority.

(Secs. 204(a), and 221(c), 49 Stat. 546, 563, as amended; 49 U.S.C. 304, 321)

CROSS REFERENCE: Part 1044 of this chapter.

B.M. C-4.

Applications under section 211 of the Interstate Commerce Act for licenses to operate as brokers of motor-carrier transportation of property.

B.M.C. 5.

Applications under section 211 of the Interstate Commerce Act for licenses to operate as brokers of motor-carrier transportation of passengers.

B.M.C. 15.

Notice of filing of application for operating authority or exemption, and of designation of agent for service of notices or orders.

B.M.C. 15–A (Revised).

Notice of filing of applications for authority under sections 5 and 210a (b), Interstate Commerce Act.

CROSS REFERENCE: Part 1134 of this chapter.

B.M.C. 44 (Revised).

Application for authority under section 5, Interstate Commerce Act, to consolidate, merge, purchase, or lease operating rights and properties, or any part thereof, of a motor carrier.

CROSS REFERENCE: Part 1134 of this chapter.

B.M.C. 45 (Revised).

Application for authority under section 5, Interstate Commerce Act, to acquire control of a motor carrier or motor carriers through ownership of stock, or otherwise.

CROSS REFERENCE: Part 1134 of this chapter.

B.M.C. 46 (Revised).

Application for approval under section 210a(b), Interstate Commerce Act, of the temporary operation of motor-carrier properties sought to be acquired under separately filed application under section 5.

CROSS REFERENCE: Part 1134 of this chapter.

B.M.C. 72.

Applications for certificates of exemption under section 204(a)(4a) of the Interstate Commerce Act covering motor-carrier operations in interstate or foreign commerce lawfully conducted solely within a single State.

OP–OR–9.

Application for motor carrier certificate or permit, revised April 6, 1966.

(49 Stat. 551 as amended, 49 U.S.C. 306; 49 Stat. 552 as amended, 49 U.S.C. 309)

CROSS REFERENCE: Part 1130 of this chapter.

B.M.C. 79.

"Application for Approval of Contract Carrier Rental Contract under Authority of Section 1057.6(b) of Ex Parte No. MC–43".

CROSS REFERENCE: Part 1057 of this chapter.

BOR 95.

Application under section 210a (a) of the Interstate Commerce Act for temporary authority to operate as a common or contract carrier by motor vehicle.

CROSS REFERENCE: Part 1131 of this chapter.

BOR 96.

Application under section 212(c) of the Interstate Commerce Act for a motor carrier certificate to operate as a common carrier by motor vehicle in lieu of a permit to operate as a contract carrier by motor vehicle.

CROSS REFERENCE: Part 1130 of this chapter.

BOR 100.

Application for Motor Carrier Certificate of Registration, Form BOR 100,[1] to be used only by common carriers by motor vehicle who or which propose to engage in transportation in interstate and foreign commerce under the provisions of section 206(a)(6) of the Interstate Commerce Act, as amended October 15, 1962.

CROSS REFERENCE: Part 1047 of this chapter.

BOC 101.

Report of Underestimates, to be used by motor carriers of household goods to report to the Commission all instances in which actual charges exceed written estimates by 10 percent or more.

CROSS REFERENCE: Part 1056 of this chapter.

BF 200.

Applications filed in proceedings under sections 212(b) and 211 of the Interstate Commerce Act (1) for transfer or lease of motor common and contract carrier operating rights and (2) for transfer of brokers' licenses or approval of a change in control of a company holding a broker's license.

CROSS REFERENCES: Parts 1132 and 1133 of this chapter.

BF 201.

Application for Transfer or Lease of Motor Carrier Certificates of Registration and Certain Other Single-State Operating Rights, for use in proceedings other than under section 5 of the Interstate Commerce Act.

(Sec. 206, 49 Stat. 551, secs. 1, 2, 76 Stat. 911; 49 U.S.C. 306)

CROSS REFERENCE: Part 1132 of this chapter.

(b) Insurance and Surety Bond Forms.

CROSS REFERENCE: Part 1043 of this chapter.

B.M.C. 32.

Endorsement for motor common-carrier policies of insurance for cargo liability under section 215 of the Interstate Commerce Act.

B.M.C. 34 (Rev. 1957).

Motor carrier cargo liability certificate of insurance.

B.M.C. 35 (Rev. 1957).

Notice of cancellation motor carrier policies of insurance.

B.M.C. 36 (Rev. 1957).

Notice of cancellation motor carrier and broker's surety bonds.

B.M.C. 40 (Rev. 1958).

Application for authority to self-insure under section 215 of the Interstate Commerce Act.

B.M.C. 82 (Rev. 1957).

Motor carrier bodily injury liability and property damage liability surety bond.

B.M.C. 83 (Rev. 1957).

Motor common carrier cargo liability surety bond.

B.M.C. 84.

Broker's surety bond under section 211(c) of the Interstate Commerce Act.

B.M.C. 90.

Endorsement for Motor Carrier Policies of Insurance for Automobile Bodily Injury and Property Damage Liability under section 215, Interstate Commerce Act.

B.M.C. 91 (Rev. 1957).

Motor carrier automobile bodily injury liability and property damage liability certificate of insurance.

B.M.C. 94.

Designation of Agent for Service of Process.

§ 1003.2 Water Carrier Application Forms.

B.W.C. 1.

Application for exemption of transportation by contract carrier by water.

B.W.C. 3.

Applications for certificates as common carriers by water and for permits as contract carriers by water covering proposed new operations, and applications for revised certificates and permits subject to Part III of the Interstate Commerce Act.

B.W.C. 4.

Application for exemption of persons or classes of persons from the provisions

of Part III of the Interstate Commerce Act, under section 302(e) thereof, and applications for certificates of exemption of water carriers from the provisions of Part III of the Interstate Commerce Act under section 303(h) thereof.

B.W.C. 6.

Designation of agent for service of notices, orders, and process, pursuant to Part III of the Act.

B.W.C. 7.

Application for certificates covering extension of services made pursuant to the proviso of section 309(d) by common carriers by water subject to Part III of the Interstate Commerce Act.

CROSS REFERENCE: Part 1140 of this chapter.

§ 1003.3 Freight Forwarder Forms.

(a) Application forms.

CROSS REFERENCE: Part 1150 of this chapter.

FF 1. Application for a freight forwarder permit under sec. 410 of the Act.

FF 2. Notice of application for freight forwarder permit.

FF 3. Designation of agent for service of notices, orders, and process, pursuant to Part IV, section 416(a).

(b) Insurance and surety bond forms.

CROSS REFERENCE: Part 1084 of this chapter.

FF 32. Endorsement for freight forwarder policy of insurance for cargo liability under section 403(c) of the Interstate Commerce Act.

FF 34 (Rev. 1957). Freight Forwarder Cargo Liability Certificate of Insurance.

FF 35 (Rev. 1957). Notice of Cancellation of Freight Forwarder Policy of Insurance.

FF 36 (Rev. 1957). Notice of Cancellation of Freight Forwarder Surety Bond.

FF 43 (Rev. 1957). Freight Forwarder Cargo Liability Surety Bond.

FF 50. Endorsement for Freight Forwarder Policies of Insurance for Automobile Bodily Injury Liability and Property Damage Liability under section 403 (d), Interstate Commerce Act.

FF 51 (Rev. 1957). Freight Forwarder Automobile Bodily Injury Liability and Property Damage Liability Certificate of Insurance.

FF 52 (Rev. 1957). Freight Forwarder Bodily Injury Liability and Property Damage Liability Surety Bond.

§ 1003.4 Forms for Issuances of Securities and Assumption of Obligations.

CROSS REFERENCE: Part 1115 of this chapter.

(a) Application forms:

BF-6, Application under sections 20a or 214, Interstate Commerce Act, for authority to issue securities, or to assume obligation or liability in respect of securities of another.

BF-7, Special application for authority to sell securities without competitive bidding.

(b) Report forms:

BF-21, Certificate of notification under section 20a(5), Interstate Commerce Act: Disposal of pledged or Treasury securities.

BF-22, Certificate of notification under section 20a(9), Interstate Commerce Act: Issuance of short-term notes.

BF-23, Special report under section 20a (10), Interstate Commerce Act: Issuance of securities or assumption of obligations.

PART 1004—ADMINISTRATIVE INTERPRETATIONS

§ 1004.1 Authorization for adjustment of claims for damages resulting from misrouting.

While the Interstate Commerce Commission has no authority to award damages against motor carriers subject to part II of the Interstate Commerce Act, it is of the opinion that motor carriers should adjust claims caused by misrouting; and carriers subject to part I of the act, with respect to which the Commission does have jurisdiction to award damages, should continue to adjust claims caused by misrouting.

(a) *Applicability.* This interpretation applies only to cases in which carriers, without concurrence of the shipper, bill or actually forward or divert a shipment over a route that is more expensive than that directed by the shipper, or one more expensive than a route available (over carriers of the same type or mode as the initial carrier) in the absence of routing instructions by the shipper. This interpretation must not be used as a means or device by which to evade or defeat tariff rates or to meet the rate of a competing carrier or route, nor to relieve a shipper from responsibility for his own routing instructions.

(b) *Refund.* If a carrier misroutes a shipment and thus causes extra expense to the shipper over and above the legal charges applicable over the route that should have been used, and responsibility for its error is admitted by the carrier, such carrier should adjust the charge on such shipment by refunding to the shipper the difference in the legal charges over the route over which the shipment moved and what would have been the legal charges on the same shipment at the same time over the lower rated available route which should have been used. Such refund must be paid in full by the carrier which caused the misrouting, and must not be shared in by or divided with any other carrier.

(c) *Bearing of charges.* The prerequisites to any refund under this interpretation are admission by the carrier of responsibility for its error in misrouting the shipment, and its willingness to bear the extra expense so caused, without recourse upon any other carrier for any part thereof. Therefore, if the misrouting is discovered before the shipment has been delivered to consignee or before charges demanded for the shipment have been paid, the carrier acknowledging responsibility for the error should authorize the delivering carrier to deliver shipment upon payment of the charges that would have applied but for the misrouting and to bill it for the extra charge resulting from the misrouting; and if the misrouting is discovered after the shipment has been delivered upon payment of the charges applicable over the lower rated route that should have been used, the carrier that acknowledges responsibility for the error should pay to the carrier that delivered the shipment the extra charge resulting from the misrouting, without further handling with the shipper.

(d) *Declaratory determination of lawfulness.* Where a carrier claims justification for forwarding a shipment over the higher rated route, the Commission, at its discretion, and upon appropriate petition, may make a declaratory determination of the lawfulness thereof. With respect to motor transportation such declaratory determinations will serve only as aids to the courts or as opinions by the Commission as to the lawfulness of any adjustment or refund.

(e) *Time limitations.* Damages caused by misrouting are not overcharges. Therefore, adjustments of claims for misrouting against carriers subject to the provisions of part I of the act are governed by section 16(3) (b) and (d) of the act.

(25 Stat. 858, 52 Stat. 1237, 80 Stat. 383; 49 U.S.C. 12, 304, 5 U.S.C. 552)

PART 1010—COMPETITIVE BIDS

Sec.

1010.1 Specifications, form of proposal and contract; publication of request for bids; variation from the generally applicable procedure.
1010.2 Opening of bids; bonds; form and contents of bids.
1010.3 Considerations for acceptance of bids; rejection; readvertising for new bids.
1010.4 Statement of the transaction.
1010.5 Examination.
1010.7 Carriers subject to the Interstate Commerce Act.

AUTHORITY: The provisions of this Part 1010 issued under sec. 10, 38 Stat. 734; 15 U.S.C. 20, unless otherwise noted.

§ 1010.1 Specifications, form of proposal and contract; publication of request for bids; variation from the generally applicable procedure.

(a) When any carrier, subject to the Interstate Commerce Act, is required by section 10 of the Clayton Antitrust Act (38 Stat. 734; 15 U.S.C. 20) to call for bids for securities, supplies, or other articles of commerce, or for the construction or maintenance of any kind or part of its carrier property such carrier shall prepare specifications, form of proposals and contract, setting forth clearly and so far as applicable in each case in detail a description or descriptions of the matters and things for which bids are requested, the terms, times and conditions of delivery and payment, the place or places where delivery or performance is to be made, the character, amount, and terms of securities offered or sought, and a full description of the supplies or other articles required or offered for sale, hypothecation, or purchase, and shall make and attach to such specifications such maps, drawings, and illustrations and state such other substantial facts or conditions as are or may be necessary to a full understanding of the premises and procedure by bidders. Such specifications, drawings and illustrations in each

case shall be kept open at the principal office or offices of the carrier for full examination, free of charge, by persons desiring to examine the same with a view to bidding, and, upon request, such carrier shall furnish to any person or persons desiring the same true and accurate copies of such specifications, maps, drawings and illustrations; *Provided*, That the carrier may make a charge for such copies so furnished, the charge not to exceed the reasonable cost of making and forwarding the copies requested.

(b) The carrier shall publish in each case a request for bids in at least two daily newspapers of general circulation, at least two publications in each week for 2 weeks, the first publication to be at least 2 weeks immediately preceding the day when the bids are to be submitted; one such newspaper shall be published or shall be of general circulation in the city or town where the principal operating office of the carrier is located and the other newspaper shall be published in one other of the following cities nearest to the operating or financial office of the carrier or the place where the contract is to be performed, namely: New York, N.Y., Boston, Mass., Chicago, Ill., St. Louis, Mo., Atlanta, Ga., San Francisco, Calif., and Portland, Oreg.; and a printed copy of the published notice in each case shall be posted in plain view, for 2 weeks immediately preceding the day on which bids are to be received, on a bulletin board, designated for that purpose, in a public and conspicuous place in the building where the principal operating office of the carrier is located. Such published notices shall describe in general but intelligible terms the proposed contract, giving its serial number, and the special matter or things for which bids are requested, and the date on or before which the bids must be submitted, and the person by whom and the office at which the bids submitted will be received and opened as provided in this part. The carrier may in said notice reserve the right to reject, any and all bids and may, at its option, require each bidder to tender a bond in a reasonable sum to be therein named, with sufficient surety or sureties conditioned upon the faithful and prompt performance of the terms of the contract.

(c) Upon application, a carrier owned or operated by any state or by an agency of one or more states, or a wholly-owned subsidiary corporation thereof, may be authorized by the Commission to employ a competitive bidding procedure or procedures varying from the generally applicable procedure provided by this regulation upon the following showing: (1) That the applicant carrier is owned or operated by a state or by an agency of one or more states, or is a wholly-owned subsidiary corporation thereof; (2) a detailed statement of the procedure for which authorization is requested and the variations thereof from the generally applicable procedure provided by this regulation and the purpose or reason for such variation; and (3) that the generally applicable procedure provided by this regulation imposes on the carrier an unreasonable burden or interferes with obtaining by the carrier of the most favorable bid.

(Secs. 201–227, 49 Stat. 543–567, as amended; 49 U.S.C. 301–327; sec. 12, 24 Stat. 383, as amended; sec. 20, 24 Stat. 386, as amended; 49 U.S.C. 12, 20)

§ 1010.2 Opening of bids; bonds; form and contents of bids.

(a) Every bid to receive consideration shall be submitted at the place specified in the notice on or before noon of the day on which the bids are to be opened and the bids shall be opened after noon and before 6 o'clock, on the day and at the place and by the person or persons designated in the notice. Each bidder may attend in person or by duly authorized representative at the opening of the bids, and shall be afforded an opportunity to do so and to examine each bid. The bids shall forthwith be tabulated in conformity with the form of proposal prepared and a copy of such tabulation shall be promptly furnished to any bidder or his authorized representative upon application therefor.

(b) When required by the notice, each bid shall be accompanied by tender of a bond in the amount specified in the notice with sufficient surety or sureties conditioned upon the faithful and prompt performance of the proposed contract. A bond shall be required only in cases where the notice for bids expressly calls for a bond.

(c) Each bid shall be enclosed with accompanying papers in a plain envelope securely sealed bearing no indication of the name of the bidder or the amount of the bid, and shall be marked "Bid under proposed contract No. ——," and shall be addressed to the officer of the carrier designated in the notice to receive the same.

(d) Each bid shall state the name and address of the bidder and, if the bidder be a corporation, the names and addresses of the officers, directors and general manager thereof and of the purchasing or selling officer or agent in that transaction and, if the bidder is a firm, partnership or association, the bid shall give the names and addresses of each member thereof, and of the manager, purchasing or selling officer or agent in that transaction.

§ 1010.3 Considerations for acceptance of bids; rejection; readvertising for new bids.

After receiving and opening bids as aforesaid, the carrier receiving the same shall within 48 hours in cases where the sale or purchase of securities is the undertaking, and within 21 days where bids are for supplies, equipment, other articles of commerce and for construction or maintenance work, accept the most favorable bid considering (a) the lowest price or prices for the supplies, equipment, and other articles of commerce, and for the construction or maintenance work, described in the advertisement, and the highest price or prices offered for any securities or property, so described, for sale by the carrier, and (b) the ability and reliability of the bidder, financial and otherwise, to deliver the property or to perform the work or transaction, or to pay for the securities, described in the advertisement, giving due consideration to any bond or security tendered by the bidder.

If the right be reserved in the notice all bids may be rejected and the carrier may readvertise for bids. The carrier shall notify the successful bidder of the acceptance of his or its bid, and the bidder shall within 10 days execute the required contract, and, if required by the notice, execute a good and sufficient bond for the faithful and prompt performance of the contract. In case the successful bidder shall neglect or fail within said time to execute the contract or bond as aforesaid the carrier may within 5 days award the contract to the next most favorable bidder, ascertained as herein provided for determining the most favorable bidder. If neither the most favorable bidder nor the next most favorable bidder shall execute a contract and qualify as aforesaid, the carrier shall readvertise for new bids.

§ 1010.4 Statement of the transaction.

Each carrier after having made and executed a contract as and in the manner above specified shall within 30 days after the execution of such contract file with the Interstate Commerce Commission a statement of the transaction giving, (a) a copy of the published notice; (b) the names of all bidders, and, if the bidder be a corporation, the names and addresses of the officers, directors and general managers thereof and of the purchasing or selling officer or agent in that transaction, or if the bidder be a partnership or firm, the names and addresses of the members of the firm, the general manager and purchasing or selling agent thereof, and the total amount of each bid; (c) the name of the bidder to whom the contract was awarded together with a copy of the contract; and (d) if any other than the lowest or the highest bid, as the case may be, is accepted as being most favorable to the carrier, the reasons for such acceptance. The statement shall be made in typewriting, in pamphlet form on pages not less than 8 by 10½ inches in size nor greater than 9½ by 12 inches, in size, bound on the longer edge of the page, the paper to be of durable quality fit for permanent record.

§ 1010.5 Examination.

In the case of each bid so taken as aforesaid, the carrier shall preserve and keep open for examination by the Interstate Commerce Commission or any duly authorized examiner thereof, (a) a copy of the resolution or order of the Board of Directors, Executive Committee, or officers of the said common carrier specifying the purposes and terms of the contract for which the bids were invited; (b) a copy of the specifications, maps, drawings, and illustrations upon which bids were made; (c) copies of the notices published, sworn to by or on behalf of the publisher of each paper, respectively, giving the dates and times of publication; (d) the original bids received, designating the bid accepted and giving a statement of the reasons for accepting

the same; (e) a copy of the contract entered into between the carrier and the accepted bidder, together with a copy of the bonds if any; (f) references by number of volume and page to the records of proceedings of the stockholders, directors, or executive committee of the carrier. The files in each transaction shall be securely fastened together and given the contract number and each document therein shall be numbered consecutively and at the conclusion there shall be a sworn statement by the president, a vice president, or the general manager of the carrier, stating that the files in No. ———— contain true and complete records and statements of all the negotiations had in connection with the contract therein set forth. Carriers subject to the requirements of section 10 of the Clayton Antitrust Act, 15 U.S.C. 20 may destroy such contracts or other records required thereby 10 years after the expiration thereof, without permission of the Commission: *Provided*, There is no litigation pending involving these records: *And further provided*, That the carrier has informed the Commission of its intended action at least 2 weeks prior to the date the records are to be destroyed.

(Secs. 201–227, 49 Stat. 543–567, as amended; sec. 12, 24 Stat. 383, as amended; sec. 20, 24 Stat. 386, as amended; 49 U.S.C. 301–327, 12, 20)

§ 1010.7 Carriers subject to the Interstate Commerce Act.

(a) The regulations prescribed in this part are hereby made applicable, on and after January 29, 1938, to all common carriers subject to part II of the Interstate Commerce Act.

(Secs. 201–227, 49 Stat. 543–567, as amended; 49 U.S.C. 301–327.)

(b) The regulations prescribed in this part shall apply, on and after the first of May 1942, to all common carriers subject to Part III of the Interstate Commerce Act.

(Secs. 12, 20, 24 Stat. 383, as amended, 386, as amended; 49 U.S.C. 12, 20)

PARTS 1020–1029—ENFORCEMENT

PART 1020—EXAMINATION OF RECORDS AND ACCOUNTS BY AGENTS OF COMMISSION

§ 1020.1 Examination of records and accounts.

Each and every motor carrier and broker subject to Part II of the Interstate Commerce Act, and receivers, trustees, and representatives having control, direct or indirect, over or affiliated with any such motor carrier or broker, upon the demand of a special agent or an examiner of the Commission, and upon the presentation of proper credentials, shall forthwith permit such special agent or examiner to inspect and examine all such lands, buildings, or equipment of motor carriers and brokers used in connection with interstate or foreign operations, and all accounts, records, and memoranda, including all documents, papers, and correspondence now or hereafter existing and kept or required to be kept by motor carriers and brokers subject to the act, and permit such special agent or examiner to make notes and copies of such papers as he deems wise.

(49 Stat. 546, as amended, 563, as amended; 49 U.S.C. 304, 320)

PART 1021—ADMINISTRATIVE COLLECTION OF ENFORCEMENT CLAIMS

Sec.
1021.1 Standards.
1021.2 Enforcement claims and debtors.
1021.3 Enforcement collection designee.
1021.4 Notice of claim and demand.
1021.5 Agreement and release.
1021.6 Method of claim payment.

AUTHORITY: The provisions of this Part 1021 issued under sec. 3, 80 Stat. 309; 31 U.S.C. 952.

§ 1021.1 Standards.

The regulations issued jointly by the Comptroller General of the United States and the Attorney General of the United States under section 3 of the Federal Claims Collection Act of 1966 (31 U.S.C. 951 et seq.) and published in 4 CFR Parts 101 through 105 are hereby adopted by the Interstate Commerce Commission for the administrative collection of enforcement claims.

§ 1021.2 Enforcement claims and debtors.

(a) Enforcement claims are all separate civil penalty or forfeiture claims not exceeding $20,000 which may arise under the provisions of the Interstate Commerce Act or legislation supplementary thereto.

(b) Debtor is any person or corporation subject to civil penalties or forfeitures for violation of the provisions of the Interstate Commerce Act or legislation supplementary thereto.

§ 1021.3 Enforcement collection designee.

The Director, Bureau of Enforcement, Interstate Commerce Commission, is the Commission's designee to take all necessary action administratively to settle by collection, compromise, suspension or termination, enforcement claims within the contemplation of the Federal Claims Collection Act of 1966.

§ 1021.4 Notice of claim and demand.

Initiation of administrative collection of enforcement claims will be commenced by the enforcement collection designee mailing a letter of notice of claim and demand to the debtor. Such letter will state the statutory basis for the claim, a brief resume of the factual basis for the claim, the amount of the claim, and indicate the availability of the designee or his personal agent for discussion of the claim should the debtor so desire.

§ 1021.5 Agreement and release.

Upon the debtor's agreement to settle a claim, an Agreement and Release Form will be provided to the debtor in duplicate. This form, after reciting the statutory basis for the claim, will contain a statement to be signed in duplicate by the debtor evidencing his agreement to settlement of the claim for the amount stated in the agreement. Both copies of the signed agreement shall be returned to the collection designee. Upon final collection of the claim, one copy of the agreement and release shall be returned to the debtor with the release thereon signed by the enforcement collection designee.

§ 1021.6 Method of claim payment.

(a) Debtors: Debtors shall be required to settle claims by:

(1) Payment by bank cashier check or other instrument acceptable to designee.

(2) Installment payments by check after the execution of a promissory note containing an agreement for judgment.

(b) All checks or other instruments will be made out to "Interstate Commerce Commission," and after receipt will be forwarded to U.S. Treasury.

PART 1022—COOPERATIVE AGREEMENTS WITH STATES

Sec.
1022.1 Eligibility.
1022.2 Extent of acceptance.
1022.3 Cancellation.
1022.4 Exchange of information.
1022.5 Requests for assistance.
1022.6 Joint examination, investigation, or inspections.
1022.7 Joint administrative activities related to enforcement of economic laws and regulations.
1022.8 Supplemental agreements.

AUTHORITY: The provisions of this Part 1022 issued under sec. 1, 49 Stat. 546, as amended, 550, as amended; 49 U.S.C. 304, 305.

§ 1022.1 Eligibility.

Any State may agree with the Interstate Commerce Commission to enforce the economic laws and regulations of said State and the United States concerning highway transportation by filing with the Secretary of said Commission at Washington, D.C. 20423, a written acceptance of the terms herein.

§ 1022.2 Extent of acceptance.

The written acceptance may be in letter form, signed by competent authority of said State and shall specify the terms herein pertaining to the obligation of a State in which said State will participate. To the extent that a State agrees to participate in the terms herein, officials of the Interstate Commerce Commission will reciprocate.

§ 1022.3 Cancellation.

Cancellation or withdrawal, in whole or in part, from any agreement made under this chapter may be effected by written notice from either party indicating the effective date of said cancellation or withdrawal.

§ 1022.4 Exchange of information.

(a) *Interstate Commerce Commission furnishing information to State.* Information that comes to the attention of an employee of the Interstate Commerce Commission in the course of his official duties of examination, inspection, or investigation of the property, equipment, and records of a motor carrier or other, pursuant to section 220(d) of the Interstate Commerce Act, and that is believed

to be a violation of any law or regulation of the State pertaining to unauthorized, unsafe, or otherwise illegal motor carrier operations, shall be communicated to the appropriate State authority by an official of the Interstate Commerce Commission.

(b) *State furnishing information to Interstate Commerce Commission.* Information that comes to the attention of a duly authorized agent of the State in the course of his official duties of examination, inspection, or investigation of the property, equipment, and records of a motor carrier or others, and that is believed to be a violation of any provision of the economic laws of the United States concerning highway transportation or the regulations of the Interstate Commerce Commission prescribed thereunder, shall be communicated to the Regional Director or the Associate Regional Director of the Interstate Commerce Commission's Bureau of Operations for that State.

§ 1022.5 Requests for assistance.

(a) *State request for Interstate Commerce Commission assistance.* Upon written request of the appropriate State authority, the Bureau of Operations Regional Director or Associate Regional Director of the Interstate Commerce Commission for that State shall, as time, personnel, and funds permit, obtain evidence for use by said State in the enforcement of its laws and regulations concerning unauthorized or otherwise illegal motor carrier operations. Evidence obtained in this manner shall be transmitted to the appropriate State authority together with the name and address of an agent or employee, if any, having knowledge of the facts, who shall be made available when necessary to testify as a witness in an enforcement proceeding or other action.

(b) *Interstate Commerce Commission request for State assistance.* Upon written request from a Regional Director or Associate Regional Director of the Interstate Commerce Commission's Bureau of Operations, the appropriate State authority shall, as time, personnel, and funds permit, obtain evidence in the State for use by the Interstate Commerce Commission in its enforcement of the economic laws and regulations of the United States concerning highway transportation. Evidence obtained in this manner shall be transmitted to the Regional Director or Associate Regional Director of the Interstate Commerce Commission's Bureau of Operations, together with the name and address of an agent or employee, if any, having knowledge of the facts, who shall be made available when necessary to testify as a witness in an enforcement proceeding or other action.

§ 1022.6 Joint examination, investigation, or inspections.

Upon agreement by the Regional Director or Associate Regional Director of the Interstate Commerce Commission's Bureau of Operations and the appropriate State authority, there will be conducted a joint examination, inspection, or investigation of the property, equipment, or records of motor carriers or others, for the enforcement of the economic laws and regulations of the United States and the State concerning highway transportation. The said Regional Director or Associate Regional Director of the Interstate Commerce Commission and the appropriate State authority shall decide as to the location and time, the objectives sought, and the identity of the person who will supervise the joint effort and make the necessary decisions. Any agent or employee of either agency who has personal knowledge of pertinent facts shall be made available when necessary to testify as a witness in an enforcement proceeding or other action.

§ 1022.7 Joint administrative activities related to enforcement of economic laws and regulations.

To facilitate the interchange of information and evidence, and the conduct of joint investigation and administrative action, the Regional Director or Associate Regional Director of the Interstate Commerce Commission's Bureau of Operations and the appropriate State authority shall, when warranted, schedule joint conferences of staff members of both agencies. Information shall be exchanged as to the nature and extent of the authority and capabilities of the respective agencies to enforce the economic laws of the State or of the United States concerning highway transportation. The Interstate Commerce Commission and the State (or appropriate State authority) shall use their best efforts to inform each other of changes in their rules and regulations.

§ 1022.8 Supplemental agreements.

The terms hereinabove specified may be supplemented from time to time by specific agreement between the Interstate Commerce Commission and the appropriate State authority in order to further implement the provisions of section 305(f).

PART 1023—STANDARDS FOR REGISTRATION OF CERTIFICATES AND PERMITS WITH STATES

Subpart A—Definitions

Sec.
1023.1 Definition.
1023.2 Operations within borders of State.

Subpart B—Registration of ICC Operating Authority

1023.11 When registration required.
1023.12 Form and execution of application.
1023.13 Filing of application.
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Subpart C—Designation of Process Agent

1023.21 When designation required.
1023.22 Filing of designation.
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Subpart D—Registration and Identification of Vehicles and Driveaway Operations

1023.31 When registration and identification required.
1023.32 Registration and identification.
1023.33 Form and execution of application for identification stamps or number.
1023.34 Form and execution of application for cab card.
1023.35 Form of identification stamp or number.
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1023.37 Use of cab cards in connection with vehicles not used in driveaway operations.
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1023.39 Inspection of the cab card.
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Subpart E—Evidence of Liability Security

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1023.61 When cargo insurance certificate or surety bond required.
1023.62 Form and execution of cargo insurance certificate.
1023.63 Form and execution of cargo insurance endorsement.
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Subpart G—Notice of Security Cancellation

1023.71 Notice of insurance cancellation.
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Subpart H—Evidence of Self-Insurance

1023.81 Evidence of self-insurance.

Subpart I—Interim Operations

1023.91 Interim operations.

Subpart J—Miscellaneous

1023.101 Reproduction of forms.
1023.102 Completion of forms.
1023.103 Violations declared unlawful; criminal penalties, civil remedies.
1023.104 State taxes and fees.

Appendix of forms.

AUTHORITY: The provisions of this Part 1023 issued under sec. 1, 49 Stat. 543, as amended, 546, as amended; 49 U.S.C. 302, 304.

NOTE: The provisions of Part 1023 shall become effective 5 years from the 14th day of December 1966.

Subpart A—Definitions

§ 1023.1 Definitions.

The following letters and words, when used in these Standards, shall have the following meanings, unless otherwise clearly apparent from the context:

(a) The words "driveaway operation" shall mean an operation in which any vehicle or vehicles, operated singly or in lawful combinations, new or used, not owned by the transporting motor carrier, constitute the commodity being transported;

(b) The letters "ICC" shall mean the Interstate Commerce Commission;

(c) The word "law" shall include constitutional and statutory provisions and rules and regulations adopted by a Commission;

(d) The words "motor carrier" shall mean a motor carrier of passengers or property holding operating authority issued by the Interstate Commerce Commission;

(e) The letters "NARUC" shall mean the National Association of Railroad and Utilities Commissioners;

(f) The word "State" shall mean any of the several States or the District of Columbia, as the case may be;

(g) The words "State commission" or "commission" shall mean the commission, board or official which, under the laws of any State, possesses the jurisdiction to issue or deny certificates of public convenience and necessity or permits to motor carriers, or otherwise to regulate the business of transportation by motor vehicles in intrastate commerce over the highways of such State; and

(h) The word "vehicle" shall mean a self-propelled or motor-driven vehicle operated by a motor carrier under authority issued by the Interstate Commerce Commission.

§ 1023.2 Operations within borders of State.

Whenever these Standards refer to operations "within the borders" of a State, such operations shall be deemed to include interstate operations to, from, within or traversing such State.

Subpart B—Registration of ICC Operating Authority

§ 1023.11 When registration required.

Whenever a State requires a motor carrier to file and maintain a current record of its authority issued by the Interstate Commerce Commission permitting operation within the borders of such State, such motor carrier shall not exercise such authority within the borders of such State unless and until there shall have been filed with and approved by the commission of such State an application for the registration of such authority as prescribed by the provisions of this subpart, and there shall have been a compliance with all other requirements of this subpart: *Provided, however,* That a motor carrier shall only be required to file with such State commission that portion of its authority permitting operation within the borders of such State; *And provided further,* That a motor carrier shall not be required to file with such State commission an emergency or temporary operating authority having a duration of 30 consecutive days or less if such carrier has: (a) Registered its other authority and identified its vehicles or driveaway operation under the provisions of these standards; and (b) furnished to the State commission a telegram or other written communication describing such emergency or temporary operating authority and stating that operation thereunder shall be in full accord with the requirements of these standards.

§ 1023.12 Form and execution of application.

The application for the registration of such operating authority shall be in the form set forth in Form A appended to this part and made a part of this section. The application shall be printed on a rectangular card or sheet of paper 11 inches in height and 8½ inches in width. The application shall be duly completed and executed by an official of the motor carrier.

§ 1023.13 Filing of application.

The application for the registration of such operating authority shall be filed in duplicate with the commission of such State. The original, to which the copy of the ICC operating authority shall be attached, shall be retained by the State commission. The other copy of the application or an acknowledgment shall be transmitted to the motor carrier when the application is approved by the State commission. The application shall be accompanied by the fee, if any, prescribed by the law of such State.

§ 1023.14 Prior registration.

A motor carrier need not register under the provisions of this subpart any authority issued by the ICC permitting operation within the borders of a State, when the same was properly registered with the commission of such State at the time these standards became effective.

Subpart C—Designation of Process Agent

§ 1023.21 When designation required.

Whenever a State requires a motor carrier to file a designation of a local agent for service of process, such motor carrier shall not engage in interstate or foreign commerce within the borders of such State unless and until there shall have been filed with and accepted by the commission of such State a currently effective designation of such a local agent.

§ 1023.22 Filing of designation.

The motor carrier shall file such designation of a local agent for service of process with the commission of such State by showing the name and address of such agent on the uniform application for registration of interstate operating authority, as set forth in Form A appended to this part, or by furnishing such commission with a true copy of the designation of such agent filed with the Interstate Commerce Commission.

§ 1023.23 Qualifications of agent.

The provisions of this subpart shall not be construed in any way to affect the qualifications of a local agent for service of process as prescribed by State law.

Subpart D—Registration and Identification of Vehicles and Driveaway Operations

§ 1023.31 When registration and identification required.

Whenever a State requires a motor carrier to register and identify any vehicle (other than one used in driveaway operations) as operating under its authority issued by the Interstate Commerce Commission permitting operation within the borders of such State, or whenever a State requires a motor carrier, engaged in driveaway operations, to register and identify such operations as being conducted under its authority issued by the Interstate Commerce Commission permitting the conduct of same within the borders of such State, such motor carriers shall not operate such vehicle or engage in such driveaway operations under such authority within the borders of such State unless and until the vehicle or driveaway operations shall have been registered with the commission of such State in accordance with the provisions of this subpart, and there shall have been a compliance with all other requirements of this subpart.

§ 1023.32 Registration and identification.

(a) On or before the 31st day of January of each calendar year, but not earlier than the preceding 1st day of November, such motor carrier shall apply to the Commission of such State for the issuance of an identification stamp or stamps, or for the assignment of an identification number (as elected by the laws of such State), for the registration and identification of the vehicle or vehicles which it intends to operate, or driveaway operations which it intends to conduct, within the borders of such State during the ensuing year. If a State elects to require the use of identification stamps under the provisions of this subpart, the motor carrier may apply for such number of stamps as is sufficient to cover its vehicles or driveaway operations which it anticipates will be placed in operation or conducted during the period for which the stamps are effective. The motor carrier may thereafter file one or more supplemental applications for additional stamps if the need therefor arises or is anticipated.

(b) If the State commission determines that the motor carrier has complied with all applicable provisions of these standards, the commission shall issue to the motor carrier the number of identification stamps requested, or shall assign it an identification number, as the case may be.

(c) An identification stamp or number issued or assigned under the provisions of this subpart shall be used for the purpose of registering and identifying a vehicle or driveaway operations as being operated or conducted by a motor carrier under authority issued by the Interstate Commerce Commission, and shall not be used for the purpose of distinguishing between the vehicles operated by the same motor carrier. A motor carrier receiving an identification stamp or identification number under the provisions of this subpart shall not knowingly permit the use of same by any other person or organization.

(d) The State commission may require the motor carrier to accompany such application with a list identifying each

vehicle (other than one to be used in driveaway operations) which it intends to operate within the borders of such State during the ensuing year. The State commission may further require the motor carrier to keep such list current by filing with it an identification of each vehicle acquired for operation within the borders of such State and each vehicle whose operation is discontinued therein after the filing of such list. The filing of an identification of such newly acquired or discontinued vehicle shall be made with the State commission on or before the 15th day after the motor carrier initiates or discontinues operation of the vehicle within the borders of such State.

(e) On or before the 31st day of January of each calendar year, but not earlier than the preceding 1st day of November, such motor carrier shall apply to the National Association of Railroad and Utilities Commissioners, or to the Commission of any State in which it is permitted to operate pursuant to authority issued by the Interstate Commerce Commission, for the issuance of a sufficient supply of uniform identification cab cards for use in connection with the registration and identification of the vehicle or vehicles which it intends to operate, or driveaway operations which it intends to conduct, within the borders of such State during the ensuing year.

(f) The NARUC of the State commission, as the case may be, shall issue to the motor carrier the number of cab cards requested. A motor carrier receiving a cab card under the provisions of this chapter shall not knowingly permit the use of same by any other person or organization. Prior to operating a vehicle, or conducting a driveaway operation, within the borders of such State during the ensuing year, the motor carrier shall place one of such identification stamps or such identification number on the back of a cab card in the square bearing the name of such State in such a manner that the same cannot be removed without defacing it. The motor carrier shall thereupon duly complete and execute the form of certificate printed on the front of the cab card so as to identify itself and such vehicle or driveaway operation.

(g) The registration and identification of a vehicle or driveaway operations under the provisions of this subpart and the identification stamp or number evidencing same and the cab card prepared therefor shall become void on the 1st day of February in the succeeding calendar year, unless such registration is terminated prior thereto.

§ 1023.33 Form and execution of application for identification stamps or number.

The application for the issuance of such identification stamps or number shall be in the form set forth in Form B appended to this part and made a part of this section. The application shall be printed on a rectangular card or sheet of paper 11 inches in height and 8½ inches in width. The application shall be duly completed and executed by an official of the motor carrier, and shall be accompanied by the fee, if any, prescribed by the law of such State.

§ 1023.34 Form and execution of application for cab card.

The application for the issuance of such cab cards shall be in the form set forth in Form C appended to this part and made a part of this section. The application shall be printed on the reverse side of the uniform application for registration and identification of vehicles or driveaway operations operated or conducted under authority issued by the ICC as set forth in Form B appended to this part. The application shall be duly completed and executed by an official of the motor carrier, and shall be accompanied by the fee, if any, prescribed by the law of such State.

§ 1023.35 Form of identification stamp or number.

Any identification stamp issued under the provisions of this subpart by a State commission shall bear its name or symbol and such other distinctive markings or information, if any, as the Commission deems appropriate. The stamp shall be in the shape of a square and shall not exceed 1 inch in diameter. Any identification number issued by a State commission under the provisions of this subpart shall not exceed the dimensions of a square 1 inch in diameter.

§ 1023.36 Form of cab card.

The cab card referred to above shall be in the form set forth in Form D appended to this part and made a part of this section. The cab card shall be printed on a rectangular card 11 inches in height and 8½ inches in width.

§ 1023.37 Use of cab cards in connection with vehicles not used in driveaway operations.

In the case of a vehicle not used in a driveaway operation, the cab card shall be maintained in the cab of such vehicle for which prepared whenever the vehicle is operated under the authority of the carrier identified in the cab card. Such cab card shall not be used for any vehicle except the vehicle for which it was originally prepared. A motor carrier shall not prepare two or more cab cards which are effective for the same vehicle at the same time.

§ 1023.38 Use of cab cards in driveaway operations.

In the case of a driveaway operation, the cab card shall be maintained in the cab of the vehicle furnishing the motive power for the driveaway operation whenever such an operation is conducted under the authority of the carrier identified in the cab card.

§ 1023.39 Inspection of the cab card.

A cab card shall, upon demand, be presented by the driver to any authorized Government personnel for inspection.

§ 1023.40 Destruction of cab cards.

(a) Each motor carrier shall destroy a cab card immediately upon its expiration.

(b) If a motor carrier permanently discontinues the use of a vehicle for which a cab card has been prepared, it shall nullify the cab card at the time of such discontinuance.

§ 1023.41 Alteration of cab card; replacement.

(a) Any erasure, improper alteration, or unauthorized use of a cab card shall render it void.

(b) If a cab card is lost, destroyed, mutilated, or becomes illegible, a new cab card may be prepared and new identification stamps or numbers may be issued therefor upon application by the motor carrier and upon payment of the same fee prescribed for the original issuance thereof, if any.

§ 1023.42 Identification.

No State shall require a motor carrier to display external identification upon a vehicle other than such identification as is required by regulations of the Interstate Commerce Commission. Nothing in these standards shall be construed to affect State requirements as to the external identification of vehicles to indicate the payment of a State tax or fee imposed for revenue purposes or for any other purpose not within the purview of subsection (b) of section 202 of the Interstate Commerce Act 49 U.S.C., section 302(b)(2).

Subpart E—Evidence of Liability Security

§ 1023.51 When liability insurance certificate or surety bond required.

Whenever a State requires a motor carrier to file and maintain evidence of currently effective bodily injury and property damage liability security, such motor carrier shall not engage in interstate or foreign commerce within the borders of such State unless and until there shall have been filed with and accepted by the commission of such State a currently effective certificate of insurance or surety bond as prescribed by the provisions of this subpart, and there shall have been a compliance with all other requirements of this subpart.

§ 1023.52 Form and execution of liability insurance certificate.

The certificate of insurance referred to in the preceding section shall state that the insurer has issued to such motor carrier a policy of insurance which by endorsement provides automobile bodily injury and property damage liability insurance covering the obligations imposed upon such motor carrier by the provisions of the law of such State. The certificate shall be in the form set forth in Form E appended to this part and made a part of this section. The certificate shall be printed on a rectangular card 5 inches in height and 8 inches in width. The certificate shall be duly completed and executed by such insurer.

§ 1023.53 Form and execution of liability insurance endorsement.

The endorsement referred to in the preceding section shall be attached to such insurance policy and shall form a part of it. The endorsement shall be in the form set forth in Form F appended to this part and made a part of this section. The endorsement shall be printed on a rectangular card or sheet of paper 5 inches in height and 8 inches in width. The endorsement shall be duly completed and executed by the insurer.

§ 1023.54 Form and execution of liability surety bond.

The surety bond referred to in § 1135.51 shall be in the form set forth in Form G appended to this part and made a part of this section. The bond shall be printed on a rectangular card 5 inches in height and 8 inches in width. The bond shall be duly completed and executed by the surety and principal.

§ 1023.55 Qualifications of insurer or surety.

The provisions of this subpart shall not be construed in anyway to affect the qualifications of an insurer or surety as prescribed by State law.

Subpart F—Evidence of Cargo Security

§ 1023.61 When cargo insurance certificate or surety bond required.

Whenever a State requires a motor carrier to file and maintain evidence of currently effective cargo security, such motor carrier shall not engage in interstate or foreign commerce within the borders of such State unless and until there shall have been filed with and accepted by the commission of such State a currently effective certificate of insurance or surety bond as prescribed by the provisions of this subpart, and there shall have been a compliance with all other requirements of this subpart.

§ 1023.62 Form and execution of cargo insurance certificate.

The certificate of insurance referred to in the preceding section shall state that the insurer has issued to such motor carrier a policy of insurance which by endorsement provides cargo insurance covering the obligations imposed upon such motor carrier by the provisions of the law of such State. The certificate shall be in the form set forth in Form H appended to this part and made a part of this section. The certificate shall be printed on a rectangular card 5 inches in height and 8 inches in width. The certificate shall be duly completed and executed by such insurer.

§ 1023.63 Form and execution of cargo insurance endorsement.

The endorsement referred to in the preceding section shall be attached to such insurance policy and shall form a part of it. The endorsement shall be in the form set forth in Form I appended to this part and made a part of this section. The endorsement shall be printed on a rectangular card or sheet of paper 5 inches in height and 8 inches in width. The endorsement shall be duly completed and executed by the insurer.

§ 1023.64 Form and execution of cargo surety bond.

The surety bond referred to in § 1023.61 shall be in the form set forth in Form J appended to this part and made a part of this section. The bond shall be printed on a rectangular card 5 inches in height and 8 inches in width. The bond shall be duly completed and executed by the surety and principal.

§ 1023.65 Qualifications of insurer or surety.

The provisions of this subpart shall not be construed in any way to affect the qualifications of an insurer or surety as prescribed by State law.

Subpart G—Notice of Security Cancellation

§ 1023.71 Notice of insurance cancellation.

An insurer under the provisions of Subparts E and F of these standards shall give to the State commission notice of the cancellation of motor carrier bodily injury and property damage liability insurance or motor carrier cargo insurance, as the case may be, by filing with the commission the form of notice set forth in Form K appended to this part and made a part of this section. The notice shall be printed on a rectangular card 5 inches in height and 8 inches in width. The notice shall be duly completed and executed by the insurer.

§ 1023.72 Notice of bond cancellation.

A surety or motor carrier under the provisions of Subparts E and F of these standards shall give to the State commission notice of the cancellation of motor carrier bodily injury and property damage liability surety bond or motor carrier cargo surety bond, as the case may be, by filing with the commission the form of notice set forth in Form L appended to this part and made a part of this section. The notice shall be printed on a rectangular card 5 inches in height and 8 inches in width. The notice shall be duly completed and executed by the surety or motor carrier.

Subpart H—Evidence of Self-insurance

§ 1023.81 Evidence of self-insurance.

Whenever a State requires a motor carrier to file and maintain evidence of currently effective qualifications as a self-insurer under the rules and regulations of the Interstate Commerce Commisison, such motor carrier shall not engage in interstate or foreign commerce within the borders of such State unless and until there shall have been filed with and accepted by the commission of such State a true and readily legible copy of the currently effective ICC order authorizing such motor carrier to self-insure under the provisions of the Interstate Commerce Act.

Subpart I—Interim Operations

§ 1023.91 Interim operations.

Whenever a State commission fails to act upon a filing made under Subparts B, C, D, E, and F of these standards within 30 days after receipt of same, the motor carrier for whose benefit such filing was made may begin operation within the borders of such State in such manner as would have been otherwise authorized if the filing had been acted upon favorable by the State commission within such period of 30 days. The motor carrier may continue such operation under the provisions of this section until such time as the State commission acts upon such filing.

Subpart J—Miscellaneous

§ 1023.101 Reproduction of forms.

(a) In order to achieve complete uniformity in the reproduction of the uniform application for registration of operating authority issued by ICC, the uniform application for registration and identification of vehicles or driveaway operations operated or conducted under authority issued by ICC, the uniform application for identification cab card, and the uniform identification cab card, as set forth in Forms A to D appended to this part, respectively, the NARUC, shall reproduce such forms for use under the provisions of these standards, and any such forms reproduced by such an unauthorized person or organization are hereby declared to be void.

(b) The NARUC, upon request, shall supply such forms to the State commissions and motor carriers. The NARUC shall fix and charge a reasonable fee in connection with the reproduction and supply of such forms. Each State commission supplying such forms shall charge the fees fixed therefor by the NARUC.

§ 1023.102 Completion of forms.

A typewriter or indelible ink shall be used in entering information in the blank spaces appearing on the forms prepared under the provision of these standards.

§ 1023.103 Violations declared unlawful; criminal penalties, civil remedies.

Any violation of the provisions of these standards is hereby declared to be unlawful. Nothing in these standards shall be construed to prevent a State from imposing criminal penalties upon any person or organization violating any provision of these standards or from providing or applying civil remedies or sanctions in connection with such violations.

§ 1023.104 State taxes and fees.

Nothing in these standards shall be construed to affect the collection or method of collection of taxes or fees by a State from motor carriers for the operation of vehicles within the borders of such State.

Appendix of Forms

FORM A

UNIFORM APPLICATION FOR REGISTRATION OF OPERATING AUTHORITY ISSUED BY ICC

To: _____ Date _____
(Name of State commission)
Applicant _____
Street _____
City _____ State _____
ICC Operating Authority No. MC _____
Type of route: ☐ Certificate ☐ Permit ☐ TA ____ ☐ Regular ☐ Irregular
Type of carrier: ☐ Property ☐ Passenger ☐ Common ☐ Contract
Give principal office address, if different than above: Street _____ City _____ State _____
If individual, give name and address:
_____ _____
If corporation, give State in which incorporated: _____
Name of president _____ Name of secretary _____
If partnership, give names and addresses of partners:
_____ _____
_____ _____
Process agent for State (This part may be omitted if the applicant has previously filed with the State commission, or attaches hereto, a current copy of its designation filed with ICC):
Name _____ Street _____
City _____ State _____

I, the undersigned, under penalty for false statement, do hereby certify that the above information is true and correct and that I am authorized to execute and file this document on behalf of the above applicant. (Federal penalties, maximum of $10,000 or imprisonment for 5 years, or both, 18 U.S.C. 1001; State penalties as prescribed by law.)

_____
(Signature)

_____
(Title)

Instructions: File this application in duplicate with ICC operating authority attached to original. When application is approved, the copy will be returned to the applicant.

This form determined by the National Association of Railroad and Utilities Commissioners and promulgated by the Interstate Commerce Commission pursuant to the provisions of section 202(b)(2) of the Interstate Commerce Act (49 U.S.C., sec. 302(b)(2)).

FORM B

UNIFORM APPLICATION FOR REGISTRATION AND IDENTIFICATION OF VEHICLES OR DRIVEAWAY OPERATIONS OPERATED OR CONDUCTED UNDER AUTHORITY ISSUED BY ICC

To: _____ Date _____
(Name of State commission)
Applicant _____
Street _____
City _____ State _____
ICC Operating Authority Number MC _____
The above described applicant hereby applies for the issuance of _____
(Number)
identification stamp(s), or for the assignment of an identification number (as elected by the laws of such State), for the registration and identification of the vehicle or vehicles which the applicant intends to operate, or driveaway operations which it intends to conduct, within the borders of such State during the period for which such identification stamp(s) or number is effected. The operation of such vehicle or vehicles, or the conduct of such driveaway operations, shall be pursuant to authority issued to the applicant by the Interstate Commerce Commission.

The applicant shall not knowingly permit any other person or organization to use the identification stamp(s) or number issued or assigned pursuant to this application.

I, the undersigned, under penalty for false statement, do hereby certify that the above information is true and correct and that I am authorized to execute and file this document on behalf of the above applicant. (Federal penalties, maximum of $10,000 or imprisonment for 5 years, or both, 18 U.S.C. 1001; State penalties as prescribed by law.)

_____
(Signature)

_____
(Title)

This form determined by the National Association of Railroad and Utilities Commissioners and promulgated by the Interstate Commerce Commission pursuant to the provisions of section 202(b)(2) of the Interstate Commerce Act (49 U.S.C., sec. 302(b)(2)).

FORM C

UNIFORM APPLICATION FOR IDENTIFICATION CAB CARD

To: _____ Date _____
(Name of State commission or NARUC)
Applicant _____
Street _____
City _____ State _____
ICC Operating Authority Number MC _____
The above described applicant hereby applies for the issuance of _____
(Number)
uniform identification cab card(s) for use in connection with the registration and identification of the vehicle or vehicles which the applicant intends to operate, or driveaway operations which it intends to conduct, within the borders of such State during the period for which such cab card(s) is effective. The operation of such vehicle or vehicles, or the conduct of such driveway operations, shall be pursuant to authority issued to the applicant by the Interstate Commerce Commission.

The applicant shall not knowingly permit any other person or organization to use the cab card(s) issued pursuant to this application.

I, the undersigned, under penalty for false statement, do hereby certify that the above information is true and correct and that I am authorized to execute and file this document on behalf of the above applicant. (Federal penalties, maximum of $10,000 or imprisonment for 5 years, or both, 18 U.S.C. 1001; State penalties as prescribed by law.)

_____
(Signature)

_____
(Title)

Important Note: A motor carrier should not obtain a cab card from each State Commission from which it obtains an identification stamp or number. Only one cab card is required for each vehicle or driveway movement irrespective of the number of identification stamps or numbers which may be required for its operation. Consequently, a motor carrier should obtain its supply of cab cards from the National Association of Railroad and Utilities Commissioners, Post Office Box 684, Washington, D.C. 20044, or from the Commission of any State in which it is permitted to operate pursuant to authority issued by the ICC.

This form determined by the National Association of Railroad and Utilities Commissioners and promulgated by the Interstate Commerce Commission pursuant to the provisions of section 202(b)(2) of the Interstate Commerce Act (49 U.S.C. sec. 302(b)(2)).

FORM D

UNIFORM IDENTIFICATION CAB CARD OPERATING MOTOR CARRIER

ICC Operating Authority Number MC _____
Name of carrier _____
Street _____
City _____ State _____

Vehicle

Type _____ Make* _____
(Tractor-truck-bus-driveaway)
Year* _____ Serial No.* _____
State of vehicle registration** _____
Name of owner of vehicle* _____

The above described vehicle or driveaway operation is being operated or conducted under authority granted by the Interstate Commerce Commission to the above described motor carrier. Where required by State law, such vehicle or driveaway operation has been registered with each State whose current identification stamp or number is placed on the reverse side of this card and there has been filed with each such State (to the extent required by such State) the information authorized by section 202(b)(2) of the Interstate Commerce Act (49 U.S.C. sec. 302(b)(2)) and the rules and regulations promulgated thereunder.

The above described vehicle or driveaway operation has been identified in conformity with the rules and regulations of the Interstate Commerce Commission.

I, the undersigned, under penalty for false statement, do hereby certify that the above information is true and correct and that I am authorized to execute this document on behalf of the above carrier. (Federal penalties, maximum of $10,000 or imprisonment for 5 years, or both, 18 U.S.C. 1001; State penalties as prescribed by law.)

Signature _____
Title _____
Date executed _____

This card expries at 12:01 a.m., February 1, 19__ or _____, ____ 19__, whichever is earlier.

This form determined by the National Association of Railroad and Utilities Commissioners and promulgated by the Interstate Commerce Commission pursuant to the provisions of section 202(b)(2) of the Interstate Commerce Act (49 U.S.C. sec. 302(b)(2)).

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*Not applicable to driveaway operations.

**If the State of vehicle registration changes during the period this cab card is effective, the motor carrier shall immediately indicate the change above by marking out the name of the State listed and inserting the name of the new State of vehicle registration in lieu thereof. This change shall be initialed by an official of the motor carrier.

(REVERSE SIDE OF CAB CARD)

Alabama	Alaska	Arkansas	Arizona	California	Colorado
Connecticut	Delaware	District of Columbia	Florida	Georgia	Hawaii
Idaho	Illinois	Indiana	Iowa	Kansas	Kentucky
Louisiana	Maine	Maryland	Massachusetts	Michigan	Minnesota
Mississippi	Missouri	Montana	Nebraska	Nevada	New Hampshire
New Jersey	New Mexico	New York	North Carolina	North Dakota	Ohio
Oklahoma	Oregon	Pennsylvania	Rhode Island	South Carolina	South Dakota
Tennessee	Texas	Utah	Vermont	Virginia	Washington
West Virginia	Wisconsin	Wyoming			

FORM E

UNIFORM MOTOR CARRIER BODILY INJURY AND PROPERTY DAMAGE LIABILITY CERTIFICATE OF INSURANCE

(Executed in triplicate)

Filed with _____ (herein-
(Name of commission)
after called commission)

This is to certify, that the _____
(Name of company)
(hereinafter called Company) of _____
(Home office
_____ has issued to
address of company)
_____ of _____
(Name of motor carrier) (Address of
_____ a policy or policies of insur-
motor carrier)
ance effective from _____ 12:01 a.m. standard time at the address of the insured stated in said policy or policies and continuing until canceled as provided herein, which, by attachment of the uniform motor carrier bodily injury and property damage liability insurance endorsement, has or have been amended to provide automobile bodily injury and property damage liability insurance covering the obligations imposed upon such motor carrier by the provisions of the motor carrier law of the State in which the commission has jurisdiction or regulations promulgated in accordance therewith.

Whenever requested, the company agrees to furnish the commission a duplicate original of said policy or policies and all endorsements thereon.

This certificate and the endorsement described herein may not be canceled without cancellation of the policy to which it is attached. Such cancellation may be effected by the company or the insured giving thirty (30) days' notice in writing to the State commission, such thirty (30) days' notice to commence to run from the date notice is actually received in the office of the commission.

Countersigned at _____
_____
(Street address)
_____
(City) (State) (Zip code)
this _____ day of _____ 19--
_____
(Authorized company representative)
Insurance company file No. _____
(Policy No.)

This form determined by the National Association of Railroad and Utilities Commissioners and promulgated by the Interstate Commerce Commission pursuant to the provisions of section 202(b)(2) of the Interstate Commerce Act (49 U.S.C., sec. 302(b)(2)).

FORM F

UNIFORM MOTOR CARRIER BODILY INJURY AND PROPERTY DAMAGE LIABILITY INSURANCE ENDORSEMENT

It is agreed that:

1. The certification of the policy, as proof of financial responsibility under the provisions of any State motor carrier law or regulations promulgated by any State commission having jurisdiction with respect thereto, amends the policy to provide insurance for automobile bodily injury and property damage liability in accordance with the provisions of such law or regulations to the extent of the coverage and limits of liability required thereby; provided only that the insured agrees to reimburse the company for any payment made by the company which it would not have been obligated to make under the terms of this policy except by reason of the obligation assumed in making such certification.

2. The uniform motor carrier bodily injury and property damage liability certificate of insurance has been filed with the State commissions indicated on the reverse side hereof.

3. This endorsement may not be canceled without cancellation of the policy to which it is attached. Such cancellation may be effected by the company or the insured giving thirty (30) days' notice in writing to the State commission with which such certificate has been filed, such thirty (30) days' notice to commence to run from the date the notice is actually received in the office of such commission.

Attached to and forming part of policy No. _____ issued by _____, herein called company, of _____ to _____ or _____

Dated at _____ this _____ day of _____ 19--

Countersigned by _____
(Authorized company representative)

This form determined by the National Association of Railroad and Utilities Commissioners and promulgated by the Interstate Commerce Commission pursuant to the provisions of section 202(b)(2) of the Interstate Commerce Act (49 U.S.C., sec. 302(b)(2)).

(REVERSE SIDE OF UNIFORM MOTOR CARRIER BODILY INJURY AND PROPERTY DAMAGE LIABILITY INSURANCE ENDORSEMENT)

√—Indicates State Commissions with whom uniform motor carrier bodily injury and property damage liability certificate of insurance has been filed

Alabama		Illinois		Montana		Rhode Island	
Alaska		Indiana		Nebraska		South Carolina	
Arizona		Iowa		Nevada		South Dakota	
Arkansas		Kansas		New Hampshire		Tennessee	
California		Kentucky		New Jersey		Texas	
Colorado		Louisiana		New Mexico		Utah	
Connecticut		Maine		New York		Vermont	
Delaware		Maryland		North Carolina		Virginia	
District of Columbia		Massachusetts		North Dakota		Washington	
Florida		Michigan		Ohio		West Virginia	
Georgia		Minnesota		Oklahoma		Wisconsin	
Hawaii		Mississippi		Oregon		Wyoming	
Idaho		Missouri		Pennsylvania			

FORM G

UNIFORM MOTOR CARRIER BODILY INJURY AND PROPERTY DAMAGE LIABILITY SURETY BOND

(Executed in triplicate)

Know all men by these presents, that we, _____ of _____
(Name of motor carrier principal) (City)
_____, as principal (hereinafter
(State)
called principal), and _____
(Name of surety)
_____, a corporation created and existing under the laws of the State of _____, with principal office at _____, _____
(City) (State)
as Surety (hereinafter called surety), are held and firmly bound unto the State of _____ in the sum or sums hereinafter provided for which payment, well and truly to be made, the principal and surety hereby bind themselves, their successors and assigns, firmly by these presents.

The condition of this obligation is such that:

Whereas, the principal is or intends to become a motor carrier subject to the laws of such State and the rules and regulations of _____
(Name of commission)
(hereinafter called commission), relating to insurance or other security for the protection of the public, and has elected to file with the commission a surety bond conditioned as hereinafter set forth; and

Whereas, this bond is written to assure compliance by the principal as a motor carrier of passengers or property with the laws of such State and the rules and regulations of the commission relating to insurance or other security for the protection of the public, and shall inure to the benefit of any person or persons who shall recover a final

judgment or judgments against the principal for any of the damages herein described.

Now, therefore, if every final judgment recovered against the principal for bodily injury to or the death of any person or loss of or damage to the property of others, sustained while this bond is in effect, and resulting from the negligent operation, maintenance, or use of motor vehicles in transportation (but excluding injury to or death of the principal's employees while engaged in the course of their employment, and loss of or damage to property of the principal and property transported by the principal designated as cargo), shall be paid, then this obligation shall be void, otherwise to remain in full force and effect.

Within the limits hereinafter provided, the liability of the surety extends to such losses, damages, injuries, or deaths regardless of whether such motor vehicles are specifically described herein and whether occurring on the route or in the territory authorized to be served by the principal or elsewhere.

This bond is effective from _____ (12:01 a.m., standard time, at the address of the principal as stated herein) and shall continue in force until terminated as hereinafter provided. The principal or the surety may at any time terminate this bond by written notice to the commission, such termination to become effective not less than thirty (30) days after actual receipt of said notice by the commission. The surety shall not be liable hereunder for the payment of any judgment or judgments against the principal for bodily injury to or the death of any person or persons or loss of or damage to property resulting from accidents which occur after the termination of this bond as herein provided, but such termination shall not affect the liability of the surety hereunder for the payment of any such judgment or judgments resulting from accidents which occur during the time the bond is in effect.

The liability of the surety on each motor vehicle shall be the limits prescribed in the laws of such State and the rules and regulations of the commission governing the filing of surety bonds, which were in effect at the time this bond was executed, and will be a continuing one notwithstanding any recovery hereunder.

In witness whereof, the said principal and surety have executed this instrument on the _____ day of _____, 19__

_____
(Principal)

By _____

[AFFIX CORPORATE SEAL]

_____
(Surety)

_____ _____
(City) (State)

By _____

Countersigned at _____ this _____ day of _____ 19__

Bond No. _____ _____
(Registered resident agent)

This form determined by the National Association of Railroad and Utilities Commissioners and promulgated by the Interstate Commerce Commission pursuant to the provisions of section 202(b)(2) of the Interstate Commerce Act (49 U.S.C. sec. 302(b)(2)).

FORM H

UNIFORM MOTOR CARRIER CARGO CERTIFICATE OF INSURANCE

(Executed in triplicate)

Filed with _____ (hereinafter called commission)
(Name of commission)

This is to certify, that the _____ (hereinafter called company) of _____ has issued
(Name of company)
(Home office address of company)
to _____ of _____ a policy
(Name of motor carrier)
(Address of motor carrier)
or policies of insurance effective from _____ 12:01 a.m. standard time at the address of the insured stated in said policy or policies and continuing until canceled as provided herein, which, by attachment of the uniform motor carrier cargo insurance endorsement, has or have been amended to provide cargo insurance covering the obligations imposed upon such motor carrier by the provisions of the motor carrier law of the State in which the commission has jurisdiction or regulations promulgated in accordance therewith.

Whenever requested, the company agrees to furnish the commission a duplicate original of said policy or policies and all endorsements thereon.

This certificate and the endorsement described herein may not be canceled without cancellation of the policy to which it is attached. Such cancellation may be effected by the company or the insured giving thirty (30) days' notice in writing to the State commission, such thirty (30) days' notice to commence to run from the date notice is actually received in the office of the commission.

Countersigned at _____
(Street address)

_____
(City) (State) (ZIP Code)

this _____ day of _____ 19__

_____
(Authorized company representative)

Insurance company file No. _____
(Policy No.)

This form determined by the National Association of Railroad and Utilities Commissioners and promulgated by the Interstate Commerce Commission pursuant to the provisions of section 202(b)(2) of the Interstate Commerce Act (49 U.S.C., sec. 302(b)(2)).

FORM I

UNIFORM MOTOR CARRIER CARGO INSURANCE ENDORSEMENT

It is agreed that:

1. The certification of the policy as proof of responsibility under the provisions of any State motor carrier law or regulations promulgated by any State commission having jurisdiction with respect thereto, amends the policy to provide insurance for motor carrier cargo liability in accordance with the provisions of such law or regulations to the extent of the coverage and limits of liability required thereby; provided only that the insured agrees to reimburse the company for any payment made by the company which it would not have been obligated to make under the terms of this policy except by reason of the obligation assumed in making such certification.

2. The uniform motor carrier cargo certificate of insurance has been filed with the State commissions indicated on the reverse side hereof.

3. This endorsement may not be canceled without cancellation of the policy to which it is attached. Such cancellation may be effected by the company or the insured giving thirty (30) days' notice in writing to the State commission with which such certificate has been filed, such thirty (30) days' notice to commence to run from the date the notice is actually received in the office of such commission.

Attached to and forming part of policy No. _____ issued by _____, herein called company, of _____ to _____ of _____

Dated at _____ this _____ day of _____ 19__

Countersigned by _____

_____
(Authorized company representative)

This form determined by the National Association of Railroad and Utilities Commissioners and promulgated by the Interstate Commerce Commission pursuant to the provisions of section 202(b)(2) of the Interstate Commerce Act (49 U.S.C., sec. 302(b)(2)).

(REVERSE SIDE OF UNIFORM MOTOR CARRIER CARGO INSURANCE ENDORSEMENT)

√—Indicates State Commissions with whom uniform motor carrier cargo certificate of insurance has been filed

Alabama		Illinois		Montana		Rhode Island	
Alaska		Indiana		Nebraska		South Carolina	
Arizona		Iowa		Nevada		South Dakota	
Arkansas		Kansas		New Hampshire		Tennessee	
California		Kentucky		New Jersey		Texas	
Colorado		Louisiana		New Mexico		Utah	
Connecticut		Maine		New York		Vermont	
Delaware		Maryland		North Carolina		Virginia	
District of Columbia		Massachusetts		North Dakota		Washington	
Florida		Michigan		Ohio		West Virginia	
Georgia		Minnesota		Oklahoma		Wisconsin	
Hawaii		Mississippi		Oregon		Wyoming	
Idaho		Missouri		Pennsylvania			

FORM J

UNIFORM MOTOR CARRIER CARGO SURETY BOND

(Executed in triplicate)

Know all men by these presents, that we, _____
(Name of motor carrier principal)
of _____, _____, as principal (hereinafter called principal), and
(City) (State)
_____
(Name of surety)
a corporation created and existing under the laws of the State of _____, with principal office at _____, _____
(City) (State)
as surety (hereinafter called surety), are held and firmly bound unto the State of _____ in the sum or sums hereinafter pro-

vided for which payment, well and truly to be made, the principal and surety hereby bind themselves, their successors and assigns, firmly by these presents.

The condition of this obligation is such that:

Whereas, the principal is or intends to become a motor carrier subject to the laws of such State and the rules and regulations of the ---------- (here-
(Name of commission)
inafter called commission), relating to insurance or other security for the protection of shippers and consignees, and has elected to file with the Commission a bond conditioned as hereinafter set forth, and

Whereas, this bond is written to assure compliance by the principal as a motor carrier with the laws of such State and the rules and regulations of the commission relating to insurance or other security for the protection of shippers and consignees, and shall inure to the benefit of any and all shippers or consignees to whom the principal may be held liable for any of the damages herein described.

Now, therefore, if the principal shall make compensation to shippers and consignees for all losses of or damages to property belonging to them which shall, while this bond is in effect, come into the possession of the principal in connection with its transportation service, regardless of whether such losses or damages occur while said property is in a motor vehicle, terminal, warehouse or other place, for which losses or damages the principal may be held legally liable, then this obligation shall be void, otherwise it shall remain in full force and effect.

The liability of the surety for the limits hereinafter provided shall be a continuing one notwithstanding any recovery hereunder, and extends to such losses or damages regardless of whether the motor vehicles, terminals, warehouses, and other facilities used in connection with the transportation service of the principal are specifically described herein or not, and whether occurring on the route or in the territory authorized to be served by the principal or elsewhere.

The liability of the surety for any such loss or damage shall be the limits prescribed in the laws of such State and the rules and regulations of the commission governing the filing of surety bonds, which were in effect at the time this bond was executed, and will be a continuing one notwithstanding any recovery hereunder.

This bond is effective from ---------- ---------- (12:01 a.m., standard time, at the address of the principal as stated herein) and shall continue in force until terminated as hereinafter provided. The principal or the surety may at any time terminate this bond by written notice to the commission, such termination to become effective not less than thirty (30) days after actual receipt of said notice by the commission.

The surety shall not be liable hereunder for the payment of any of the losses or damages hereinbefore described which arise on property coming into the possession of the principal in connection with its transportation service after the termination of this bond as herein provided, but such termination shall not affect the liability of the surety hereunder for the payment of any such losses or damages arising on property coming into the possession of the principal in connection with its transportation service prior to the date such termination becomes effective.

In witness whereof, the said principal and surety have executed this instrument on the ---- day of ----------, 19-----.

(Principal)

By ----------

(Surety)

[AFFIX CORPORATE SEAL]

---------- ----------
(City) (State)

By ----------

Countersigned at ---------- this-- day of ---------- 19--

Bond No. ------ ----------
(Registered resident agent)

This form determined by the National Association of Railroad and Utilities Commissioners and promulgated by the Interstate Commerce Commission pursuant to the provisions of section 202(b)(2) of the Interstate Commerce Act (49 U.S.C., sec. 302(b)(2)).

FORM K

UNIFORM NOTICE OF CANCELLATION OF MOTOR CARRIER INSURANCE POLICIES

(Executed in triplicate)

Check type canceled: BI and PD ☐ Cargo ☐

Filed with ---------- (hereinafter
(Name of commission)
called commission)

This is to advise that under the terms of a policy or policies issued to ----------
----
(Name of motor carrier)

of ----------
(Address of motor carrier)

by ----------
(Name of company)

of ----------
(Address)

said policy or policies, including any and all endorsements forming a part thereof or certificates issued in connection therewith, is (are) hereby canceled effective as of the ---------- day of ----------, 19----, 12:01 a.m., standard time at the address of the Insured as stated in said policy or policies provided such date is not less than thirty (30) days after the actual receipt of this notice by the commission.

(Signature of insurer)

Insurance Company File No. ----------
(Policy No.)

This form determined by the National Association of Railroad and Utilities Commissioners and promulgated by the Interstate Commerce Commission pursuant to the provisions of section 202(b)(2) of the Interstate Commerce Act (49 U.S.C., sec. 302(b)(2)).

FORM L

UNIFORM NOTICE OF CANCELLATION OF MOTOR CARRIER SURETY BONDS

(Executed in triplicate)

Check type canceled: BI and PD ☐ Cargo ☐

Filed with ---------- (hereinafter
(Name of commission)
called commission)

This is to advise that, under the terms of surety bond(s) executed in behalf of
----
(Name of principal)

of ----------
(Address)

by ----------
(Name of surety)

of ----------
(Address)

said bond(s), including any and all riders or certificates attached thereto or issued in connection therewith, is (are) hereby canceled effective as of the ---------- day of ----------, 19----, 12:01 a.m., standard time at the address of the Principal as stated in said bond(s) provided such date is not less than thirty (30) days after the actual receipt of this notice by the commission.

(Signature of principal or surety)

Insurance company File No. ----------
(Policy No.)

This form determined by the National Association of Railroad and Utilities Commissioners and promulgated by the Interstate Commerce Commission pursuant to the provisions of section 202(b)(2) of the Interstate Commerce Act (49 U.S.C., sec. 302(b)(2)).

PARTS 1030–1039—CARRIERS SUBJECT TO PART I, INTERSTATE COMMERCE ACT

PART 1030—FILING OF CONTRACTS BY COMMON CARRIERS

§ 1030.1 Filing of contracts, agreements, or arrangements with other common carriers.

(a) Common carriers subject to Part I of the Interstate Commerce Act are hereby relieved from the provisions of section 6 (5) of said act requiring the filing with the Commission of copies of all contracts, agreements, and arrangements with other common carriers, except that common carriers subject to Part I of said act shall file with the Commission copies of all such contracts, agreements, and arrangements as shall have been or may hereafter be required to be filed by order, rule or regulation of the Commission, including any requirement contained in any annual or other report form.

(b) The Commission reserves the right to modify this regulation upon appropriate notice, at any time in the future, by enlarging or reducing the specifications contained herein, and this regulation is subject to the further condition that the carrier promptly furnish upon request of the Commission, or any bureau thereof, a copy of any contract, agreement, or arrangement as may be requested by such bureau or Commission.

(Sec. 12, 24 Stat. 383, as amended, sec. 5, 63 Stat. 486; 49 U.S.C. 12, 6)

PART 1031—DIVISIONS OF JOINT RATES APPLICABLE TO RAILWAY FUEL

§ 1031.1 Filing of Statements of divisions of joint rates applicable to railway fuel coal and railway fuel other than coal.

Carriers subject to Part I of the Interstate Commerce Act shall furnish upon request therefor by the Interstate Commerce Commission or any Bureau thereof, copies of division sheets or statements of divisions, including amendments thereto or changes therein, which in any wise affect or determine the division of

joint rates applicable upon shipments of railway fuel coal and railway fuel other than coal, to which said carriers are a party.

(Sec. 12, 24 Stat. 383, as amended; 49 U.S.C. 12)

PART 1032—CONTRACTS FOR PROTECTIVE SERVICE

Sec.
1032.1 Filing of contracts.
1032.2 Content of contracts.

§ 1032.1 Filing of contracts.

(a) Any protective service against heat or cold to property transported or to be transported in interstate or foreign commerce, furnished to or on behalf of any common carrier by railroad or express company subject to Part I of the Interstate Commerce Act, shall be covered by a written contract.

(b) All such railroads and express companies shall file with the Commission, on or before December 1, 1940, five copies (one of which shall be verified) of all currently operative contracts, agreements, or arrangements covering such protective service, and shall inform the Commission in writing, on or before August 1, 1941, which of such contracts or other writings are intended to remain in effect on and after October 1, 1941. Such railroads and express companies shall also file with the Commission, not later than August 1, 1941, five copies (one of which shall be verified) of any and all amendments to the contracts, agreements, or arrangements so filed.

(c) All such railroads and express companies shall file with the Commission five copies (one of which shall be verified) of all new contracts, agreements, or arrangements covering such protective service, and of any and all amendments to contracts, agreements, or arrangements filed pursuant to paragraph (b) of this section.

(Secs. 1, 12, 24 Stat. 379, 383; 49 U.S.C. 1, 12)

§ 1032.2 Content of contracts.

(a) All rail carriers and express companies receiving protective services under any contracts, agreements, or arrangements requiring approval under section 1(14)(b) of the Interstate Commerce Act shall submit for approval, on or before 120 days after the effective date of this section, new or superseding contracts covering protective services performed under contracts now on file with the Commission as well as those performed under the provisions of Division Sheet 7, "Basis of Divisions Applying in Connection with Charges for Protective Services As Published in Perishable Protective Tariff 16 or Successive Issues Thereof", and supplements thereto. The contracts required herein to be filed shall supersede all prior contracts, including Division Sheet 7, and such contracts and those filed thereafter shall conform in substance to the provisions set forth in paragraphs (b), (c), (d), (e), (f), and (g) of this section.

(b) The charge for each protective service shall yield to the person performing such service no less than the cost of performing the service, the cost to be determined as set forth in paragraph (d) (1) and (2) of this section.

(c) The charge for a protective service may include, in addition to cost, a reasonable profit not in excess of 6 percent of the book cost of the property and equipment employed in furnishing the service, less accrued depreciation, plus an allowance for working capital.

(d)(1) The cost shall be based upon the best information available, which shall include expected future increases or decreases in labor, materials, and other expenses, and may be based upon prior operations to the extent that conditions, expenses, and practices are expected to remain the same.

(2) The cost may be that incurred by the person rendering a specific protective service for a specific railroad or express company, or it may be the average cost of rendering a specific service for all railroads and express companies by such person.

(e) In the event the person rendering the protective services shall not recover costs for any item or service rendered, such person shall bill the railroads and express companies receiving those services, on a proportionate basis, for the amount of the loss. In the event the profit for any item or service received by such person exceeds a reasonable amount, the person rendering the service shall refund the excessive amount, on a proportionate basis, to the railroads and express companies involved. These adjustments are to be made as soon as practicable after the end of each calendar year. In determining the need for adjustments, each item or service for which a unit price has been charged shall be independently considered.

(f) No contract shall provide for a charge to a nonproprietary railroad or express company different from that to a proprietary railroad for the same service under substantially similar conditions.

(g) Contracts may be between one or more persons rendering protective services, on the one hand, and, on the other, one or more railroads and express companies, provided the contracts are consistent with the provisions of paragraphs (b), (c), (d), (e), and (f) of this section.

(54 Stat. 901; 49 U.S.C. 1)

PART 1033—CAR SERVICE

NOTE: Service orders issued under this part are published in the FEDERAL REGISTER.

PART 1034—ROUTING OF TRAFFIC

NOTE: Service orders issued under this part are published in the FEDERAL REGISTER.

PART 1035—BILLS OF LADING

Sec.
1035.1 Requirement for certain forms of bills of lading.
1035.2 Appendix D; form of domestic (straight) bill of lading prescribed. [Amended]
1035.3 Appendix F; form of contract to be used for shipments of livestock and wild animals in lieu of uniform bill of lading prescribed.
1035.4 Uniform standard bill of lading and uniform order bill of lading.

AUTHORITY: The provisions of this Part 1035 issued under secs. 1, 12, 24 Stat. 379, as amended; 49 U.S.C. 1, 12.

CROSS REFERENCES: For interstate transportation of livestock, see 9 CFR Parts 71–77, 81. For lading and unlading of vessels, see 19 CFR Part 4. For Maritime Administration regulations concerning the filing of port bill of lading forms, see 46 CFR Part 223.

§ 1035.1 Requirement for certain forms of bills of lading.

All common carriers, except express companies, engaged in the transportation of property by rail or by water subject to the Interstate Commerce Act served with notice of this proceeding and parties thereto, are hereby notified and required to cease and desist on or before August 8, 1919, from using their present bills of lading to the extent that the provisions and regulations contained therein are inconsistent with or different from the provisions and regulations contained in the forms of bills of lading designated as Appendixes B and D.

All common carriers subject to the act heretofore served with notice of this proceeding are hereby notified and required to adopt and put in use on or before August 8, 1919, upon notice to the Commission and to the general public by not less than 30 days' filing and posting in the manner prescribed in section 6 of the Interstate Commerce Act (49 U. S. C. 6), and thereafter to use and employ, uniformly when they issue bills of lading covering shipments, other than livestock, moving in interstate commerce, as required by and defined in section 20 of the act (49 U. S. C. 20), and such forms of bills of lading referred to as Appendixes B and D.

NOTE: Derived from 52 I. C. C. 671, 64 I. C. C. 347, 357; 66 I. C. C. 63; 63 I. C. C. 687; 80 I. C. C. 305; 156 I. C. C. 188; 167 I. C. C. 214; 172 I. C. C. 362; 235 I. C. C. 63; 245 I. C. C. 527.

§ 1035.2 Appendix D; form of domestic (straight) bill of lading prescribed.

(See 49 CFR, 1938 ed., 31.2.)

NOTE: Section 2(b) of the bill-of-lading contract terms and conditions is corrected to indicate a nine-month period within which to file claims with carriers on domestic as well as export traffic as a condition precedent to the recovery for loss, damage, injury, or delay to property while in the possession of carriers in accordance with the Act of April 23, 1930, 46 Stat. 251.

Section 9(d) of the bill-of-lading contract terms and conditions is corrected to indicate that the York-Antwerp Rules of 1924 governing the general average liability for loss of or damage to export traffic as approved in 156 I.C.C. 188 (1929) are substituted for the York-Antwerp Rules of 1890.

NOTE: Derived from 52 I.C.C. 671 (Appendix B); 64 I.C.C. 357, Appendix D; 66 I.C.C. 63, 167 I.C.C. 214; 172 I.C.C. 362; 245 I.C.C. 527, 6 F.R. 2912.

§ 1035.3 Appendix F; form of contract to be used for shipments of livestock and wild animals in lieu of uniform bill of lading prescribed.

(See 49 CFR, 1938 ed., 31.3)

NOTE: Derived from 64 I. C. C. 357; 66 I. C. C. 63; 245 I. C. C. 527, 6 F. R. 2912.

§ 1035.7 Uniform standard bill of lading and uniform order bill of lading.

Publication of the uniform standard bill of lading and uniform order bill of lading in the form presented on June 16, 1943, by the Association of American Railroads is authorized, subject to the conditions (a) that the wording on the face and back of the forms will conform to that now printed in the Consolidated Classification, the only changes being in the arrangement and spacing of the printed matter on the face of the forms, and (b) that the rail carriers shall allow shippers to use up their present supply of bills of lading before requiring such bills to conform to the rearrangement herein authorized.

PARTS 1040–1069—MOTOR CARRIERS—BROKERS—GENERAL

PART 1040—CLASSIFICATION OF BROKERS AND MOTOR CARRIERS

Sec.
1040.1 Types of property-carrier service.
1040.2 Types or groups of commodities.
1040.3 Carriers subject to more than one classification.
1040.4 Exceptions to and changes in classification.
1040.5 Emergencies.

AUTHORITY: The provisions of this Part 1040 issued under 49 Stat. 546, as amended; 49 U.S.C. 304.

§ 1040.1 Types of property-carrier service.

(a) *Regular-route scheduled service (Class A).* A regular-route scheduled-service carrier is any person who or which undertakes to transport property or any class or classes of property in interstate or foreign commerce by motor vehicle for compensation between fixed termini and over a regular route or routes upon established or fixed schedules.

(b) *Regular-route nonscheduled service (Class B).* A regular-route nonscheduled-service carrier is any person who or which undertakes to transport property or any class or classes of property in interstate or foreign commerce by motor vehicle for compensation between fixed termini and over a regular route or routes at intermittent intervals and not upon an established or fixed schedule.

(c) *Irregular-route radial service. (Class C).* An irregular-route radial-service carrier is any person who or which undertakes to transport property or any class or classes of property in interstate or foreign commerce by motor vehicle for compensation over irregular routes from a fixed base point or points to points or places located within such radial area as shall have been fixed and authorized by the Interstate Commerce Commission in a certificate of public convenience and necessity or permit, or from any point located within such radial area to such carrier's fixed base point or points.

(d) *Irregular-route nonradial service (Class D).* An irregular-route nonradial-service carrier is any person who or which undertakes to transport property or any class or classes of property in interstate or foreign commerce by motor vehicle for compensation over irregular routes between points or communities located within such general radial territory as shall have been defined geographically and authorized in a certificate of public convenience and necessity or permit, and any other points of communities located within the same general territory without respect to a hub community or a fixed base point of operation.

(e) *Local-cartage service (Class E).* A local-cartage carrier is any person who or which undertakes to transport property or any class or classes of property by motor vehicle for compensation when such transportation is performed in interstate or foreign commerce wholly within a municipality or between contiguous municipalities or within a zone adjacent to and commercially a part of any such municipality or municipalities.

§ 1040.2 Types or groups of commodities.

(a) *Carriers of general freight (commodity group 1).* This group comprises both common and contract carriers transporting commodities generally, except such commodities as require special equipment or service.

(b) *Carriers of household goods as a commodity (commodity group 2).* Household-goods carriers include carriers, both common and contract, engaged in the transportation of property commonly used in a household when a part of such household equipment or supply; furniture, fixtures, equipment, and the property usual in an office, museum, institution, hospital, or other similar establishment when a part of the stock, equipment, or supply of such office, museum, institution, hospital, or other similar establishment; furniture, fixtures, and equipment of a store; works of art, furniture, musical instruments, display exhibits, and articles requiring the specialized handling and special equipment usually employed in moving household goods.

NOTE: This type of carrier renders a specialized service requiring skilled workmen. Such special service includes removing furniture from the higher stories of large office buildings when freight elevator service is not available, the proper placing of furniture in the home or office upon delivery at destination, the laying of rugs, hanging of pictures, and other services in connection with the removal of furniture or fixtures from one location to another. A household-goods carrier is usually a class C–2 operator, but such a carrier may be a class D–2 operator. When the operation is that of a D–2 operator, it embraces the transportation of household goods to, from, and between unlimited points of origin and unlimited points of destination within the territory served by such carrier, over irregular routes, in either direction, outbound, or back haul, or in cross movements.

(c) *Carriers of heavy machinery (commodity group 3).* This group includes carriers, both common and contract, engaged in the hauling of heavy machinery and equipment, including road machinery, structural steel, oilfield rigs, and oilfield equipment.

NOTE: These commodities are grouped together because of the equipment required and the nature of the service performed. The territorial scope of the service is usually similar to that of the household goods carrier described in paragraph (b). Certain auxiliary or accessorial services are also performed in the transportation of these commodities, such as the dismantling and resetting of machinery, often requiring the use of rigging, skidding, and similar devices. A carrier of this class may find that all of his facilities are employed for a considerable period of time in a locality which is only a part of the territory in which he is authorized to serve. This type of carrier is usually a class D–3 operator. The movement involves and embraces the transportation of heavy machinery and similar equipment to, from, and between unlimited points of origin and unlimited points of destination within the territory served by such carrier, over irregular routes, in either direction, outbound, or back haul, or in cross movements.

(d) *Carriers of liquid petroleum products (commodity group 4).* Carriers of liquid petroleum products include those carriers who transport such petroleum products as gasoline and other liquid motor fuel, road oil, crude oil, fuel oil, kerosene, and like products in tank vehicles or drums. Such vehicles include solo trucks, semitrailers, and full trailers. Carriers of butane, propane, and other derivatives of petroleum are included in this group when such products are transported in tank vehicles. The group also includes carriers of edible oils, coal-tar products, and chemicals, if transported in tank vehicles, but does not include the transportation of milk, fruit juices, or other perishable liquid products which require temperature control.

NOTE: Carriers who fall within this group may be either common or contract carriers. In either case the service usually involves special tank transport equipment.

(e) *Carriers of refrigerated liquid products (commodity group 5).* This group comprises carriers, both common and contract, which specializes in the transportation of refrigerated or temperature-controlled perishable liquid products, such as fruit juices and various beverages in tank vehicles, including solo trucks, semitrailers, or full trailers. Those liquid products such as milk which are classified in other commodity groups are not included in this class.

NOTE: The production area of fruit juices and beverages and the transportation of these products by tank trucks is largely restricted to the territories where they are manufactured. While the shipments originate in a restricted area, the transportation is usually over long distances and requires operation both day and night. The matter of public health is particularly involved in this type of carriage, in view of the nature of the commodity.

(f) *Carriers of refrigerated solid products (commodity group 6).* This group includes that class of carriers, both common and contract, which engages in the transportation of commodities of a perishable nature, including fresh fish, meats and meat products, fruits and vegetables, dairy products, etc., requiring the use of special refrigeration or temperature control. It does not in-

clude refrigerated or temperature-controlled liquid products otherwise classified in this section.

NOTE: Specially designed and constructed refrigerated equipment is usually necessary for this operation. Dry ice is often used. Extra care in handling shipments must be exercised on account of the danger of spoiling. This operation is the same as that of the ordinary general commodity carrier except as to refrigeration requirements.

(g) *Carriers engaged in dump trucking (commodity group 7).* This group includes both common and contract carriers engaged in the operation of dump trucks and similar vehicles used in the transportation of sand, gravel, dirt, debris, coal, and other similar commodities.

NOTE: The operations of this group are usually carried on during the daytime and are local in character. When coal is the commodity transported, the operation is over both main highways and rural roads. The activities of carriers in this group are somewhat seasonal, especially in connection with building or construction projects. The value of the commodity hauled is usually low.

(h) *Carriers of agricultural commodities (commodity group 8).* This group includes carriers engaged exclusively in the transportation of unmanufactured or unprocessed agricultural commodities. It includes carriers of milk, regardless of the type of vehicle used, but does not include carriers engaged in the transportation of fruit juices or other processed agricultural commodities.

NOTE: While both common and contract carriers are included in this group, it is composed principally of irregular-route radial-service common carriers. Most commercial agricultural commodities are also handled as general commodities, especially when hauled in small lots, such as fruits, vegetables, produce, poultry, milk or cream in cans, grains in sacks, etc. In some instances, special vehicle equipment is required for the movement of such commodities as livestock, small grains in bulk, grass feeds, hay, tobacco (not processed), etc. During certain seasons of the year, this type of carrier transports feeder cattle from the primary market to the farm or feeding territory.

(i) *Carriers of motor vehicles (commodity group 9).* This group consists of carriers engaged in the transportation of new and used motor vehicles, including automobiles, trucks, trailers, chassis, bodies, and automotive display vehicles, wholly or partially assembled, in interstate or foreign commerce. In this group are included:

(1) Carriers engaged in the transportation of motor vehicles by truckaway method, involving the use of special equipment such as trucks, tractors, trailers, semitrailers, 4-wheel trailers, tow cars, wrecking-service cars, and various combinations thereof in or upon which such motor vehicles are loaded.

(2) Carriers engaged in the transportation of motor vehicles by driveaway method, involving the utilization of the motive power, in whole or in part, of the vehicles being transported, either in single driveaway or in combinations of two or more vehicles by use of tow-bar mechanism, saddle or bolster mount mechanism, full-mount mechanism, or any combinations thereof.

(3) Carriers engaged in transportation of motor vehicles, within the boundaries of a city or single commercial zone, by either truckaway or driveaway method, where such transportation is a part of and is incidental to an interstate shipment or a movement in interstate or foreign commerce.

NOTE: The transportation of new automobiles, trucks, and trailers is usually a class C–9 movement. The transportation of used automobiles, trucks, and trailers and new or used chassis, bodies, and automotive-display vehicles is usually a class D–9 movement. In either case, the operation may be that of a common or contract carrier. When classified as a class D–9 movement, the scope of the operation is territorial in character and includes the transportation of motor vehicles to, from, and between unlimited points of origin and unlimited points of destination within the territory served by such carrier, over irregular routes, in either direction, outbound, or back haul, or in cross movements.

(j) *Carriers engaged in armored-truck service (commodity group 10).* This group includes motor carriers, either common or contract, which by reason of the commodity transported, i.e., gold, silver, currency, valuable securities, jewels, and other property of very high value, use specially constructed armored trucks and provide police protection to safeguard the commodity while it is being transported and delivered. It also includes carriers which operate ordinary equipment in the carriage of high-value commodities when guards are necessary to accompany the shipment.

NOTE: This is a highly specialized type of service and is usually confined to larger cities and industrial areas. It is used by financial institutions for the transfer of funds, including bullion, currency, valuable securities, and jewels from dock to valut, pay rolls to industries, bank to bank, etc. It is frequently performed under a specific contract, although there are some carriers engaged in the service that hold themselves out as common carriers. Where the service is entirely local, the operation may be regarded as local cartage within a municipality. Where routes or territory beyond a municipal area are served, the operation becomes that of an irregular-route radial carrier.

(k) *Carriers of building materials (commodity group 11).* This group includes both common and contract carriers engaged in the transportation of building materials for compensation, not including sand, gravel, crushed stone, or other building materials ordinarily transported in dump trucks. It includes haulers of lumber, cut stone, slate, tile, brick, cement, plaster in sacks, or other similar materials usually transported on flat-bed vehicles.

NOTE: Usually no special equipment is required, except in the case of the lumber hauler, who uses vehicles equipped with a special unloading device, or that of the concrete hauler which mixes en route. Most of the other building materials can be and are hauled in small lots as general commodities. The movement of these commodities is usually in connection with a construction project, in truckloads, and for comparatively short distances. The transportation of lumber between manufacturing plants and from mill to retail yard is an important service rendered by carriers classed in this group.

(l) *Carriers of films and associated commodities (commodity group 12).* This group, composed of both common and contract carriers, includes those carriers which are engaged in the transportation of motion-picture and sound-reproducing films, recording, reproducing, and amplifying devices, supplies and accessories for the operation of motion-picture theaters or places of exhibition, including the transportation of tickets, advertising matter, displays, and exhibits such as are found in lobbies of motion-picture theaters, and furnishings and supplies necessary in the maintenance and operation of such theaters. This type of operation requires unusual delivery schedules and special personal services.

NOTE: This group of carriers has, in some instances, undertaken the delivery of newspapers, magazines, publications, yeast, coffee, confectionary, and other dated products. If such commodities were actually transported by a carrier in this group in interstate commerce on and since the "grandfather" date, such carrier is entitled to continue to transport such items under the law. The transportation of such commodities, however, as a rule is only incidental to and carried on in conjunction with the transportation of films and accessories. In cases of future authorizations involving a showing of public convenience and necessity, these items should not be regarded as being associated with the carriage of films and under no circumstances should the inclusion of these items in the "grandfather" certificates or permits be construed as authorization to the film carrier to engage in transportation of general freight on the grounds that such general freight is labeled "dated."

(m) *Carriers of forest products (commodity group 13).* This group includes both common and contract carriers engaged principally in the transportation of forest products, i.e., logs, poles, piling, fence posts, shingle bolts, pulpwood, and fuel from the forest to processing points or to market.

NOTE: In those areas where the timber is large, special truck equipment is required for the transportation of logs. Such equipment includes bunks, reaches, 2-wheel and 4-wheel trailers, special braking arrangements, and other incidental special equipment. Similar equipment is also frequently used in the transportation of poles and piling. Ordinary vehicles are used to transport the other items referred to herein. This group does not include carriers who are engaged in the transportation of rough or finished lumber or processed products derived from raw forest products, nor does it include such operations as are grouped under "carriers of building materials."

(n) *Carriers of mine ores, not including coal (commodity group 14).* This group comprises both common and contract carriers engaged principally in the transportation of mining products in the rough, such as iron, copper, or other ores, from the mine to the smelter or from the mine to bunkers located on the routes of connecting carriers. It also includes the transportation of products of smelters to refineries or foundries. It does not include coal or coal products or refined or manufactured products of ores, which are classified herein under other groupings.

(o) *Carriers engaged in retail-store delivery service (commodity group 15).* This group includes carriers who render a specialized delivery service for retail-store establishments. This service is usually confined to municipal areas, and where that is the case, it may be regarded as a city cartage operation. In some instances, however, the service extends beyond municipal areas, and in that case the operation may be classified in accordance with the service rendered.

(p) *Carriers of explosives or dangerous articles (commodity group 16).* Carriers of certain explosive or dangerous articles, except liquid petroleum products as described in paragraph (d), and films as described in paragraph (l), are those carriers which engage in transporting dangerous, less dangerous, or relatively safe explosives, including non-explosive material such as fuses, cartridge cases, dummy cartridges, etc., inflammable oxidizing materials, corrosive liquids, compressed gases, poisonous articles, and other acceptable dangerous articles other than inflammable liquids in tank vehicles.

NOTE: The transportation of the commodities classed in this group involves unusual hazards and requires special precautions in the matter of safety. The carriage is usually render under special agreement but is also rendered by common carriers when the volume of the movement is not sufficient to warrant a contract operation.

(q) *Carriers of specific commodities not subgrouped (miscellaneous-commodity group 17.* Throughout the country there are individual truck operators who engage in the transportation of some specific commodity or commodities which do not fall within any of the commodity subgroups included in this classification.

NOTE: Usually such transportation is carried on in conjunction with a local industry or local situation and is not of sufficient importance nationally to warrant subgrouping. In order to provide, however, for the general classification of such operations, miscellaneous-commodity group 17 has been included. The specific commodity or commodities transported by carriers who may be classified in this group are shown in the carrier's certificate of public convenience and necessity or permit. Commodity group 17 carriers will be the subject of further study and if need therefor is shown, additional commodity groups will be established from time to time from this miscellaneous group to meet the administrative requirements of the Bureau of Operations.

§ 1040.3 Carriers subject to more than one classification.

These classifications and groupings are prescribed for general purposes. The operations of an individual carrier may fall within more than one grouping, in which event they become subject to the rules and regulations of each group in which they fall.

§ 1040.4 Exceptions to and changes in classification.

Any group of carriers, or any carrier member of a group, may, upon proper notice, petition the Commission to alter, amend, or otherwise modify any part of this classification or any grouping prescribed herein. Unless exceptions are specifically granted, the general rules and regulations of the Commission shall govern.

§ 1040.5 Emergencies.

In case of emergencies or unforeseen conditions over which the motor carrier affected has no control, which require immediate and extraordinary treatment, the Commission may, without notice, modify, amend, suspend, or vacate any or all classifications or groupings prescribed in this part and substitute in lieu thereof such classification groupings or regulations as may be necessary during the period of such emergency.

PART 1041—INTERPRETATION—CERTIFICATES AND PERMITS

Subpart A—Motor-Carrier Operation Involving Traversal States

Sec.

1041.1 Interpretation of outstanding certificates and permits.
1041.2 Policy to be observed in the future.
1041.3 Requirements to be met.

Subpart B—Interpretation of Operating Rights

1041.10 Return of containers and other shipping devices.
1041.11 Service to, from, and between points in Alaska.
1041.12 Service to or from points within one airline mile of the highway or highways composing the regular route or routes of a motor common carrier of passengers.
1041.20 Operating authority to serve particular municipality, construction.
1041.21 Operating authority to serve particular municipality, construction.
1041.22 Operating authority to serve unincorporated community, construction.

AUTHORITY: The provisions of this Part 1041 issued under sec. 204, 49 Stat. 546, as amended; 49 U.S.C. 304, unless otherwise noted.

Subpart A—Motor-Carrier Operation Involving Traversal States

§ 1041.1 Interpretation of outstanding certificates and permits.

All certificates and permits heretofore issued to motor carriers authorizing operations over irregular routes which necessitate that the carriers, in performing their authorized services, pass through states other than those in which they are authorized to receive or discharge passengers or freight, are interpreted as follows:

(a) *Where no "traversal states" are named.* Carriers may operate through any state which affords a reasonably direct or logical route between the points authorized to be served.

(b) *Where "traversal states" are named.* Whether all or only a portion of such states are named, the carriers may operate not only through the "traversal states" named but also through any other state or states which afford a reasonably direct or logical route between the points authorized to be served, unless the language clearly and unmistakably shows that "traversal states" were named as a specific restriction or prohibition against operating in any state other than those specified.

§ 1041.2 Policy to be observed in the future.

On and after the effective date of this part "traversal states" will not be named in a certificate or permit except when the record discloses that such should be done as a definite restriction and on a showing of public convenience and necessity, in the case of a common carrier, or consistency with the public interest and the national transportation policy, in the case of a contract carrier; otherwise, operations may be performed as indicated in § 1041.1(a).

§ 1041.3 Requirements to be met.

Before instituting any operations, pursuant to this part, through a state or states not named in its certificate or permit, the carrier shall (a) give notice in writing, accompanied by a copy of its operating authority, to the state regulatory body or bodies of such state or states, (b) designate a process agent for each such state, as required by section 221(c) of the Interstate Commerce Act, and (c) comply with the provisions of Rule VIII of the Commission's insurance regulations regarding the filing of insurance by a company licensed to do business in each such state (§ 1043.8 of this chapter).

Subpart B—Interpretation of Operating Rights

§ 1041.10 Return of containers and other shipping devices.

All certificates and permits issued to motor carriers are interpreted as authorizing the return transportation of empty boxes, crates, cases, barrels, drums, baskets, hampers, cans, bottles, hangers, sacks, cones, spools, skids, pallets, blocks, bracing, and other containers and shipping devices of a nature similar to those described, and of dunnage, from the destination to the origin of a commodity or commodities transported by a motor carrier under a certificate or permit provided the containers or other shipping devices were used in the outbound transportation of the commodity or commodities by the motor carrier.

(Secs. 207, 208, 209, 49 Stat. 551, 552, as amended; 49 U.S.C. 307, 308, 309)

§ 1041.11 Service to, from, and between points in Alaska.

Certificates and permits issued to motor carriers, licenses issued to brokers, and permits issued to freight forwarders, prior to January 3, 1959, authorizing service from a point or area "to points in the United States" are interpreted as authorizing service from the originating point to points in the District of Columbia and the 48 States constituting the United States prior to the admission of Alaska; those authorizing service from "points in the United States" to particular destination points or areas are interpreted as authorizing service from points in the District of Columbia and the 48 States constituting the United States prior to the admission of Alaska to the

specified destination points or areas; those authorizing service "between points in the United States" are interpreted as authorizing service between points in the District of Columbia and the 48 States constituting the United States prior to the admission of Alaska; and those authorizing service at points described in text which depends for its meaning upon the definition of "States" or "United States" are interpreted as authorizing service at only those points which were within the meaning of the text at the time of issuance thereof.

(Secs. 207, 208, 209, 211, 403, 410, 49 Stat. 551, 552, as amended, 554, as amended, 546, as amended, 56 Stat. 285, 291, as amended; 49 U.S.C. 307, 308, 309, 311, 1003, 1010)

§ 1041.12 Service to or from points within one airline mile of the highway or highways composing the regular route or routes of a motor common carrier of passengers.

(a) *Definition and construction.* For the purpose of this section:

(1) The terms "municipality" and "unincorporated area" shall be defined as set forth in § 1048.100 (a) and (b) of this chapter;

(2) An "airline" mile shall be construed to mean a statute mile.

(b) *Regular-route motor carrier of passengers.* A common carrier by motor vehicle holding a certificate, issued by the Interstate Commerce Commission pursuant to the provisions of Part II of the Interstate Commerce Act, authorizing the transportation of passengers between two or more points over a defined route or segment thereof, and authorizing service at all intermediate points thereon, may serve (1) all municipalities situated wholly within one airline mile of the highway or highways composing the carrier's authorized service routes, portions, or segments thereof, (2) all unincorporated areas within one airline mile of the highway or highways composing the carrier's authorized service routes, portions, or segments thereof, and (3) all military establishments, airports, schools, or other similar public or private establishments, not situated in a municipality, which may be entered within one airline mile of the highway or highways composing the carrier's authorized service routes, portions or segments thereof: *Provided, however,* That operation within any part of such establishment more than one airline mile from such designated (authorized) highway is not over a public road.

(c) *Exceptions.* The rule promulgated in paragraph (b) of this section shall not be applicable to the operations of any motor common carrier of passengers (1) within New York, N.Y., (2) within Rockland, Westchester, Orange, or Nassau Counties, N.Y., (3) within Fairfield County, Conn., (4) within Passaic, Bergen, Essex, Hudson, Union, Morris, Somerset, Middlesex, or Monmouth Counties, N.J., and (5) within the commercial zone of Washington, D.C., as defined by the Commission.

(Secs. 207, 208, 49 Stat. 551, 552; 49 U.S.C. 307, 308)

§ 1041.20 Operating authority to serve particular municipality, construction.

A certificate or permit issued by the Commission to any motor carrier of property pursuant to the provisions of Part II of the Interstate Commerce Act or to any freight forwarder under Part IV of the act, authorizing service at a particular municipality, shall be construed as authorizing service at all points or places which are within the commercial zone of that municipality as defined by the Commission and not beyond the territorial limits, if any, fixed in such certificate or permit on the authority granted except that this finding shall not apply in the case of a certificate or permit authorizing service by a motor carrier of property or freight forwarder at any municipality at which the commercial zone exemption provided by section 203(b)(8) of the act has been removed in whole or in part by this Commission.

(49 Stat. 543, as amended, 544, as amended, 546, as amended; 49 U.S.C. 302, 303, 304)

§ 1041.21 Operating authority to serve particular municipality, construction.

A certificate or permit issued by the Commission to any motor carrier of property pursuant to the provisions of Part II of the Interstate Commerce Act or to any freight forwarder under Part IV of the act, authorizing service at a particular municipality, at which the commercial zone exemption, provided by section 203(b)(8) of the act, has heretofore been removed, or is hereafter removed if such removal takes place prior to issuance of said certificate or permit, shall be construed as authorizing service at all places within such municipality and also at all points (not beyond the territorial limits, if any, fixed in such certificate or permit on the authority granted) within the zone within which, and to the same extent to which, local operations may still be conducted under the exemption provided by section 203(b)(8) of the act: *Provided, however,* That this finding shall not apply to certificates or permits authorizing a motor carrier of property to serve any municipality in Los Angeles County, Calif., New York, N.Y., or any municipality in Westchester or Nassau Counties, N.Y., or any municipality in New Jersey any part of which is within 5 miles of New York City.

(49 Stat. 543, as amended, 544, as amended, 546, as amended; 49 U.S.C. 302, 303, 304)

§ 1041.22 Operating authority to serve particular unincorporated community, construction.

A certificate of permit issued to a motor carrier of property pursuant to the provisions of Part II of the Interstate Commerce Act (49 U.S.C. 301 et seq.) or to any freight forwarder under Part IV of the act (49 U.S.C. 1001 et seq.) authorizing service at a particular unincorporated community having a post office of the same name shall be construed as authorizing service at all points which are within the United States and not beyond the territorial limits, if any, fixed in such certificate or permit on the authority granted, as follows: (a) All points within 2½ miles of the post office in such unincorporated community if it has a population of less than 2,500, within 4 miles if it has a population of 2,500 but less than 25,000; and within 5½ miles if it has a population of 25,000 or more, (b) at all points in any municipality any part of which is within the limits described in (a) of this section and (c) at points in any municipality wholly surrounded, or so surrounded except for a water boundary by any municipality included under the terms of paragraph (b) of this section.

(49 Stat. 543, as amended, 544, as amended, 546, as amended; 49 U.S.C. 302, 303, 304)

NOTE: In the application of §§ 1041.20 to 1041.22, inclusive, distances and population data shall be determined in the same manner as provided in § 1048.102 of this chapter. See also definitions in § 1048.100 of this chapter.

PART 1042—DEVIATIONS FROM REGULAR ROUTES AND GATEWAYS

Sec.

1042.1 Deviations by motor carriers subject to the Interstate Commerce Act from authorized regular routes, or required gateways, and in other instances.

1042.2 Prior filings.

AUTHORITY: The provisions of this Part 1042 issued under 49 Stat. 546, as amended, 552, as amended; 49 U.S.C. 304, 308, 309.

§ 1042.1 Deviations by motor carriers subject to the Interstate Commerce Act from authorized regular routes, or required gateways, and in other instances.

(a) *Applicability of rules.* Subject to all other rules and regulations of the Commission applicable to specific situations or operations, and the hazardous materials regulations of the Department of Transportation none of which other rules or regulations is superseded by this part, the rules and regulations in this part are hereby found to be just and reasonable and adopted and made applicable so far as pertinent to the operations within the United States under authority of certificates and permits issued by this Commission, of all motor carriers, except motor carriers of passengers when operating in New York City, N.Y., Rockland, Westchester, and Nassau Counties, N.Y., Fairfield County, Conn., and Passaic, Bergen, Essex, Hudson, Union, Somerset, Middlesex and Monmouth Counties, N.J.

(b) *Definitions.* As used in this part, the following words and terms shall be construed to have meanings as follows:

(1) *Designated highway.* A highway identified for record purposes by a number, letter, or name such as a turnpike, thruway, expressway, freeway, or as an "unnumbered county or state road", or in some other like manner.

(2) *Redesignated highway.* A highway to which there has been assigned a new designation, either number, letter, name, or other identifying reference, in lieu of a designation previously assigned thereto.

(3) *Relocated highway.* A highway which has been constructed in a new location in lieu of an existing highway or a segment or segments thereof, and which is intended to replace such existing highway or a segment or segments thereof for public use.

(4) *Regular service route.* A designated highway or series of highways over which a regular-route motor carrier is specifically authorized to operate with provision in the carrier's certificate or permit for service at terminal, intermediate, or off-route points as specified therein, as distinguished from an alternate route as defined in subparagraph (5) of this paragraph. Such regular service route may be described as a single route in a carrier's authority or as two or more routes which are combined by joinder at a common service point or points.

(5) *Alternate route.* A designated highway or series of highways lying wholly within the United States over which a regular-route motor carrier may operate in the interest of economy or convenience or to avoid congested areas, dangerous grades, sharp curves, or other hazards on an authorized regular service route, deviating from a point on such authorized regular service route and returning at some other point on the same regular service route.

(6) *By-pass route.* A route designated by proper authority for the general purpose of avoiding traffic congestion in a heavily populated area or areas.

(7) *Detour route.* The highway or highways designated by proper authority for public use while the highway or highways normally used between specified points is, or are, temporarily closed or restricted, as by reduced weight limits, or for repairs or construction, or for any other reason.

(8) *Deviation route.* Any of the facilities used by a motor carrier used under authority of this part.

(9) *Point of deviation.* The point where a motor carrier using, or proposing to use, an alternate route, as defined in subparagraph (5) of this paragraph or any other deviation route, under authority of this part, departs from, or proposes to depart from, its specifically authorized service territory or regular service route.

(10) *Point of return.* The point where a carrier using, or proposing to use, an alternate route, as defined in subparagraph (5) of this paragraph or any other deviation route, under authority of this part returns to, or proposes to return to, its specifically authorized service territory or regular service route.

(11) *Deadheading empty vehicles.* The movement of empty vehicles incidental to either prior or subsequent transportation in interstate or foreign commerce subject to the Interstate Commerce Act.

(12) *Service point.* A point authorized to be served by a carrier as distinguished from one through which such carrier may operate but without performing any service.

(c) *Authority for deviations by motor carriers from operating authorities in described circumstances.* Subject to the special rules, requirements, and conditions governing particular situations hereinafter stated, and subject also, when reference is made thereto, to the general conditions and requirements set forth in paragraph (d) of this section, motor carriers holding operating authority from this Commission except certain motor carriers of passengers as provided in paragraph (a) of this section, are hereby authorized, in the circumstances hereinafter described, to deviate from their specifically authorized regular service routes, to avoid operations through specific points or gateways, and otherwise to depart from their specific authority, in the circumstances and to the extent hereinafter stated without obtaining other prior specific authority therefor:

(1) *Redesignated highways.* Where a carrier is authorized to operate over a specified highway and thereafter that highway or a segment thereof without relocation is redesignated, the carrier in order to facilitate appropriate corrections in its certificate or permit and changes in the records of the Commission, shall so advise the Commission, by letter, giving sufficient information regarding the old and the new designation, the points between which the highway designation has been changed, and the place or places where such highway is referred to in the carrier's authority. The new designation of the highway will be shown in the carrier's certificate or permit when the Commission has occasion to reissue it.

(2) *Relocated highway and abandonment of old highway.* Where a carrier is authorized to operate over a specified highway and thereafter that highway or a segment or segments thereof are relocated, and where the old highway or any segment thereof is no longer maintained for use by the general public, the carrier may operate over such relocated highway or relocated segment or segments under its authority without notice to the Commission of such change, and in so doing may serve as intermediate or off-route points, on, or from, the new highway those points previously authorized to be served as intermediate or off-route points on or from the old highway, provided there is no other change in the service previously rendered in connection with operations over the old highway.

(3) *Relocated highway and maintenance of old highway under new designation.* (i) Where a carrier is authorized to operate over, and to serve points on, a specified highway and thereafter that highway or a segment or segments thereof are relocated but the old highway is maintained for use by the general public under a new designation, the carrier shall not without first obtaining specific authority from the Commission, transfer its operations to the relocated highway or relocated segments thereof but must continue to operate over the old highway and advise the Commission of the change in the designation thereof furnishing the same information as required in connection with subparagraph (1) of this paragraph. The new designation of the highway will be shown in the carrier's certificate or permit when the Commission has occasion to reissue it.

(ii) Where a carrier is authorized to operate over a specified highway but is not authorized to serve any point on such highway and thereafter such highway or a segment or segments thereof are relocated, but the old highway is maintained for use by the public under a new designation, the carrier may, if it so desires, use as its operating route only the new or relocated highway, provided it promptly advises the Commission of such change giving descriptions of the old and the new highways between the points involved and the other information required by subparagraph (1) of this paragraph.

(4) *Highways and streets within commercial zones.* When, pursuant to §§ 1041.20 to 1041.22 and Part 1049 of this chapter, a motor carrier of property has the right to serve all points in the commercial zone of a municipality, or all points in a defined territory adjacent to an unincorporated community, by virtue of its holding of authority to serve the municipality or the unincorporated community, the carrier in serving places within such municipality or its commercial zone or within the unincorporated community or authorized territory adjacent thereto may use any highway or street located therein, without notice to the Commission.

(5) *Bypass routes.* Where a bypass route has been designated to be used for the purpose of avoiding a congested area or areas, a carrier having an authorized regular route, either service route or alternate route, through such area or areas, which desires to use such bypass route as an alternate route may do so regardless of the ratio of the distance over such bypass route to the distance over the carrier's regular service route between the point of deviation and the point of return (compare subparagraph (8)(ii) of this paragraph) but subject to the general conditions and requirements set forth in paragraph (d) of this section.

(6) *Bridges, tunnels, and ferries.* Where a new bridge or tunnel has been constructed to replace an old bridge or a ferry, to avoid circuity, or to eliminate a hazardous curve or grade, a regular-route carrier having authority to use the old facility and desiring to use in lieu thereof such new bridge or tunnel and the approaches thereto, may do so, subject to the Safety Regulations of the Department of Transportation and subject also to the general conditions and requirements set forth in paragraph (d) of this section.

(7) *Detour routes.* When a federal, state, county, or other government official, in the exercise of his powers, temporarily prohibits the use by a regular-route carrier of an authorized service route or a segment or segments thereof, or when operations by a regular-route

carrier over an authorized service route or a segment or segments thereof are temporarily obstructed or rendered unsafe by any cause over which a carrier has no control, or when a highway or a segment thereof which comprises all or any portion of a carrier's authorized regular service route is by appropriate authority made subject to weight or other restrictions which temporarily prevent the operation of the equipment regularly and normally used by the carrier over that route, and when, because of any one or more of the foregoing, a detour route has been officially designated by proper authority for public use in lieu of the closed, obstructed, unsafe, or restricted highway, the carrier may use such officially designated detour route in lieu of the temporarily closed, obstructed, unsafe, or restricted highway, provided (i) that no service is rendered at any point the carrier is not specifically authorized to serve, (ii) that, so far as suitable detour routes are available, the carrier continues to furnish reasonably and adequate service at all points it is authorized to serve, and (iii) that, if use of the detour route will continue for more than 30 days and if the distance over the detour route is less than 90 percent of the distance over the authorized service route, a statement shall be obtained from the governmental authority exercising control over the highways involved and filed by the carrier with the Commission together with a notice in writing of its intent to use such detour route under authority of this subparagraph, which notice shall show (*a*) the nature of the condition which prevents operation over the authorized route, (*b*) the period of time it is anticipated that the service route will not be usable and (*c*) proper identification of the official detour route. Where a detour route is used under the provisions of this subparagraph, the carrier shall discontinue operations over such route and resume operations over its authorized service route immediately upon removal of the condition which necessitated use of the detour route.

(8) *Alternate routes for operating convenience only.* Where a regular route motor carrier is authorized to operate over a regular service route and there is wholly within the United States another highway which extends in the same general direction as such regular service route and affords a reasonably direct and practicable route between any two points on such regular service route, it may, subject to the general conditions and requirements set forth in paragraph (d) of this section, use such other highway as an alternate route for operating convenience only with no service at any intermediate point thereon, and with no service at the termini except as otherwise authorized, in the manner and to the extent, as follows:

(i) Superhighways as alternate routes: Where a regular route motor carrier is authorized to operate over a regular service route and there is extending in the same general direction as such service route, and wholly within the United States, a so-called superhighway, turnpike, thruway, freeway, or expressway, which is substantially the same in purpose, design, and construction as such highways as the Pennsylvania Turnpike, the New Jersey Turnpike, the Turner (Oklahoma) Turnpike, the West Virginia Turnpike, and the New York Thruway, such superhighway, turnpike, thruway, freeway, or expressway and such additional highways as it may be necessary to use in traveling by the shortest practicable route between the carrier's authorized regular service route and the superhighway, turnpike, thruway, freeway, or expressway may be used as an alternate route between two points on the carrier's regular service route regardless of the ratio of the distance over such alternate route between the point of deviation and the point of return to the distance over the carrier's regular service route between the same points, and regardless of whether or not such alternate route crosses or intersects or passes over or under, any other specifically authorized service or alternate route of the carrier at any place intermediate to the points of deviation and return: *Provided,* That use of the alternate route will not materially change the competitive situation between such carrier and any other.

(ii) Highways other than superhighways: Where a regular route motor carrier is authorized to operate over a regular service route and there is extending in the same general direction as such service route and wholly within the United States another highway which is not a so-called superhighway, turnpike, thruway, freeway, or expressway, the carrier may use such other highway as an alternate route for operating convenience only provided (*a*) that the distance over such alternate route between the points of deviation and return is not less than 90 percent of the distance over the authorized regular service route between the same points and (*b*) that such alternate route does not duplicate, or involve operations over, any part of any authorized service route described in the carrier's certificate or permit and does not cross or otherwise intersect any authorized service route of the carrier or pass through any authorized off-route point or any part of the commercial zone of any authorized point either off-route or other, except at the points of deviation and return.

(iii) For the purpose of this subparagraph:

(*a*) The crossing of another route by overpass or underpass shall be deemed to be a crossing or an intersection except in those instances where a transfer of a vehicle from one highway to the other at the point of such underpass or overpass is physically impossible because of the absence of any connecting access roads.

(*b*) The prohibition against the inclusion in any alternate route used under this subparagraph of any part of any authorized service route of the carrier shall not be deemed to prohibit the inclusion in an alternate route used under this subparagraph of a segment of a specifically authorized alternate route provided the distance over the alternate route used under this subparagraph is computed from point of deviation from a service route to the point of return to the same service route including the embraced segment of the specifically authorized alternate route.

(*c*) The prohibition against the crossing by any alternate route used under this subparagraph of any authorized service route shall not be deemed to prohibit the crossing of a specifically authorized alternate route.

(9) *Deadheading empty vehicles.* A motor carrier may deadhead empty vehicles over any highway use of which is necessary or desirable to accomplish a reasonably direct and practicable movement thereof between any two points incidental to either prior or subsequent transportation in interstate or foreign commerce subject to the Interstate Commerce Act.

(10) *Deviation from regular service route in the transportation of U.S. Mail.* Subject to the general conditions and requirements set forth in paragraph (d) of this section, common and contract carriers of property holding authority to operate over regular routes may, without obtaining prior authority therefor, deviate from their authorized service routes for the purpose of delivering or picking up U.S. Mail, under contract with the Post Office Department, at points within 10 airline miles of such authorized service routes and in the course of such deviation, may transport authorized commodities in the same vehicle with mail, provided that no commodity other than mail may be picked up, delivered, or interchanged with another carrier, at any point not specifically authorized.

(11) *Deviations by motor carriers of explosives and other dangerous articles.* Subject to the general conditions and requirements set forth in paragraph (d) of this section:

(i) A regular-route motor carrier of explosives or other dangerous articles in order to avoid streetcar tracks, tunnels, viaducts, dangerous crossings, or places where persons are assembled, may use any practicable route lying wholly within the United States provided that the distance over the route used between the point of deviation and the point of return is not less than 90 percent of the distance over the service route between the same points, or if it is less than 90 percent provided the deviation route used is at all points within 10 miles of the authorized place which is bypassed.

(ii) Common carriers of explosives and other dangerous articles operating over either regular and irregular routes, or both, may in the interest of safety interchange shipments or equipment or combine routes or operating rights at any place within ten miles of any point where interchange or joinder is permissible under the existing authorities of the carrier or carriers involved.

(12) *Service at military installations.* (i) If there exists an entrance or gate to a military installation which is within the limits of the authority held by a motor carrier and the carrier with the consent and approval of the officer in charge is openly, lawfully, and regularly

(as distinguished from surreptitiously, sporadically, or infrequently) using such entrance or gate in the rendition to or from the installation of (a) a general transportation service or (b) a specialized or limited service, and if such entrance or gate is by appropriate authority closed, or restricted against particular traffic, or if for some other reason beyond its control, the carrier is unable to continue to use that entrance or gate for the same purpose as in the immediate past, it may, subject to the general conditions and requirements set forth in paragraph (d) of this section, use other entrances or gates in continuing to serve the installation in the same manner and in the rendition of the same type of service as was theretofore performed through the closed or restricted entrance or gate: *Provided,* That in so doing the carrier does not travel more than 20 highway miles over public highways outside the scope of its authority.

(ii) This subparagraph shall not be construed by any carrier as authority for the rendition, through an entrance or gate which is located outside the limits of its authority, of any service which was in fact discontinued prior to the closing or restriction of the authorized gate or entrance, or any service essentially different from that rendered through the gate or entrance located within the limits of its authority immediately prior to the closing or restriction thereof.

(d) *General conditions and requirements.* Where reference is made thereto in paragraph (c) of this section governing particular situations the following general conditions and requirements shall be applicable and shall be complied with as a condition to the grant of authority herein for the particular deviation:

(1) Any proposed deviation under this part except one over an alternate route under paragraph (c) (8) of this section, may be instituted by a carrier without prior notice to the Commission.

(2) If a deviation proposed under this part, other than one under paragraph (c) (8) of this section, is to continue for not more than 30 days no notice to the Commission concerning it is required.

(3) If any deviation, other than one over an alternate route under paragraph (c) (8) of this section, is to continue for more than 30 days the carrier shall, not later than one day after the deviation operations are begun, give notice thereof to the Commission and others in the manner provided in subparagraph (5) of this paragraph giving the information therein required.

(4) When an alternate-route deviation under paragraph (c) (8) of this section is proposed the carrier shall give prior notice thereof to the Commission and to others in the manner provided in subparagraph (5) of this paragraph. A summary of such notice will be prepared by the Commission and published in the FEDERAL REGISTER and operation over such deviation route shall not under any circumstances be commenced until the elapse of 30 days after the date of such publication and if a protest against any such proposed deviation is filed within such 30-day period the proposed deviation shall not be commenced until the Commission has considered and overruled the protest and found that the proposed deviation meets the requirements of, and is permissible, under this part.

(5) If notice of a deviation proposed under this part is required by either subparagraph (3) or (4) of this paragraph, it shall in the case of an irregular-route operation specify the point or points involved, describe the nature of the deviation, and give such other information as may be necessary to establish that the deviation is in fact authorized by this part, and in the case of a regular-route operation it shall contain:

(i) A complete description by highway designations of the carrier's authorized service route between the point of deviation and the point of return, including authorized off-route points;

(ii) A complete description by highway designations of its proposed deviation route between the point of deviation and the point of return;

(iii) A complete description by highway designations of all segments of other specifically authorized service and alternate routes, including authorized off-route points, of the carrier adjacent either to the authorized service route from which deviation is to be made or to the proposed deviation route; and

(iv) Where the deviation is subject to a comparative distance limitation, the distance (actual mileage) over any proposed deviation route and also over the authorized regular service route between the points of deviation and return shall be stated. Such distances shall be computed not from municipal or commercial zone limits but from actual junction points of the carrier's specifically authorized service route and the proposed deviation route, whether such junction points be within or without city limits, and shall include that portion of any specifically authorized alternate route which is embraced in any proposed alternate deviation route.

(6) The notice described in subparagrap (5) of this paragraph shall be accompanied by a map on which there shall be shown so much as may be practicable of the information required by that subparagraph and in the case of an alternate-route deviation under paragraph (c) (8) (i) or (ii) of this section, such map must clearly show in different colors the routes involved and authorized off-route points, including in each instance the official highway designations of the authorized regular service route from which deviation is proposed and other service routes of the carrier, if any, in the area, also the highway designations of the proposed deviation route and other specifically authorized alternate routes, if any, in the area, and the distances (actual mileage) between the points of deviation and return (the actual junctions) over the regular service route from which deviation is proposed and over the deviation route.

(7) The notice of an alternate-route deviation required by subparagraph (4) of this paragraph shall also contain a statement to the effect that the carrier filing it will continue to furnish reasonable and adequate service from and to all authorized points on its regular service route; that it will not serve any intermediate point or points on such deviation route; and that deviation from its authorized regular service route as proposed will not enable it to render a materially different service than that rendered over its regular service route or enable it to engage in transportation between any points betwen which operation is not practicable over its regular service route because of the circuity or otherwise.

(8) The notice of any deviation required by subparagraph (3) or (4) of this paragraph shall also contain a statement indicating that a copy thereof, accompanied by a copy of the map required by subparagraph (5) of this paragraph, has been served by mail or in person on the following, listed by names and addresses in each instance:

(i) All carriers which, after diligent inquiry, have been found to be competitive with the carrier's proposed operation over the deviation route.

(ii) The State board or official which has jurisdiction over motor carrier regulation in each State in or through which the proposed operations over the deviation route will be conducted.

(iii) The Regional Director or Directors of the Interstate Commerce Commission for the region in which the carrier is domiciled and for each district in or through which the proposed operations over the deviation route will be conducted.

(9) Failure to give notice or defective notice: Where a notice of a deviation or proposed deviation is required by subparagraph (3) or (4) of this paragraph and such notice is not timely filed and served on competing carriers and others as required by subparagraph (8) of this paragraph, any deviation operation begun prior to the actual filing and service of notice is unauthorized and where a notice, though filed, is defective for want of required information or insufficient service on competing carriers, or for any other reason, it shall be subject to rejection and if rejected any deviation operation covered thereby which has been begun shall immediately be discontinued and shall not be resumed until a sufficient notice has been filed, and served on interested parties as required by subparagraph (8) of this paragraph, and the carrier has been notified by the Commission that the operation may be resumed.

(10) The right to operate over a deviation route which is subject to the general conditions and requirements set forth in this paragraph shall continue only so long as the carrier is performing, when required by this part, reasonable and adequate service over specifically authorized routes, and only so long as the conditions set forth in this part are observed.

(e) *Protests and replies thereto.* Any person who considers that he is or will be adversely affected by a deviation

described or proposed in any notice filed under paragraph (d) of this section, may file at any time a protest against such deviation. Such protest may be in the form of letter but shall contain a recital of facts and information showing protestant's interest and supporting his opinion that the facts and circumstances upon which the right to deviate depends are nonexistent, or have been incorrectly described, or that the carrier filing the deviation notice has not met the applicable conditions and requirements, and shall show that a copy thereof has been furnished to the carrier filing the notice. If such a protest is filed, the carrier which has filed the deviation notice may reply thereto within 20 days, after which the Commission will give due consideration to all facts of record or otherwise available to it in the particular case, including the notice and protest, and will make a determination in accordance therewith.

(f) *Commission may forbid deviation.* The Commission may forbid the commencement of operations over any deviation route under this part, or require discontinuance of any such operations already commenced, whenever in its opinion such deviation results in inadequate service over specifically authorized routes, or is unreasonable, undesirable, or otherwise repugnant to the public interest, or is not in harmony with the general purpose and intent of the rules and regulations established by this part.

§ 1042.2 Prior filings.

Motor carriers lawfully utilizing any deviation route or facility or facilities referred to herein pursuant to a prior notice heretofore filed in accordance with the provisions of any prior order heretofore entered under this part shall not be required to file any further notice with the Commission concerning the use of such route, facility, or facilities.

PART 1043—SURETY BONDS AND POLICIES OF INSURANCE

Sec.

1043.1 Surety bond, certificate of insurance, or other securities.
1043.2 Insurance, minimum amounts.
1043.3 Combination vehicles.
1043.4 Brokers.
1043.5 Qualifications.
1043.6 Bonds and certificates of insurance.
1043.7 Forms and procedure.
1043.8 Insurance and surety companies; authorized.
1043.9 Refusal to accept, or revocation by Commission of surety bond, etc.
1043.10 Fiduciaries.
1043.11 Operations in foreign commerce.

AUTHORITY: The provisions of this Part 1043 issued under 49 Stat. 546, as amended, 554, as amended, 557; 49 U.S.C. 304, 311, 315.

CROSS REFERENCE: Prescribed forms relating to this part are listed in Part 1003 of this chapter.

§ 1043.1 Surety bond, certificate of insurance, or other securities.

(a) *Property damage; public liability.* Except as provided in paragraph (c) of this section, no common or contract carrier subject to Part II of the Interstate Commerce Act shall engage in interstate or foreign commerce, and no certificate or permit shall be issued to such a carrier or remain in force unless and until there shall have been filed with and accepted by the Commission a surety bond, certificate of insurance, proof of qualifications as a self-insurer, or other securities or agreements, in the amounts prescribed in § 1043.2, conditioned to pay any final judgment recovered against such motor carrier for bodily injuries to or the death of any person resulting from the negligent operation, maintenance or use of motor vehicles in transportation subject to Part II, Interstate Commerce Act, or for loss of or damage to property of others.

(b) *Common carriers, cargo insurance; exempt commodities.* Except as provided in paragraph (c) of this section, no common carrier by motor vehicle subject to Part II of the Interstate Commerce Act shall engage in interstate or foreign commerce, nor shall any certificate be issued to such a carrier or remain in force unless and until there shall have been filed with and accepted by the Commission a surety bond, certificate of insurance, proof of qualifications as a self-insurer, or other securities or agreements in the amounts prescribed in § 1043.2, conditioned upon such carrier making compensation to shippers or consignees for all property belonging to shippers or consignees and coming into the possession of such carrier in connection with its transportation service: *Provided,* That the requirements of this paragraph shall not apply in connection with the transportation of the following commodities:

Ashes, wood or coal.
Bituminous concrete (also known as blacktop or amosite), including mixtures of asphalt paving.
Cement, dry, in containers or in bulk.
Cement building blocks.
Cinders, coal.
Coal.
Coke.
Commercial fertilizer.
Corn cobs.
Cottonseed hulls.
Fish scrap.
Forest products, viz: Logs, billets, or bolts, native wood, Canadian wood or Mexican pine; pulpwood, fuelwood, wood kindling; and wood sawdust or shavings (shingle tow) other than jewelers' or parafined.
Garbage.
Gravel, other than bird gravel.
Ice.
Iron ore.
Lime and limestone.
Lumber.
Manure.
Meat scraps.
Ores in bulk, including ore concentrates.
Peat moss.
Poles and piling, other than totem poles.
Salt, in bulk or in bags.
Sand, other than asbestos, bird, iron, monazite, processed, or tobacco sand.
Scrap iron.
Scrap steel.
Shells, clam, mussel, or oyster.
Slag, other than slag with commercial value for the further extraction of metals.
Slate, crushed or scrap.
Soil, earth, or marl, other than infusorial, diatomaceous, tripoli, or inoculated soil or earth.
Stone, ungiazed and unmanufactured, including ground agricultural limestone.
Sugar beet pulp.
Sugar beets.
Water, other than mineral or prepared water.
Wrecked or disabled motor vehicles.
Other materials or commodities, of low value, upon specific application to and approval by the Commission.

(c) *Carriers partially exempt; leased rights.* The requirements of paragraphs (a) and (b) of this section shall not apply to motor carrier operations partially exempt from regulation by sections 202(c) and 203(b) (49 U.S.C. 302 (c) and 303(b)), or to motor carriers which have, with the approval of the Commission, leased their entire operating rights to others, but only so long as the lessee of such rights, with the approval of the Commission, continues such operations. Lessors may not resume operations unless and until full compliance is effected.

(d) *Continuing compliance required.* Such security as is accepted by the Commission in accordance with the requirements of sections 211(c) and 215 of Part II, Interstate Commerce Act, shall remain in effect at all times.

§ 1043.2 Insurance, minimum amounts.

The minimum amounts referred to in § 1043.1 are hereby prescribed as follows:

(a) *Motor carriers: bodily injury liability, property damage liability.*

(1) Kind of equipment	(2) Limit for bodily injuries to or death of one person	(3) Limit for bodily injuries to or death of all persons injured or killed in any one accident (subject to a maximum of $25,000 for bodily injuries to or death of one person)	(4) Limit for loss or damage in any one accident to property of others (excluding cargo)
Passenger equipment (seating capacity):			
7 passengers or less	$25,000	$100,000	$10,000
8 to 12 passengers, inclusive	25,000	150,000	10,000
13 to 20 passengers, inclusive	25,000	200,000	10,000
21 to 30 passengers, inclusive	25,000	250,000	10,000
31 passengers or more	25,000	300,000	
Freight equipment:			
All motor vehicles used in the transportation of property	25,000	100,000	10,000

(b) *Motor common carrier; cargo liability.* Security required to compensate shippers or consignees for loss of or damage to property belonging to shippers or consignees and coming into the possession of motor common carriers in connection with their transportation service, (1) for loss of or damage to property carried on any one motor vehicle—$1,000; (2) for loss of or damage to or aggregate of losses or damages of or to property occurring at any one time and place—$2,000.

§ 1043.3 Combination vehicles.

The following combinations will be regarded as one motor vehicle for purposes of this part, (a) a tractor and trailer or semitrailer when the tractor is engaged solely in drawing the trailer or semitrailer, and (b) a truck and trailer when both together bear a single load.

§ 1043.4 Brokers.

No person, firm or corporation shall engage in the business of a broker as defined in Part II, Interstate Commerce Act, and no brokerage license shall be issued to any such person, firm or corporation nor remain in force unless and until such person, firm or corporation shall have furnished a bond or other security approved by the Commission, in an amount of not less than $5,000, and in such form as will insure the financial responsibility of such broker and the supplying of authorized transportation in accordance with the contracts, agreements, or arrangements therefor.

§ 1043.5 Qualifications.

(a) *As a self-insurer.* The Commission will give consideration to and will approve the application of a motor carrier to qualify as a self-insurer if such carrier furnishes a true and accurate statement of its financial condition and other evidence which will establish to the satisfaction of the Commission the ability of such motor carrier to satisfy its obligations for bodily injury liability, property damage liability, or cargo liability without affecting the stability or permanency of the business of such motor carrier.

(b) *Other securities or agreements.* The Commission will also consider applications for approval of other securities or agreements and will approve any such applications if satisfied that the security or agreement offered will afford the security for the protection of the public contemplated by sections 211(c) and 215 of Part II, Interstate Commerce Act.

§ 1043.6 Bonds and certificates of insurance.

Each certificate of insurance or surety bond filed with the Commission must be for the full limits of liability required under these sections: *Provided,* That only corporations or companies approved by the Commission may qualify to act as surety.

§ 1043.7 Forms and procedure.

(a) *Forms of endoresments, cancellation notices, etc.* Endorsements for policies of insurance, and surety bonds, certificates of insurance, applications to qualify as a self-insurer, or for approval of other securities or agreements, and notices of cancellation must be in the form prescribed and approved by the Commission. Surety bonds and certificates of insurance shall specify that coverage thereunder will remain in effect continuously until terminated as herein provided, except that in special or unusual circumstances special permission may be obtained for filing certificates of insurance or surety bonds covering periods of less than twelve months duration.

(b) *Filing of certificates of insurance and cancellation notices, etc.* Certificates of insurance, surety bonds, and notices of cancellation must be filed with the Commission in triplicate.

(c) *Name of insured.* Certificates of insurance and surety bonds shall be issued in the full and correct name of the individual, partnership, corporation or other person to whom the certificate, permit, or license is, or is to be, issued. In the case of a partnership all partners shall be named.

(d) *Cancellation notice.* Except as provided in paragraph (e) of this section, surety bonds, certificates of insurance and other securities or agreements shall not be cancelled or withdrawn until after thirty (30) days' notice in writing by the insurance company, surety or sureties, motor carrier, broker or other party thereto, as the case may be, has first been given to the Commission at its office in Washington, D.C., which period of thirty (30) days shall commence to run from the date such notice is actually received at the office of the Commission.

(e) *Termination by replacement.* Certificates of insurance or surety bonds which have been accepted by the Commission under the rules in this part may be replaced by other certificates of insurance, surety bonds or other security, and the liability of the retiring insurer or surety under such certificates of insurance or surety bonds shall be considered as having terminated as of the effective date of the replacement certificate of insurance, surety bond or other security: *Provided,* The said replacement certificate, bond or other security meets all of the following conditions:

(1) It must be acceptable to the Commission under the rules and regulations in this part;

(2) It must be accompanied by a letter of authorization, in duplicate, signed by the motor carrier involved or an authorized employee of such motor carrier, authorizing such replacement and verifying the effective date thereof; and

(3) Its effective date must coincide with the effective date specified in the letter of authorization and the said date may not be more than thirty days prior to the date of receipt by the Commission of the letter of authorization and replacement certificate.

§ 1043.8 Insurance and surety companies; authorized.

(a) *State authority and designation of agent.* No certificate of insurance or surety bond will be accepted by the Commission under these sections unless written or issued by an insurance or surety company legally authorized to issue policies of the type indicated by such certificate or surety bond, as the case may be, in each State in which the motor carrier is authorized to operate under Part II of the Interstate Commerce Act and such company fully complies with paragraph (b) of this section: *Provided, however,* That in lieu of the licensing requirement with respect to any State except that in which the motor carrier has its principal place of business or domicile, the company will file with the Commission an agreement stating that with respect to any State requested it will furnish the Commission a designation in writing of the name and address of a person upon whom process issued by or under the authority of any court having jurisdiction of the subject matter may be served in any proceeding at law or equity brought in such State against such company. Such agreement shall be effective so long as the company is authorized to file security with the Commission, and thereafter with respect to any claims arising during the effectiveness of any previously filed certificates or surety bonds.

(b) *Financial resources.* Each insurance and surety company must possess and maintain surplus funds (policyholders' surplus) of not less than $1 million, which minimum will be determined on the basis of the values of assets and liabilities as shown in its financial statements filed with and approved by the insurance department or other insurance regulatory authority of the State of domicile (home State) of such company, except in instances where, in the judgment of the Commission, additional evidence with respect to such values is considered necessary: *Provided, however,* That this paragraph shall be effective December 31, 1970, as respects insurance and surety companies which are, on December 31, 1967, authorized to file certificates of insurance and surety bonds with the Commission.

§ 1043.9 Refusal to accept, or revocation by Commission of surety bond, etc.

The Commission may, at time refuse to accept or may revoke its acceptance of any surety bond, certificate of insurance, qualifications as a self-insurer, or other securities or agreements if, in its judgment such security does not comply with these sections or for any reason fails to provide satisfactory or adequate protection for the public. Revocation of acceptance of any certificate of insurance, surety bond or other security shall not relieve the motor carrier from compliance with § 1043.1(d).

§ 1043.10 Fiduciaries.

(a) *Insured and principal defined.* The terms "insured" and "principal" as used in certificates of insurance, surety bonds and notices of cancellation filed by or in behalf of motor carriers under these sections shall be construed to include not only the motor carrier named in the certificate, surety bond or

notice of cancellation, but also the fiduciary of such motor carrier as defined in § 1132.3 of this chapter—Transfers of Operating Rights. The coverage of fiduciaries herein provided for shall attach at the moment of succession of such fiduciaries.

(b) *Insurance coverage in behalf of fiduciaries to apply concurrently.* The coverage furnished under the provisions of this section on behalf of fiduciaries shall not apply subsequent to the effective date of other insurance, or other security, filed with and approved by the Commission in behalf of such fiduciaries. After the coverage provided in this section shall have been in effect thirty (30) days, it may be cancelled or withdrawn within the succeeding period of thirty (30) days by the insurer, the insured, the surety, or the principal upon ten (10) days' notice in writing to the Commission at its office in Washington, D.C., which period of ten (10) days shall commence to run from the date such notice is actually received by the Commission. After such coverage has been in effect for a total of sixty (60) days, it may be cancelled or withdrawn only in accordance with § 1043.7.

§ 1043.11 Operations in foreign commerce.

No motor carrier may operate in the United States in the course of transportation between places in a foreign country or between a place in one foreign country and a place in another foreign country unless and until there shall have been filed with and accepted by the Commission a certificate of insurance, surety bond, proof of qualifications as a self-insurer, or other securities or agreements in the amount prescribed in § 1043.2(a), conditioned to pay any final judgment recovered against such motor carrier for bodily injuries to or the death of any person resulting from the negligent operation, maintenance, or use of motor vehicles in transportation between places in a foreign country or between a place in one foreign country and a place in another foreign country, insofar as such transportation takes place in the United States, or for loss of or damage to property of others. The security for the protection of the public required by this section shall be maintained in effect at all times and shall be subject to the provisions of §§ 1043.5, 1043.6, 1043.7, 1043.8, 1043.9 and 1043.10; *Provided*, That the requirements of § 1043.8(a) shall be satisfied if the insurance or surety company, in addition to having been approved by this Commission, is legally authorized to issue policies or surety bonds in at least one of the States in the United States, or one of the Provinces in Canada, and has filed with this Commission the name and address of a person upon whom legal process may be served in each State in or through which the motor carrier operates. Such designation may from time to time be changed by like designation similarly filed, but shall be maintained during the effectiveness of any certificate of insurance or surety bond issued by the company, and thereafter with respect to any claims arising during the effectiveness of such certificate or bond; and *Provided further*, That the term "motor carrier" as used in this section shall not include private carriers or carriers operating under the partial exemption from regulation in sections 202(c) or 203(b) of the Interstate Commerce Act (49 U.S.C. 302(c) and 303(b)).

PART 1044—DESIGNATION OF PROCESS AGENTS BY MOTOR CARRIERS AND BROKERS

Sec.
1044.1 Applicability.
1044.2 Form of designation.
1044.3 Eligible persons.
1044.4 Required States.
1044.5 Blanket designations.
1044.6 Cancellation or change.

AUTHORITY: The provisions of this Part 1044 issued under secs. 204, 221, 49 Stat. 546, 563, as amended; 49 U.S.C. 304, 321.

§ 1044.1 Applicability.

Every motor carrier and broker in complying with the requirements of section 221(c) of the Interstate Commerce Act (49 U.S.C. 321(c)), relating to the filing of designations of persons upon whom court process may be served, shall observe the regulations prescribed in this part.

§ 1044.2 Form of designation.

Designations shall be made by use of the form prescribed by the Commission for that purpose. Only one completed current form may be on file. It must include all States for which agent designations are required. One copy must be retained by the carrier or broker in its files at its principal place of business.

§ 1044.3 Eligible persons.

All persons (as defined in section 203(a)(1) of the Interstate Commerce Act) designated must have residence in, or maintain an office in, the state for which they are designated. If an official of a State is designated, evidence of his willingness to accept service of process on behalf of the motor carrier or broker must be furnished.

§ 1044.4 Required States.

(a) *Motor Carriers.* Every motor carrier shall make a designation for each State in which it is authorized to operate by a certificate or permit or by a grant of temporary authority, including States traversed in the course of such operations. Every motor common carrier operating within a single State under the provisions of the second proviso of section 206(a)(1) of the Act (49 U.S.C. 306(a)(1)) shall file a designation for that State. Every motor carrier (including private carriers) performing operations in the United States in the course of transportation between points in a foreign country or foreign countries shall file a designation for each State through which it operates in performing such transportation. Every common carrier of passengers entitled to transport chartered parties by reason of section 208(c) of the Act (49 U.S.C. 308(c)) and the regulations thereunder in Part 1054 of this chapter shall also make a designation for each State to which it holds out in its published tariffs to transport chartered parties, including States traversed in the course of such operations.

(b) *Brokers.* Every broker shall make a designation for each State in which is located a point or points at which it is specifically authorized to engage in broker operations. Where a broker's license does not specify such a point or points, designations shall be made for each State in which the broker engages in operations.

§ 1044.5 Blanket designations.

(a) Where an association or corporation has filed with the Commission a list of process agents for each State, motor carriers may make the required designations by reference to such a list, using the place of individual designations the following statement:

Those persons named in the list of process agents on file with the Interstate Commerce Commission by _____
_____
(Name of association or corporation)
and any subsequently filed revisions thereof, for the States in which this carrier is or may be authorized to operate, including States traversed in the course of such operations, except those States for which individual designations are named.

(b) For regular-route common carriers of passengers, this is deemed to include states to which it holds out in its published tariffs to transport chartered parties, and those traversed in the course of such operations.

§ 1044.6 Cancellation or change.

(a) Designations may be canceled or changed only by a new designation filed in accordance with this part by the motor carrier or broker which made the designation being canceled or changed, except that where a motor carrier or broker ceases to be subject to § 1044.4 in whole or in part for a period of one year, such motor carrier or broker thereafter may cancel, without making other designations, such designations as are no longer required by § 1044.4.

(b) Upon filing a new designation, the prescribed form must be used and completed to show all states for which designations are necessary.

PART 1045—BROKERS OF PROPERTY

Sec.
1045.1 Applicability.
1045.2 Definitions.
1045.3 Records to be kept by brokers.
1045.4 Carrier's operating authority.
1045.5 Charges for brokerage service.
1045.6 Charges for nonbrokerage services.
1045.7 Misrepresentation.
1045.8 Billing.
1045.9 Rebating.
1045.10 Duties and obligations of brokers.
1045.11 Transfer of brokers' licenses.
1045.12 Corporations and associations holding brokers' licenses.
1045.13 Accounting.

AUTHORITY: The provisions of this Part 1045, issued under 49 Stat. 544, as amended, 546, as amended, 554, as amended; 49 U.S.C. 303, 304, 311.

§ 1045.1 Applicability.

This part applies, to the extent provided therein, to all brokers of transportation by motor vehicle as defined in § 1045.2.

§ 1045.2 Definitions.

As used in this part the following terms shall have the meanings indicated:

(a) "Broker" means any person as defined in section 203 (a) (1) of the Interstate Commerce Act (except those excluded by § 1045.1), who, as principal or agent, for compensation, sells or offers for sale transportation subject to Part II of the Interstate Commerce Act, other than transportation of passengers and their baggage, or makes any contract, agreement, or arrangement to provide, procure, furnish, or arrange for such transportation or shall hold himself out by advertisement, solicitation, or otherwise as one who sells, provides, procures, contracts, or arranges for such transportation: *Provided, however,* That the term "broker" shall not include any person who holds himself out as a carrier by motor vehicle or any bona fide employee or agent of such person, insofar as concerns shipments which such person is authorized to transport in whole or in part and which such person has accepted pursuant to a holding out to transport and has legally bound himself by contract to transport in whole or in part.

(b) "Motor carrier" means a common or contract carrier by motor vehicle of property as defined in section 203(a) (14) and (15), respectively, of the Interstate Commerce Act.

(c) "Transportation" means transportation of property by motor vehicle performed for compensation by a motor carrier operating under the provisions of the second proviso of section 206(a) of the Interstate Commerce Act or by a motor carrier which is required by sections 206 or 209 of the act to hold a certificate or permit authorizing such transportation.

(d) "Brokerage" or "brokerage service" means the selling or offering for sale of transportation; or the making of any contract, agreement, or arrangement to provide, procure, furnish, or arrange for transportation; or the holding out by advertisement, solicitation, or otherwise, to sell, provide, procure, contract, or arrange for transportation, for compensation, by a broker as defined in paragraph (a) of this section.

(e) "Non-brokerage service" means any service which is not a "brokerage service," as defined in this section and which is furnished by a broker to, for, or on behalf of, a motor carrier or consignor or consignee of shipments moving by motor vehicle.

(f) "A bona fide agent", as distinguished from a broker, is a person who is part of the normal organization of a motor carrier and performs his duties under the direction of the carrier pursuant to a preexisting agreement with the carrier providing for a continuing relationship between them and precluding the exercise of discretion on the part of the agent in allocating traffic as between the principal and others.

§ 1045.3 Records to be kept by brokers.

Each broker shall keep and retain for a period of three years an exact record of each transaction in which he participates, which record shall show for each transaction:

(a) Name and address of the consignor.

(b) Name, address, and the lead or principal docket number of the originating motor carrier.

(c) Bill of lading or freight bill number.

(d) Description of commodity or commodities, weight, rate, and tariff reference.

(e) Date of shipment.

(f) Origin and destination of shipment.

(g) Amount of compensation received by the broker for brokerage service furnished and from whom it was received.

(h) Description of any non-brokerage service performed in connection with each particular shipment or otherwise, amount of compensation received for such service, and from whom such compensation was received.

(i) If freight charges are collected by the broker, the record shall show, for each shipment, the amount collected and the date of payment to the carrier.

§ 1045.4 Carrier's operating authority.

In the execution of any contract, agreement, or arrangement to sell, provide, procure, furnish, or arrange for any transportation by motor vehicle no broker shall employ, or allocate, or surrender any shipment to any carrier by motor vehicle who, or which, cannot lawfully transport it either to destination or to a normal point of interchange with a connecting carrier.

§ 1045.5 Charges for brokerage service.

(a) Each broker shall maintain and keep open for public inspection at each place of business which he maintains, a schedule stating his maximum charge for each brokerage service which he holds out to perform, and

(b) No broker shall charge or collect any more for any brokerage service than his maximum charge therefor as contained in his schedules maintained pursuant to paragraph (a) of this section.

§ 1045.6 Charges for non-brokerage services.

(a) Each broker shall maintain and keep open for public inspection at each place of business which he maintains, schedules (1) stating his minimum charge for each non-brokerage service which he holds himself out to perform for shippers, consignors, or consignees and (2) stating his maximum charge for each non-brokerage service which he holds himself out to perform for carriers.

(b) No broker shall furnish any non-brokerage service other than those for which the minimum or maximum charge is contained in his schedule nor shall any broker charge or collect from any shipper, consignor, or consignee any less or from any carrier any more, for any non-brokerage service performed than his minimum or maximum charge for such service as contained in his maintained schedules.

§ 1045.7 Misrepresentation.

(a) No broker shall perform any brokerage service or hold himself out to perform such service, by advertisement or otherwise, in any name other than that in which his license is issued.

(b) No broker shall directly or by implication represent himself to be a carrier in respect of any service which he does not hold authority as a carrier to perform.

(c) No broker shall advertise in any manner any offer of service as a broker without showing in such advertisement his status as a broker in type which is clear and bold and equally as large as any other in the same advertisement.

§ 1045.8 Billing.

(a) No broker shall, in any name except that of a carrier, issue any bill of lading, freight bill, or other document which is appropriate only for use by a carrier transporting or agreeing to transport a shipment.

(b) No broker shall issue any order for service or any other document appropriate for use by brokers which does not clearly show thereon the name and address of the broker and that it is executed as a broker of transportation in type which is clear and bold and equally as large as the name of the issuing broker.

§ 1045.9 Rebating.

(a) No broker shall charge or receive compensation from a motor carrier for brokerage service performed in connection with any shipment which he owns or in which he has a material interest, or the routing of which he controls by reason of any affiliation with, or non-brokerage relationship to, the shipper, consignor, or consignee as traffic consultant or otherwise, or which he controls by reason of his performance for the shipper, consignor, or consignee of non-brokerage services, as defined in the rules in this part.

(b) No broker shall pay, give, or offer to pay or give, directly or indirectly, anything of value, except ordinarily used in expensive, advertising specialties, to any shipper, consignor, consignee or to any officer or employee of a shipper, consignor, or consignee.

§ 1045.10 Duties and obligations of brokers.

(a) A broker shall fairly protect the interest of any shipper employing his services, by providing, or advising the shipper of, the transportation services which, because of rates, schedules, type of motor carrier, or otherwise, will best meet the needs of the shipper and no broker shall misrepresent or make false promises to any shipper with respect to the service rendered or to be rendered by any motor carrier.

(b) No broker shall knowingly misrepresent to a motor carrier the commodity

to be transported or otherwise give to a motor carrier incorrect information which may affect the applicable charges for any particular transportation service.

(c) No broker shall charge or accept compensation from both a shipper and a motor carrier in connection with the same shipment, whether for brokerage or non-brokerage service, without first advising both parties of the amount and basis for the charge or payment by the other.

(d) A broker shall exercise due diligence to carry out any undertaking to arrange for desired transportation, to carry out the terms of its arrangements with any shipper or motor carrier, and to pay promptly any monies received by him for such shipper or motor carrier.

(e) Any freight charges collected by a broker shall be paid in full to the carrier or carriers employed by him, without deduction for any amount due to him from such carrier or carriers.

§ 1045.11 Transfer of brokers' licenses.

A license issued a broker may be transferred, if approved by the Commission, upon application and proof that the transferee is fit, willing, and able to perform the duties, and that the transfer will not be contrary to the public interest.

§ 1045.12 Corporations and associations holding brokers' licenses.

A change in the control of a corporation or association holding a broker's license may be accomplished only with the approval of the Commission upon application and proof that the change in control will not be contrary to the public interest.

§ 1045.13 Accounting.

Each broker who engages in any other business, whether as a carrier, warehouseman, or otherwise, shall keep and maintain his accounts in such manner that the revenues and expenses pertaining to his brokerage operations will be segregated from those of his other operations. Expenses that are common to his brokerage and other operations shall be allocated to each on an equitable basis, and the broker shall be prepared to show at any time and to report to the Commission when required the allocation of such common expenses and the basis of the allocation.

PART 1046—BROKERS OF PASSENGER TRANSPORTATION

§ 1046.300 Information required to be recorded.

Every passenger broker subject to section 211 of the Interstate Commerce Act shall maintain and keep an exact record of all transactions in which it or he has participated as such broker, which records shall show: (a) The points of origin and destination for each ticket sold, (b) the name and address of the motor carrier for which it is sold, (c) the amount received from the passenger, including any amounts, stated separately, for the transportation of baggage, or any other service accessorial to the transportation of the passenger, (d) the payments made to each carrier by motor vehicle served by the broker and (e) the amounts of the commissions earned by the broker from the sale of transportation for each carrier.

(49 Stat. 546, as amended, 554, as amended; 49 U.S.C. 304, 311)

PART 1047—EXEMPTIONS

Sec.

1047.1 Casual, occasional, or reciprocal transportation of passengers for compensation when such transportation is sold or arranged by anyone for compensation.
1047.10 Interstate operations by motor common carriers within a single State.
1047.25 Agricultural commodities, livestock and fish; Bureau of Motor Carriers Administrative Ruling No. 107.
1047.40 Motor transportation of property incidental to transportation by aircraft.
1047.45 Motor transportation of passengers incidental to transportation by aircraft.

AUTHORITY: The provisions of this Part 1047 issued under 49 Stat. 544, as amended, 546, as amended; 49 U.S.C. 303, 304, unless otherwise noted.

§ 1047.1 Casual, occasional, or reciprocal transportation of passengers for compensation when such transportation is sold or arranged by anyone for compensation.

The partial exemption from regulation under the provisions of Part II of the Interstate Commerce Act of the casual, occasional, and reciprocal transportation of passengers by motor vehicle in interstate or foreign commerce for compensation as provided in section 203(b)(9) of the act be, and it is hereby, removed to the extent necessary to make applicable all provisions of Part II of the act to such transportation when sold or offered for sale, or provided or procured or furnished or arranged for, by any person who sells, offers for sale, provides, furnishes, contracts, or arranges for such transportation for compensation or as a regular occupation or business.

§ 1047.10 Interstate operations by motor common carriers within a single State.

Every common carrier by motor vehicle who proposes to engage in any operations in interstate or foreign commerce under the provisions of section 206(a)(6) of the Interstate Commerce Act, as amended October 15, 1962, shall, prior to commencing such operations, (1) obtain from the Interstate Commerce Commission an appropriate Certificate of Registration covering the proposed operations, and (2) comply with the provisions of sections 215, 217, and 221(c) of the said Act and the Commission's requirements and rules and regulations thereunder pertaining to the filing of proper evidence of security for the protection of the public, to the filing and posting of appropriate tariff or tariffs, and to the designation of agents for service of process. Any such common carrier by motor vehicle who proposes to engage in any operations in interstate or foreign commerce under section 206(a)(6) of said Act, other than one seeking to obtain a Certificate of Registration by transfer, shall, in order to obtain a Certificate of Registration covering such operations, file with the Interstate Commerce Commission, Washington, D.C. 20423, an Application for Motor Carrier Certificate of Registration, which application shall be in the form, contain the information, and be served in the manner called for in Form BOR 100 (§ 1003.1 of this chapter).

(49 Stat. 551, as amended; 49 U.S.C. 306)

§ 1047.25 Agricultural commodities, livestock and fish; Bureau of Motor Carriers Administrative Ruling No. 107.

Administrative Ruling No. 107 of the Commission's former Bureau of Motor Carriers, dated March 19, 1958, is as set forth below. The "Commodity List" therein is for use in determining the status of commodities under the exemption provisions of section 203(b)(6) of the Interstate Commerce Act (49 U.S.C. 303(b)(6)) in accordance with the following amendment of that section by the Transportation Act of 1958:

Clause (6) of subsection (b) of section 203 of the Interstate Commerce Act, as amended, is amended by striking out the semicolon at the end thereof and inserting in lieu thereof a colon and the following: "*Provided*, That the words 'property consisting of ordinary livestock, fish (including shell fish), or agricultural (including horticultural) commodities (not including manufactured products thereof)' as used herein shall include property shown as 'Exempt' in the 'Commodity List' incorporated in ruling numbered 107, March 19, 1958, Bureau of Motor Carriers, Interstate Commerce Commission, but shall not include property shown therein as 'Not exempt': *Provided further, however*, That notwithstanding the preceding proviso the words 'property consisting of ordinary livestock, fish (including shell fish), or agricultural (including horticultural) commodities (not including manufactured products thereof)' shall not be deemed to include frozen fruits, frozen berries, frozen vegetables, cocoa beans, coffee beans, tea, bananas, or hemp, and wool imported from any foreign country, wool tops and noils, or wool waste (carded, spun, woven, or knitted), and shall be deemed to include cooked or uncooked (including breaded) fish or shell fish when frozen or fresh (but not including fish and shell fish which have been treated for preserving, such as canned, smoked, pickled, spiced, corned or kippered products);".

[Ruling No. 107]

MARCH 19, 1958.

The following is an administrative ruling of the Bureau of Motor Carriers, for the purpose of making readily available holdings of the Commission and the courts, and Bureau opinions, relating to the status of various commodities under the partial exemption in Section 203(b)(6) of the Interstate Commerce Act. The "Bureau opinions" in this ruling are tentative and provisional and are made either in the absence of authoritative Commission or Court decisions or in applying the holdings and reasoning of court decisions which have reversed or altered past general and specific findings of the Commission.

GENERAL

This ruling relates to Section 203(b)(6) as it presently reads:

Nothing in this part, except the provisions of section 204 relative to qualifications and maximum hours of service of employees and safety of operation or standards of equipment shall be construed to include * * * (6) motor vehicles used in carrying property consisting of ordinary livestock, fish (including shell fish), or agricultural (including horticultural) commodities (not including manufactured products thereof), if such motor vehicles are not used in carrying any other property, or passengers, for compensation; * * *.

Pending before the Congress are bills which if enacted into law would limit or revise the application of the exemption and render obsolete many of the interpretations herein.

For each entry in the Commodity List there is shown either the number assigned to one of the Commission or court decisions in the Case List, or the words "Bureau opinion" the latter denoting an informal expression of the Bureau. In a few instances reference is made to a numbered Note appended to the ruling. Certain of these explain the reason for Bureau opinions which differ from past Commission decisions. Others mention pending Commission proceedings which may affect the status of commodities making reference thereto.

Though commodities are shown as either "Exempt" or "Not exempt," it must be kept in mind that an "Exempt" commodity loses its exemption whenever it is transported in a vehicle which at the same time is transporting for compensation commodities not within the exemption.

The absence of a commodity from the list below should not be taken to mean that it is either within or not within the exemption. Only those commodities are listed as to which inquiries have been received in the past by the Bureau or which have been the subject of Commission or court proceedings.

W. Y. BLANNING,
Director.

COMMODITY LIST

Alfalfa, *see* Feeds.
Animal fats—Not exempt—Bureau opinion.
Animals, *see* Livestock.

Bagged commodities—Placing exempt commodities—Case 1 in bags does not affect their exempt status.
Bark, *see* Forest Products.
Barley, *see* Grains.
Bees—Exempt—Case 1.
Beeswax, crude, in cakes and slabs—Exempt—Bureau opinion.
Beet pulp, *see* Feeds.
Beets, sugar—Exempt—Case 1.
Berries, *see* Fruits.
Bran, *see* Feeds.
Broom corn, threshed and baled—Exempt—Bureau opinion.
Bulbs, *see* Horticultural Commodities.
Butter—Not exempt—Case 20.
Buttermilk—Exempt—Case 20.

Canned fruits and vegetables—Not exempt—Case 20.
Carnauba wax as imported in slabs or chunks—Not exempt—Bureau opinion.
Castor beans—Exempt—Case 1.
Cattle, live, *see* Livestock.
Cattle, slaughtered—Not exempt—Case 20.
Charcoal—Not exempt—Bureau opinion.
Cheese—Not exempt—Case 1.
Cheese, cottage—Not exempt—Case 20.
Cheese, cream—Not exempt—Case 20.
Christmas trees, plain, sprayed, or coated—Exempt—Bureau opinion.
Citrus fruits, *see* Fruits.
Coal—Not exempt—Bureau opinion.
Coca beans—Exempt—Case 1 (b), Note 1.
Coffee beans, green—Exempt—Case 1 (b), Note 1.
Coffee, roasted—Not exempt—Bureau opinion.
Coffee, instant—Not exempt—Bureau opinion.
Containers, crates, and boxes which have been uesd in the movement of exempt commodities and are being returned for reuse—Exempt—Case 8.
Containers, new for use in shipping exempt commodities—Not exempt—Case 8.
Copra meal—Not exempt—Case 6.
Corn, *see* Grain.
Corn cobs—Exempt—Case 1.
Corn cobs, ground—Exempt—Bureau opinion, Note 4.
Corn fodder—Exempt—Case 1.
Cottage cheese, *see* Cheese.
Cotton, carded but not spun, woven, or knitted—Exempt—Bureau opinion, Note 5.
Cotton, ginned or unginned—Exempt—Case 1.
Cotton linters—Exempt—Case 20.
Cotton waste, consisting of scraps of cotton fibre not spun, woven or knitted—Exempt—Bureau opinion, Note 5.
Cotton yarn—Not exempt—Bureau opinion.
Cottonseed, whole—Exempt—Case 1.
Cottonseed cake—Not exempt—Bureau opinion.
Cottonseed, dehulled—Exempt—Bureau opinion.
Cottonseed hulls—Exempt—Case 20.
Cottonseed meal—Not exempt—Case 20.
Crates, *see* Containers.
Cream, *see* Milk.
Cream cheese, *see* Cheese.

Dehydrated, *see* commodity name: Fruits, Vegetables, Eggs, etc.
Diatomaceous earth—Not exempt—Bureau opinion.
Dinners, frozen—Not exempt—Bureau opinion.
Dinners, seafood, frozen—Not exempt—Case 7, Note 6.
Dried, *see* commodity name: Fruits, Vegetables, Eggs, etc.

Eggs:
- Albumen, fresh, liquid—Exempt—Case 5.
- Dried—Exempt—Case 20.
- Frozen—Exempt—Case 20.
- In shell—Exempt—Case 1.
- Liquid, whole or separated—Exempt—Case 5.
- Oiled—Exempt—Case 1.
- Powder, dried—Exempt—Case 20.
- Shelled—Exempt—Case 5.
- Yolks, dried—Exempt—Case 20.
- Yolks, fresh, liquid—Exempt—Case 5.

Fats, animal—Not exempt—Bureau opinion.
Feathers—Exempt—Case 20.
Feeds:
- Alfalfa meal—Not exempt—Bureau opinion.
- Alfalfa pellets—Not exempt—Bureau opinion.
- Beet pulp—Not exempt—Case 6.
- Bran shorts—Not exempt—Case 6.
- Copra meal—Not exempt—Case 6.
- Corn Gluten—Not exempt—Bureau opinion.
- Cottonseed products, *see* Cottonseed.
- Distilled corn grain residues, with or without solubles added—Not exempt—Case 6.
- Fish meal—Not exempt—Case 6.
- Hominy feed—Not exempt—Bureau opinion.
- Middlings—Not exempt—Case 6.
- Oat hulls, ground—Exempt—Bureau opinion, Note 4.
- Pelletized ground refuse screenings—Not exempt—Case 6.
- Rice bran—Exempt—Bureau opinion—Compare Case 12.
- Screenings, feed—Exempt—Case 6.
- Wheat bran—Not exempt—Bureau opinion.
- Wheat shorts—Not exempt—Bureau opinion.

Fertilizer, commercial—Not exempt—Bureau opinion.
Fish (including shell fish):
- *General.* Frozen, quick frozen, and unfrozen fish and shell fish in the various forms in which it is shipped, such as live fish, fish in the round, beheaded, and gutted fish, filletted fish, beheaded shrimp, and oysters, clams, crabs, and lobsters, with or without shells, including crab meat and lobster meat—Exempt—Case 11.
- Breaded, uncooked, frozen or unfrozen—Exempt—Administrative Ruling No. 98, November 28, 1955.
- Cakes, codfish—Not exempt—Case 7, Note 6.
- Clam juice or broth—Not exempt—Bureau opinion.
- Cooked or partially cooked fish or shrimp, frozen or unfrozen—Not exempt—Administrative Ruling No. 98, November 28, 1955.
- Croquettes, salmon, frozen—Not exempt—Case 7, Note 6.
- Deviled crabs, clams or lobsters frozen—Not exempt—Case 7, Note 6.
- Dinners, frozen—Not exempt—Case 7, Note 6.
- Fried fish fillets, oysters, or scallops, frozen—Not exempt—Case 7, Note 6.
- Frogs, live or dressed—Exempt—Bureau opinion.
- Frozen, *see* General above, and individual listings.
- Hermetically sealed in containers as a treatment for preserving—Not exempt—Case 11.
- Hermetically sealed in containers for cleanliness only, preservation attained by refrigeration—Exempt—Bureau opinion.
- Meal—Not exempt—Case 6.
- Offal (inedible portions of fish not further processed)—Exempt—Bureau opinion.
- Oil from fishes—Not exempt—Bureau opinion.
- Preserved, or treated for preserving, such as smoked, salted, pickled, spiced, corned or kippered—Not exempt—Case 11.
- Shells, oyster, moving to market for use in button making—Not exempt—Case 16.
- Stew, consisting of raw oysters or clams, milk, and seasoning, frozen but uncooked—Exempt—Bureau opinion.
- Sticks, frozen—Not exempt—Case 7, Note 6.
- Turtles, sea or fresh water—Exempt—Bureau opinion.
- Whale meat, fresh—Exempt—Bureau opinion.

Flagstone—Not exempt—Bureau opinion.
Flax fiber—Exempt—Case 1.
Flaxseed, whole—Exempt—Case 1.
Flaxseed, meal—Not exempt—Bureau opinion.
Flour—Not exempt—Bureau opinion.
Flowers and flower plants, *see* Horticultural commodities.
Fodder, corn and sorghum—Exempt—Case 1.
Forage, *see* Hay.
Forest products.
- Bark—Exempt—Case 1.
- Bark, boiled to clean and soften—Exempt—Bureau opinion.
- Blankets of pine and spruce boughs—Exempt—Bureau opinion.
- Greenery—Exempt—Case 1.
- Holly sprigs, and cuttings—Exempt—Bureau opinion.
- Leaves—Exempt—Case 1.
- Leaves, sisal, husks and moisture removed—Exempt—Bureau opinion.
- Mistletoe—Exempt—Bureau opinion.

Myrobalans, as imported in natural state—Exempt—Bureau opinion.
Palmyra stalk fibers (fronds from palm leaves)—Exempt—Bureau opinion.
Peat moss, dried, shredded, baled—Exempt—Case 22.
Resin, crude—Exempt—Case 1.
Resin products, such as turpentine—Not exempt—Administrative Ruling No. 62, August 3, 1937.
Roots, natural or dried—Exempt—Bureau opinion.
Sap, maple—Exempt—Case 1.
Spanish moss—Exempt—Case 1.
Sphagnum moss—Exempt—Bureau opinion.
Spices, *see* separate listing: Spices.
Trees, *see* separate listing: Trees.
Valonia, as imported in natural state—Exempt—Bureau opinion.
Wreaths of holly or other natural material with small amount of foundation or decorative material—Exempt—Bureau opinion.

Frogs, *see* Fish.

Frozen, *see* commodity name: Fruits, Vegetables, Fish, Poultry, etc.

Fruits and Berries:
Bagged—Exempt—Case 1.
Canned—Not exempt—Case 20.
Citrus fruit sections, fresh, cold-packed, semi-frozen, or frozen—Exempt—Bureau opinion, Note 2.
Color added—Exempt—Case 1.
Dates, pitted, dried—Exempt—Bureau opinion.
Dehydrated—Exempt—Bureau opinion, Note 3.
Dried, naturally or artificially—Exempt—Cases 1 and 20.
Figs, dried, halved or quartered—Exempt—Bureau opinion.
Frozen, fresh—Exempt—Case 20.
Fumigated—Exempt—Case 1.
Graded—Exempt—Case 1.
Hulls of oranges after juice extractions—Not exempt—Bureau opinion.
In brine, to retain freshness—Exempt—Bureau opinion.
Juice, orange or other citrus—Not exempt—Case 17.
Juice, fruit, plain or concentrated—Not exempt—Bureau opinion.
Kernels—Exempt—Bureau opinion.
Oiled apples—Exempt—Case 1.
Peaches, peeled, pitted, and put in cold storage in unsealed containers—Exempt—Case 20.
Quick frozen, fresh—Exempt—Case 21.
Pies, frozen—Not exempt—Case 14.
Preserved, such as jam—Not exempt—Bureau opinion.
Purees, strawberry and other, frozen—Not exempt—Case 7, Note 6.
Raisins, seeded or unseeded—Exempt—Bureau opinion.
Sliced, fresh or frozen—Exempt—Bureau opinion, Note 2.
Strawberries, in syrup and unsealed containers in cold storage—Exempt—Case 20.

Grains:
Artificially dried—Exempt—Case 1.
Barley, rolled—Exempt—Case 20.
Barley, whole—Exempt—Case 1.
Corn, cracked—Exempt—Bureau opinion.
Corn, shelled—Exempt—Case 1.
Corn, whole—Exempt—Case 1.
Feeds, *see* separate heading: Feeds.
Hulls, *see* Feeds.
Milo maize—Exempt—Bureau opinion.
Oats, whole—Exempt—Case 1.
Oil extracted from grain—Not exempt—Bureau opinion.
Popcorn, popped—Not exempt—Bureau opinion.
Popcorn, unpopped, shelled, in sealed or unsealed containers—Exempt—Bureau opinion.
Rice bran—Exempt—Bureau opinion. Compare Case 12.
Rice, brewers—Exempt—Bureau opinion.
Rice, clean—Exempt—Cases 12 and 20.
Rice polish—Exempt—Case 20.
Rice, precooked—Not exempt—Bureau opinion.
Rice, whole—Exempt—Case 1.
Rye, whole—Exempt—Case 1.
Sorghum grains, whole—Exempt—Case 1.
Wheat germ—Not exempt—Bureau opinion.
Wheat, whole—Exempt—Case 1.

Grass sod—Exempt—Bureau opinion.

Gravel—Not exempt—Bureau opinion.

Greenery, *see* Forest products.

Grinding, *see* Note 4.

Hair, alpaca, camel, or goat, clipped from animal—Exempt—Bureau opinion.
Hair, hog or other animal, product of slaughter of animal—Not exempt—Bureau opinion.
Hay and forage, dried naturally or artificially—Exempt—Case 1.
Hay, chopped—Exempt—Case 20.
Hay, dehydrated—Exempt—Case 1.
Hay, salt (from salt marshes)—Exempt—Bureau opinion.
Hay, sweetened with 3 percent molasses by weight—Not exempt—Bureau opinion.
Hemp fiber—Exempt—Case 1.
Herbs, *see* Spices.
Hides, green and salted—Not exempt—Cases 1 and 23.
Honey, in the comb or strained—Exempt—Case 1.
Honey, heat treated to retard granulation—Exempt—Bureau opinion.
Hops—Exempt—Case 1.

Horticultural commodities:
Bulbs—Exempt—Bureau opinion.
Flowers, growing or cut—Exempt—Bureau opinion.
Leaves, natural or dried—Exempt—Bureau opinion.
Nursery stock—Exempt—Bureau opinion.
Plants, vegetable and flower—Exempt—Bureau opinion.
Roots, rhubarb, asparagus, mint, etc.—Exempt—Bureau opinion.
Trees, growing, balled in earth—Exempt—Bureau opinion.
Wreaths, holly or other natural material, with small amount of foundation or decorative material—Exempt—Bureau opinion.

Humus of a nature similar to peat moss—Exempt—Bureau opinion.

Ice for cooling subsequent shipments of exempt commodities—Exempt—Administrative Ruling No. 63, August 3, 1937.
Imported commodities—Have same status as domestic—Cases 1(b) and 22.
Insecticides—Not exempt—Bureau opinion.

Juices, *see* Fruits.
Jute fiber, in bales—Exempt—Bureau opinion.

Kelp, dried, ground—Exempt—Bureau opinion, Note 4.

Latex, *see* Rubber.
Leaves, *see* Forest products, Horticultural commodities, and Spices.

Livestock:
Exhibit animals, such as those of 4-H club members, which though showed for a few days, are chiefly valuable for slaughter—Exempt—Bureau opinion.
Medical use animals, such as ordinary healthy swine for serum manufacture—Exempt—Bureau opinion.
Monkeys—Not exempt—Bureau opinion.
Ordinary, i.e., all cattle, swine, sheep, goats, horses, and mules, except such as are chiefly valuable for breeding, racing, show purposes, and other special uses—Exempt—Case 1.
Race horses—Not exempt—Case 1.
Registered or purebred cattle for ordinary farm or ranch uses, not chiefly valuable for breeding, race, show, or other special purposes—Exempt—Bureau opinion.
Show horses—Not exempt—Case 1.
Zoo animals—not exempt—Bureau opinion.

Limestone, agricultural—Not exempt—Bureau opinion.

Linseed meal, *see* Meal.

Lumber, rough sawed or planed—Not exempt—Cases 1 and 9.

Manure, in natural state—Exempt—Case 1.
Manure, dried or dehydrated, bagged—Exempt—Bureau opinion.
Maple sap—Exempt—Case 1.
Maple syrup—Not exempt—Bureau opinion.
Meal, alfalfa—Not exempt—Bureau opinion.
Meal, copra—Not exempt—Case 6.
Meal, cottonseed—Not exempt—Case 20.
Meal, fish—Not exempt—Case 6.
Meal, flaxseed—Not exempt—Bureau opinion.
Meal, linseed—Not exempt—Bureau opinion.
Meal, peanut—Not exempt—Bureau opinion.
Meal, soybean—Not exempt—Bureau opinion.
Meat and meat products, fresh, frozen or canned—Not exempt—Cases 1 and 20.

Milk and Cream:
Buttermilk—Exempt—Case 20.
Chocolate—Not exempt—Case 1.
Condensed—Not exempt—Case 20.
Frozen—Exempt—Case 20.
Homogenized—Exempt—Case 1.
Pasteurized—Exempt—Cases 1 and 20.
Powdered—Exempt—Case 20.
Raw—Exempt—Case1.
Skim—Exempt—Cases 1 and 20.
Skim, with two-thirds of water removed, in bulk of unsealed containers—Exempt—Bureau opinion.
Standardized—Exempt—Case 1.
Sterilized in hermetically sealed cans—Not exempt—Bureau opinion.
Vitamin "A"—Exempt—Cases 1 and 20.

Milo, *see* Grain.
Mohair, raw, cleaned, or scoured—Exempt—Case 1(a).
Molasses—Not exempt—Bureau opinion.
Moss, *see* Forest products.
Mushrooms, fresh—Exempt—Case 4.

Nursery stock, *see* Horticultural commodities.

Nuts (including peanuts):
Peanut meal—Not exempt—Bureau opinion.
Peanut shells, ground—Exempt—Case 20, Note 4.
Polished—Exempt—Bureau opinion.
Raw, shelled or unshelled—Exempt—Cases 1, 3, and 18.
Roasted or boiled—Not exempt—Bureau opinion.
Shelled, raw—Exempt—Cases 3 and 18.
Shells—Exempt—Bureau opinion.
Shells, ground peanut—Exempt—Case 20, Note 4.
Unshelled, raw—Exempt—Case 1.

Oats, *see* Grains.
Oil, mint—Not exempt—Case 1.
Oil, extracted from vegetables, grain, seed, fish, or other commodity—Not exempt—Bureau opinion.

Packaged commodities—Packaging exempt commodities does not affect their exempt status—Case 1.
Peanuts, *see* Nuts.
Peat moss, *see* Forest products.
Pelletized feeds, *see* Feeds.
Pelts—Not exempt—Case 1.
Pies, frozen—Not exempt—Case 14.
Pigeons, racing—Not exempt—Case 13.
Plants vegetable or flower, *see* Horticultural commodities.
Poles, *see* Trees.

Popcorn, *see* Grains.
Poultry, dressed, fresh or frozen—Exempt—Case 19.
Poultry, feathers—Exempt—Case 20.
Poultry, frozen—Exempt—Case 19.
Poultry, live—Exempt—Case 1.
Poultry, picked—Exempt—Case 20.
Poultry, stuffed and frozen—Exempt—Bureau opinion.
Pulp, beet—Not exempt—Case 6.
Pulp, sugarcane — Not Exempt — Bureau opinion.
Purees, *see* Fruits.

Rabbits, dressed—Exempt—Bureau opinion.
Raisins, *see* Fruits.
Ramie Fiber—Exempt—Case 1.
Resin, *see* Forest products.
Rice, *see* Grains.
Rock—Not Exempt—Bureau opinion.
Roots, *see* Forest products, Horticultural commodities.
Rubber, crude, in bales—Not exempt—Bureau opinion.
Rubber, latex, natural, liquid, from which water has been extracted and to which ammonia has been added—Not exempt—Case 15.
Rye, *see* Grains.

Sand—Not exempt—Bureau opinion.
Sap, *see* Forest products.
Sawdust, from lumber mills—Not exempt—Bureau opinion.
Seeds:
  Cotton, *see* Cottonseed.
  Deawned—Exempt—Case 20.
  Flax, *see* Flaxseed.
  Inoculated—Exempt—Case 1.
  Meal made from seeds, *see* Meal.
  Natural—Exempt—Case 1.
  Oil extracted from seeds—Not exempt—Case 1.
  Packets or boxes of seeds, in display racks—Exempt—Bureau opinion.
  Scarified—Exempt—Case 20.
  Screened or sized—Exempt—Case 2.
  Spice, *see* Spices.
  Sprayed for disease control—Exempt—Case 2.
Seaweed, dried, ground—Exempt—Bureau opinion, Note 4.
Shells, nut, *see* Nuts.
Shells, oyster, *see* Fish.
Shingle bolts, *see* Trees.
Skins, animal—Not exempt—Cases 1 and 23.
Sliced, see commodity name: Fruits, Vegetables, etc.
Soil, potting—Not exempt—Bureau opinion.
Soil, top—Not exempt—Bureau opinion.
Sorghum fodder—Exempt—Case 1.
Sorghum grains—Exempt—Case 1.
Soup, frozen—Not exempt—Bureau opinion.
Spices and herbs, unground, whether seeds, berries, leaves, bark, or roots—Exempt—Bureau opinion.
Spices and herbs, ground but not further processed—Exempt—Bureau opinion, Note 4.
Stover—Exempt—Case 1.
Straw—Exempt—Case 1.
Sugar—Not exempt—Case 1.
Sugarbeets—Exempt—Case 1.
Sugarcane—Exempt—Case 1.
Sugarcane pulp — Not exempt — Bureau opinion.
Sugar, raw—Not exempt—Bureau opinion.
Syrup, cane—Not exempt—Case 1.
Syrup, maple—Not exempt—Bureau opinion.

Tea—Exempt—Case 1(b), Note 1.
Telephone poles, *see* Trees.
Textile waste, *see* Cotton waste.
Tobacco:
  Chopped leaf—Exempt—Bureau opinion.
  Cigars and cigarettes—Not exempt—Bureau opinion.
  Homogenized — Not exempt — Bureau opinion.
  Leaf—Exempt—Case 1.
  Redried leaf—Exempt—Case 1(a).
  Smoking—Not exempt—Bureau opinion.
  Stemmed leaf—Exempt—Bureau opinion.
  Stems—Exempt—Bureau opinion.
Top Soil—Not exempt—Bureau opinion.
Trees:
  Bolts for making shingles—Exempt—Bureau opinion.
  Brush, mesquite, twigs and debris burned off—Exempt—Bureau opinion.
  Christmas, plain, sprayed, or coated—Exempt—Bureau opinion.
  Cut to length, peeled, or split—Exempt—Case 1.
  Growing, *see* Horticultural commodities.
  Sawed into lumber—Not exempt—Case 1.
  Shingle bolts—Exempt—Bureau opinion.
  Telephone poles, not creosoted—Exempt—Bureau opinion.
Turtles, *see* Fish.

Vegetables:
  Bagged—Exempt—Case 1.
  Beans, dried artificially and packed in small container—Exempt—Case 20.
  Candied sweet potatoes, frozen—Not exempt—Case 7, Note 6.
  Canned—Not exempt—Case 20.
  Cooked—Not exempt—Bureau opinion.
  Cucumbers, salt cured—Exempt—Case 1(b), Note 1.
  Cured—Exempt—Case 1.
  Cut up, fresh, in cellophane bags—Exempt—Case 20.
  Dried, naturally or artificially—Exempt—Cases 1 and 20.
  Dehydrated—Exempt—Bureau opinion, Note 3.
  French fried potatoes—Not exempt—Case 10.
  Frozen, fresh—Exempt—Case 21.
  Garlic powder—Exempt—Bureau opinion, Notes 3 and 4.
  Graded—Exempt—Case 1.
  Oil extracted from vegetables—Not exempt—Bureau opinion.
  Onion powder—Exempt—Bureau opinion, Notes 3 and 4.
  Onion chips and flakes, dried—Exempt—Bureau opinion, Note 3.
  Peas, split—Exempt—Bureau opinion.
  Peeled, uncooked—Exempt—Bureau opinion.
  Powder, onion and garlic—Exempt—Bureau opinion, Notes 3 and 4.
  Quick frozen, fresh—Exempt—Case 21.
  Shelled—Exempt—Bureau opinion.
  Soup, frozen—Not exempt—Bureau opinion.
  Soybean meal—Not exempt—Bureau opinion.
  Washed, fresh, in cellophane bags—Exempt—Case 20.
Whale meat, *see* Fish.
Wheat, *see* Grains.
Wheat products, *see* Feeds, Flour.
Wood chips for making woodpulp—Not exempt—Bureau opinion.
Wool, raw, cleaned, or scoured—Exempt—Case 1(a).
Wool grease, as obtained from cleaning or scouring process—Exempt—Bureau opinion.
Wool tops and noils—Exempt—Bureau opinion, Note 5.
Wool waste, carded but not spun, woven or knitted—Exempt—Bureau opinion, Note 5.
Wool Yarn—Not exempt—Bureau opinion.
Wreaths, *see* Forest products.

Case Lists

COMMISSION

1. Determination of Exempted Agricultural Commodities, 52 M.C.C. 511.
1(a). Determination of Exempted Agricultural Commodities, 62 M.C.C. 87.
1(b). Determination of Exempted Agricultural Commodities, MC-C-968, First Supplemental Report, decided February 11, 1958.
2. Blythe Common Carrier Application, 66 M.C.C. 560.
3. Bonney Motor Express, Inc., Extension, 69 M.C.C. 480.
4. Dougherty Common Carrier Application, 31 M.C.C. 793.
5. Erickson, Transport Corp., Extension—Madison, South Dakota, decided December 31, 1957, MC-113908 Sub 21.
6. Herrett Trucking Co., Inc., Extension—Feeds, 69 M.C.C. 487.
7. Hughes Extension—Frozen Foods, 71 M.C.C. 457.
8. Karst Extension—Containers, 62 M.C.C. 579.
9. Lewis Common Carrier Application, 69 M.C.C. 603.
10. Midwest Coast Transport, Inc., Extension—Montana, MC-111812 Sub 27, decided December 31, 1957.
11. Monark Egg Corp., Contract Carrier Application, 52 M.C.C. 576.
12. Penn-Dixie Lines, Inc., Extension—Rice 72 M.C.C. 797.
13. Prang Extension—Homing Pigeons, 53 M.C.C. 223.
14. Refrigerated Transport Co., Inc., Extension, Frozen Foods, 72 M.C.C. 459.
15. Shipley Transfer, Inc., Extension—Liquid Latex, 52 M.C.C. 806 (Not printed).
16. Sprofera Common Carrier Application, 66 M.C.C. 123.
17. Watkins Motor Lines, Inc., Interpretation, 64 M.C.C. 457.

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18. Consolidated Truck Service, Inc. vs. U.S. and I.C.C., 144 F. Supp. 814.
19. East Texas Motor Freight Lines, Inc. vs. Frozen Food Express, 351 U.S. 49.
20. Frozen Food Express vs. U.S. and I.C.C., 148 F. Supp. 399, affirmed without opinion 355 U.S. 6.
21. Home Transfer & Storage Co. vs. U.S. and I.C.C., 141 F. Supp. 599, affirmed without opinion, 352 U.S. 884.
22. Premier Peat Moss Corp. vs. U.S., 147 F. Supp. 169.
23. Southwestern Trading Co. vs. U.S., 208 F. 2d 708.

Notes

NOTE 1: The report in Determination of Exempted Agricultural Commodities, MC-C-968, First Supplemental Report, decided February 11, 1958, was served on February 14, 1958. Whether any petitions for reconsideration will be filed is not known at this time.

NOTE 2: In Penn-Dixie, 68 M.C.C. 29, Division 1 of the Commission held fresh citrus fruit sections not to be within the exemption. However, this decision was rendered prior to the affirmance by the U.S. Supreme Court of the court decisions in I.C.C. vs. Home Transfer & Storage Co., 141 F. Supp. 599, 352 U.S. 884 and in Frozen Food Express vs. U.S., 148 F. Supp. 399, 355 U.S. 6. In the former case peeled and sliced frozen peaches were held to be within the exemption, and in the latter case cut up vegetables and peeled and pitted peaches were held to be within the exemption.

NOTE 3: In the Determination case, 52 M.C.C. 511, the Commission held that dehydrated vegetables do not come within the exemption. However, that position would seem no longer valid in view of the recent holding in Frozen Food Express vs. U.S., 148 F. Supp. 399, that dried egg powder, dried egg yolks and powdered milk are within the exemption, which holding was affirmed by the U.S. Supreme Court in 355 U.S. 6.

NOTE 4: It is rather clear from the Determination case, 52 M.C.C. 511, that the Commission considered grinding to be manufacturing, though it did not specifically so hold. The Bureau until recently considered all ground commodities to be not exempt. In Herrett, 69 M.C.C. 487 (January 29, 1957), the Commission, Division 1, held ground oat hulls not within the exemption. This, however, was prior to the expiration of the date for appeal in Frozen Food Express vs. U.S. and I.C.C., 148 F. Supp. 399, in which the court held, among other things, that ground peanut shells, dried egg powder, and powdered milk are within the exemption. No appeal was taken as to ground peanut shells, and on appeal the U.S. Supreme Court affirmed the decision as to the two powdered commodities. The Court opinion does not described the grinding and powdering processes there involved, but in an early Commission case, Harris and Callis, 4 M.C.C. 169 it was said that ground peanut shells are produced by pulverization in a hammer mill.

In view of the Court holdings, which now are final, the Bureau no longer considers that grinding alone removes a commodity from the exemption. However, manufacturing which follows or precedes grinding may have this effect. Thus the bolting which produces flour would make that commodity non-exempt. Also meals produced by grinding commodities from which the oil has been extracted are considered not within the exemption. Thus in the Frozen Food case, mentioned above, the court held cottonseed meal not to be within the exemption.

NOTE 5: In view of the "substantial identity" test of the U.S. Supreme Court in East Texas Motor Freight Lines, Inc. vs. Frozen Food Express, 351 U.S. 49, the Bureau takes the view that the exemption includes cotton or wool which has been combed or carded but not spun, woven or knitted. Thus wool tops and noils are now considered within the exemption. Also considered within the exemption is easte which consists of scraps or discards of cotton or wool fibers resulting from the handling and processings in mills, but not waste made up of scraps of thread, yarn, or cloth.

NOTE 6: This holding was made in Hughes, 71 M.C.C. 457, which proceeding later was reopened for further hearing. Pending final determination of the proceeding the holding cannot be considered an authoritative decision of the Commission. However, these same commodities were held not exempt in Bureau opinions rendered previous to the decision. Compare Administrative Ruling No. 98.

§ 1047.40 Motor transportation of property incidental to transportation by aircraft.

(a) *Property moving in collection, delivery, or transfer service.* Transportation or property by motor vehicle is transportation incidental to transportation by aircraft within the meaning of section 203(b)(7a) of the Interstate Commerce Act provided (1) that it is confined to the transportation of shipments in bona fide collection, delivery, or transfer service performed within the terminal area of the direct air carrier or air freight forwarder (indirect air carrier) providing the line-haul transportation, which terminal area, if the line-haul air transportation is provided by a carrier subject to economic regulation under the Federal Aviation Act, has been described in a tariff filed with and accepted by the Civil Aeornautics Board, and (2) that it is confined to the transportation of shipments which have been received from or will be delivered to a direct air carrier or air freight forwarder as part of a continuous movement which, if provided by an air carrier subject to economic regulation under the Federal Aviation Act, shall be provided for in tariffs filed with and accepted by the Civil Aeronautics Board, and shall be performed on a through air bill of lading covering, in addition to the line-haul movement by air, the collection, delivery, or transfer service performed by the motor carrier.

(b) *Substitution of motor-for-air transportation due to emergency conditions.* Transportation of property by motor vehicle is transportation incidental to transportation by aircraft if it constitutes substituted motor-for-air service, performed at the expense of the direct air carrier or air freight forwarder, on a through air bill of lading, in emergency situations arising from the inability of the direct air carrier to perform air transportation due to adverse weather conditions, equipment failure, or other causes beyond the control of the direct air carrier.

(c) *Individual determination of exempt zones.* Upon its own motion or upon petition filed by any interested person, the Interstate Commerce Commission may, in an appropriate proceeding, determine whether the area within which the transportation of property by motor vehicle, in bona fide collection, delivery, or transfer service, must be performed, in order to come within the provisions of paragraph (a) of this section, should be individually determined with respect to any particular airport or city authorized to be served by a direct air carrier or air freight forwarder holding authority from the Civil Aeronautics Board, and whether there should be established therefor appropriate boundaries, differing in extent from the terminal areas of such direct air carriers or freight forwarders as defined in tariffs filed with and accepted by the Civil Aeronautics Board.

(56 Stat. 285, 80 Stat. 383; 49 U.S.C. 1003, 5 U.S.C. 553)

§ 1047.45 Motor transportation of passengers incidental to transportation by aircraft.

(a) *Passengers having an immediately prior or subsequent movement by air.* The transportation of passengers by motor vehicle is transportation incidental to transportation by aircraft provided (1) that it is confined to the transportation of passengers who have had or will have an immediately prior or immediately subsequent movement by air and (2) that the zone within which motor transportation is incidental to transportation by aircraft, except as it may be individually determined as provided in section (c) herein, shall not exceed in size the area encompassed by a 25-mile radius of the boundary of the airport at which the passengers arrive or depart and by the boundaries of the commercial zones (as defined by the Commission) of any municipalities any part of whose commercial zones falls within the 25-mile radius of the pertinent airport.

(b) *Substituted motor-for-air transportation due to emergency conditions.* Transportation of passengers by motor vehicle is transportation incidental to transportation by aircraft if it constitutes substituted motor-for-air service, performed at the expense of the air carrier in emergency situations arising from the inability of the air carrier to perform air transportation due to adverse weather conditions, equipment failure, or other causes beyond the control of the air carrier.

(c) *Individual determination of exempt zones.* Upon its own motion or upon petition filed by any interested person, the Interstate Commerce Commission may in an appropriate proceeding, determine whether the area within which the transportation by motor vehicle of passengers having an immediately prior or subsequent movement by air must be performed, in order to come within the provisions of paragraph (a) of this section, should be individually determined with respect to any particular airport or city served by an airport, and whether there should be established therefor appropriate boundaries differing in extent from this defined in paragraph (a)(2) of this section.

(d) *Exempt zones and operations*—(1) *Dulles and Friendship International Airports.* The transportation by motor vehicle, in interstate or foreign commerce, of passengers, having an immediately prior or subsequent movement by air, between Dulles International Airport near Chantilly, Va., and Friendship International Airport, Baltimore, Md., is partially exempt from regulation under section 203(b)(7a) of the Interstate Commerce Act.

PART 1048—COMMERCIAL ZONES

Sec.

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Sec.
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AUTHORITY: The provisions of this Part 1048 issued under 49 Stat. 543, as amended, 544 as amended, 546, as amended; 49 U.S.C. 302, 303, 304.

§ 1048.1 New York, N.Y.

(a) The application of § 1048.101 *Commercial zones determined generally*, with exceptions, is hereby extended to New York, N.Y.

(b) The exemption provided by section 203(b)(8) the Interstate Commerce Act, of transportation by motor vehicle in interstate or foreign commerce, performed wholly within the zone the limits of which are defined in paragraph (a) of this section, is hereby removed as to all such transportation except (1) transportation which is performed wholly within the following territory: The area within the corporate limits of the cities of New York, Yonkers, Mount Vernon, North Pelham, Pelham, Pelham Manor, Great Neck Estates, Floral Park, and Valley Stream, N.Y., and Englewood, N.J.; the area within the borough limits of Alpine, Tenafly, Englewood Cliffs, Leonia, Fort Lee, Edgewater, Cliffside Park, Fairview, Palisades Park, and Ridgefield, Boroughs, Bergen County, N.J.; and that part of Hudson County, N.J., east of Newark Bay and the Hackensack River; (2) transportation which is performed in respect of a shipment which has had a prior, or will have a subsequent, movement by water carrier, and which is performed wholly between points named in subparagraph (1) of this paragraph on the one hand, and, on the other, those points in Newark and Elizabeth, N.J., identified as follows: All points in that area within the corporate limits of the cities of Newark and Elizabeth, N.J., west of Newark Bay and bounded on the south by the Main Line of The Central Railroad Company of New Jersey, on the west by the Newark & Elizabeth Branch of The Central Railroad Company of New Jersey, and on the north by the property of The Pennsylvania Railroad Company; and (3) transportation which is performed in respect of a shipment which has had a prior, or will have a subsequent, movement by rail carrier, and which is performed wholly between points named in subparagraph (1) of this paragraph on the one hand, and, on the other, points in Kearny, N.J., within an area bounded on the north by the main line of the Jersey City Branch of The Pennsylvania Railroad Company, on the south and east by Fish House Road and Pennsylvania Avenue, and on the west by the property line of The Pennsylvania Railroad TrucTrain Terminal.

§ 1048.2 Chicago, Ill.

The zone adjacent to and commercially a part of Chicago, Ill., within which transportation by motor vehicle, in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone is partially exempt from regulation under section 203(b)(8) of the Interstate Commerce Act (49 U.S.C. 303(b)(8)), includes and is comprised of all points as follows:

The area within the corporate limits of Chicago, Evanston, Oak Park, Cicero, Berwyn, River Forest, Willow Springs, Bridgeview, Hickory Hills, Worth, Homewood, and Lansing, Ill.; the area within the township limits of Niles, Maine, Leyden, Norwood Park, Proviso, Lyons, Riverside, Stickney, Worth, Calumet, Bremen, and Thronton Townships, Cook County, Ill.; the area comprised of that part of Lemont Township, Cook County, and that part of Downers Grove Township, DuPage County, Ill., bounded by a line beginning at the intersection of Archer Avenue and the southern corporate limits of Willow Springs, Ill., and extending in a southwesterly direction along Archer Avenue to its junction with Chicago Joliet Road (Sag Lemont Highway), thence in a westerly direction over Chicago Joliet Road to its junction with Walker Road, thence directly north along an imaginary line to the southern shore line of the Chicago Sanitary and Ship Canal, thence in a northeasterly direction along said shore line to the corporate limits of Willow Springs, including points on the indicated portions of the highways specified; and the area within the corporate limits of Hammond, Whiting, East Chicago, and Gary, Ind.

§ 1048.3 St. Louis, Mo.-East St. Louis, Ill.

(a) The zone adjacent to and commercially a part of St. Louis, Mo.-East St. Louis, Ill., within which transportation by motor vehicle, in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage to or from a point beyond the zone is partially exempt from regulation under section 203(b)(8) of the Interstate Commerce Act (49 U.S.C. 303(b)(8)), includes and is comprised of all points as follows: (1) All points within the corporate limits of St. Louis, Mo; (2) all points in St. Louis County, Mo., within a line drawn 0.5 mile south, west, and north of the following line, but not including any point north of the Meramec River and west of Kirkwood, Mo., west of the right-of-way of proposed Circumferential Expressway (Interstate Highway 244), north of a line formed by Dorsett Road and the right-of-way of the Chicago, Rock Island and Pacific Railroad, south of Lackland Avenue, or points beyond the established corporate boundaries of Kirkwood, Huntleigh, and St. Ferdinand, Mo. (except that area bounded on the east by the western boundary of Kirkwood, on the south by Marshall Road, on the west by Treecourt Avenue, and on the north by Big Bend Road): Beginning at the Jefferson Barracks Bridge across the Mississippi River and extending westerly along Missouri Highway 77 to its junction with U.S. Highway 61 Bypass, thence along U.S. Highway 61 Bypass to its junction with U.S. Highway 66, thence westerly along U.S. Highway 66, to its junction with Bowles Avenue, thence northerly along Bowles Avenue actual or projected to the Meramec River, thence easterly along the south bank of the Meramec River to a point directly south of the western boundary of Kirkwood, thence across the Meramec River to and along the western boundary of Kirkwood to Marshall Road, thence westerly along Marshall Road to its junction with Treecourt Avenue, thence northerly along Treecourt Avenue to its junction with Big Bend Road, thence easterly along Big Bend Road to the western boundary of Kirkwood, thence along the western and northern boundaries of Kirkwood to the western boundary of Huntleigh, Mo., thence along the western and northern boundaries of Huntleigh to junction U.S. Highway 66, thence in a northerly direction along U.S. Highway 66 (Lindbergh Boulevard) to its junction with Lackland Avenue, thence in a westerly direction along Lackland Avenue to its junction with the right-of-way of proposed Circumferential Expressway (Interstate Highway 244), thence in a northerly direction along said right-of-way to its junction with the right-of-way of the Chicago, Rock Island and Pacific Railroad, thence in an easterly direction along said right-of-way to its junction with Dorsett Road, thence in an easterly direction along Dorsett Road to its junction with U.S. Highway 66, thence in a northerly direction along U.S. Highway 66 to its junction with Natural Bridge Road, thence in an easterly direction along U.S. Highway 66 to the western boundary of St. Ferdinand (Florissant), Mo., thence along the western, northern, and eastern boundaries of St. Ferdinand to junction U.S. Highway 66 and thence along U.S. Highway 66 (Taylor Road) to the corporate limits of St. Louis (near Chain of Rocks Bridge); and (3) all points within the corporate limits of East St. Louis, Belleville, Granite City, Madison, Venice, Brooklyn, National City, Fairmont City, Washington Park, and Monsanto, Ill., and that part of the Village of Cahokia, Ill., bounded by Illinois Highway 3 on the east, First Avenue and Red House (Cargill) Road on the south and southwest, the east line of the right-of-way of the Alton and Southern Railroad on the west, and the corporate limits of Monsanto, Ill., on the northwest and north.

(b) The exemption provided by section 203(b)(8) of the Interstate Commerce Act in respect of transportation by motor vehicle, in interstate or foreign commerce, between Belleville, Ill., on the one hand, and, on the other, any other

point in the commercial zone, the limits of which are defined in paragraph (a) of this section, is hereby removed, and the said transportation is hereby subjected to all the applicable provisions of the Interstate Commerce Act.

§ 1048.4 Washington, D.C.

The zone adjacent to and commercially a part of Washington, D.C., within which transportation by motor vehicle, in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond such zone, is partially exempt from regulation under section 203(b)(8) of the Interstate Commerce Act (49 U.S.C. 303(b)(8)) includes and is comprised of all points in an area bounded by a line as follows:

Beginning at the intersection of MacArthur Boulevard and Falls Road (Maryland Highway 189) and extending northeasterly along Falls Road to its junction with Scott Drive, thence west on Scott Drive to its junction with Viers Drive, thence west on Viers Drive to its junction with Glen Mill Road, thence northeast on Glen Mill Road to its junction with Maryland Highway 28, thence west on Maryland Highway 28 to its junction with Shady Grove Road, thence northeast on Shady Grove Road approximately 2.3 miles to its junction with Maryland Highway 355, thence southeasterly along Maryland Highway 355 approximately 1.0 mile to its junction with Redland Road, thence northeasterly along Redland Road approximately 0.7 mile to Crabbs Branch, thence southeasterly along the course of Crabbs Branch to Rock Creek, thence southerly along the course of Rock Creek to Viers Mill Road (Maryland Highway 586), thence southeasterly along Viers Mill Road approximately 0.3 mile to its junction with Aspen Hill Road, thence northeasterly along Aspen Hill Road to its junction with Brookeville Road (Maryland Highway 97), thence southeasterly along Brookeville Road to its junction with Maryland Highway 183, thence northeasterly along Maryland Highway 183 to Colesville, Md., thence southeasterly along Beltsville Road to its junction with Powder Mill Road (Maryland Highway 212), thence easterly over Powder Mill Road to its junction with Montgomery Road, thence northeasterly along Montgomery Road, approximately 0.2 mile, to its junction with an unnumbered highway extending northeasterly to the north of Ammendale Normal Institute, thence along such unnumbered highway for a distance of about 2.2 miles to its junction somewhat north of Virginia Manor, Md., with an unnumbered highway extending easterly through Muirkirk, Md., thence along such unnumbered highway through Muirkirk to its junction, approximately 1.8 miles east of the Baltimore and Ohio Railroad, with an unnumbered highway, thence southwesterly along such unnumbered highway for a distance of about 0.5 mile to its junction with an unnumbered highway, thence southeasterly along such unnumbered highway through Springfield and Hillmeade, Md., to its junction with Defense Highway (U.S. Highway 50), thence southwesterly along Defense Highway approximately 0.8 mile to its junction with Enterprise Road (Maryland Highway 556), thence southerly over Enterprise Road to its junction with Central Avenue (Maryland Highway 214), thence westerly over Central Avenue about 0.5 mile to its crossing of Western Branch, thence southerly down the course of Western Branch to Maryland Highway 202, thence westerly approximately 0.3 mile along Maryland Highway 202 to its junction with White House Road, thence southwesterly along White House Road to its junction with Maryland Highway 221, thence southeasterly along Maryland Highway 221 to its junction with Maryland Highway 4, thence westerly along Maryland Highway 4 to the boundary of Andrews Air Force Base, thence south and west along said boundary to Brandywine Road (Maryland Highway 5), thence northwesterly along Maryland Highway 5 to its junction with Maryland Highway 337, thence southwesterly along Maryland Highway 337 to its junction with Maryland Highway 224, thence southerly along Maryland Highway 224 to a point opposite the mouth of Broad Creek, thence due west across the Potomac River to the west bank thereof, thence southerly along the west bank of the Potomac River to Gunston Cove, thence up the course of Gunston Cove to Pohick Creek, thence up the course of Pohick Creek to Telegraph Road (Virginia Highway 611), thence northeasterly along Telegraph Road to its junction with Back Lick Road (Virginia Highway 617), thence northerly along Back Lick Road through Newington, Springfield, and Springfield Station, Va., to Annandale, Va., thence northerly along Virginia Highway 649 to its junction with Virginia Highway 709, thence northerly along Virginia Highway 709 to its junction with Virginia Highway 650, thence northerly along Virginia Highway 650 to its junction with Virginia Highway 7, thence northwesterly over Virginia Highway 7 to its junction with the Dulles Airport Access Highway, thence east over the Dulles Airport Access Highway to its junction with Interstate Highway 495, thence northeasterly over Interstate Highway 495 to its junction with Ash Grove Road (Virginia Highway 694), thence northwesterly along Ash Grove Road to Jones Corners, Va., thence northeasterly along Swinks Mill Road (Virginia Highway 685) to Swinks Mill, Va., thence along the course of Scott Run to the Potomac River, thence due north across the river to MacArthur Boulevard, thence northwesterly along MacArthur Boulevard to its junction with Maryland Highway 189, the point of beginning.

§ 1048.5 Los Angeles, Calif., and contiguous and adjacent municipalities.

(a) The exemption provided by section 203 (b) (8) of Part II of the Interstate Commerce Act to the extent it affects transportation by motor vehicle, in interstate or foreign commerce, performed wholly within Los Angeles, Calif., or wholly within any municipality contiguous or adjacent to Los Angeles, Calif., or wholly within the zone adjacent to and commercially a part of Los Angeles, as defined in (b) of this paragraph, or wholly within the zone adjacent to and commercially a part of the San Pedro, Wilmington, and Terminal Island Districts of Los Angeles and Long Beach, as defined in (c) of this paragraph, or wholly within the zone of any independent municipality contiguous or adjacent to Los Angeles, as determined under § 1048.101, or otherwise, between any point in Los Angeles County, Calif., north of the line described below, on the one hand, and, on the other, any point in Los Angeles County, Calif., south thereof is hereby removed and the said transportation is hereby subjected to all the applicable provisions of the Interstate Commerce Act:

Beginning at the Pacific Ocean, and extending easterly along the northern and eastern corporate limits of Manhattan Beach to the northern corporate limits of Redondo Beach, thence along the northern and eastern corporate limits of Redondo Beach to the intersection of Inglewood Avenue and Redondo Beach Boulevard, thence along Redondo Beach Boulevard to the corporate limits of Torrance, thence along the northwestern and eastern corporate limits of Torrance to 182nd Street, thence along 182nd Street, Walnut, and Main Streets to Olive Street, thence along Olive Street to the western corporate limits of Compton, thence along the western and southern corporate limits of Compton and the northern and eastern corporate limits of Long Beach to Artesia Street, thence east on Artesia Street to the Los Angeles-Orange County line.

(b) For the purpose of administration and enforcement of Part II of the Interstate Commerce Act, the zone adjacent to and commercially a part of Los Angeles and contiguous municipalities (except the San Pedro, Wilmington, and Terminal Island districts of Los Angeles and Long Beach, Calif.), in which transportation by motor vehicle in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone, will be partially exempt from regulation under section 203 (b) (8) of the act, is hereby defined to include the area of a line extending in a generally northwesterly and northerly direction from the intersection of Inglewood Avenue and Redondo Beach Boulevard along the eastern and northern corporate limits of Redondo Beach, Calif., to the eastern corporate limits of Manhattan Beach, Calif., thence along the eastern and northern corporate limits of Manhattan Beach to the Pacific Ocean, thence along the shore line of the Pacific Ocean to the western corporate limits of Los Angeles at a point east of Topanga Canyon, and thence along the western corporate limits of Los Angeles to a point near Santa Susana Pass; south of a line extending in a generally easterly direction from a point near Santa Susana Pass along the northern corporate limits of Los Angeles to the eastern corporate limits of Burbank, Calif., thence along the eastern corporate limits of Burbank to the northern corporate limits of Glendale, Calif., and thence along the northern corporate limits of Glendale and Pasadena, Calif., to the northeastern corner of Pasadena; west of a line extending in a generally southerly and southwesterly direction from the northeastern corner of Pasadena along the eastern and a portion of the southern corporate limits of Pasadena to the eastern corporate limits of San Marino, Calif., thence along the eastern corporate limits of San Marino and the eastern and a portion of the southern corporate limits of Alhambra, Calif., to the western corporate limits of Monterey, Calif., thence along the western corporate limits of Monterey and the western corporate limits of Montebello, Calif., to the Rio Hondo, and thence along the Rio Hondo and the Los Angeles River to the northern corporate limits of Long Beach; and north of a line extending in a generally westerly direction from the Los Angeles River along the northern corporate limits of Long Beach and the southern and a portion of the western corporate limits of Compton to Olive Street,

thence along Olive, Main, Walnut, and One Hundred and Eighty-second Streets to the eastern corporate limits of Torrance, thence along a portion of the eastern and the northwestern corporate limits of Torrance to Redondo Beach Boulevard, and thence along Redondo Beach Boulevard to Inglewood Avenue.

(c) For the purpose of administration and enforcement of Part II of the Interstate Commerce Act, the zone adjacent to and commercially a part of the San Pedro, Wilmington, and Terminal Island districts of Los Angeles and Long Beach, in which transportation by motor vehicle in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone, will be partially exempt from regulation under section 203 (b) (8) of the act, is hereby defined to include the area east of a line extending in a generally northerly and northwesterly direction from the Pacific Ocean along the western corporate limits of Los Angeles to Two Hundred and Fifty-eighth Street, thence along Two Hundred and Fifty-eighth Street to the eastern corporate limits of Torrance, and thence along a portion of the eastern, and along the southern and western, corporate limits of Torrance to the northwestern corner of Torrance; south of a line extending in a generally easterly direction from the northwestern corner of Torrance along the northwestern and a portion of the eastern corporate limits of Torrance to One Hundred and Eighty-second Street, thence along One Hundred and Eighty-second, Walnut, Main, and Olive Streets to the western corporate limits of Compton, and thence along a portion of the western and along the southern corporate limits of Compton and the northern corporate limits of Long Beach to the northeastern corner of Long Beach; west of the eastern corporate limits of Long Beach; and north of the southern corporate limits of Long Beach and Los Angeles.

§ 1048.6 Philadelphia, Pa.

The zone adjacent to and commercially a part of Philadelphia, Pa., within which transportation by motor vehicle, in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond such zone, is partially exempt from regulation under section 203(b)(8) of the Interstate Commerce Act (49 U.S.C. 303(b)(8)) includes and is comprised of all points as follows:

(a) The area within Pennsylvania included within the corporate limits of Philadelphia and Bensalem and Lower Southampton Townships in Bucks County; Conshohocken and West Conshohocken, Pa., and Lower Moreland, Abington, Cheltenham, Springfield, Whitemarsh, and Lower Merion Townships in Montgomery County; an area in Upper Dublin Township, Montgomery County, bounded by a line beginning at the intersection of Pennsylvania Avenue and Fort Washington Avenue and extending northeast along Fort Washington Avenue to its junction with Susquehanna Road, thence southeast along Susquehanna Road to its junction with the right of way of the Pennsylvania Railroad Company, thence southwest along the right of way of the Pennsylvania Railroad Company to Pennsylvania Avenue, thence northwest along Pennsylvania Avenue to its junction with Fort Washington Avenue, the point of beginning; Haverford Township in Delaware County; and an area in Delaware County south and east of a line extending southward from the intersection of the western and northern boundaries of Upper Darby Township along Darby Creek to Bishop Avenue, thence south along Bishop Avenue to Baltimore Pike, thence west along Baltimore Pike to Pennsylvania Highway 320, thence south along Pennsylvania Highway 320 to the corporate limits of Chester, thence along the northern corporate limit of Chester in a westerly direction to the eastern boundary of Upper Chichester Township, thence south to the southern boundary of said township along the eastern boundary thereof, and thence west along the southern boundary of said township to the Delaware State line, and thence south along the Delaware State line to the Delaware River, and

(b) The area in New Jersey included in the corporate limits of Camden, Gloucester City, Woodlynne, Merchantville, and Palmyra Boroughs, and the area included in Pennsauken Township in Camden County.

§ 1048.7 Cincinnati, Ohio.

The zone adjacent to, and commercially a part of, Cincinnati, Ohio, within which transportation by motor vehicle, in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone, is partially exempt from regulation under section 203(b)(8) of the Interstate Commerce Act is hereby defined to include the following:

Addyston, Ohio.	Mariemont, Ohio.
Cheviot, Ohio.	North Bend, Ohio.
Cincinnati, Ohio.	Norwood, Ohio.
Cleves, Ohio.	St. Bernard, Ohio.
Elmwood Place, Ohio.	Covington, Ky.
Fairfax, Ohio.	Newport, Ky.

That part of Ohio bounded by a line commencing at the intersection of the Colerain-Springfield Township line and corporate limits of Cincinnati, Ohio, and extending along said township line in a northerly direction to its intersection with the Butler-Hamilton County line, thence in an easterly direction along said county line to its intersection with Ohio Highway 4, thence in a northerly direction along Ohio Highway 4 to its intersection with Mulhauser Road, thence in an easterly direction along said road to the terminus thereof west of the tracks of the Pennsylvania Railroad, thence continuing in an easterly direction in a straight line to Allen Road, thence along the latter to the junction thereof with Cincinnati-Dayton Road, thence in a southerly direction along Cincinnati-Dayton Road to the Butler-Hamilton County line, thence along the said county line and the Warren-Hamilton County line in an easterly direction to the Symmes-Sycamore Township line, thence in a southerly direction along the Symmes-Sycamore Township line to its intersection with the Columbia Township line, thence in a westerly direction along the Sycamore-Columbia Township line to Madeira Township, thence in a clockwise direction around the boundary of Madeira Township to the Sycamore-Columbia Township line, thence in a westerly direction along said township line to Silverton Township, thence in a southerly direction along the Silverton-Columbia Township line to the Cincinnati corporate limits, thence in a southerly direction along said corporate limits to junction with Red Bank Road, thence in a southerly direction over Red Bank Road to the Cincinnati corporate limits.

That part of Kenton County, Ky., lying on and north of a line commencing at the intersection of the Kenton-Boone County line and Dixie Highway (U.S. Highways 25 and 42), and extending over said highway to the corporate limits of Covington, Ky., including communities on the described line.

That part of Campbell County, Ky., lying on and north of a line commencing at the south corporate limits of Newport, Ky., and extending along Licking Pike (Kentucky Highway 9) to junction with Johns Hill Road, thence along Johns Hill Road to junction with Alexandria Pike (U.S. Highway 27), thence northward along Alexandria Pike to junction with River Road (Kentucky Highway 445), thence over the latter to the Ohio River, including communities on the described line.

That part of Boone County, Ky., bounded by a line beginning at the Boone-Kenton County line west of Erlanger, Ky., and extending in a northwesterly direction along Donaldson Highway to the Greater Cincinnati Airport, thence clockwise around the outer perimeter of said airport to the northern tip thereof, thence in a northeasterly direction along Kentucky Highway 1334 to junction with Kentucky Highway 20, and thence along the latter to the Boone-Kenton County line.

That part of Boone and Kenton Counties, Ky., bounded by a line commencing at the intersection of the Boone-Kenton County line with the southern corporate limits of Elsmere, Ky., and extending in a southerly direction along said county line approximately 0.9 mile to the northern boundary of the Northern Kentucky Industrial Foundation, thence in a westerly direction along said boundary to its intersection with the southern corporate limits of Florence, Ky., thence in a westerly direction along said corporate limits to their intersection with U.S. Highway 42, thence in a southwesterly direction along said highway to its intersection with Interstate Highway 75, thence in a southerly direction along Interstate Highway 75 to a point 2 miles south of the Florence, Ky., corporate limits, thence in a straight line in a northeasterly direction to Richardson Road, thence in an easterly direction over Richardson Road to junction with Kentucky State Route 1303 (Turkeyfoot Road), thence in a northerly direction over Kentucky State Route 1303 to the southern boundary of Edgewood, Kenton County, Ky.

§ 1048.8 Kansas City, Mo.—Kansas City, Kans.

The zone adjacent to and commercially a part of Kansas City, Mo.—Kansas City, Kans., within which transportation by motor vehicle, in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone is partially exempt from regulation under section

203(b)(8) of the Interstate Commerce Act (49 U.S.C. 303(b)(8)), includes and is comprised of all points in the area bounded by a line as follows:

Beginning on the north side of the Missouri River at the western boundary line of Parkville, Mo., thence along the western and northern boundaries of Parkville to the Kansas City, Mo., corporate limits, thence along the western, northern, and eastern corporate limits of Kansas City, Mo., to its junction with U.S. Bypass 71 (near Liberty, (Mo.), thence along U.S. Bypass 71 to Liberty, thence along the northern and eastern boundaries of Liberty to its junction with U.S. Bypass 71 south of Liberty, thence south along U.S. Bypass 71 to its junction with the Independence, Mo., corporate limits, thence along the eastern Independence, Mo., corporate limits to its junction with the Lees Summit corporate limits, thence along the eastern Lees Summit corporate limits to the Jackson-Cass County line, thence west along Jackson-Cass County line to the eastern corporate limits of Belton, Mo., thence along the eastern, southern, and western corporate limits of Belton to the western boundary of Richards-Gebaur Air Force base, thence along the western boundary of said air force base to Missouri Highway 150, thence west along Missouri Highway 150 to the Kansas-Missouri State line, thence north along the Kansas-Missouri State line to 110th Street, thence west along 110th Street to its junction with U.S. Highway 69, thence north along U.S. Highway 69 to its junction with 103d Street, thence west along 103d Street to its junction with Quivera Road (the corporate boundary of Lenexa, Kans.), thence along the eastern, southern, western, and northern boundaries of Lenexa to Pflumm Road, thence north along Pflumm Road to its junction with Kansas Highway 10, thence west on Kansas Highway 10 to its junction with Kansas Highway 7, thence north on Kansas Highway 7 to Bonner Springs, Kans., thence along the southern and eastern boundaries of Bonner Springs to its junction with Kansas Highway 32, thence east on Kansas Highway 32 to the corporate boundary of Kansas City, Kans., thence north, west, and east along the corporate boundaries of Kansas City, Kans., to junction of Cernech Road and Pomeroy Drive, thence northwesterly along Pomeroy Drive to its junction with 79th Street, thence along 79th Street to its junction with Wolcott Drive at Pomeroy, Kans., thence due west 1.3 miles to its junction with an unnamed road, thence north along such unnamed road to the entrance to the Powell Port facility, thence due north to the southern bank of the Missouri River, thence east along the southern bank of the Missouri River to a point directly across from the western boundary of Parkville, Mo., thence across the Missouri River to point of beginning.

§ 1048.9 Boston, Mass.

For the purpose of administration and enforcement of Part II of the Interstate Commerce Act, the zone adjacent to and commercially a part of Boston, Mass., and contiguous municipalities in which transportation by motor vehicle in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone, will be partially exempt under section 203(b)(8) of the act from regulation, is hereby defined to include the following:

Boston, Mass.; Winthrop, Mass.; Chelsea, Mass.; Revere, Mass.; Everett, Mass.; Malden, Mass.; Medford, Mass.; Somerville, Mass.; Cambridge, Mass.; Watertown, Mass.; Brookline, Mass.; Newton, Mass.; Needham, Mass.; Dedham, Mass.; Milton, Mass.; Quincy, Mass.

§ 1048.10 Davenport, Iowa; Rock Island and Moline, Ill.

For the purpose of administration and enforcement of Part II of the Interstate Commerce Act, the zones adjacent to and commercially a part of Davenport, Iowa, Rock Island and Moline, Ill., in which transportation by motor vehicle, in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond such municipalities or zones, will be partially exempt from regulation under section 203(b)(8) of the act (49 U.S.C. 303(b)(8) are hereby determined to be coextensive and to include and to be comprised of the following:

(a) All points within the corporate limits of the city of Davenport and the city of Bettendorf, and in Davenport Township, Iowa.

(b) All points north of Davenport Township within that portion of Sheridan Township, Iowa, bounded by a line as follows: Beginning at the points where U.S. Highway 61 crosses the Davenport-Sheridan Township line and extending northward along U.S. Highway 61 to the right-of-way of the Chicago, Milwaukee, St. Paul & Pacific Railroad Co., thence northwesterly along said right-of-way to its junction with the first east-west unnumbered highway, thence westerly approximately 0.25 mile to its junction with a north-south unnumbered highway, thence southerly along such unnumbered highway to the northeast corner of Mount Joy Airport, thence along the northern and western boundaries of said airport to the southwestern corner thereof, and thence south in a straight line to the northern boundary of Davenport Township.

(c)(1) That part of Iowa lying west of the municipal limits of Davenport south of Iowa Highway 22, north of the Mississippi River and east of the present western boundary of the Dewey Portland Cement Co., at Linwood, including points on such boundaries, and (2) that part of Iowa east of the municipal limits of Bettendorf, south of U.S. Highway 67, west of a private road running between U.S. Highway 67 and Riverside Power Plant of the Iowa-Illinois Gas & Electric Co., and north of the Mississippi River, including points on such boundaries.

(d) The municipalities of Carbon Cliff, Silvis, East Moline, Moline, Rock Island, and Milan, Ill., and that part of Illinois lying south or east of such municipalities, within a line as follows: Beginning at a point where Illinois Highway 84 crosses the southern municipal limits of Carbon Cliff and extending southerly along such highway to its junction with Colona Road, thence westerly along Colona Road to Bowlesburg Road, thence southerly on Bowlesburg Road to the southern boundary of Hampton Township, thence along the southern boundaries of Hampton and South Moline Townships to U.S. Highway 150, thence southerly along U.S. Highway 150 to the southern boundary of the Moline Airport, thence along the southern and western boundaries of the Moline Airport to Illinois Highway 92, and thence along Illinois Highway 92 to the corporate limits of Milan.

(e) All points in Illinois within one-half mile on each side of Rock Island County State Aid Route No. 9 extending southerwesterly from the corporate limits of Milan for a distance of 1 mile, including points on such highway.

§ 1048.11 Commercial zones of municipalities in New Jersey within 5 miles of New York, N.Y.

(a) The application of § 1048.101 is hereby extended to each municipality in New Jersey, any part of which is within 5 miles of the corporate limits of New York, N.Y.

(b) The exemption provided by section 203(b)(8) of the Interstate Commerce Act, of transportation by motor vehicle, in interstate or foreign commerce, performed wholly within any commercial zone, the limits of which are defined in paragraph (a) of this section, is hereby removed as to all such transportation except (1) transportation which is performed wholly between any two points in New Jersey, or (2) transportation which is performed wholly between points in New Jersey named in § 1048.1(b)(1), on the one hand, and, on the other, points in New York named in § 1048.1(b)(1).

§ 1048.12 Commercial zones of municipalities in Westchester and Nassau Counties, N.Y.

(a) The application of § 1048.101 is hereby extended to each municipality in Westchester or Nassau Counties, N.Y.

(b) The exemption provided by section 203(b)(8) of the Interstate Commerce Act, of transportation by motor vehicle, in interstate or foreign commerce, performed wholly within any commercial zone, the limits of which are defined in paragraph (a) of this section, is hereby removed as to all such transportation except (1) transportation which is performed wholly between points in New York neither of which is New York City, N.Y., or (2) transportation which is performed wholly between points in Westchester or Nassau County named in § 1048.1(b)(1), on the one hand, and, on the other, New York City, N.Y., or points in New Jersey named in § 1048.1(b)(1).

§ 1048.13 Tucson, Ariz.

That zone adjacent to and commercially a part of Tucson, Ariz., within which transportation by motor vehicle, in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone, is partially exempt, under section 203(b)(8) of the Interstate Commerce Act (49 U.S.C. 303(b)(8)) from regulation, includes, and is comprised of, all points as follows:

(a) The municapility of Tucson, Ariz., itself.

(b) All points within a line drawn 5 miles beyond the corporate limits of Tucson, Ariz.

(c) All points in that area south of the line described in paragraph (b) of this section, bounded by a line as follows: Beginning at the point where the line described in paragraph (b) of this section, intersects Wilmot Road, thence south along Wilmot Road to junction Nogales Old Vail Connection, thence west along Nogales Old Vail Connection, actual or extended, to the Santa Cruz River, thence north along the east bank of the Santa Cruz River to its joinder with the line described in paragraph (b) of this section.

(d) All of any municipality any part of which is within the limits of the combined areas defined in paragraphs (b) and (c) of this section.

(e) All of any municipality wholly surrounded, or so surrounded except for a water boundary, by the city of Tucson or by any municipality included under the terms of paragraph (d) of this section.

§ 1048.14 Albuquerque, N. Mex.

That zone adjacent to and commercially a part of Albuquerque, N. Mex., within which transportation by motor vehicle, in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone, is partially exempt, under section 203(b)(8) of the Interstate Commerce Act (49 U.S.C. 303(b)(8)) from regulation, includes and is comprised of, all points as follows:

(a) The municipality of Albuquerque, N. Mex., itself.

(b) All points within a line drawn 5 miles beyond the corporate limits of Albuquerque, N. Mex.

(c) All of any municipality any part of which is within the limits of the boundary defined in paragraph (b) of this section.

(d) All of any municipality wholly surrounded, or so surrounded except for a water boundary, by the city of Albuquerque, N. Mex., or by any municipality included under the terms of paragraph (c) of this section.

§ 1048.18 Ravenswood, W. Va.

That zone adjacent to and commercially a part of Ravenswood, W. Va., within which transportation by motor vehicle, in interstate or foreign commerce, not under common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone, is partially exempt, under section 203(b)(8) of the Interstate Commerce Act (49 U.S.C. 303(b)(8)), from regulation, includes, and is comprised of, all points as follows:

(a) The municipality of Ravenswood, W. Va., itself.

(b) All points within a line drawn 3 miles beyond the corporate limits of Ravenswood, W. Va., and

(c) All points in West Virginia in that area south and southwest of those described in paragraph (b) of this section, bounded by a line as follows: Beginning at the point where the Ohio River meets the line described in paragraph (b) of this section southwest of Ravenswood, thence southerly along the east bank of the Ohio River to the point where the mouth of the Lick Run River empties into the Ohio River; thence in a northeasterly direction along the northern bank of the Lick Run River to the point where it crosses West Virginia Highway 2 south of Ripley Landing, W. Va.; thence in a northerly direction along West Virginia Highway 2 to its intersection with the line described in paragraph (b) of this section west of Pleasant View, W. Va.

§ 1048.19 Lake Charles, La.

That zone adjacent to and commercially a part of Lake Charles, La., within which transportation by motor vehicle, in interstate or foreign commerce, not under common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone, is partially exempt, under section 203(b)(8) of the Interstate Commerce Act (49 U.S.C. 303(b)(8)), from regulation, includes, and is comprised of, all points as follows:

(a) The municipality of Lake Charles, La., itself;

(b) All points within a line drawn 4 miles beyond the corporate limits of Lake Charles, La.;

(c) All points in that area south and west of the line described in paragraph (b) of this section, bounded by a line, as follows: beginning at the point where the line described in paragraph (b) of this section intersects Louisiana Highway 385; thence south along Louisiana Highway 385 to its intersection with the Calcasieu-Cameron Parish line; thence west along the Calcasieu-Cameron Parish line to its intersection with Louisiana Highway 27; thence northerly along Louisiana Highway 27 to a point thereon 2 miles south of U.S. Highway 90; thence east along a line parallel to U.S. Highway 90 to Louisiana Highway 108; thence north along Louisiana Highway 108 to junction U.S. Highway 90; thence east along U.S. Highway 90 to the intersection thereof with the line described in paragraph (b) of this section;

(d) All of any municipality any part of which is within the limits of the combined areas in paragraphs (b) and (c) of this section; and

(e) All of any municipality wholly surrounded, or so surrounded except for a water boundary, by the City of Lake Charles or by any municipality included under the terms of paragraph (d) of this section.

§ 1048.20 Syracuse, N.Y.

The zone adjacent to and commercially a part of Syracuse, N.Y., within which transportation by motor vehicle, in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond such zone, is partially exempt from regulation under section 203(b)(8) of the Interstate Commerce Act (49 U.S.C. 303(b)(8)) includes and is comprised of all points as follows:

(a) The municipality of Syracuse, N.Y., itself;

(b) All other municipalities and unincorporated areas within 5 miles of the corporate limits of Syracuse, N.Y., and all of any other municipality any part of which lies within 5 miles of such corporate limits.

(c) Those points in the Town of Geddes, Onondaga County, N.Y., which are not within 5 miles of the corporate limits of Syracuse, N.Y.; and

(d) Those points in the Town of Van Buren, Onondaga County, N.Y., not within 5 miles of the corporate limits of Syracuse, N.Y., and within an area bounded by a line beginning at a point where Stiles Road intersects the Geddes-Van Buren Town Line, thence southwest along the north side of Stiles Road to the intersection of Winchell Road, thence north along the east side of Winchell Road to the point where Winchell Road intersects the Geddes-Van Buren Town Line, thence southeast along such Town Line to its intersection with Stiles Road, the point of beginning.

§ 1048.21 Baltimore, Md.

The zone adjacent to and commercially a part of Baltimore, Md., within which transportation by motor vehicle, in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone, is partially exempt, under section 203(b)(8) of the Interstate Commerce Act (49 U.S.C. 303(b)(8)), from regulation, includes, and is compromised of, all points as follows:

(a) The municipality of Baltimore itself.

(b) All points within a line drawn 5 miles beyond the boundaries of Baltimore.

(c) All points in that area east of a line described in paragraph (b) of this section, bounded by a line as follows: Beginning at the point where the line described in paragraph (b) of this section crosses Dark Head Creek and extending in a southeasterly direction along the center of Dark Head Creek, and beyond to a point off Wilson Point, thence in a northeasterly direction to and along the center of Frog Mortar Creek to Stevens Road, thence northerly along Stevens Road to Eastern Avenue, thence easterly along Eastern Avenue to Bengies Road thence northwesterly along Bengies Road to the right-of-way of the Pennsylvania Railroad Co., thence westerly along such right-of-way to the junction thereof with the line described in paragraph (b) of this section.

(d) All points in that area south of the line described in paragraph (b) of this section bounded on the west by the right-of-way of the line of the Pennsylvania Railroad Co. extending between Stony Run and Severn, Md., and on the south by that part of Maryland Highway 176 extending easterly from the said railroad to its junction with the line described in paragraph (b) of this section.

(e) All points in that area north of the line described in paragraph (b) of this section bounded by a line as follows: Beginning at the junction of the line described in paragraph (b) of this section and the Baltimore-Harrisburg Expressway (Interstate Highway 83), thence northerly along Interstate Highway 83 to its junction with Shawan Road, thence easterly along Shawan Road to its junction with York Road (Maryland Highway 45) and continuing to a point 1,500 feet east of Maryland Highway 45, thence southerly along a line 1,500 feet east of and parallel to Maryland Highway 45 to its junction with the line described in paragraph (b) of this section.

(f) All of any municipality any part of which is within the limits of the combined areas defined in paragraphs (b), (c), (d), and (e) of this section.

(g) All of any municipality wholly surrounded, or so surrounded except for a water boundary, by the city of Baltimore or by any municipality included under the terms of paragraph (f) of this section.

NOTE: The effective date for the revision of § 1048.21 was stayed, pending further consideration, 30 F.R. 14493, Nov. 19, 1965. Section 1048.21 was reinstated and became effective March 3, 1966 at 31 F.R. 829, Jan. 21, 1966.

§ 1048.22 Cleveland, Ohio.

The zone adjacent to and commercially a part of Cleveland, Ohio, within which transportation by motor vehicle, in interstate or foreign commerce, not under a common control, management, of arrangement for a continuous carriage or shipment to or from a point beyond such zone, is partially exempt from regulation under section 203(b)(8) of the Interstate Commerce Act (49 U.S.C. 303(b)(8)) includes and is comprised of all points as follows:

(a) All points in Cuyahoga County, Ohio, and

(b) All points in Wickliffe city, Willoughby Hills village, Waite Hill village, Willoughby city, Willowick city, Eastlake city, Lakeline village, and Timberlake village, Lake County, Ohio.

§ 1048.23 Detroit, Mich.

For the purpose of administration and enforcement of Part II of the Interstate Commerce Act, the zone adjacent to and commercially a part of Detroit, Mich., in which transportation by motor vehicle in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone, will be partially exempt under section 203(b)(8) of the act (49 U.S.C. 303(b)(8)) from regulation, is hereby determined to include, and to be comprised of, all that area within a line as follows:

Beginning at a point on Lake St. Clair opposite the intersection of Fifteen Mile Road and Michigan Highway 29 and extending south and southwest along the shore of Lake St. Clair, to the Detroit River, thence along such River (east of Belle Isle) and Trenton Channel to a point opposite Sibley Road, thence west to and along Sibley Road to Waltz Road, thence north along Waltz Road to Wick Road, thence west along Wick Road to Cogswell Road, thence north along Cogswell Road to Van Born Road, thence east along Van Born Road to Newburgh Road, thence north along Newburgh Road to its junction with Halsted Road, thence north along Halsted Road to West Maple Road, thence east along West Maple Road to Telegraph Road, thence north along Telegraph Road to Sixteen Mile Road, thence east along Sixteen Mile Road to Utica Road, thence southeasterly along Utica Road to Fifteen Mile Road (also called East Maple Road), thence along Fifteen Mile Road and across Michigan Highway 29 to Lake St. Clair, the point of beginning.

§ 1048.24 Seattle, Wash.

For the purpose of administration and enforcement of Part II of the Interstate Commerce Act, the zone adjacent to and commercially a part of Seattle, Wash., in which transportation by motor vehicle in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone, will be partially exempt under section 203(b)(8) of the act (49 U.S.C. 303(b)(8)) from regulation, is hereby determined to include, and to be comprised of, all that area within a line as follows:

(a) The municipality of Seattle itself.

(b) All points within a line drawn 5 miles beyond the municipal limits of Seattle except points and places on Bainbridge Island, Vashon Island, and Blake Island.

(c) All points more than 5 miles beyond the municipal limits of Seattle within a line as follows: Beginning at that point south of Seattle where the eastern shore of Puget Sound intersects the line described in (a) above, thence southerly along the eastern shore of Puget Sound to S.W. 192nd St., thence easterly along S.W. 192nd St., to the point where it again intersects the line described in (b) above.

(d) All points more than 5 miles beyond the municipal limits of Seattle within a line as follows: Beginning at that point north of Seattle where the eastern shore of Puget Sound intersects the line described in (b) above, thence northerly along the eastern shore of Puget Sound to the boundary between King and Snohomish Counties, Wash., thence easterly along said boundary to the point where it would be intersected by 55th Ave., N.E., (projected) thence south along 55th Ave., N.E., (projected) to the line described in (b) above.

(e) All of any municipality any part of which is within the limits of the combined areas defined in (b), (c) and (d) above.

(f) All of any municipality wholly surrounded, or so surrounded except for a water boundary, by the city of Seattle or by any municipality included under the terms of (b), (c), (d) and (e) above.

§ 1048.25 Albany, N.Y.

For the purpose of administration and enforcement of Part II of the Interstate Commerce Act, the zone adjacent to and commercially a part of Albany, N.Y., in which transportation by motor vehicle in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone, will be partially exempt under section 203(b)(8) of the act (49 U.S.C. 303(b)(8)) from regulations, is hereby determined to include, and to be comprised of, the following:

(a) The municipality of Albany itself.

(b) All points within a line drawn 5 miles beyond the municipal limits of Albany.

(c) All points in that area more than 5 miles beyond the municipal limits of Albany bounded by a line as follows: Beginning at that point on Swatling Road (in the Town of Colonie) where it crosses the line described in (b) above and extending northerly along such road to the municipal limits of Cohoes thence along the western and northern boundary of Cohoes to the Mohawk River thence along such river to the northern boundary of the Town of Waterford thence along the northern and eastern boundaries of the Town of Waterford to the northern boundary of the City of Troy (all of which city is included under the next following provision).

(d) All of any municipality any part of which is within the limits of the combined areas defined in (b) and (c) above, and

(e) All of any municipality wholly surrounded, or so surrounded except for a water boundary, by the municipality of Albany or by any other municipality included under the terms of (d) above.

§ 1048.26 Minneapolis-St. Paul, Minn.

For the purpose of administration and enforcement of Part II of the Interstate Commerce Act, the zones adjacent to and commercially a part of Minneapolis and St. Paul, Minn., in which transportation by motor vehicle in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone, will be partially exempt under section 203(b)(8) of the act (49 U.S.C. 303(b)(8)) from regulations, are hereby determined to be coextensive and to include, to be comprised of, all that area within a line as follows:

All points within a line as follows: Beginning at the southern boundary of Fort Snelling Reservation and the Minnesota River and extending west and north along the southern and western boundaries of Fort Snelling Reservation to the southeast corner of the village of Richfield, thence west along the southern boundary of the village of Richfield and the southern boundary of the village of Edina to the southwest corner of the village of Edina, thence north along the western boundary of the village of Edina to the southern boundary of the village of Hopkins, thence along the southern, western, and northern boundaries of the village of Hopkins to the western boundary of the village of St. Louis Park, thence north along the western boundaries of the villages of St. Louis Park, Golden Valley and New Hope, to the northwestern corner of the village of New Hope, thence east along the northern boundary of the villages of New Hope and Crystal to the western boundary of the village of Brooklyn Center, thence north along the western boundary of the village of Brooklyn Center to its northern boundary, thence east along such northern boundary to the Hennepin County-Anoka County line, thence north along such County line to the northwestern corner of Fridley Township in Anoka County, thence east along the northern boundary of Fridley Township to the northwest corner of Mounds View Township in Ramsey County, thence east and south along the northern and eastern boundaries of Mounds View Township to the northwestern corner of New Canada Township, thence east and south along the northern and eastern boundaries of New Canada Township to the northeastern corner of the village of North St. Paul, thence south along the eastern boundary of the village of North

St. Paul to the southeast corner of such village, thence south along the eastern boundary of New Canada Township to the northeastern corner of the village of Newport, thence south and west along the eastern and southern boundaries of the village of Newport to U.S. Highway 61, thence southeasterly along U.S. Highway 61 to the eastern boundary of the village of St. Paul Park, thence along the eastern, southern and western boundaries of the village of St. Paul Park to a point on the Mississippi River opposite the southeast corner of the village of Inver Grove, thence westerly across the river and along the southern and western boundaries of the village of Inver Grove to the northwest corner of such village thence due north to the southern boundary of Mendota Township in Dakota County, thence west along the southern boundary of Mendota Township to the Minnesota River, thence west across the river and southwesterly along the river to the point of beginning.

§ 1048.27 New Orleans, La.

The zone adjacent to and commercially a part of New Orleans, La., within which transportation by motor vehicle, in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond such zone, is partially exempt under section 203(b)(8) of the Interstate Commerce Act (49 U.S.C. 303(b)(8)) from regulation, includes and is comprised of all points in the area bounded by a line as follows:

Commencing at a point on the shore of Lake Pontchartrain where it is crossed by the Jefferson Parish-Orleans Parish line; thence easterly along the shore of Lake Pontchartrain to the Rigolets; thence through the Rigolets in an easterly direction to Lake Borgne; thence southwesterly along the shore of Lake Borgne to the Bayou Bienvenue; thence in a general westerly direction along the Bayou Bienvenue (which also constitutes the Orleans Parish-St. Bernard Parish line) to Paris Road; thence in a southerly direction along Paris Road to the Back Protection Levee; thence in a southeasterly direction along the Back Protection Levee (across Lake Borgne Canal) to a point 1 mile north of Louisiana Highway 46; thence in an easterly direction 1 mile north of Louisiana Highway 46 to longitude 89°50' W.; thence south along longitude line 89°50' W. (crossing Louisiana Highway 46 approximately ¾ of a mile east of Toca) to Forty Arpent Canal; thence westerly, northwesterly, and southerly along Forty Arpent Canal to Scarsdale Canal; thence northwesterly along Scarsdale Canal and beyond it in the same direction to the middle of the Mississippi River; thence southerly along the middle of the Mississippi River to the Augusta Canal; thence in a westerly direction along the Augusta Canal to the Gulf Intracoastal Waterway; thence in a northeasterly direction along the middle of the Gulf Intracoastal Waterway to the Crossing of Louisiana Highway 31; thence along Louisiana Highway 31 in a northwesterly direction to a point approximately 2 miles south of Gretna where a high-tension transmission line crosses Louisiana Highway 31; thence in a westerly direction following such transmission line to the intersection thereof with U.S. Highway 90; thence westerly along U.S. Highway 90 to the Jefferson Parish-St. Charles Parish line; thence north along such parish line to the middle of the Mississippi River; thence westerly along the middle of the Mississippi River to a point 1 mile west of the Jefferson Parish-St. Charles Parish line; thence north to the shore of Lake Pontchartrain; thence along the shore of Lake Pontchartrain in an easterly direction to the Jefferson Parish-Orleans Parish line, the point of beginning.

§ 1048.28 Pittsburgh, Pa.

For the purpose of administration and enforcement of Part II of the Interstate Commerce Act, the zone adjacent to and commercially a part of Pittsburgh, Pa., in which transportation by motor vehicle in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone, will be partially exempt under section 203(b)(8) of the act (49 U.S.C. 303(b)(8)) from regulation, is hereby determined to include, and to be comprised of, the following:

(a) All points in Allegheny County, Pa., except Forward, Elizabeth, South Versailles, Marshall (including the Borough of Bradford Woods), Pine, Richland, West Deer and Fawn Townships and that part of Frazer Township north of a line made by extending easterly in a straight line the southern boundary of West Deer Township.

(b) Borough of Trafford situated in both Allegheny and Westmoreland Counties;

(c) Borough of Ambridge and Harmony Township located in Beaver County; and

(d) The City of New Kensington and Borough of Arnold in Westmoreland County.

§ 1048.29 Portland, Oreg.

For the purpose of administration and enforcement of Part II of the Interstate Commerce Act, the zone adjacent to and commercially a part of Portland, Oreg., in which transportation by motor vehicle in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone, will be partially exempt under section 203(b)(8) of the act (49 U.S.C. 303(b)(8)) from regulation, is hereby determined to include, and to be comprised of, the following:

(a) The municipality itself.

(b) All points in Oregon within a line drawn 5 miles beyond the corporate limits of Portland.

(c) All of any municipality any part of which is within the line described in (b) above.

(d) All of any municipality wholly surrounded, or so surrounded except for a water boundary, by the city of Portland or by any municipality included under the terms of (c) above.

§ 1048.30 Vancouver, Wash.

For the purpose of administration and enforcement of Part II of the Interstate Commerce Act, the zone adjacent to and commercially a part of Vancouver, Wash., in which transportation by motor vehicle in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone, will be partially exempt under section 203(b)(8) of the act (49 U.S.C. 303(b)(8)) from regulation, is hereby determined to include, and to be comprised of, the following:

(a) The municipality itself.

(b) All points in Washington within a line drawn 4 miles beyond the corporate limits of Vancouver.

(c) All of any municipality any part of which is within the line described in (b) above.

(d) All of any municipality wholly surrounded, or so surrounded except for a water boundary, by the City of Vancouver or by any municipality included under the terms of (c) above.

§ 1048.31 Charleston, S.C.

The zone adjacent to and commercially a part of Charleston, S.C., within which transportation by motor vehicle, in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone is partially exempt, under section 203(b)(8) of the Interstate Commerce Act (49 U.S.C. 303(b)(8)), from regulation, includes and is comprised of, all points and places as follows:

(a) The municipality of Charleston itself.

(b) All points within a line drawn 4 miles beyond the boundaries of Charleston.

(c) All points in that area north of the line described in paragraph (b) of this section, bounded by a line as follows: Beginning at the point where the line described in paragraph (b) of this section crosses Cooper River and extending in a northerly direction along the center of Cooper River to Goose Creek; thence north and west along the center of Goose Creek to the dam of the reservoir of the Charleston waterworks; thence northwesterly along the west bank of the Charleston waterworks reservoir for approximately one mile to an unnamed creek; thence westerly along the center of this unnamed creek for approximately one mile to U.S. Highway 52; thence northerly along U.S. Highway 52 to junction South Carolina Highway S–10–75; thence westerly along South Carolina Highway S–10–75 for approximately one and one half miles to a point one quarter mile west of the track of the Southern Railway Company; thence southeasterly along a line one quarter of a mile west of, and parallel to, the track of the Southern Railway Company to the junction thereof with the line described in paragraph (b) of this section.

(d) All of any municipality any part of which is within the limits of the combined areas defined in paragraphs (b) and (c) of this section.

(e) All of any municipality wholly surrounded, or so surrounded except for a water boundary, by the city of Charleston or by any municipality included under the terms of paragraph (d) of this section.

§ 1048.32 Charleston, W. Va.

That zone adjacent to and commercially a part of Charleston, W. Va., within which transportation by motor vehicle, in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond

the zone, is partially exempt, under section 203(b)(8) of the Interstate Commerce Act (49 U.S.C. 303(b)(8)), from regulation, includes, and is comprised of, all points and places as follows:

(a) The municipality of Charleston, W. Va., itself.

(b) All points within a line drawn 4 miles beyond the corporate limits of Charleston, W. Va.

(c) All points in that area northwest of those described in (b) above, bounded by a line as follows: Beginning at a point on the line described in (b) above, one-half mile south of U.S. Highway 60 west of Charleston, thence westerly along a line one-half mile south of and parallel to U.S. Highway 60 to a point one-half mile south of the junction of U.S. Highway 60 with West Virginia Highway 17 near 2¾ Mile Creek, thence westerly along a line one-half mile south of and parallel to West Virginia Highway 17 to the Coal River, thence north along the center of the Coal River to West Virginia Highway 17, thence northerly along West Virginia Highway 17 to Scary Creek, near Scary, W. Va., thence east along Scary Creek to the center of the Kanawha River, thence northerly along the center of the Kanawha River to a point opposite the mouth of Blake Creek (between Nitro and Poca, W. Va.), thence easterly along a straight line drawn through the junction of U.S. Highway 35 and West Virginia Highway 25 to a point one-half mile beyond said junction, thence southerly along a line one-half mile northeast of and parallel to West Virginia Highway 25 to the junction of the line described in (b) above.

(d) All points in that area southeast of those described in (b) above, bounded by a line as follows: Beginning at a point on the line described in (b) above one-half mile south of the Kanawha River, thence easterly along a line one-half mile south of, and parallel to, the Kanawha River to junction with a straight line intersecting the highway bridge at Chelyan, W. Va., thence northerly along said straight line across the Kanawha River to a point one-half mile north of the Kanawha River, thence westerly along a line one-half mile north of and parallel to the Kanawha River to the junction of the line described in (b) above.

(e) All of any municipality any part of which is within the limits of the combined areas defined in (b), (c), and (d) above.

§ 1048.33 Memphis, Tenn.

That zone adjacent to and commercially a part of Memphis, Tenn., within which transportation by motor vehicle, in interstate or foreign commerce, not under a common control management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone, is partially exempt, under section 203(b)(8) of the Interstate Commerce Act (49 U.S.C. 303(b)(8)) from regulation, includes, and is comprised of, all points as follows:

(a) The municipality of Memphis, Tenn., itself.

(b) All points within a line drawn 5 miles beyond the corporate limits of Memphis, Tenn.

(c) All points in that part of Shelby County, Tenn., north of the line described in paragraph (b) of this section, bounded by a line as follows: Beginning at the intersection of the line described in paragraph (b) of this section and U.S. Highway 51 north of Memphis, thence northeasterly along U.S. Highway 51 for approximately 3 miles to its intersection with Lucy Road, thence easterly along Lucy Road for approximately 1.4 miles to its intersection with Chase Road, thence northerly along Chase Road for approximately 0.6 mile to its intersection with Lucy Road thence easterly along Lucy Road for approximately 0.8 mile to its intersection with Main Road, thence southeasterly along Main Road approximately 0.3 mile to its intersection with Amherst Road, thence southerly and easterly along Amherst Road for approximately 0.8 mile to its intersection with Raleigh-Millington Road, thence southerly along Raleigh-Millington Road for approximately 2 miles to its intersection with the line described in paragraph (b) of this section north of Memphis;

(d) All of any municipality any part of which is within the limits of the combined areas described in paragraphs (b) and (c) of this section.

§ 1048.34 Houston, Tex.

The zone adjacent to, and commercially a part of Houston, Tex., and contiguous municipalities in which transportation by motor vehicle, in interstate or foreign commerce, not under common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone, will be partially exempt under section 203(b)(8) of the act from regulation, is hereby defined to include the area which would result by application of the general formula promulgated in § 1048.101, and in addition thereto, the municipalities of Baytown, La Porte and Lomax, Tex.

§ 1048.35 Pueblo, Colo.

The zone adjacent to and commercially a part of Pueblo, Colo., within which transportation by motor vehicle, in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond such zone is partially exempt from regulation under section 203(b)(8) of the Interstate Commerce Act (49 U.S.C. 303(b)(8)), includes and is comprised of all points as follows:

(a) The municipality of Pueblo, Colo., itself;

(b) All points within a line drawn 4 miles beyond the corporate limits of Pueblo, Colo.;

(c) All of the area known as the Pueblo Memorial Airport, consisting of about 3,500 acres, not within 4 miles of the corporate limits of Pueblo, Colo., and within an area located on the East of Pueblo, the nearest point being about 3.80 miles from the city limits of Pueblo, and bounded on the south by the tracks of the Santa Fe Railroad and the Missouri Pacific Railroad, and a public highway known as Baxter Road and designated as U.S. Highway 50 Bypass and Colorado Highway 96, with such property extending north, west, and east of the described southern base line.

§ 1048.36 Warren, Ohio.

The zone adjacent to and commercially a part of Warren, Ohio, within which transportation by motor vehicle, in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone, is partially exempt, under section 203(b)(8) of the Interstate Commerce Act (49 U.S.C. 303(b)(8)) from regulation includes, and is comprised of, all points as follows:

(a) The municipality of Warren, Ohio, itself.

(b) All points within a line drawn 4 miles beyond the corporate limits of Warren, Ohio.

(c) All points in that area, south of the line in paragraph (b) of this section, bounded by a line as follows: Beginning at the point where the line described in paragraph (b) of this section intersects Ellsworth-Baily Road, thence south along Ellsworth-Baily Road to the Ohio Turnpike, thence southeast along the Ohio Turnpike to New Hallock-Young Road, thence northeast along New Hallock-Young Road to Hallock-Young Road, thence east along Hallock-Young Road to junction Ohio Highway 45 (Salem-Warren Road), thence north along Ohio Highway 45 (Salem-Warren Road) to its intersection with the line described in paragraph (b) of this section.

§ 1048.100 Definitions.

For the purposes of this part, the following terms are defined:

(a) "Municipality" means any city, town, village, or borough which has been created by special legislative act or which has been, otherwise, individually incorporated or chartered pursuant to general State laws, or which is recognized as such, under the Constitution or by the laws of the State in which located, and which has a local government. It does not include a town of the township or New England type.

(b) "Contiguous municipalities" means municipalities, as defined in paragraph (a) of this section, which have at some point a common municipal or corporate boundary.

(c) "Unincorporated area" means any area not within the corporate or municipal boundaries of any municipality as defined in paragraph (a) of this section.

§ 1048.101 Commercial zones determined generally, with exceptions.

The commercial zone of each municipality in the United States, with the exceptions indicated in the note at the end of this section, within which the transportation of passengers or property, in interstate or foreign commerce, when not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point without such zone, is exempt from all provisions of Part II, Interstate Commerce Act, except the provisions of section 204 relative to the qualifications and maximum hours of service of employees and safety of operation or standards of equipment shall be deemed to consist of:

(a) The municipality itself, hereinafter called the base municipality;

(b) All municipalities within the United States which are contiguous to the base municipality;

(c) All other municipalities within the United States and all unincorporated area within the United States which are adjacent to the base municipality as follows:

(1) When the base municipality has a population less than 2,500 all unincorporated areas within two miles of its corporate limits and all of any other municipality any part of which is within two miles of the corporate limits of the base municipality,

(2) When the base municipality has a population of 2,500 but less than 25,000, all unincorporated areas within 3 miles of its corporate limits and all of any other municipality any part of which is within 3 miles of the corporate limits of the base municipality,

(3) When the base municipality has a population of 25,000 but less than 100,000, all unincorporated areas within 4 miles of its corporate limits and all of any other municipality any part of which is within 4 miles of the corporate limits of the base municipality, and

(4) When the base municipality has a population of 100,000 or more, all unincorporated areas within 5 miles of its corporate limits and all of any other municipality any part of which is within 5 miles of the corporate limits of the base municipality, and

(d) All municipalities wholly surrounded, or so surrounded except for a water boundary, by the base municipality, by any United States municipality contiguous thereto, or by any United States municipality adjacent thereto which is included in the commercial zone of such base municipality under the provisions of paragraph (c) of this section.

NOTE: Except: Municipalities the commercial zones of which have been or are hereafter individually or specially determined.

§ 1048.102 Controlling distances and population data.

In the application of § 1048.101:

(a) Air-line distances or mileages about corporate limits of municipalities shall be used.

(b) The population of any municipality shall be deemed to be that shown for that municipality in the last decennial census.

PART 1049—TERMINAL AREAS

Sec.

1049.1 Terminal areas of motor carriers and freight forwarders at municipalities served.

1049.2 Terminal areas of motor carriers and freight forwarders at unincorporated communities served.

AUTHORITY: The provisions of this part 1049 issued under 49 Stat. 543, as amended, 544, as amended, 546, as amended; 49 U.S.C. 302, 303, 304.

NOTE: In the application of this part, distances and population data shall be determined in the same manner as provided in § 1048.102 of this chapter. See also definitions in § 1048.100 of this chapter.

§ 1049.1 Terminal areas of motor carriers and freight forwarders at municipalities served.

The terminal area within the meaning of section 202(c) of the Interstate Commerce Act (49 U.S.C. 302(c)) of any motor carrier of property subject to Part II or of any freight forwarder subject to Part IV thereof, at any municipality authorized to be served by such motor carrier of property or freight forwarder, within which transportation by motor vehicle in the performance of transfer, collection, or delivery services may be performed by, or for, such motor carrier of property or freight forwarder without compliance with the provisions, other than those in section 204 (49 U.S.C. 304) relative to qualifications and maximum hours of service of employees and safety of operation and equipment, of Part II of the act consists of and includes all points or places which are (a) within the commercial zone, as defined by this Commission, of that municipality, and (b) not beyond the limits of the operating authority of such motor carrier of property or freight forwarder.

§ 1049.2 Terminal areas of motor carriers and freight forwarders at unincorporated communities served.

The terminal area within the meaning of section 202(c) of the Interstate Commerce Act (49 U.S.C. 302(c)) of any motor carrier of property subject to Part II (49 U.S.C. 301 et seq.) or any freight forwarder subject to Part IV thereof (49 U.S.C. 1001 et seq.), at any unincorporated community having a post office of the same name which is authorized to be served by such motor carrier of property or freight forwarder, within which transportation by motor vehicle in the performance of transfer, collection, or delivery services may be performed by, or for, such motor carrier of property or freight forwarder without compliance with the provisions, other than those in section 204 (49 U.S.C. 304) relating to qualifications and maximum hours of service of employees and safety of operations and equipment, of Part II of the act, consists of (a) all points or places in the United States which are located within the limits of the operating authority of the motor carrier of property or freight forwarder involved, and within 2½ miles of the post office at such authorized unincorporated point if it has a population less than 2,500, within 4 miles if it has a population of 2,500 but less than 25,000, or within 5½ miles if it has a population of 25,000 or more; (b) all of any municipality any part of which is included under (a) of this section; and (c) any municipality wholly surrounded by any municipality included under paragraph (b) of this section, or so wholly surrrounded except for a water boundary.

PART 1050—MOTOR CARRIER OPERATION IN THE STATE OF HAWAII

Sec.

1050.1 Definitions.

1050.5 Motor carriers operating solely in Hawaii exempt.

AUTHORITY: The provisions of this Part 1050, issued under sec. 204, 54 Stat. 921; 49 U.S.C. 304.

§ 1050.1 Definitions.

For the purposes of this part, the following terms and phrases are defined:

(a) "Motor carriers" means carriers by motor vehicle operating in the State of Hawaii.

(b) "Lawfully engaged in operation solely within the State of Hawaii" means engaged within the boundaries of that State in conformity with applicable State laws.

(c) "Qualified" as used to modify "motor carriers" means those motor carriers lawfully operating in Hawaii and which are not affiliated with a carrier operating in another State or States.

§ 1050.5 Motor carriers operating solely in Hawaii exempt.

It is hereby certified that transportation in interstate or foreign commerce performed by all qualified motor carriers lawfully engaged in operation solely within the State of Hawaii is in fact of such nature, character or quantity as not substantially to affect or impair uniform regulation by the Commission of transportation by motor carriers engaged in interstate or foreign commerce in effectuating the national transportation policy: *Provided, however*, That if the State of Hawaii makes a determination of the intrastate operating rights of the respective motor carriers, the exemption granted herein shall not be construed as exempting operations in interstate or foreign commerce any more extensive than those corresponding to the respective intrastate authorities granted by the State.

PART 1051—INFORMATION REQUIRED ON RECEIPTS AND BILLS

Sec.

1051.1 Information to be shown.

1051.5 Expense bills for transportation of chartered parties.

§ 1051.1 Information to be shown.

(a) Every common carrier by motor vehicle subject to the jurisdiction of this Commission shall, on and after the first day of January, 1937, cause to be shown on the face of each and every receipt or bill of lading issued for the transportation of property by such carrier in interstate or foreign commerce, information which shall include the names of the consignor and consignee; the points of origin and destination; the number of packages, description of the articles, and weight, volume or measurement (if the lawfully applicable rates or charges are published to apply per unit of weight volume or measurement) of the property received; and a record of this information shall be kept by the carrier by the preservation of a copy of such receipt or bill of lading.

(b) Every common carrier by motor vehicle subject to the jurisdiction of this Commission shall, on and after the first day of January, 1937, when collecting transportation charges, issue a freight or expense bill covering each shipment, and the original of such freight or expense bill shall be receipted on payment of the transportation charges and furnished to the shipper or the receiver,

whichever may pay the charges; and shall cause to be shown on the face thereof the names of the consignor and consignee (except that as to reconsigned shipments the freight or expense bill shall not show the name of the original consignor); the date of shipment; the points of origin and destination (except that as to reconsigned shipments the freight or expense bill shall not show the original shipping point unless the final consignee pays transportation charges from such original shipping point); the number of packages, description of the articles, and weight, volume or measurement of the property transported (if the lawfully applicable rates or charges are published to apply per unit of weight, volume or measurement); the exact rate or rates assessed; the total charges to be collected including a statement of the nature and amount of any charges for special service and the points at which such special service was rendered; the route of movement indicating each carrier participating in the transportation service, and the transfer point or points through which the shipment moved; and a record of this information shall be kept by the preservation of a copy of such freight or expense bill.

(Secs. 12, 20, 24 Stat. 383, as amended, 386, as amended, 49 Stat. 546, as amended, 563, as amended; 49 U.S.C. 12, 20, 304, 319, 320)

§ 1051.5 Expense bills for transportation of chartered parties.

(a) *Form and issuance of bill.* Every common carrier of passengers by motor vehicle shall, when collecting charges for transportation of any chartered party in interstate or foreign commerce, issue an expense bill and cause to be shown on the face thereof the following:

(1) Serial number, which shall consist of one of a series of consecutive numbers assigned in advance and imprinted on the form of expense bill.

(2) Name of carrier.

(3) Name of person paying the charges together with name of the organization, if any, for which transportation is performed.

(4) Date or dates upon which transportation is performed.

(5) Origin, destination and general routing of trip.

(6) Number of vehicles used, and identification and seating capacity of each.

(7) Number of persons transported.

(8) Mileage upon which charges are based, including any deadhead mileage, which shall be separately stated.

(9) Applicable rates per mile, hour, day, or other unit.

(10) Charges for transportation.

(11) Itemized charges for special services, if any, performed by the carrier.

(12) Itemized charges for other expenses, such as toll charges, parking fees, layover time, etc.

(13) Total charges assessed and collected.

(b) *Records to be retained.* A record shall be kept by the carrier of all expense bills by retaining for the period prescribed in the regulations governing the destruction of records, Part 1226 of this title, a copy of each such bill which is issued, and if any form of numbered expense bill is spoiled, voided, or unused for any reason a copy thereof, or a written record of its disposition, shall be retained for a like period.

(c) *Definitions.* As used in this section: (1) The term "chartered party" shall mean a group of persons who, pursuant to a common purpose and under a single contract, and at a fixed charge for the vehicle, have acquired the exclusive use of a passenger-carrying motor vehicle to travel together as a group; and (2) the term "common carrier of passengers by motor vehicle" shall include both those specifically authorized to perform charter operations and those authorized to transport chartered parties under section 208(c) of the Interstate Commerce Act (49 U.S.C. 308(c)) as an incident to the right to transport passengers over a regular route or routes.

(Secs. 204, 216, 220, 49 Stat. 546, 558, 563, as amended; 49 U.S.C. 304, 316, 320)

PART 1052—HANDLING OF C.O.D. SHIPMENTS

Sec.
1052.1 Applicability.
1052.2 Tariff requirements.
1052.3 Remittance.
1052.4 Records.

AUTHORITY: The provisions of this Part 1052 issued under 49 Stat. 546, as amended, 554, as amended, 557, as amended, 558, as amended, 563, as amended; 49 U.S.C. 304, 311, 315, 316, 319, 320.

§ 1052.1 Applicability.

The rules and regulations in this part apply to the transportation by motor vehicle of c.o.d. shipments by all common carriers of property subject to Part II of the Interstate Commerce Act, except such transportation which is auxiliary to or supplemental of transportation by railroad and performed on railroad bills of lading, and except such transportation which is performed for freight forwarders and on freight forwarder bills of lading.

§ 1052.2 Tariff requirements.

No common carrier of property subject to the provisions of Part II of the Interstate Commerce Act, except as otherwise provided in § 1052.1, shall render any c.o.d. service unless such carrier has published, posted and filed tariffs which contain the rates, charges and rules governing such service, which rules shall conform to the regulations in this part.

§ 1052.3 Remittance.

Every common carrier of property subject to Part II of the Interstate Commerce Act, except as otherwise provided in § 1052.1, shall remit each c.o.d. collection directly to the consignor or other person designated by the consignor as payee promptly and within ten (10) days after delivery of the c.o.d. shipment to the consignee. If the c.o.d. shipment moved in interline service, the delivering carrier shall, at the time of remittance of the c.o.d. collection to the consignor or payee, notify the originating carrier of such remittance.

§ 1052.4 Records.

Every common carrier of property subject to the provisions of Part II of the Interstate Commerce Act, except as otherwise provided in § 1052.1, handling c.o.d. shipments as a delivering carrier shall maintain a record of all c.o.d. shipments received for delivery in such manner and form as will plainly and readily show the following information with respect to each shipment: (a) Number and date of freight bill; (b) name and address of shipper or other person designated as payee; (c) name and address of consignee; (d) date shipment delivered; (e) amount of c.o.d.; (f) date collected by delivering carrier; (g) date remitted to payee; and (h) check number or other identification of remittance to payee.

PART 1053—CONTRACTS FOR TRANSPORTATION OF PROPERTY

Sec.
1053.1 Filing of contracts for transportation of property.
1053.2 Contracts or agreements to be in writing.
1053.3 Contract carriers of bullion, etc., relieved of requirements.
1053.6 True copies to be filed with schedules.

AUTHORITY: The provisions of this Part 1053 issued under 49 Stat. 546, as amended, 563, as amended; 49 U.S.C. 304, 320.

§ 1053.1 Filing of contracts for transportation of property.

All contract carriers of property by motor vehicle, as defined in section 203 (a) (15) of Part II of the Interstate Commerce Act, shall on or before July 15, 1937, file with the Commission at its office in Washington, D.C., a true copy of each and every contract for transportation of property existing and in force on said date, and within 20 days after the date any subsequent contract for transportation of property is entered into a true copy thereof, all of which shall contain the charges of such contract carriers for the transportation of property in interstate or foreign commerce, and any rule, regulation, or practice affecting such charges and the value of the services thereunder.

§ 1053.2 Contracts or agreements to be in writing.

No contract carrier by motor vehicle, as defined in section 203(a) (15) of the said act, shall transport property for hire in interstate or foreign commerce except under special and individual contracts or agreements which shall be in writing, shall provide for transportation for a particular shipper or shippers, shall be bilateral and impose specific obligations upon both carrier and shipper or shippers, shall cover a series of shipments during a stated period of time in contrast to contracts of carriage governing individual shipments, and copies of which contracts or agreements shall be preserved by the carriers parties thereto so long as such contracts or agree-

ments are in force and for at least one year thereafter.

§ 1053.3 Contract carriers of bullion, etc., relieved of requirements.

Contract carriers of bullion, currency, jewels, and other precious and other very valuable articles are relieved of the requirements of executing and preserving contracts, and of filing true copies thereof, in the form and manner prescribed in §§ 1053.1 and 1053.2.

§ 1053.6 True copies to be filed with schedules.

On and after February 1, 1943, all contract carriers of property by motor vehicle, as defined in section 203 (a) (15) of the Interstate Commerce Act, except those exempted by § 1053.3 of this part from the provisions of § 1053.1, at the time of filing with this Commission schedules, as required by section 218 (a) of the Interstate Commerce Act, containing their minimum rates and charges for services not previously described in and provided for by their schedules on file with this Commission shall, except as otherwise authorized by the Commission in a special case for good cause shown, at the same time file with the Commission true copies of the actual contracts or proposed contracts between such carriers and shippers covering such services.

PART 1054—SPECIAL OR CHARTERED PARTIES BY COMMON CARRIERS

Sec.
1054.1 Applicability of this part.
1054.2 Definitions.
1054.3 Origin territory.
1054.4 Destination territory.
1054.5 General provisions.
1054.6 Limitations of service.

AUTHORITY: The provisions of this Part 1054 issued under 49 Stat. 546, as amended, 552, as amended; 49 U.S.C. 304, 306.

§ 1054.1 Applicability of this part.

(a) The regulations in this part shall apply to all common carriers of passengers authorized by section 208(c) of the Interstate Commerce Act, to transport special or chartered parties as an incident to the right to engage in the transportation of passengers by motor vehicle in interstate or foreign commerce over a regular route or routes and between fixed termini, whether such regular-route operation is authorized by a certificate of public convenience and necessity issued by the Commission, under the first proviso of section 206(a) or under section 207(a) of the Interstate Commerce Act.

(b) The regulations in this part shall not be applicable to common carriers of passengers authorized by a certificate of public convenience and necessity to perform special or charter operations or both, within a specified territory or from, to, or between specific points under the provisions of the first proviso of section 206(a) of the act, or under the proviso of section 207(a) thereof, which specific operations shall be limited strictly to the authority described in the certificate of each carrier so engaged.

§ 1054.2 Definitions.

(a) The term "special or chartered party," as used in the regulations in this part, means a group of persons who, pursuant to a common purpose and under a single contract, and at a fixed charge for the vehicle in accordance with the carrier's tariff, lawfully on file with the Commission, have acquired the exclusive use of a passenger-carrying motor vehicle to travel together as a group to a specified destination or for a particular itinerary, either agreed upon in advance or modified by the chartered group after having left the place of origin.

(b) The term "regular route or routes," as used in the regulations in this part, means the specific highway or highways over which a motor common carrier of passengers is authorized to operate between fixed termini.

§ 1054.3 Origin territory.

Any common carrier of passengers by motor vehicle subject to the regulations in this part may transport special or chartered parties (a) which originate at any point or points on the regular route or routes, or at any off-route point or points, authorized to be served by such carrier, or (b) which originate at any point or points within the territory served by its regular route or routes.

§ 1054.4 Destination territory.

Common carriers of passengers by motor vehicle subject to the regulations in this part may transport special or chartered parties in interstate or foreign commerce to any place or point in the United States. Special or chartered parties may not be transported from the destination territory described in this rule to the origin territory described in § 1054.3 except on return movement of the same special or charter party as provided therein.

§ 1054.5 General provisions.

Every common carrier of passengers by motor vehicle, subject to these regulations, shall be governed by the following general provisions:

(a) *Deadhead mileage.* Carriers shall publish in tariffs, lawfully on file with this Commission, reasonable rates or charges applicable in connection with the transportation of special or chartered parties within the meaning of section 208(c) for deadhead mileage which shall be the mileage, over the shortest practical highway route, traversed by the bus without passengers from the nearest point at which equipment is held out to be available to the place where the chartered party originates, and from the place of discharge of such party to (i) the nearest point where equipment is held out to be available, or (ii) the equipment-availability point nearest the origin point of the chartered party: *Provided, however,* That in no case shall the total charges, including all deadhead mileage charges, for the one-way transportation of chartered parties from any origin point to any destination point exceed the total charges, including all deadhead mileage charges, applicable for the round-trip transportation of like chartered parties over the same route from the same origin point to the same destination point and return to such origin point. Such tariffs shall name the points at which the carrier holds out to have equipment available for special or chartered party service, and no equipment shall be held out as available at any point not an authorized-on-route or off-route point. The tariffs also shall clearly specify the movements, if any, governed by (i) above, and, separately, those, if any, governed by (ii).

(b) Special or chartered parties may be transported on an all-expense basis, provided that the tariffs of carriers offering such service, lawfully on file with the Commission, publish transportation rates or charges separately from the charges for meals, hotel accommodations, or other incidental expenses.

(c) Common carriers of passengers subject to the rules in this part shall comply with section 215 of the act and the rules and regulations thereunder governing the filing and approval of surety bonds and policies of insurance (Part 1043 of this chapter), and shall designate and file with the board of each State in which they transport special or chartered parties and with the Commission, the name and address of a person upon whom notices, orders, and process may be served as provided in section 221 (a) and (c) of the act.

§ 1054.6 Limitations of service.

(a) No common carrier of passengers by motor vehicle subject to the rules in this part shall transport special or chartered parties, as defined in this part, between the same points or over the same route so frequently as to constitute a regular scheduled or non-scheduled service.

(b) No common carrier of passengers by motor vehicle subject to the rules in this part shall transport passengers to whom individual tickets have been sold or with whom separate and individual transportation arrangements have been made (1) from or to any point or points except those upon its regular route or routes or authorized to be served as off-route points, or (2) over any route or routes other than those so authorized to be served by such carrier. The transportation of any passengers under any such arrangements by any such carrier to or from any point or points not on the regular route or routes of such carrier or to or from any point not authorized to be served as an off-route point, or over any route or routes other than those authorized to be served by such carrier, except as a member of a special or chartered party as herein defined, is not authorized and is hereby forbidden. The provisions of this paragraph shall not be construed as restricting in any way special or charter operations referred to in § 1054.1 (b).

(c) No common carrier of passengers by motor vehicle subject to the rules in this part authorized to perform seasonal operations over regular routes may transport special or chartered parties except during the period in which

such regular-route operations may be performed.

PART 1055—DISCRIMINATION IN OPERATIONS OF INTERSTATE MOTOR COMMON CARRIERS OF PASSENGERS

Sec.
1055.1 Discrimination prohibited.
1055.2 Sign to be posted in vehicles.
1055.3 Notice to be printed on tickets.
1055.4 Discrimination in terminal facilities.
1055.5 Notice to be posted at terminal facilities.
1055.6 Carriers not relieved of existing obligations.
1055.7 Reports of interference with regulations.
1055.10 Definitions.

AUTHORITY: The provisions of this Part 1055 issued under 52 Stat 1237; 49 U.S.C. 304.

§ 1055.1 Discrimination prohibited.

No motor common carrier of passengers subject to section 216 of the Interstate Commerce Act shall operate a motor vehicle in interstate or foreign commerce on which the seating of passengers is based upon race, color, creed, or national origin.

§ 1055.2 Sign to be posted in vehicles.

Every motor common carrier of passengers subject to section 216 of the Interstate Commerce Act shall conspicuously display and maintain, in all vehicles operated by it in interstate or foreign commerce, a plainly legible sign or placard containing the statement: "Seating aboard this vehicle is without regard to race, color, creed, or national origin, by order of the Interstate Commerce Commission." This § 1055.2 shall cease to be effective on January 1, 1963, unless such time be further extended by the Interstate Commerce Commission.

§ 1055.3 Notice to be printed on tickets.

Every motor common carrier of passengers subject to section 216 of the Interstate Commerce Act shall cause to be printed on every ticket sold by it for transportation on any vehicle operated in interstate or foreign commerce a plainly legible notice as follows: "Seating aboard vehicles operated in interstate or foreign commerce is without regard to race, color, creed, or national origin." This § 1055.3 shall be applicable to all tickets sold on or after January 1, 1963.

NOTE: The following interpretation of the provisions of § 1055.3 appears at 27 F.R. 230, Jan. 9, 1962:

The words, "Seating aboard vehicles operated in interstate or foreign commerce is without regard to race, color, creed, or national origin", should appear on the face of every ticket coming within the purview of the section. If the ticket is in parts or consists of additional elements, such as coupons, identification stubs, or checks, it shall be sufficient for the purposes of section 1055.3 that the notice appear only once on the ticket and be placed on the face of that portion of the ticket which is held by the passenger.

§ 1055.4 Discrimination in terminal facilities.

No motor common carrier of passengers subject to section 216 of the Interstate Commerce Act shall in the operation of vehicles in interstate or foreign commerce provide, maintain arrangements for, utilize, make available, adhere to any understanding for the availability of, or follow any practice which includes the availability of, any terminal facilities which are so operated, arranged, or maintained as to involve any separation of any portion thereof, or in the use thereof on the basis of race, color, creed, or national origin.

§ 1055.5 Notice to be posted at terminal facilities.

No motor common carrier of passengers subject to section 216 of the Interstate Commerce Act shall in the operation of vehicles in interstate or foreign commerce utilize any terminal facility in which there is not conspicuously displayed and maintained so as to be readily visible to the public a plainly legible sign or placard containing the full text of the regulations in this part. Such sign or placard shall be captioned: "Public Notice: Regulations Applicable to Vehicles and Terminal Facilities of Inter-State Motor Common Carriers of Passengers, by order of the Interstate Commerce Commission."

§ 1055.6 Carriers not relieved of existing obligations.

Nothing in this part shall be construed to relieve any interstate motor common carrier of passengers subject to section 216 of the Interstate Commerce Act of any of its obligations under the Interstate Commerce Act or its certificate(s) of public convenience and necessity.

§ 1055.7 Reports of interference with regulations.

Every motor common carrier of passengers subject to section 216 of the Interstate Commerce Act operating vehicles in interstate or foreign commerce shall report to the Secretary of the Interstate Commerce Commission, within fifteen (15) days of its occurrence, any interference by any person, municipality, county, parish, State, or body politic with its observance of the requirements of the regulations in this part. Such report shall include a statement of the action that such carrier may have taken to eliminate any such interference.

§ 1055.10 Definitions.

For the purpose of the regulations in this part the following terms and phrases are defined:

(a) *Terminal facilities.* As used in the regulations in this part the term "terminal facilities" means all facilities, including waiting room, rest room, eating, drinking, and ticket sales facilities which a motor common carrier makes available to passengers of a motor vehicle operated in interstate or foreign commerce as a regular part of their transportation.

(b) *Separation.* As used in § 1055.4 the term "separation" includes, among other things, the display of any sign indicating that any portion of the terminal facilities are separated, allocated, restricted, provided, available, used, or otherwise distinguished on the basis of race, color, creed, or national origin.

PART 1056—TRANSPORTATION OF HOUSEHOLD GOODS IN INTERSTATE OR FOREIGN COMMERCE

Sec.
1056.1 Definitions.
1056.2 Establishment of rates stated in amounts per hundred pounds and not upon any other basis; cancellation of rates otherwise established.
1056.3 Determination of weights.
1056.4 Accessorial or terminal services; tariffs providing therefor; packaging and uncrating charges.
1056.5 Discounts prohibited; rates based on prepayment charges prohibited.
1056.6 Prohibition against carrier action as agent for another carrier.
1056.7 Selling of insurance to shippers prohibited.
1056.8 Receipt or bill of lading; information thereon.
1056.9 Liability of carriers.
1056.10 Estimates of charges.
1056.11 Absorption of advancement of dock charges.
1056.12 Information for prospective shippers.
1056.13 Minimum weight shipments.
1056.14 Claims for loss or damage.

AUTHORITY: The provisions of this Part 1056 issued under 49 Stat. 546, as amended, 558, as amended, 560, as amended; 49 U.S.C. 304, 316, 317, unless otherwise noted.

§ 1056.1 Definitions.

As used in this part:

(a) *Household goods.* The term "household goods" means (1) personal effects and property used or to be used in a dwelling when a part of the equipment or supply of such dwelling; (2) furniture, fixtures, equipment, and the property of stores, offices, museums, institutions, hospitals, or other establishments, when a part of the stock, equipment, or supply of such stores, offices, museums, institutions, hospitals, or other establishments; and (3) articles, including objects of art, displays, and exhibits, which because of their unusual nature or value require the specialized handling and equipment usually employed in moving household goods.

(b) *Interpretation of the definition in paragraph (a) of this section.* Paragraph (a)(1) of this section shall not be construed to include property moving from a factory or store, except such property as the householder has purchased with intent to use in his dwelling and which is transported at the request of, and the transportation charges paid to the carrier by, the householder. Paragraph (a)(2) of this section shall not be construed to include the stock-in-trade of any establishment, whether consignor or consignee, other than used furniture and used fixtures, except when transported as an incident to the removal of the establishment, or a portion thereof, from one location to another. Paragraph (a)(3) of this section shall not be construed to include any article, whether crated or uncrated, which does not, because of its unusual nature or value, require the specialized handling

and equipment usually employed in moving household goods.

(c) *Other terms.* Where any other terms used in the regulations in this part are defined in section 203(a) of Part II of the Interstate Commerce Act, such definition shall be controlling. Where terms are use in the regulations in this part which are neither defined herein nor in said section 203(a), they shall have the ordinary, practical meaning of such terms.

§ 1056.2 Establishment of rates stated in amounts per hundred pounds and not upon any other basis; cancellation of rates otherwise established.

All common carriers by motor vehicle engaged in the transportation of household goods in interstate or foreign commerce shall establish, in the manner and form required by section 217 of the Interstate Commerce Act, and by the regulations of the Commission issued pursuant thereto, rates for the transportation of household goods in interstate or foreign commerce stated in amounts per hundred pounds, and shall not establish rates upon any other basis. All rates applicable to the transportation of household goods established upon any other basis than in amounts per hundred pounds shall be cancelled and superseded by rates published in accordance with this section.

§ 1056.3 Determination of weights.

(a) *Loaded weight, tare weight, and constructive weight.* (1) Each common carrier by motor vehicle shall determine the tare weight of each vehicle used in the transportation of household goods by having it weighed prior to the transportation of each shipment, without the crew thereon, by a certified weighmaster or on a certified scale, and when so weighed the gasoline tank on such vehicle shall be full and the vehicle shall contain all pads, chains, dollies, hand trucks, and other equipment needed in the transportation of such shipment. After the vehicle has been loaded, it shall be weighed, without the crew thereon, at point of origin of the shipment, and the net weight of the shipment shall be obtained by deducting the tare weight from the loaded weight. Where no adequate scale is available at point of origin, the loaded weight shall be obtained at the nearest certified scale either in the direction of the movement of the shipment, or in the direction of the next pickup or delivery in the case of part loads.

(2) If no adequate scale is available at origin, at any point en route, or at destination, a constructive weight, based upon 7 pounds per cubic foot of properly loaded van space, may be used. Such a constructive weight also may be used for a part load where the circumstances are such that its scale weight could not be obtained at origin, en route, or a destination without first unloading it or other part loads being carried in the same vehicle.

(b) *Part loads.* In the transportation of part loads, this section shall apply in all respects, except that the gross weight of a vehicle containing one or more part loads may be used as the tare weight of such vehicle as to part loads subsequently loaded thereon. A part load for any one shipper not exceeding 1,000 pounds may be weighed on a certified scale prior to being loaded on the vehicle.

(c) *Driver's weight certificate.* Whenever weights are required to be obtained pursuant to these rules, the carrier shall cause to be executed a weight certificate for each shipment, in the form specified below, at the time the last necessary weight is obtained, and the original or a copy of such certificate shall be carried in the vehicle transporting the shipment and shall be displayed upon request of the party paying the carrier's charges. The original or a true copy of such certificate shall be maintained by the carrier as part of its record of shipment.

DRIVER'S WEIGHT CERTIFICATE

Date_____

Name of carrier_____
Vehicle identification_____
Name of shipper_____
Origin of shipment_____
Destination of shipment_____
Gross weight of loaded vehicle without the crew thereon _____ pounds.
Tare weight of vehicle without the crew thereon, including full fuel tank and all necessary pads, chains, dollies, hand trucks, and other equipment _____ pounds.
Net weight of the shipment _____ pounds.
The above gross and tare weights were obtained at scales—

Gross:
_____
(Name of scale owner)
_____
(Location)

Tare:
_____
(Name of scale owner)
_____
(Location)

as shown by attached weight ticket(s) prepared by the weighmaster.

(Attach only gross weight ticket if tare weight is obtained from a weight ticket on shipments listed below.)

List of shipments, if any, on vehicle at time above weights were obtained:

Shipper	*Net weight*
_____	_____
_____	_____
_____	_____

I certify the above entries are true and correct.

_____
(Driver's signature)

(Secs. 219, 220, 223, 49 Stat. 563, as amended, 565, as amended; 49 U.S.C. 319, 320, 323)

§ 1056.4 Accessorial or terminal services; tariffs providing therefor; packaging and uncrating charges.

Such common carriers shall establish in the manner prescribed in section 217 of Part II of the Interstate Commerce Act, and the rules and regulations issued pursuant thereto, the charges to be made for each accessorial or terminal service rendered in connection with the transportation of household goods by motor vehicle. The tariffs establishing such charges shall separately state each service to be rendered and the charge therefor, provided that such tariffs may state an hourly labor charge applicable to miscellaneous labor service performed at the request of a shipper in connection with the transportation, when a rate is not separately stated in the tariff for the service so requested. The charges so established for packing and unpacking shall be in amounts per container and those for other services shall be separately stated on a unit or hourly basis, whichever is appropriate. No charge so established shall be lower than the cost of performing the service. This section shall apply only where the line-haul transportation is performed by a motor carrier. The rate for transportation of such goods shall not include the charge for any accessorial service and no such services other than those for which separate charges have been so established shall be rendered by any such carrier.

§ 1056.5 Discounts prohibited; rates based on prepayment charges prohibited.

No discounts of any character whatsoever shall be authorized by tariff provisions or otherwise allowed by any such common carrier, and no rates or charges shall be established based upon prepayment of charges.

§ 1056.6 Prohibition against carrier action as agent for another carrier.

No such common carrier shall act as agent for any other such common carrier in the solicitation of shipments of household goods, in interstate or foreign commerce, between points which such agent is authorized to serve and for which it shall have established different rates than those of its principal.

§ 1056.7 Selling of insurance to shippers prohibited.

No such common carrier or any employee, agent, or representative thereof, shall sell, or offer to sell, or procure for any shipper, any kind of insurance, under any type of policy, covering loss or damage to a shipment or shipments of household goods to be transported in interstate or foreign commerce by such carrier, but this section shall not preclude such a carrier from procuring in its own name insurance covering its liability for such loss or damage.

(Secs. 219, 220, 223, 49 Stat. 563, as amended, 565, as amended; 49 U.S.C. 319, 320, 323)

§ 1056.8 Receipt or bill of lading; information thereon.

(a) *Issuance of a receipt or bill of lading.* No such common carrier shall issue a receipt or bill of lading for household goods to be transported in interstate or foreign commerce prior to receiving such household goods for such transportation; but common carriers must issue such receipt or bill of lading when such household goods are received.

(b) *Information required on receipt or bill of lading.* Whenever a receipt or bill of lading is issued in compliance with paragraph (a) of this section, the carrier shall cause to be included therein the following information:

(1) The name of the motor carrier (not the agent's name) which will transport the shipment; if shipment is to be interlined, the names of the connecting carriers provided they are known when the shipment is received.

(2) The name, address, and telephone number of the office of the carrier that should be contacted in relation to the shipment, should there be a need for such contact.

(3) The name, address, and telephone number of a person to whom notification provided for in paragraph (c) of this section shall be given, except when this cannot be obtained from the shipper.

(4) The preferred delivery date or the period of time within which delivery of the shipment may be expected to be made at destination.

(c) *Notification of delay in delivery.* Whenever a carrier is unable to make delivery of a shipment of household goods on the date or during the period specified in the receipt or bill of lading, the carrier shall notify the shipper, or person designated by the shipper, by telegram or telephone, at the carrier's expense, of the date on which delivery of the shipment will be made; such notification to be given not less than 24 hours prior to the date or during the period shown on the receipt or bill of lading except when the circumstances causing the delay occur at a later time, in which case the notice shall be given as soon as possible but in no event more than 24 hours after the occurrence: *Provided*, That the requirement of this paragraph shall not apply where the carrier is unable to obtain from the shipper an address or telephone number for such notification.

(Secs. 219, 220, 223, 49 Stat. 563, as amended, 565, as amended; 49 U.S.C. 319, 320, 323)

§ 1056.9 Liability of carriers.

(a) *Liability restricted.* Common carriers by motor vehicle of household goods shall not assume any liability in excess of that for which they are legally liable under their lawful bills of lading and published tariffs.

(b) *Filing tariffs and evidence of insurance prerequisite to advertising that "all loads are insured".* Such carriers or any employee, agent, or representative thereof, shall not advertise or represent to the public that "all loads are insured" or other similar wording, unless such carrier has filed tariffs with this Commission assuming complete liability, and has filed evidence of insurance with this Commission providing protection covering all shipments to their full value without limitation and insuring against every peril to which any shipment may be exposed.

(Secs. 219, 220, 223, 49 Stat. 563, as amended, 565, as amended; 49 U.S.C. 319, 320, 323)

§ 1056.10 Estimates of charges.

(a) *Estimates by the carrier.* Whenever an estimate of the charges for a proposed service shall be given by a carrier to a prospective shipper of household goods, the estimate shall be made only after a visual inspection of the goods by the estimator. Such estimate shall be in the form as prescribed, and across the top of each form there shall be imprinted, in red letters not less than one-half inch high, the words "Estimated Cost of Services." The form shall be fully executed as appropriate in each case in accordance with the instructions therein. The original or a true legible copy of each estimate form prepared in accordance with this paragraph shall be delivered to the shipper; and a copy thereof shall be maintained by the carrier as part of its record of shipment. The shipper shall not be permitted or required to sign the "Estimated Cost of Services" form.

(b) *Estimate form for shipper's use.* Carriers may furnish to shippers or prospective shippers an estimate form which may contain statements of the weights of average pieces of furniture and other household articles of various types, for use by the shipper in making his own estimate of the total weight of his goods. Any instructions necessary to enable the shipper to use the estimate form shall be printed in the form. If cubic-foot measurements are used in arriving at the weight, the form shall state that a weight factor of 7 pounds per cubic foot shall be used.

(c) *Specific request of shipper for notification.* Whenever the shipper specifically requests notification of the actual weight and charges on a shipment, the carrier shall comply with such request immediately upon determining the actual weight and charges, by telephone or telegraph if so requested. Such notification shall be at the carrier's expense in instances in which notification would be required under paragraph (d) of this section and in all other instances unless the carrier provides in its tariff that the actual cost of such notification shall be collected from the shipper. Such notification shall be made no later than 24 hours prior to the time the shipment is offered for delivery except where the shipment is in transit less than 24 hours.

(d) *Notification to shipper where charges exceed estimate.* Whenever actual charges on any shipment exceed by more than 10 percent or $25, whichever is greater, any estimate of charges given by the carrier to the shipper, immediately upon determining the actual charges, the carrier shall notify the shipper of the amount thereof by telegram or telephone at the carrier's expense. Such notice shall be made no later than 24 hours prior to the time the shipment is offered for delivery, except where the shipment is in transit less than 24 hours: *Provided*, That this paragraph shall not apply (1) where credit is to be extended by the carrier, and (2) where the shipper has not supplied, upon request by the carrier, an address or telephone number at which the communication would be received.

(e) *Report of underestimates.* Every motor common carrier of household goods shall file each month with the Interstate Commerce Commission, Washington, D.C. 20423, a report of all instances during the preceding month where the actual charges for services rendered exceeded the estimates of such charges by 10 percent or more, with an explanation of reasons for the variances.

(f) *Reweighing.* The carrier, upon request of shipper, owner, or consignee, made prior to delivery of a shipment, and when practicable to do so will reweigh the shipment. The lower of the two net scale weights shall be used for determining the applicable charges. If the reweigh develops a net scale weight in excess of the initial net scale weight or if the difference between the initial net scale weight and the reweigh net scale weight is less than 100 pounds on a shipment weighing 5,000 pounds or less or 2 percent or less of the lower net scale weight on shipments in excess of 5,000 pounds, a reasonable reweigh charge may be established.

(g) *Order for services shall not show charges or estimates.* There shall not be shown on any form in the nature of a "Moving Order" or "Order for Service" which may be used by carriers of household goods any charges or estimates of charges nor any reference to any estimate of charges given to the shipper.

(Secs. 219, 220, 223, 49 Stat. 563, as amended, 565, as amended; 49 U.S.C. 319, 320, 323)

§ 1056.11 Absorption or advancement of dock charges.

Motor common carriers of household goods shall not absorb any dock or other charge made by any warehouseman, nor shall any such carrier advance any such charge for the account of any shipper, owner, or other person, except upon the authorization of such person. Whenever such charges are advanced on behalf of the shipper, the carrier shall obtain a receipt therefor from the warehouseman and deliver it to the shipper or the person designated by the shipper at the time the advanced charges are paid.

§ 1056.12 Information for prospective shippers.

(a) *Summary of information.* During the course of the first interview with every prospective shipper, every carrier of household goods shall cause to be given to the prospective shipper a summary of information in the form specified below. Such summary shall be printed on one sheet in not less than eight-point bold or full-faced type, and shall contain only the heading "Important notice to shippers of household goods" and the information shown below under that heading. The carrier's name, address, and telephone number may be shown on the sheet if that is desired. If no personal interview is had with a shipper, the carrier shall cause such summary to be mailed to the shipper on or prior to the day on which the order for service is placed. The carrier shall make an appropriate notation on the receipt or bill of lading that such summary has been furnished.

IMPORTANT NOTICE TO SHIPPERS OF HOUSEHOLD GOODS

The Interstate Commerce Commission requires that this notice and accompanying general information be furnished to all prospective shippers of household goods in interstate or foreign commerce.

Estimates. Carriers cannot determine exactly what your move will cost you until all packing has been completed and the goods are loaded on a vehicle and weighed. They make estimates to try to approximate the cost for you. To get a reasonably accurate estimate you must show the estimator everything you intend to ship. An estimate is not a bid nor a contract, and choosing the carrier submitting the lowest estimate will not assure you the lowest cost move. Regardless of any estimate, the actual weight of your goods and the actual amount of packing and other services performed by the carrier will determine the final amount you must pay for your moving. All estimates are now required to be in writing. Do not accept any verbal approximation of the charges.

Carrier responsibility for loss and damage. At its lowest rates, the carrier's responsibility for loss or damage caused by it is limited to 60 cents per pound per article for the actual weight of each lost or damaged article. Many articles are worth more than this, and some are worth a great deal more. If you wish to be paid full value for lost or damaged items, you must declare a lump sum value and pay an extra charge depending upon the value you declare. The charge is 50 cents for each $100 of value declared. The carrier will then be fully liable up to the amount you declare, for loss or damage to any articles unless due to an excepted cause as provided in its tariff.

If you declare a lump sum value but your declaration is for a total value less than $1.25 for each pound of weight in the shipment, your declaration will be automatically increased to the latter amount in order to protect both you and the carrier from an excessive underestimate.

Notification of changes and delay. The carrier is required to notify you by telegram of telephone of any delays in delivery. Also of the amount of the charges if you request it or if they exceed the estimate by more than 10 percent or $25 whichever is greater. Be sure to give the carrier an address or telephone number where such messages can be sent.

Packing. Many articles must be packed in barrels, cartons, or crates so that they can be handled safely. Wardrobes are usually supplied for garments. There is a charge per container for these services. You may do your own packing. However, the carrier is not responsible for damage resulting from faulty packing you perform. The carrier will unpack containers it has packed, if you wish, but not those you have packed. Be sure mechanisms of refrigerators, washers, etc., are serviced to prevent damage during movement.

Payment and delivery. The carrier will require payment in cash, money order, or certified check before unloading your goods unless credit arrangements were made beforehand. Be prepared in case the actual charges demanded at this time are greater than what was estimated.

Lost or damage articles. Be sure to check your goods as they are delivered. Note any lost articles or damage on the receipt which you will sign upon completion of the delivery. If other loss or damage is discovered later, notify the carrier immediately. A claim can be filed later.

Additional information. More detailed information is provided in a general information statement which the carrier must provide when you place an order for service.

(b) *Statement of general information.* Whenever the carrier receives an order for service, written or orally, it shall furnish the shipper immediately a printed statement, in not less than eight-point type, containing the information set forth below. Such statement in every instance shall be placed in the hands of the shipper prior to the time the goods are loaded. The carrier shall make an appropriate notation on the receipt or bill of lading that such statement has been furnished.

GENERAL INFORMATION FOR SHIPPERS OF HOUSEHOLD GOODS

This statement is of importance to you as a shipper of household goods and is being furnished by the carrier pursuant to a requirement of the Interstate Commerce Commission. It relates to the transportation of household goods, in interstate or foreign commerce by motor carriers frequently called "Movers" but here called carriers. Some carriers perform the transportation themselves. Others act as agents for the carriers which do the actual hauling. In some instances, the transportation is arranged by brokers. You should be sure to obtain the complete and correct name, home address, and telephone number of the carrier which is to transport your shipment, and keep that carrier informed as to how and where you may be reached at all times until the shipment is delivered. Before completing arrangements for the shipment of your household goods, all of the information herein should be considered carefully by you.

Estimates. Regardless of any prior estimate received, for the carriage of your shipment, you will be obligated to pay transportation charges and other charges computed in accordance with tariffs filed by the carrier with the Interstate Commerce Commission. The total charges which you must pay may be more, or less, than the estimate received from the carrier, and as explained under "Payment of charges—freight bill," the charges generally must be in cash or by money order or certified check at the time of delivery. Having additional funds on hand when the van arrives at destination can spare you considerable difficulty.

Tariffs. These are publications, in book form, containing the rates, charges, and rules of the carriers. The tariffs of all carriers are not the same, but all of them are open to public inspection and may be examined at the carrier's office. All tariffs contain rules and regulations, and those in the tariff of the carrier serving you must be applied in determining the charges on your shipment. Among the rules and regulations normally appearing in published tariffs will be found special provisions applicable to "Shipments picked up or delivered at more than one place"; "Packing and marking"; "Diversion of shipments en route"; and "Additional services", the charges for which are called accessorial charges, and which include services such as packing, unpacking, the furnishing of boxes or other containers, and carrying pianos up or down steps. The tariff of the carrier serving you will also probably have rules relating to the subjects which follow.

Preparing articles for shipment. Some articles such as stoves, refrigerators, and washing machines may require disconnection and usually require special servicing to protect their mechanisms during movement. It is your responsibility to have this done. Some carriers upon your request will arrange to have this servicing done at your expense. You should arrange to take down all blinds, draperies, window cornices, mirrors, and other items attached to the walls, and to take up carpets which are tacked down. The charge for such service is not included in the transportation charge and will be performed by the carrier only at an extra per-hour charge. Under no circumstances should you pack jewelry, money, or valuable papers with your other belongings, or pack any matches, inflammables, or other dangerous articles.

Transportation rates and released values. Rates are stated in amounts per hundred pounds, depending upon the distance involved. The carrier's charges also vary according to the released or declared value of the shipment. The carrier's tariff provides that as its lowest rates the carrier's responsibility for loss or damage caused by it is limited to 60 cents per pound per article for the actual weight of each lost or damaged article. Many articles are worth more than this, and some are worth a great deal more. If you wish to be paid full value for lost or damaged items, you must declare a lump sum value and pay an extra charge depending upon the value you declare. The charge is 50 cents for each $100 of value declared. The carrier will then be fully liable up to the amount you declare, for loss or damage to any articles unless due to an excepted cause as provided in its tariff.

If you declare a lump sum value but your declaration is for a total value less than $1.25 for each pound of weight in the shipment, your declaration will be automatically increased to the latter amount in order to protect both you and the carrier from an excessive underestimate.

Weights. The transportation charges will be determined on the basis of the weight of your shipment. Ordinarily, the carrier will weigh its empty or partially loaded vehicle prior to the loading of your goods. After loading, it will again weigh the vehicle and determine the weight of your shipment. If your shipment weighs less than 1,000 pounds, the carrier may weigh it prior to loading.

If you so request, the carrier will notify you by telegraph or telephone of the weight of your shipment and the charges as soon as the weight has been determined. This may or may not be at your expense. However, where it develops that the actual charges exceed by more than 10 percent or $25, whichever is greater, an estimate of charges given to you by the carrier, the carrier is required to notify you immediately of the amount of the actual charges, by telegraph or telephone at the carrier's expense.

If you question the weight reported by the carrier, you may request that the shipment be reweighed prior to delivery. Reweighing will be accompanied only where it is practicable to do so. An extra charge may be made for reweighing, but only if the difference between the two net weights obtained does not exceed 100 pounds (if your shipment weighs 5,000 pounds or less) or does not exceed 2 percent of the lower net weight (if your shipment weighs more than 5,000 pounds). The lower of the two net weights must be used in determining the charges.

Exclusive use of the vehicle. If you do not desire to have the goods belonging to someone else transported with your shipment, you may direct the carrier to grant you the exclusive use of the vehicle. In such event, however, the charges will probably be much greater.

Expedited service. Carriers are not ordinarily required to make delivery on a certain date or within a definite period of time, but only within a reasonable time. However, their tariffs generally contain a rule to the effect that, upon request of the shipper, goods weighing more than a designated weight—usually 5,000 pounds—will be delivered on or before the date specified by the shipper. Such expedited service on shipments weighing less than that amount

usually may be obtained only by paying charges based on 5,000 pounds.

Preferred delivery date—delay. Unless expedited service is to be rendered, as mentioned just above, the carrier is not obligated to deliver your goods on any particular day, but only to deliver within a reasonable time. However, when the goods are loaded, the carrier must specify on the bill of lading the delivery date (or period) which you prefer. If the carrier finds that it cannot deliver by that date it is required to notify you by telegraph or telephone at least 24 hours in advance if that is possible, or as soon thereafter as possible.

Small shipments. If your shipment weighs less than the minimum weight prescribed in the carrier's tariff, it will be subject to the minimum charge provided therein. If your shipment weighs substantially less than the minimum weight prescribed by the carrier, you should give consideration to the possibility that it may be shipped more reasonably by other means of transportation, even considering the expense of crating.

Storage in transit. If you desire your household goods to be stored in transit, and delivered at a later date, you may usually obtain such service upon specific request. The length of time a shipment may be stored in transit is limited by the carrier's tariff, and additional charges are normally made for such service. At the end of the designated storage-in-transit period, and in the absence of final delivery instructions, the shipment will be placed in permanent storage, and the carrier's liability in respect thereof will cease. Any further service must be made the subject of a separate contract with the warehouseman. If you do not specifically request storage-in-transit from the carrier, but arrange with someone other than the carrier to pick up your goods for storage, you will be required to pay such other person for such service. Some warehouses make separate charges for checking goods out of storage, and collect dock charges from carriers for the space occupied by their vehicles while being loaded. Such charges are passed on to the shipper.

Bill of lading. Before your shipment leaves point of origin, you should obtain from the carrier a bill of lading or receipt, signed by you and the carrier. Be sure that this shows the carrier's name and address and the telephone number at which you can reach the carrier; an address and telephone number furnished by you to which the carrier can send messages regarding your shipment; the location to which your goods are moving; the date of loading and the preferred date of delivery; and the declared or released valuation of the goods.

Payment of charges—freight bill. Unless you have made arrangements beforehand for credit, the carrier will require payment in cash or by money order or certified check, before unloading. Be prepared with sufficient funds to pay the actual charges, which may be greater than what was estimated.

When paying charges, you should obtain a receipt for the amount paid setting forth the gross and tare weights of the vehicle; the net weight of your shipment; the mileage; the applicable rate per 100 pounds; and the charges for transportation, additional protection, and any accessorial services performed. Such receipt is called a freight bill or expense bill.

Loss or damage. In the event of loss or damage to the shipment be sure you describe such loss or damage by making notations on the carrier's inventory of articles or delivery receipt. If the driver should refuse to permit you to make such notations, you should immediately report the circumstances and the condition of the articles in writing to the home office of the carrier. The notations made at the time of delivery does not constitute filing a claim in writing. The notation is made to support a claim to be filed later. If loss or damage did occur, you should then immediately address a letter to the home office of the carrier and describe the loss and damage. List the articles separately and show the weight of each damaged article, if you declared a released value of 60 cents per pound per article. Obtain and present to the carrier itemized estimates of cost of necessary repairs or replacement. Give the date of your move, the origin and destination of the shipment, and the carrier's order number.

All claims for loss or damage must be filed with the carrier, in writing. The carrier is required to acknowledge claims within 30 days and to either pay, decline, or make a firm compromise settlement offer within 120 days of receipt. If some reason beyond the carrier's control delays action on your claim for a longer time, the carrier is required to notify you then as to its status and each 30 days thereafter until final action is taken.

The Interstate Commerce Commission has no authority to compel carriers to settle claims for loss or damage and will not undertake to determine whether the basis for, or the amount of, such claims is proper, nor will it attempt to determine the carrier liable for such loss or damage. If the carrier will not voluntarily pay such claims, the shipper may contact the Interstate Commerce Commission for the name of the insurance company providing the required cargo insurance. The insurance company may be willing to settle a claim even if the carrier is not. The shipper may also commence a suit in a court of law. The names of the carrier's agents for service of process in each State may be obtained by writing the Interstate Commerce Commission, Washington, D.C. 20423.

[Secs. 219, 220, 223, 49 Stat. 563, as amended, 565 as amended; 49 U.S.C. 319, 320, 323]

§ 1056.13 Minimum weight shipments.

No common carrier shall accept a shipment of household goods for transportation which appears to be subject to the minimum weight provisions of the carrier's tariff without first having advised the shipper of such minimum weight provisions.

§ 1056.14 Claims for loss or damage.

(a) *Acknowledgment of claims.* Every common carrier of household goods which receives a written claim for loss of or damage to property transported by it shall acknowledge receipt of such claim in writing to the claimant within 30 calendar days after its receipt by the carrier or the carrier's agent. The carrier shall at the time such claim is received, cause the date of receipt to be recorded on the claim.

(b) *Handling by carrier.* Every such carrier which receives a written claim for loss or damage to household goods transported by it shall pay, decline, or make a firm compromise settlement offer in writing to the claimant within 120 days after receipt of the claim by the carrier or its agent: *Provided,* That, if for reasons beyond the control of the carrier the claim cannot be processed and disposed of within 120 days after the receipt thereof, the carrier shall at that time and the expiration of each succeeding 30-day period while the claim remains pending, advise the claimant in writing of the status of the claim and the reasons for the delay in making final disposition thereof, and send a copy of such letter to the Regional Director, Interstate Commerce Commission, Bureau of Operations, of the area in which the carrier has its principal place of business.

(c) *Register of loss and damage claims.* Every common carrier of household goods shall maintain a freight claim register, showing for each cargo loss and damage claim received, the claim number, date, and amount; the waybill or expense bill number and date; name of claimant; kind of commodity; date claim was paid; total amount paid; or date claim was disallowed and reasons; amount of salvage recovered, if any; amounts reimbursed by insurance companies, connecting carriers, or others, and the amount absorbed by the carriers. Each claim received shall be entered in the register and should be supported by the complete file of claim papers. However, if the claim papers are retained by insurance companies, connecting carriers, or others, the carrier's records should contain an acknowledgment from the party retaining the claim file that the papers are in its possession.

(Secs. 219, 220, 223, 49 Stat. 563, as amended, 565, as amended; 49 U.S.C. 319, 320, 323)

PART 1057—LEASE AND INTERCHANGE OF VEHICLES

Sec.
1057.1 Applicability.
1057.2 Definitions.
1057.3 Exemptions.
1057.4 Augmenting equipment.
1057.5 Interchange of equipment.
1057.6 Rental of equipment to private carriers and shippers.

AUTHORITY: The provisions of this Part 1057 issued under sec. 204, 49 Stat. 546, as amended; 49 U.S.C. 304.

§ 1057.1 Applicability.

The rules and regulations in this part apply to the augmenting of equipment by common and contract carriers of property by motor vehicle in interstate or foreign commerce subject to Part II of the Interstate Commerce Act, 49 U.S.C. 301 et seq.; to the interchange of equipment between such common carriers of property by motor vehicle, and to the lease of equipment by common and contract carriers of property by motor vehicle, with or without drivers, to private motor carriers and shippers.

§ 1057.2 Definitions.

(a) *Authorized carrier.* A person or persons authorized to engage in the transportation of property as a common or contract carrier under the provisions of section 206, 207, or 209 of the Interstate Commerce Act, 49 U.S.C. 306, 307, or 309.

(b) *Equipment.* A motor vehicle, straight truck, tractor, semitrailer, full trailer, combination tractor-and-trailer, combination straight truck and full trailer, and any other type of equipment used by authorized carriers in the transportation of property for hire.

(c) *Interchange of equipment.* The physical exchange of equipment between motor common carriers or the receipt by one such carrier of equipment from another such carrier, in furtherance of

a through movement of traffic, at a point or points which such carriers are authorized to serve.

(d) *Regular employee.* A person not merely an agent but regularly in exclusive full-time employment.

(e) *Agent.* A person duly authorized to act for and on behalf of an authorized carrier.

(f) *Owner.* A person (1) to whom title to equipment has been issued, or (2) who as lessee, has the right to exclusive use of equipment for a period longer than 30 days, or (3) who has lawful possession of equipment and has the same registered and licensed in any State or States or the District of Columbia in his or its name.

(g) *Private carrier.* A person as defined in § 203(a)(17) of the Interstate Commerce Act.

(h) *Shipper.* A person who consigns or receives property which is transported in interstate or foreign commerce.

§ 1057.3 Exemptions.

The provisions of § 1057.4, except paragraphs (c) and (d), relative to inspection and identification of equipment, shall not apply:

(a) *Equipment used in the direction of a point which lessor is authorized to serve.* To equipment owned or held under a lease of 30 days or more by an authorized carrier and regularly used by it in the service authorized, and leased by it to another authorized carrier for transportation in the direction of a point which lessor is authorized to serve: *Provided,* That the two carriers have first agreed in writing that control and responsibility for the operation of the equipment shall be that of the lessee from the time the equipment passes the inspection required to be made by lessee or its representative under § 1057.4(c) until such time as the lessor or its representative shall give to the lessee or its representative a receipt specifically identifying the equipment and stating the date and the time of day possession thereof is retaken or until such time as the required inspection is completed by another authorized carrier taking possession of the equipment in an interchange of equipment where such use is contemplated, such writing to be signed by the parties or their duly authorized regular employees or agents, and a copy thereof carried in the equipment while the equipment is in the possession of the lessee.

(b) *Rail or express vehicles.* To equipment utilized wholly or in part in the transportation of railway express traffic, or in substituted motor-for-rail transportation of railroad freight moving between points that are railroad stations on railroad billing.

(c) *Commercial zone operations.* To equipment utilized in transportation performed solely and exclusively within any municipality, contiguous municipalities, or commercial zone, as defined by the Commission.

(d) *Vehicles without drivers from rental companies.* To the lease of equipment without drivers by an authorized carrier from an individual, copartnership, or corporation, whose principal business is the leasing of equipment without drivers for compensation.

(e) *Non-powered equipment.* To equipment other than a power unit, provided that such equipment is not drawn by a power unit leased from the lessor of such equipment.

§ 1057.4 Augmenting equipment.

Other than equipment exchanged between motor common carriers in interchange service as defined in § 1057.5, authorized carriers may perform authorized transportation in or with equipment which they do not own only under the following conditions:

(a) *Contract requirements.* The contract, lease, or other arrangement for the use of such equipment:

(1) *Parties.* Shall be made between the authorized carrier and the owner of the equipment.

(2) *Written contract required.* Shall be in writing and signed by the parties thereto, or their regular employees or agents duly authorized to act for them in the execution of contracts, leases, or other arrangements.

(3) *Minimum duration of 30 days when operated by lessor.* Shall specify the period for which it applies, which shall be not less than 30 days when the equipment is to be operated for the authorized carrier by the owner or employee of the owner; excepting:

(i) *Equipment used in agricultural or perishable operations.* That such 30-day minimum period shall not apply to equipment, with driver, of a farmer, agricultural cooperative or private carrier of certain perishable property or which is exempt under section 203(b)(6) of the act, to the extent that such equipment falls within the terms of the exceptions of section 204(f) (1) or (2) of the act (49 U.S.C. 304(f)), and is utilized in accordance therewith; *Provided,* That prior to the execution of the lease, the authorized carrier receives and retains a statement signed by the owner of the equipment, or someone duly authorized to sign for the owner, authorizing the driver to lease the equipment for the movement or movements contemplated by the lease, certifying that the equipment so leased meets the qualifications enumerated in section 204(f) (1) or (2) of the act, and specifying the origin, destination, and the time of the beginning and ending of the last movement which brought the equipment within the purview of section 204(f).

(ii) *Automobile and tank truck carriers.* That equipment owned by an automobile carrier or tank truck carrier or held by such authorized carriers under lawful leases and used in the transportation of motor vehicles or commodities in bulk, respectively, may be leased or subleased to other such authorized carriers.

(iii) *Ice and snow control purposes.* That such 30-day minimum period shall not apply to dump equipment leased or subleased for use in transporting salt and calcium chloride, in bulk, for ice and snow control purposes, during the period from November 1 to April 30, both inclusive, of each year.

(4) *Exclusive possession and responsibilities.* Shall provide for the exclusive possession, control, and use of the equipment, and for the complete assumption of responsibility in respect thereto, by the lessee for the duration of said contract, lease or other arrangement, except:

(i) *Lessee may be considered as owner.* Provision may be made therein for considering the lessee as the owner for the purpose of subleasing under these rules to other authorized carriers during such duration.

(ii) *Household goods, carrier; intermittent operations under long-term lease.* When entered into by authorized carriers of household goods, for the transportation of household goods, as defined by the Commission, such provisions need only apply during the period the equipment is operated by or for the authorized carrier, lessee.

(5) *Compensation to be specified.* Shall specify the compensation to be paid by the lessee for the rental of the leased equipment.

(6) *Duration to be specific.* Shall specify the time and date or the circumstances on which the contract, lease, or other arrangement begins, and the time or the circumstances on which it ends. The duration of the contract, lease or other arrangement shall coincide with the time for the giving of receipts for the equipment as required by paragraph (b) of this section; and

(7) *Copies of lease and their distribution; copy to be carried on vehicle.* Shall be executed in triplicate; the original shall be retained by the authorized carrier in whose service the equipment is to be operated, one copy shall be retained by the owner of the equipment, one copy shall be carried on the equipment specified therein during the entire period of the contract, lease, or other arrangement, unless a certificate as provided in paragraph (d) (2) of this section is carried in lieu thereof.

(b) *Receipts for equipment to be specific.* When possession of the equipment is taken by the authorized carrier or its regular employee or agent duly authorized to act for it, said carrier, employee or agent shall give to the owner of the equipment, or the owner's employee or agent a receipt specifically identifying the equipment and stating the date and the time of day possession thereof is taken; and when the possession by the authorized carrier ends; it or its employee or agent shall obtain from the owner of the equipment, or its regular employee or agent duly authorized to act for it, a receipt specifically identifying the equipment and stating therein the date and the time of day possession thereof is taken.

(c) *Safety inspection of equipment by the authorized carrier.* It shall be the duty of the authorized carrier, before taking possession of equipment, to inspect the same or to have the same inspected by a person who is competent and qualified to make such inspection and has been duly authorized by such

carrier to make such inspection as a representative of the carrier, in order to insure that the said equipment complies with the Motor Carrier Safety Regulations of the Federal Highway Administration of the Department of Transportation. The person making the inspection shall certify the results thereof on a report in the form hereinafter set forth, which report shall be retained and preserved by the authorized carrier, and if his inspection discloses that the equipment does not comply with the requirements of the said safety regulations, possession thereof shall not be taken. In all instances in which the inspection required by this section is made, the authorized carrier, if an individual, or a member of the co-partnership if the authorized carrier is a co-partnership, or one of the officials thereof if the authorized carrier is a corporation, shall certify on the inspection report that the person who made the inspection, whether an employee or person other than an employee, is competent and qualified to make such inspection and has been duly authorized by such carrier to make such inspection as a representative of such authorized carrier. When equipment other than a power unit is leased, a form of report applicable to such equipment may be used.

REPORT OF VEHICLE INSPECTION

Description of vehicle:
Make ---------- Year ----------
Model ---------- Serial No. ----------
Type: Tractor ---------- Trailer ----------
Semitrailer ----------
License plate: No. ---------- State ----------
Owner's name ----------
Name of authorized carrier ----------

Indicate in the proper column the result of the inspection of each item listed:

Item	Not defective	Defective	Description of defect
Body			
Brakes			
Cooling system			
Drive line			
Emergency equipment			
Engine			
Exhaust			
Fuel system			
Glass			
Horn			
Leaks			
Lights (state which)			
Reflectors			
Speedometer			
Springs			
Steering			
Tires			
Wheels			
Windshield wiper			

Any other items requiring attention ----------

I hereby certify that on the ---------- day of ---------- I carefully inspected the equipment described above and that this is a true and correct report of the result of such inspection.

---------- (Signature of person making inspection)

I hereby certify that on the date stated above the person who made the inspection covered by this report was competent and qualified to make such inspection and was duly authorized to make such inspection as a representative of

---------- (Name of authorized carrier)

---------- (Signature of authorized carrier or co-partner or officer of authorized carrier)

Date: ----------

(d) *Identification of equipment as that of the authorized carrier.* The authorized carrier acquiring the use of equipment under this section shall properly and correctly identify such carrier, during the period of the lease, contract, or other arrangement in accordance with the Commission's requirements in Part 1058 of this chapter (Identification of Motor-Carrier Vehicles). If a removable device is used to identify the authorized carrier as the operating carrier, such device shall be on durable material such as wood, plastic, or metal, and bear a serial number in the authorized carrier's own series so as to keep proper record of each of the identification devices in use.

(1) *Identification to be removed when lease terminated.* The authorized carrier operating equipment under this part shall remove any legend, showing it as the operating carrier, displayed on such equipment, and shall remove any removable device showing it as the operating carrier, before relinquishing possession of the equipment.

(2) *Certified statement may be carried on vehicle in lieu of lease.* Unless a copy of the lease, contract or other arrangement is carried on the equipment, as provided in paragraph (a)(7) of this section, the authorized carrier or its regular employee or agent shall prepare a statement certifying that the equipment is being operated by it, which shall specify the name of the owner, the date of the lease, contract or other arrangement, the period thereof, any restrictions therein relative to the commodities to be transported, and the location of the premises where the original of the lease, contract or other arrangement is kept by the authorized carrier, which certificate shall be carried with the equipment at all times during the entire period of the lease, contract, or other arrangement.

(e) *Driver of equipment to be in compliance with safety regulations.* Before any person other than a regular employee of the authorized carrier is assigned to drive equipment operated under this part, it shall be the duty of the authorized carrier to make certain that such driver is familiar with, and that his employment as a driver will not result in, violation of any provision of the Motor Carrier Safety Regulations of the Federal Highway Administration of the Department of Transportation.

(f) *Record of equipment to be maintained; shipping documents to identify the authorized carrier.* The authorized carrier utilizing equipment operated under this part for periods of less than 30 days shall prepare and keep a manifest or other documents covering each trip for which the equipment is used in its service, containing the name and address of the owner of such equipment; point of origin, the time and date of departure, the point of final destination, and the authorized carrier's serial number of any identification device affixed to the equipment. During the time that equipment subject to this part is operated there shall be carried with the equipment, bills of lading, waybills, freight bills, manifests, or other papers identifying the lading, and containing the foregoing information, which shall clearly indicate that the transportation of the property carried is under the responsibility of the authorized carrier, which papers shall be preserved by the authorized carrier. This section shall also apply with respect to vehicles leased for periods of 30 days or more unless the required information is kept at a terminal or office as a part of the records of the authorized carrier.

§ 1057.5 Interchange of equipment.

Authorized common carriers may by contract, lease, or other arrangement, interchange any equipment defined in § 1057.2 with one or more other such common carriers, or one of such carriers may receive from another such carrier, any of such equipment, in connection with any through movement of traffic, under the following conditions:

(a) *Interchange agreement to be specific.* The contract, lease, or other arrangement providing for interchange shall specifically describe the equipment to be interchanged; the specific points of interchange; the use to be made of the equipment, and the consideration for such use; and shall be signed by the parties to the contract, lease, or other arrangement, or their regular employees or agents duly authorized to act for them, in the execution of such contracts, leases, or other arrangements.

(b) *Operating authority of carriers participating in interchange.* The certificates of public convenience and necessity held by the carriers participating in the interchange arrangement must authorize the transportation of the commodities proposed to be transported in the through movement and service from and to the point where the physical interchange occurs.

(c) *Through bills of lading required.* The traffic transported in interchange service must move on through bills of lading issued by the originating carrier, and the rates charged and revenues collected must be accounted for in the same manner as if there had been no interchange of equipment. Charges for the use of the equipment shall be kept separate and distinct from divisions of the joint rates or the proportions thereof accruing to the carriers by the application of local or proportional rates.

(d) *Safety inspection of equipment.* It shall be the duty of the carrier acquiring the use of equipment in interchange to inspect such equipment, or to have it inspected in the manner provided in § 1057.4(c) and equipment which does

not meet the requirements of the safety regulations shall not be operated in the respective services of the interchange carriers until the defects have been corrected.

(e) *Identification of equipment as that of the operating carrier.* Authorized carriers operating power units in interchange service shall identify such equipment in accordance with the Commission's requirements in Part 1058 of this chapter (Identification of Motor Carrier Vehicles). Any removable device used to identify the operating carrier shall be on durable materials such as wood, plastic, or metal, and shall bear a serial number in the operating carrier's own series and such carrier shall keep a proper record of each identification device in use. The authorized carrier operating equipment under this part shall remove any legend, showing it as the operating carrier, displayed on such equipment, and shall remove any removable device showing it as the operating carrier, before relinquishing possession of the equipment. Authorized carriers operating equipment in interchange service under this section shall carry with each vehicle so operated, except trailers and semitrailers, a copy of the contract, or other arrangement, while the equipment is being operated in the interchange service, unless a statement certifying that the equipment is being operated by it and identifying the equipment by company or State registration number, showing the specific point of interchange, the date and time of the assumption of responsibility for the equipment, and the use to be made of the equipment, is carried in the vehicle while it is operated in interchange service. Such statement shall be signed by the parties to the contract or other arrangement or their employees or agent.

(f) *Through movement involving more than two carriers, lessee considered as owner.* For the purpose of this section, a lessee of equipment on a through movement involving more than two carriers, shall be considered the owner of the equipment for the purpose of leasing the equipment for movement to destination or for return to the originating carrier.

§ 1057.6 Rental of equipment to private carriers and shippers.

(a) *Rental of equipment with drivers.* Unless such service is specified in their operating authorities, authorized carriers shall not rent equipment with drivers to private carriers or shippers, except where the vehicle so rented is to be used for transportation which may be performed for compensation within the exemption provisions of section 203(b) (7) or (8) of the Interstate Commerce Act.

(b) *Rental of equipment without drivers.* Authorized common carriers shall not rent equipment without drivers to private carriers or shippers and authorized contract carriers shall not so rent such equipment without first having obtained approval of the rental contract from this Commission, except that the prohibitions contained in this section shall not apply to authorized carriers transporting property wholly for and on the billing of railroads or where the vehicle so rented is to be used for transportation which may be performed for compensation within the exemption provisions of section 203(b) (7) or (8) of the Interstate Commerce Act.

PART 1058—IDENTIFICATION OF VEHICLES

Sec.
1058.1 Vehicles subject to regulation.
1058.2 Method of identification.
1058.3 Size, shape and color.
1058.4 Vehicles in driveaway service.
1058.5 Passenger vehicles.
1058.6 Use of identification plates prohibited.

AUTHORITY: The provisions of this Part 1058 issued under 49 Stat. 546, as amended, 566, as amended; 49 U.S.C. 304, 324.

§ 1058.1 Vehicles subject to regulation.

Every for-hire motor carrier operating under authority granted pursuant to the Interstate Commerce Act (49 U.S.C., 1 et seq.), shall observe the rules and regulations prescribed in this part respecting each motor vehicle operating under such authority.

§ 1058.2 Method of identification.

There shall be displayed on both sides of each vehicle operated under its own power, either alone or in combination, except as otherwise provided in this part respecting vehicles in driveaway service and those used under a continuing interchange or lease arrangement between common carriers of passengers by motor vehicle, the name, or trade name, of the motor carrier under whose authority the vehicle or vehicles is or ar being operated, and the certificate, permit, or docket number assigned to such operating authority by the Interstate Commerce Commission. Such certificate, permit, or docket number, or numbers, shall be in the following form: "I.C.C. _____", but shall not include any sub numbers which may have been assigned. If the name of any person other than the operating carrier appears on the vehicle operated under its own power, either alone or in combination, the name of the operating carrier shall be followed by the information required above, and be preceded by the words "operated by". Nothing in the regulations in this part shall prohibit display of such additional identification as is not inconsistent herewith.

§ 1058.3 Size, shape and color.

The display of name and number prescribed in this part shall be in letters and figures in sharp color contrast to the background and be of such size, shape and color as to be readily legible, during daylight hours, from a distance of 50 feet while the vehicle is not in motion, and such display shall be kept and maintained in such manner as to remain so legible. If desired, display may be accomplished through use of a removable device so prepared as otherwise to meet the identification and legibility requirements of the regulations in this part.

§ 1058.4 Vehicles in driveaway service.

If a removable device is used on vehicles in driveaway service, it either may be affixed on both sides, or, at the rear of the single driven vehicle. In the cases of a combination driveaway operation the removable device may be affixed on both sides of any one of the units comprising the combination, or at the rear of the rear-most unit of the combination.

§ 1058.5 Passenger vehicles.

Section 1058.1 to 1058.4 shall not apply to motor vehicles used in the transportation of passengers by common carriers when such vehicles are used in providing through transportation of passengers, in regular services, over the authorized routes of two or more of such carriers under a continuing interchange or lease of equipment arrangement between such carriers, if the vehicle owner's name and certificate number is displayed thereon in the manner provided in § 1058.2, and if there shall have been filed with the office of the Regional Director or Directors having jurisdiction over such carriers and posted in each terminal and ticket agency on the involved routes a published schedule of the carriers showing clearly the points or places between which each carrier assumes and bears complete control and responsibility for the operation of the interchanged or leased vehicle.

§ 1058.6 Use of identification plates prohibited.

On and after the effective date hereof, identification plates theretofore issued by the Interstate Commerce Commission shall not be displayed on any motor vehicle operating under authority of the Commission, or otherwise.

PART 1059—EMBARGOES

Sec.
1059.1 Carriers to give public notice of embargoes.
1059.2 Notice of delay in performing service.
1059.3 Carrier's duty to transport unaffected.

AUTHORITY: The provisions of this Part 1059 issued under 49 Stat. 546, as amended; 49 U.S.C. 304.

§ 1059.1 Carriers to give public notice of embargoes.

(a) Whenever any motor common carrier of property subject to the Interstate Commerce Act finds that because of a lack of facilities or personnel, or because it is required to give preference and precedence to other traffic legally entitled to such priority, or because of other compelling circumstances not within the control of the carrier, it is or will be unable to perform all authorized transportation services requested of it, and that it will be necessary for it temporarily to suspend the offering of service in the transportation of any commodity, commodities, or class of traffic, to or from any territory, point, shipper, consignee, or connecting carrier, or over any route, it shall immediately give public notice of such fact by a written notice of an embargo, specifying the extent thereof, the date the embargo is to become effective, its duration, if

known, and the reasons why the placing of the embargo is necessary.

(b) Immediately upon the issuance of a notice of an embargo as required by paragraph (a) of this section, one copy of such notice shall be mailed to the Bureau of Operations, Interstate Commerce Commission, Washington, D.C. 20423, two copies shall be mailed or delivered to the Regional Director of the Interstate Commerce Commission in the Region where the principal headquarters of the carrier is located, one copy shall be posted for public inspection in each office of the carrier where the embargo is to be made effective, one copy shall be served upon each connecting carrier with whom the issuing carrier interchanges traffic in cases where traffic so interchanged is affected, and, so far as is reasonably practicable in each case, the embargo shall be brought to the attention of interested shippers and consignees.

(c) Except in instances when the notice of an embargo specifies the date of its expiration, a notice of the termination or modification of an embargo shall be issued, posted, and filed by the carrier, and notice of such termination shall be given to interested shippers, consignees, and connecting lines, in the same manner as prescribed for notice of the establishment of an embargo in paragraph (b) of this section.

§ 1059.2 Notice of delay in performing service.

In all instances, other than those specified in § 1059.1, when a motor common carrier of property subject to the Interstate Commerce Act, is unable to perform authorized transportation promptly upon request, it shall notify the person requesting the service of the anticipated delay and the reason therefor, and shall promptly notify the Bureau of Operations, Interstate Commerce Commission, Washington, D.C., and the Regional Director of the Bureau of Operations, Interstate Commerce Commission, in the Region where the carrier has its principal headquarters, of any inability to perform requested transportation within a reasonable time, and the reason therefor. Upon the termination of the conditions which render the carrier unable to perform desired transportation within a reasonable time, the carrier shall notify the Bureau of Operations and the Regional Director, mentioned above of the changed conditions.

§ 1059.3 Carrier's duty to transport unaffected.

The provisions of §§ 1059.1 and 1059.2 shall not be construed to relieve any carrier of the duty to furnish transportation service, nor to relieve any carrier of the duty to observe all requirements of law and the regulations prescribed by the Commission.

PARTS 1070–1079: WATER CARRIERS—GENERAL

PART 1070—HARBORS

§ 1070.1 Harbor limits.

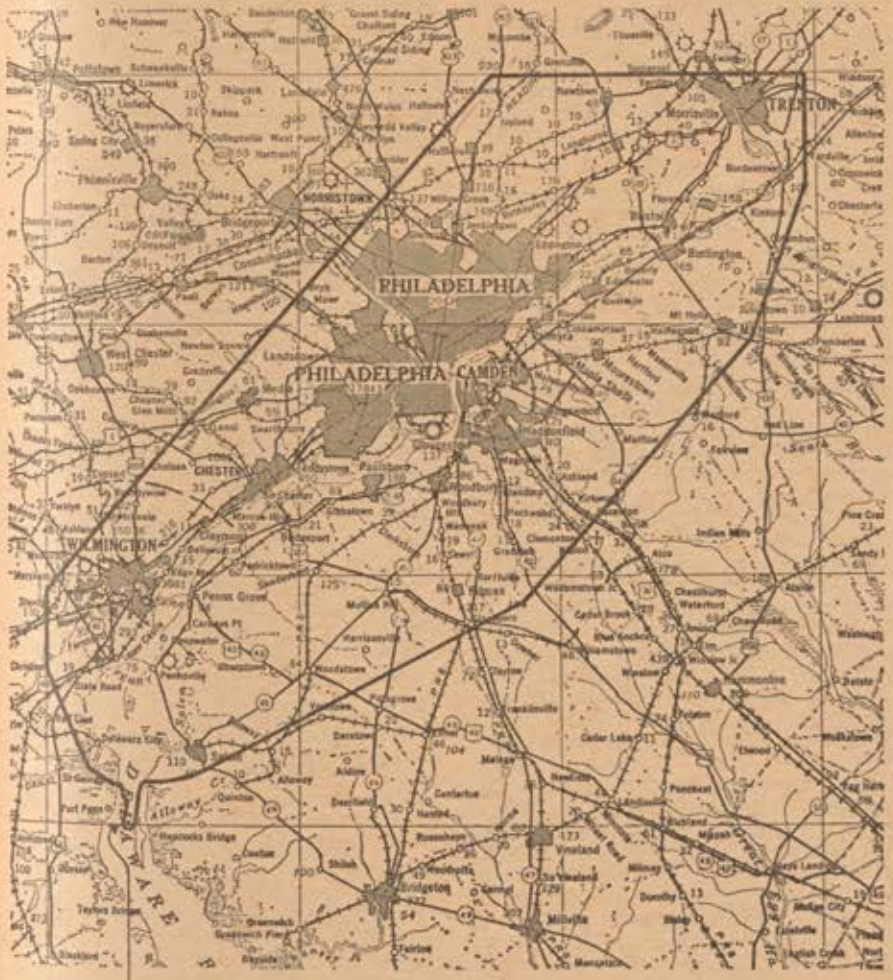
(a) *New York.* For the purpose of administration and enforcement of the Interstate Commerce Act, Part III, the Harbor of New York, N.Y., and harbors contiguous thereto, within which transportation in interstate commerce by water, when such transportation is not a part of a continuous through movement under common control, management, or arrangement to or from a place outside the limits, will be exempt from regulation pursuant to section 303(g) of said Act, be, and they are hereby defined to include the following:

The waters within the area over which the Port of New York Authority now has jurisdiction as shown in the following map:



(b) *Philadelphia.* For the purpose of administration and enforcement of the Interstate Commerce Act, Part III, the Harbor of Philadelphia, Pa., and harbors contiguous thereto, within which transportation in interstate commerce by water, when such transportation is not a part of a continuous through movement under common control, management, or arrangement to or from a place outside the limits, will be exempt from regulation pursuant to section 303(g) of said Act be, and they are hereby, defined to include the following:

The waters within the area enclosed by a heavy black line in the following map:



(54 Stat. 932, 933; 49 U.S.C. 903, 904)

PART 1071—EXEMPTION OF CONTRACT CARRIER OPERATIONS

Sec.
1071.1 Oilfield equipment, Gulf States marshlands.
1071.2 Towage of floating objects.

AUTHORITY: The provisions of this Part 1071 issued under 54 Stat. 929, 931, as amended; 49 U.S.C. 902, 903, 904.

§ 1071.1 Oilfield equipment, Gulf States marshlands.

Contract carriers by water, insofar as they engage in leasing or chartering vessels for the purpose of transporting machinery, materials, supplies, and equipment incidental to, or used in, the construction, development, operation and maintenance of facilities for the discovery, development and production of natural gas and petroleum, to and from points in the marshland oilfields of Alabama, Florida, Mississippi, Louisiana and Texas be, and they are hereby, exempted from the requirements of Part III of the Interstate Commerce Act until the further order of the Commission.

§ 1071.2 Towage of floating objects.

Transportation by contract carriers of empty vessels to and from shipyards, floating objects such as derricks, dredges, tanks, caissons, pontoons, and other floating objects, other than logs and piling in rafts, of varying shapes, sizes, and drafts which are not designed or used for the carrying of passengers and property, is hereby exempted from the requirements of Part III of the Interstate Commerce Act until the further order of the Commission.

PART 1072—SMALL CRAFT; REMOVAL FROM STATUTORY EXEMPTION

Sec.
1072.1 Definitions; small and large craft.
1072.2 Application of Part III to certain transportation by small craft.

AUTHORITY: The provisions of this Part 1072 issued under 54 Stat. 931, as amended, 933; 49 U.S.C. 903, 904.

§ 1072.1 Definitions; small and large craft.

The term "small craft", as used in this part, means a vessel or vessels of not more than 100 tons carrying capacity or not more than 100 indicated horsepower, and the term "large craft", as used in this part, means a vessel or vessels of greater carrying capacity and power.

§ 1072.2 Application of Part III to certain transportation by small craft.

The application of the provisions of Part III of the Interstate Commerce Act to transportation as described hereinafter by small craft is hereby declared necessary to carry out the national transportation policy declared in the act and the provisions of said part, except section 303(g) insofar as that section applies to transportation by small craft, shall apply to (a) transportation of property by small craft by common carriers by water which are engaged also in the transportation of property partly by railroad or motor vehicle and partly by water under common control, management, or arrangement; (b) transportation of property by small craft by common or contract carriers by water which are engaged also in the transportation of property by large craft between common points or within a common territory; and (c) transportation of property by small craft by common or contract carriers by water which are engaged also in the transportation of passengers subject to the provisions of Part III of the act by vessels equipped to carry more than 16 passengers.

PARTS 1080–1089—FREIGHT FORWARDERS—GENERAL

PART 1080—CONTRACTS, FORWARDERS—MOTOR COMMON CARRIERS

Sec.
1080.1 Filing.
1080.2 Specifications.
1080.3 Amendments.
1080.4 Time of filing and notice of termination.
1080.5 Contracts continued.
1080.6 Public inspection.

AUTHORITY: The provisions of this Part 1080 issued under sec. 403, 56 Stat. 285, sec. 409, as amended, 64 Stat. 1114, as amended; 49 U.S.C. 1003, 1009.

§ 1080.1 Filing.

All contracts, and amendments thereto, between freight forwarders and

motor common carriers, entered into pursuant to section 409 of the Interstate Commerce Act, as amended December 20, 1950, and amendments to contracts continued, shall be in writing, and the freight forwarder party thereto shall file with the Interstate Commerce Commission two true and legible copies thereof on paper of good quality, size 8½" x 11".

§ 1080.2 Specifications.

All such contracts shall show:

(a) In the upper right-hand corner a number in the consecutive series of the forwarder filing the same;

(b) The full and correct name and address of each party to the contract, and the ICC number, omitting subnumbers, identifying the operating authority of each;

(c) A description of the transportation service to be performed by the motor carrier, and all other services in connection therewith; the points between which, or the geographical area to or from which, the service is to be performed; the compensation to be paid therefor, specified in lawful money of the United States per unit of weight or other defined units; and, where transportation is for a total distance of 450 highway-miles or more, whether it is line-haul transportation in truckload lots between concentration points and break-bulk points.

(d) The effective date of the contract; and

(e) All other terms and conditions agreed upon between the parties to the contract.

§ 1080.3 Amendments.

Amendments to contracts shall show the effective date thereof, the same series number as the original contract, be consecutively numbered, and specifically indicate any provisions superseded.

§ 1080.4 Time of filing and notice of termination.

Contracts and amendments thereto shall be filed with the Commission within 10 days after the effective date thereof. Within 10 days after termination of a contract, a notice shall be filed with the Commission showing the effective date of such termination. A new contract superseding an old contract shall specifically cancel the old contract. In the event of a change of name or the transfer of the operating authority of either party to a contract, if the contract services, terms and conditions are to be continued, a new contract showing the correct names of the new parties or a joint writing adopting the old contract shall be filed with the Commission within 30 days.

§ 1080.5 Contracts continued.

Evidence of agreements or amendments thereto, filed with the Commission prior to September 20, 1951, in accordance with the regulations hertofore proposed in Docket No. 29493, Freight Forwarders, Motor Common Carriers, Agreements, 272 I.C.C. 413 (13 F.R. 5861), will be accepted as substantial compliance with the rules and regulations of this part, but any changes in such agreements with any carrier subsequent to September 20, 1951, shall be indicated by the filing, in conformity with the rules and regulations of this part, of complete new contracts covering service by that carrier, or of amendments completely covering the particular traffic involved, which amendments shall clearly indicate the portions of the schedules and evidence of concurrence superseded thereby; except that all such filings made prior to September 20, 1951, shall be superseded by new contracts complying with the rules and regulations of this part and filed with the Commission not later than June 30, 1953.

§ 1080.6 Public inspection.

All contracts and amendments thereto filed with the Commission under the rules and regulations of this part shall be open to public inspection.

PART 1081—BILLS OF LADING

Sec.
1081.1 Through bills of lading to be issued.
1081.2 Conflicting regulations and practices to be discontinued.

AUTHORITY: The provisions of this Part 1081 issued under secs. 403, 404, 413, 56 Stat. 285, 286, 295; 49 U.S.C. 1003, 1004, 1013.

§ 1081.1 Through bills of lading to be issued.

All freight forwarders subject to part IV of the Interstate Commerce Act participating in the transportation of property in interstate commerce are required, on or before April 1, 1945, and thereafter, to maintain and apply on all shipments moving under forwarder rates in interstate commerce, rules, regulations, and practices providing for the issuance to the shipper, at the initial point of origin, of a through bill of lading, covering the transportation from initial point of origin to ultimate destination, either by the freight forwarder on its form, or by a motor common carrier on its form with a notation thereon showing the name of the freight forwarder in whose service the shipment is moving. Where a motor common carrier receives property at initial point of origin and issues a receipt therefor on its form, with a notation thereon showing the name of the freight forwarder in whose service the shipment is moving, the freight forwarder, upon receiving the shipment at the "on line" or consolidating station, shall issue a through bill of lading on its form as of the date the shipment is received at initial point of origin.

§ 1081.2 Conflicting regulations and practices to be discontinued.

All freight forwarders subject to part IV of the Interstate Commerce Act according as they participate in the transportation of property and interstate commerce are hereby notified and required to cease and desist on or before April 1, 1945, and thereafter to abstain from publishing or applying rules, regulations, and practices affecting the issuance of bills of lading or shipping receipts which are in conflict with the provisions of § 1081.1.

PART 1082—EXEMPTIONS

§ 1082.1 Use by air freight forwarders of regulated motor common carrier service.

An air freight forwarder (indirect air carrier) subject to economic regulation under the Federal Aviation Act may receive from or turn over to motor common carriers subject to economic regulation under part II of the Interstate Commerce Act shipments the transportation of which is not within the scope of the incidental-to-aircraft exemption of section 203(b)(7a) of the Interstate Commerce Act without being considered as conducting operations as a freight forwarder subject to part IV of the Interstate Commerce Act provided:

(a) That the air freight forwarder shall not hold out to assume responsibility for, nor make any claim in its advertising, solicitation of freight, or tariff publications that it will assume responsibility for, any shipment prior to its receipt from or after it is turned over to an authorized motor common carrier for movement beyond the air freight forwarder's terminal area as defined in tariffs filed with and accepted by the Civil Aeronautics Board.

(b) That all shipment documents issued by the air freight forwarder shall state clearly that its responsibility for the shipment does not extend beyond its actual air movement and the territorial extent of its terminal area as provided for in tariffs published with the Civil Aeronautics Board.

(c) That the air freight forwarder shall receive no compensation from any shipper or motor carrier for services rendered in connection with the receipt of shipments from or the delivery of shipments to a motor carrier for movement beyond the air freight forwarder's terminal area.

PART 1083—FILING OF CONTRACTS FOR JOINT LOADING AND TERMINAL SERVICES AND FACILITIES

§ 1083.1 Filing of contracts between freight forwarders for joint loading.

All contracts or agreements between freight forwarders for joint loading and for all terminal services and facilities shall be in writing; and each freight forwarder which is a party to such a contract or agreement on the date this section becomes effective or which shall thereafter enter into such a contract or agreement, immediately shall file with the Commission a verified copy of each such contract in the form in which the same was or may be executed.

(56 Stat. 285, 294; 49 U.S.C. 1003, 1012)

PART 1084—SURETY BONDS AND POLICIES OF INSURANCE

Sec.
1084.1 Definitions.
1084.2 General requirements.
1084.3 Limits of liability.
1084.4 Surety bonds.
1084.5 Policies of insurance.
1084.6 Insurance and surety companies.

Sec.
1084.7 Qualifications as a self-insurer and other securities or agreements.
1084.8 Forms and procedure.
1084.9 Acceptance and revocation by Commission.
1084.10 Fiduciaries.

AUTHORITY: The provisions of this part 1084 issued under 56 Stat. 285; 49 U.S.C. 1003.

§ 1084.1 Definitions.

(a) *Freight forwarder.* The term "freight forwarder" means any person which (otherwise than as a carrier subject to Part I, II, or III, of the Interstate Commerce Act) holds itself out to the general public to transport or provide transportation of property, or any class or classes of property, for compensation, in interstate commerce, and which, in the ordinary and usual course of its undertaking, (1) assembles and consolidates or provides for assembling and consolidating shipments of such property, and performs or provides for the performance of break-bulk and distributing operations with respect to such consolidated shipments, and (2) assumes responsibility for the transportation of such property from point of receipt to point of destination, and (3) utilizes, for the whole or any part of the transportation of such shipments, the services of a carrier or carriers subject to Part I, II, or III of the act.

(b) *Motor vehicle.* The term "motor vehicle" means any vehicle, machine, tractor, trailer, or semitrailer propelled or drawn by mechanical power and used upon the highways in the transportation of property, but does not include any vehicle, locomotive, or car operated exclusively on a rail or rails: *Provided, however,* That the following combinations will be regarded as one motor vehicle, (1) a tractor and trailer or semitrailer when the tractor is engaged in drawing the trailer or semitrailer, and (2) a truck and trailer when both together bear a single load.

(c) *Any one conveyance.* The term "any one conveyance" means any one railroad car, motor vehicle, truck, trailer, semitrailer, or any other vehicle (except a watercraft) used in the transportation of property with respect to which a freight forwarder performs service subject to part IV of the Interstate Commerce Act.

(d) *Any one watercraft.* The term "any one watercraft" means any one vessel or other artificial contrivance of whatever description used or capable of being used, or intended to be used in the transportation by water of property with respect to which a freight forwarder performs services subject to part IV of the Interstate Commerce Act.

(e) *Fiduciary.* The term "fiduciary" shall have the meaning ascribed to it in § 1084.6 (a) of this chapter.

(f) *Other terms.* Where any other terms used in the regulations in this part are defined in section 402(a) of part IV of the Interstate Commerce Act, such definitions to the extent applicable shall be controlling. Where terms are used in the regulations in this part which are neither defined herein nor in said section 402(a), they shall have the ordinary practical meaning of such terms giving due consideration to the purpose of the regulations in this part in relation to the Interstate Commerce Act.

§ 1084.2 General requirements.

(a) *Cargo.* No freight forwarder shall engage or continue in service subject to part IV of the Interstate Commerce Act unless and until there shall have been filed with and accepted by the Commission a surety bond, certificate or insurance, qualifications as a self-insurer or other securities or agreements, in the amounts hereinafter prescribed, for loss of or damage to property with respect to which said freight forwarder performs service subject to part IV of the act.

(b) *Public liability and property damage.* No freight forwarder shall engage or continue in the performance of transfer, collection and delivery service subject to part IV of the Interstate Commerce Act unless and until there shall have been filed with and accepted by the Commission a surety bond, certificate of insurance, qualifications as a self-insurer, or other securities or agreements, in the amounts hereinafter prescribed, conditioned to pay any final judgment recovered against such freight forwarder on account of bodily injuries to or death of any person, or loss of or damage to property, except property referred to in paragraph (a) of this section, resulting from the negligent operation, maintenance, or use of motor vehicles operated by or under its direction and control in the performance of transfer, collection or delivery service.

§ 1084.3 Limits of liability.

The minimum amounts referred to in § 1084.2 are hereby prescribed as follows:

(a) *Cargo.* Limits for loss of or damage to property with respect to which a freight forwarder performs service subject to part IV of the act:

(1) For loss of or damage to property while carried on or resting in any one conveyance, other than a watercraft—$1,000.

(2) For loss of or damage to or aggregate of losses of or damages to property occuring at any one time and place, or while carried on or resting in any one watercraft—$2,000.

(b) *Public liability and property damage.* Limits for bodily injury to or death of any person, or loss of or damage to property, except property referred to in paragraph (a) of this section:

(1) For bodily injuries to or death of one person—$25,000.

(2) For bodily injuries to or death of all persons injured or killed in any one accident subject to a maximum of $25,000 for bodily injuries to or death of one person—$100,000.

(3) For loss of or damage in any one accident to property, excluding cargo, of others—$10,000.

§ 1084.4 Surety bonds.

(a) *Surety companies.* Each surety bond filed with the Commission shall be for the full limits of liability provided in § 1084.3. Only corporations or companies approved by the Commission may qualify to act as surety.

(b) *Other corporations.* A corporation, other than a surety company described in paragraph (a) of this section, seeking to act as surety on any bond must establish to the satisfaction of the Commission its corporate authority and financial ability to assume and discharge the obligations involved, and that it has by written power of attorney appointed some person residing in each State wherein such suretyship is to be undertaken, who shall be a citizen of that State, as its agent upon whom may be served lawful process against the said corporation with respect to any obligation arising out of its undertaking. Duplicate originals of such powers of attorney, duly certified and authenticated, must be filed with the Commission. It shall be the duty of such corporation to maintain agents in each State wherein its surety obligations exist for such time as the surety bond or bonds is or are in effect, and to notify the Commission with respect to any changes in its agency appointments.

§ 1084.5 Policies of insurance.

Each policy of insurance in connection with which a certificate of insurance is filed with the Commission shall be for limits of liability not less than the minimum amounts provided in § 1084.3 and each policy shall be amended by attachment of the appropriate endorsement prescribed, pursuant hereto to insure compliance with this part. Policies of insurance, as amended by such endorsements, covering bodily injury liability, property damage liability, and cargo liability must meet the requirements of § 1084.6 and be written by insurance companies which qualify thereunder.

§ 1084.6 Insurance and surety companies.

(a) *State authority and designation of agent.* No certificate of insurance or surety bond will be accepted by the Commission under these rules and regulations unless written or issued by an insurance or surety company legally authorized to issue policies of the type indicated by such certificate, or surety bonds, as the case may be, in each State in which the freight forwarder is authorized to perform service under Part IV of the Interstate Commerce Act, and such company fully complies with paragraph (b) of this section: *Provided, however,* That in lieu of the licensing requirement with respect to any State except that in which the freight forwarder has its principal place of business or domicile, the insurance or surety company will file with the Commission an agreement stating that with respect to any State requested it will furnish the Commission a designation in writing of the name and address of a person upon whom process issued by or under the authority of any court having jurisdiction of the subject matter may be served in any proceeding at law or equity brought in such State against such company. Such agreement shall be effective

so long as the company is authorized to file security with the Commission, and thereafter with respect to any claims arising during the effectiveness of any previously filed certificates or surety bonds.

(b) *Financial resources.* Each insurance and surety company must possess and maintain surplus funds (policyholders' surplus) of not less than $1 million, which minimum will be determined on the basis of the values of assets and liabilities as shown in its financial statements filed with and approved by the insurance department or other insurance regulatory authority of the State of domicile (home State) of such company, except in instances where, in the judgment of the Commission, additional evidence with respect to such values is considered necessary: *Provided, however,* That this paragraph shall be effective December 31, 1970, as respects insurance and surety companies which are, on December 31, 1967, authorized to file certificates of insurance and surety bonds with the Commission.

§ 1084.7 Qualifications as a self-insurer and other securities or agreements.

(a) *Self-insurer.* The Commission will give consideration to and will approve the application of a freight forwarder to qualify as a self-insurer if such freight forwarder furnishes a true and accurate statement of its financial condition and other evidence which will establish to the satisfaction of the Commission the ability of such freight forwarder to satisfy its obligations for bodily-injury liability, property-damage liability and cargo liability without affecting the stability or permanency of the business of such freight forwarder.

(b) *Other securities and agreements.* The Commission will also consider applications for approval of other securities or agreements and will approve any such applications if satisfied that the security or agreement offered will afford the security for the protection of the public contemplated by section 403 (c) and (d) of part IV of the Interstate Commerce Act.

§ 1084.8 Forms and procedure.

(a) *Forms.* Endorsements for policies of insurance, surety bonds, certificates of insurance, applications to qualify as a self-insurer or for approval of other securities or agreements and notices of cancellation must be in accordance with any forms prescribed and approved by the Commission. Surety bonds and certificates of insurance shall specify that coverage thereunder will remain in effect continuously until terminated as herein provided, except that in special or unusual circumstances special permission may be obtained for filing certificates of insurance or surety bonds covering periods of less than twelve months duration.

CROSS REFERENCE: For list of forms prescribed, see § 1003.3 of this chapter.

(b) *Procedure.* Certificates of insurance, surety bonds and notices of cancellation must be filed with the Commission in triplicate.

(c) *Names.* Certificates of insurance and surety bonds shall be issued in the full and correct name, including the trade name, if any, of the individual, partnership, corporation, or other person to whom or which the permit under part IV of the Interstate Commerce Act is issued or is to be issued. In the case of a partnership all partners shall be named.

(d) *Cancellation.* Except as provided in paragraph (f) of this section, certificates of insurance, surety bonds and other securities and agreements shall not be cancelled or withdrawn until after 30 days' notice in writing has first been given by the insurance company or companies, surety or sureties, freight forwarder or other party thereto, as the case may be, to the Commission at its office in Washington, D.C., which period of 30 days shall commence to run from the date such notice is actually received at the office of the Commission.

(e) [Reserved]

(f) *Termination by replacement.* Certificates of insurance or surety bonds which have been accepted by the Commission under the rules in this part may be replaced by other certificates of insurance, surety bonds or other security, and the liability of the retiring insurer or surety under such certificates of insurance or surety bonds shall be considered as having terminated as of the effective date of the replacement certificate of insurance, surety bond or other security: *Provided,* The said replacement certificate, bond or other security meets all of the following conditions:

(1) It must be acceptable to the Commission under the rules and regulations in this part;

(2) It must be accompanied by a letter of authorization, in duplicate, signed by the freight forwarder involved or an authorized employee of such freight forwarder, authorizing such replacement and verifying the effective date thereof; and

(3) Its effective date must coincide with the effective date specified in the letter of authorization and the said date may not be more than thirty days prior to the date of receipt by the Commission of the letter of authorization and replacement certificate, bond or other security.

§ 1084.9 Acceptance and revocation by Commission.

The Commission may at any time refuse to accept or may revoke its acceptance of any surety bond, certificate of insurance, qualifications as a self-insurer or other securities or agreements if, in its judgment, such security does not comply with these rules or, for any reason, fails to provide satisfactory or adequate protection for the public.

§ 1084.10 Fiduciaries.

(a) *Interpretations.* The terms "insured" and "principal" as used in certificates of insurance, surety bonds, and notices of cancellation, filed by or on behalf of freight forwarders under these rules shall be construed to include not only the freight forwarder named in such certificate, bond or notice, but also the fiduciary of such freight forwarder. The coverage of fiduciaries herein provided for shall attach at the moment of succession of such fiduciaries.

(b) *Span of security coverage.* The coverage furnished under the provisions of this rule on behalf of a fiduciary shall not apply subsequent to the effective date of other insurance, or other security, filed with and accepted by the Commission in behalf of such fiduciary. After the coverage provided in this rule shall have been in effect 30 days, it may be canceled or withdrawn within the succeeding period of 30 days by the insurer, the insured, the surety, or the principal upon 10 days' notice in writing to the Commission at its office in Washington, D.C., which period of 10 days shall commence to run from the date such notice is actually received by the Commission. After such coverage has been in effect for a total of 60 days, it may be canceled or withdrawn only in accordance with § 1084.8(d).

PARTS 1090–1099—INTERMODAL TRANSPORTATION

PART 1090—PRACTICES OF FOR-HIRE CARRIERS OF PROPERTY PARTICIPATING IN TRAILER-ON-FLATCAR SERVICE

Sec.

1090.1 Definition of TOFC service.
1090.2 Availability to all of TOFC service.
1090.3 Use of open-tariff TOFC service by motor and water carriers in the performance of economically regulated transportation.
1090.4 Joint intermodal TOFC service.
1090.5 Circuity limitations.
1090.6 Responsibility for placing and securing trailers.
1090.7 Tariff publication regulations.
1090.8 Billing and notification rules.

AUTHORITY: The provisions of this Part 1090 issued under 24 Stat. 383, as amended, 52 Stat. 1237, 54 Stat. 933, 56 Stat. 285, 60 Stat. 237; 49 U.S.C. 12, 304, 904, 1003, 5 U.S.C. 553.

NOTE: By order of the Commission, the effective date of this Part, as amended at 29 F.R. 11274, Aug. 5, 1964, was postponed until further order of the Commission, 29 F.R. 12508, Sept. 2, 1964.

By further order of the Commission Part 1090 is effective Aug. 18, 1967, except for § 1090.7 which is effective Nov. 16, 1967, and § 1090.8 which is effective Feb. 18, 1968, 32 F.R. 12689, Sept. 1, 1967.

§ 1090.1 Definition of TOFC service.

Trailer-on-flatcar (TOFC) service means the transportation on a rail car, in interstate or foreign commerce, of (a) any freight-laden highway truck, trailer, or semitrailer (or the container portion of any highway truck, trailer, or semitrailer having a demountable chassis) or (b) any empty highway truck, trailer, or semitrailer (or the container portion of any highway truck, trailer, or semitrailer having a demountable chassis) when such empty equipment is being transported incidental to its prior or subsequent use in TOFC service as defined in paragraph (a) of this section.

§ 1090.2 Availability to all of TOFC service.

TOFC service, if offered by a rail carrier through its open tariff publications, shall be made available to any person at a charge no greater and no less than that received from any other person or persons for doing for him or them a like and contemporaneous service in the transportation of a like kind of traffic under substantially similar circumstances and conditions.

§ 1090.3 Use of open-tariff TOFC service by motor and water carriers in the performance of economically regulated transportation.

(a) Except as otherwise may be prohibited by these rules, motor common and contract carriers, water common and contract carriers, and freight forwarders may utilize TOFC service in the performance of all or any portion of their authorized service through the use of open-tariff TOFC rates published by a rail carrier.

(b) Motor and water common carriers shall utilize open-tariff TOFC service only if their tariff publications give notice that such service may be utilized at their option, but that the right is reserved to the user of their services to direct that in any particular instance TOFC service not be utilized.

(c) Motor and water contract carriers shall utilize open-traffic TOFC service only if their transportation contracts and schedules make appropriate provision therefor.

(d) Tariffs of motor and water common carriers and contracts and schedules of motor and water contract carriers providing for the use of open-tariff TOFC service shall set forth the points between which TOFC service may be performed and the names of the rail carriers whose TOFC service may be utilized.

(e) Motor and water common and contract carriers utilizing open-tariff TOFC service in the performance of authorized transportation shall tender traffic to and receive traffic from rail carriers only at points which the motor and water carriers are authorized to serve.

§ 1090.4 Joint intermodal TOFC service.

(a) Except as otherwise may be prohibited by these rules, any rail carrier or carriers subject to part I of the act may enter into through-route and joint-rate arrangements with any motor common carrier subject to part II of the act or any water common carrier subject to part III of the act, wherein TOFC service is to be provided either in lieu of, or in addition to, the authorized all-highway or all-water service of such motor or water common carrier.

(b) Motor or water common carriers may participate in joint intermodal TOFC service in lieu of their authorized all-highway or all-water service only if their tariff publications give notice that such service may be provided at their option, but that the right is reserved to the user of their services to direct that in any particular instance such TOFC service not be provided.

(c) Tariffs embracing joint intermodal TOFC rates or charges, including Substituted Service Directories, if used, shall set forth the service covered by the published rates or charges; the points of interchange between modes of transportation; and the names of the carriers participating therein.

(d) Carriers participating in joint intermodal TOFC service shall interchange traffic only at a common point of service.

(e) Where joint intermodal TOFC service is to be performed in lieu of a motor or water carrier's authorized all-highway or all-water route, tariffs embracing rates or charges covering such service may provide for the performance of TOFC service for the entire line-haul movement.

(f) Tariffs setting forth through rates or charges for joint intermodal TOFC transportation may be published only with respect to commodities the transportation of which is subject to economic regulation throughout the entire movement provided for in such tariffs.

§ 1090.5 Circuity limitations.

(a) Motor and water common carriers shall not participate in joint intermodal TOFC service which is to be provided in lieu of their authorized line-haul transportation, and motor and water common and contract carriers shall not utilize open tariff TOFC service, where the distance from origin to destination over the route including the TOFC movement is less than 85 percent of the distance between such points over the motor or water carrier's authorized service route: *Provided, however,* That the Interstate Commerce Commission may grant relief from the provisions of this paragraph upon consideration of an appropriate petition.

(b) For the purpose of paragraph (a) of this section the distance from origin to destination over the motor or water carrier's authorized route shall be computed (1) if a motor carrier operating over regular routes, over its authorized regular service route, (2) if a motor carrier operating over irregular or a combination of regular and irregular routes, through any gateway point which it is required to observe, and (3) if a water carrier, over the most direct available all-water route.

§ 1090.6 Responsibility for placing and securing trailers.

(a) Railroads participating in TOFC service shall assume responsibility for the safe securing of highway trucks, trailers, or semitrailers (or the demountable container portions thereof) on the rail cars when moving over their lines; and, unless otherwise provided for by tariff, or in the case of connecting common carriers by agreement, railroads shall also assume responsibility for the safe placing of highway trucks, trailers, or semitrailers (or the demountable container portion thereof) on rail cars and for removing them from rail cars.

(b) Railroads participating in TOFC service have the right to refuse to accept for transportation in such service any highway trucks, trailers, or semitrailers (or the demountable container portions thereof) which do not conform to the motor carrier safety regulations prescribed by the Commission.

§ 1090.7 Tariff publication regulations.

(a) Each railroad performing or holding out to perform TOFC service shall publish, post, and file tariffs (itself or through an agent) which shall contain in clear and explicit terms all of the rates and charges for and the rules governing the leasing of equipment to any person using its TOFC service (whether by the railroad itself or by any person affiliated with or controlled by the railroad or any agents of the railroad), and other special services or practices, including charges for pickup or delivery service when such charges are in addition to line-haul transportation charges. Such tariffs shall also contain, in clear and explicit terms, all amounts to be paid to any shipper for the lease of any empty truck, trailer, or semitrailer (or the container portion of any truck, trailer, or semitrailer having a demountable chassis) when such empty equipment is being transported incidentally to its prior or subsequent use in TOFC service.

(b) No allowance shall be payable by a rail carrier to any shipper, freight forwarder, or consignee which renders any service or furnishes any instrumentality in connection with TOFC service unless (1) such service or instrumentality is one that the rail carrier is obligated to perform or provide under the applicable rate and (2) the amount of the allowance is published in tariffs on file with the Interstate Commerce Commission.

(c) The area within which pickup and delivery service will be performed by a rail carrier offering to provide TOFC service shall be described specifically and the description published in clear and explicit terms in the tariff. It is not permissible to refer to decisions of the Commission for the description nor to state that the area within which pickup and delivery service will be performed is that defined by the Commission in a formal proceeding.

(d) All rail tariffs containing rates for TOFC transportation of property shall specify the extent to which such rates do or do not include the loading and unloading of property from or to the highway vehicle by the carrier. When charges in addition to the line-haul TOFC transportation charges or in addition to pickup or delivery charges, if any, are made for the loading or unloading of property, they shall be published in appropriate tariffs and filed with the Interstate Commerce Commission.

(e) Highway vehicles or rail cars provided by shippers or freight forwarders in connection with all-rail TOFC service, while on railroad premises, shall be subject to the storage or demurrage rules, regulations, and charges published in tariffs on file with the Interstate Commerce Commission.

§ 1090.8 Billing and notification rules.

(a) No shipment shall be transported in or in connection with TOFC service until the originating carrier has issued a receipt or bill of lading therefor.

(b) Carriers by tariff publication shall require that where a manifest or a statement of the weight or nature of a TOFC shipment is needed to determine the TOFC freight charges, such manifest or a certification by the shipper as to the weight or the nature of the shipment shall be delivered to the originating carrier within 24 hours after the shipment reaches its destination: *Provided, however,* That where the weight of a loaded highway truck, trailer, or semitrailer (or the demountable container portion thereof) or the weight of the contents thereof is needed to determine rail TOFC charges, the rail carrier shall not relinquish possession of the shipment until it has received certification from the shipper as to such weights or has itself ascertained them.

(c) Unless a rail carrier by appropriate tariff publication specifically provides otherwise, in clear and unequivocal terms, two or more highway trucks, trailers, or semitrailers (or the demountable container portions thereof) shall be tendered within one calendar day in order to qualify for any rate for the movement of multiple highway vehicles (or for the demountable container portions thereof).

(d) Carriers by tariff publication shall require that arrangements for the movement of highway trucks, trailers, or semitrailers (or the demountable container portions thereof) containing explosives or other dangerous articles shall be made by a shipper or carrier with a railroad in sufficient time to permit the latter properly to placard and position the rail cars used for the movement and that shipments containing explosives or other dangerous articles shall not be transported in TOFC service unless the shipper, at the time of tender to the originating carrier, certifies that the shipment complies with the Hazardous Materials Regulations of the Department of Transportation.

(e) All-freight (all-commodity) rates that are restricted to apply only when not more than a designated proportion of a shipment consists of a single article shall be made subject to tariff provisions which (1) shall describe in clear and explicit terms the conditions under which such rates apply, (2) shall contain or refer to a commodity classification, such as the current Uniform Freight Classification or a designated tariff, from which it can be determined what constitutes a "single article" for purposes of the all-freight rate, (3) shall require certification by the shipper of the percentage which the weight of a given article bears to the weight of the entire shipment, and (4) shall specify the means by which the applicable rate will be determined should a shipment fail to qualify for the all-freight rate because it contains more than the designated proportion of one article.

SUBCHAPTER B—PRACTICE AND PROCEDURE

PARTS 1100–1109—RULES OF PRACTICE

PART 1100—GENERAL RULES OF PRACTICE

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Appendix A—Code of ethics for practitioners before the Interstate Commerce Commission.
Appendix B—Approved forms.
Appendix C—Ex Parte Communications.

AUTHORITY: The provisions of this Part 1100 issued under secs. 12, 17, 24 Stat. 383, as amended, 385, as amended, 49 Stat. 546, as amended, 548, as amended, 551, as amended, sec. 304, 54 Stat. 933, sec. 403, 56 Stat. 285; 49 U.S.C. 12, 13a, 17, 304, 305, 306, 307, 309, 311, 902, 903, 904, 909, 916, 1003, 1010, 1017.

GENERAL INFORMATION

§ 1100.1 Scope of rules. (Rule 1)

The rules in this part govern procedure before the Interstate Commerce Commission in proceedings under the Interstate Commerce Act and related acts, unless otherwise directed by the Commission in any proceeding.

§ 1100.2 Liberal construction. (Rule 2)

The rules in this part shall be liberally construed to secure just, speedy, and inexpensive determination of the issues presented.

§ 1100.3 Information; special instructions. (Rule 3)

Information as to procedure under the rules in this part, and instructions supplementing these rules in special instances, will be furnished upon application to the Secretary of the Commission, Washington, D.C.

§ 1100.4 Communications and pleadings generally. (Rule 4)

(a) *How addressed.* All communications, including correspondence concerning matters referred to boards, should be addressed to the Commission unless otherwise specifically directed. All communications should clearly designate the docket number, if any, and short title. The person communicating shall state his address, the party he represents, and how response should be sent to him if not by first class mail.

(b) *Timely filing required.* Pleadings, requests, or other papers or documents required or permitted to be filed under this part must be received for filing at the Commission's offices at Washington, D. C., within the time limits, if any, for such filing. The date of receipt at the Commission and not the date of deposit in the mails is determinative.

(c) *Disposition of; when defective.* In any proceeding when upon inspection the Commission is of the opinion that a pleading, document, or paper tendered for filing does not comply with this part or, if it be an application, does not sufficiently set forth required material or is otherwise insufficient, the Commission may decline to accept the pleading, document, or paper for filing and may return it unfiled, or the Commission may accept it for filing and advise the person tendering it of the deficiency and require that the deficiency be corrected.

(d) *Objectionable matter.* The Commission may order any redundant, immaterial, impertinent, or scandalous matter stricken from any pleading, document, or paper filed with it.

(e) *Ex parte communications prohibited; penalties provided.* Ex parte communications as defined in Appendix C to this part are prohibited and any person violating the prohibitions set out in such Appendix is subject to the penalties as therein provided.

§ 1100.5 Definitions. (Rule 5)

As used in this part:

(a) The terms "act" and "part" mean the Interstate Commerce Act and the several parts thereof, respectively. The term "act" also means, unless the context otherwise indicates, any other statute which the Commission administers in whole or in part.

NOTE: References to parts designated by Roman numerals refer to the Interstate Commerce Act. References to "this part," "the rules in this part or to parts designated by Arabic numerals," refer to this Code.

(b) The term "proceeding" shall include: (1) An informal or formal "complaint" alleging violation of any provision of the act or of any regulation or requirement made pursuant to a power granted by such act, including petitions on the special docket; (2) an "application" for (i) the granting of any right, privilege, authority, or relief under or from any provision of the act or of any regulation or requirement made pursuant to a power granted by such act, or (ii) the consideration of any submission required by law to be made to the Commission; and (3) an "investigation" instituted or requested to be instituted by the Commission, including, among other, matters on the valuation and investigation-and-suspension dockets.

(c) The term "complainant" means a person filing a complaint; "defendant" means a carrier or other person against whom complaint is filed; "applicant" means a person filing an application; "respondent" means a person designated in an investigation; "protestant" means a person opposed to a tentative valuation, to the granting of an application, or to any tariff or schedule becoming effective; "intervener" means a person permitted to intervene as provided in Rule 72 and "petitioner" means any other person seeking relief otherwise than by complaint or application.

(d) The term "pleading" means a complaint, answer, reply, application, protest, motion (other than motion orally made at hearing or argument), petition, document supplementing oral hearing as described in § 1.86 and all documents filed under modified procedure.

(e) The term "practitioner" means a person authorized by the Commission to appear before it in a representative capacity.

(f) The term "officer," except as a different meaning is indicated in Rules 17 (b), 57 to 66, inclusive, 71(a) and 78 (civil and corporate functionaries), includes: (1) a Commissioner, a board of employees (called an "employee board" in this part), an examiner, or special board composed of State representatives (called a "joint board" in this part), to which a proceeding (called "referred matter" in this part) is by order assigned or referred for hearing, consideration, or recommendation of an appropriate order thereon pursuant to provisions of law; [1] and (2) a Commissioner, an examiner, or other Commission employee before whom, without entry of an order of reference, a proceeding is assigned for hearing. The term "board" means either an employee board or a joint board as the context requires.

(g) The term "proposed report" means an officer's written statement of the issues, the facts, and the findings the officer proposes that the Commission should make, with the reasons therefor, but with no recommended order. Such term also means, and shall include, a "recommended decision" and a "tentative decision" as these last two terms are used in the Administrative Procedure Act.

(h) The term "report and recommended order" means an officer's written statement in a referred matter of the issues, the facts, the findings, reasons for

[1] Such as sections 17 and 205 of the Interstate Commerce Act.

such findings, and a recommended order. Such term also means, and shall include, an "initial decision" as the latter term is used in the Administrative Procedure Act.

(i) The term "officer's report" or "board's report" means a proposed report or report and recommended order.

(j) The term "modified procedure" means the procedure specified in Rules 45 to 54, inclusive, which rules provide for the filing and serving of pleadings in proceedings with a view to limiting the matters upon which subsequent oral evidence, if any, will be introduced.

(k) The term "transcript" shall include either a written or electronically recorded statement of all proceedings at an oral hearing.

§ 1100.6 Use of gender and number. (Rule 6)

Words importing the singular number may extend and be applied to several persons or things; words importing the plural number may include the singular; and words importing the masculine gender may be applied to females.

PRACTITIONERS

§ 1100.7 Register of practitioners. (Rule 7)

A register is maintained by the Commission in which are entered the names of all persons entitled to practice before the Commission. Corporations and firms will not be admitted or recognized.

§ 1100.8 Practitioners' qualifications and classes. (Rule 8)

The following classes of persons whom the Commission finds, upon consideration of their applications, to be of good moral character and to possess the requisite qualifications to represent others may be admitted to practice before the Commission:

(a) *Attorneys at law.* Attorneys at law who are admitted to practice before the highest court of any State or Territory or the District of Columbia.

(b) *Persons not attorneys.* Any person not an attorney at law who is a citizen or resident of the United States and who shall satisfy the Commission that he is possessed of the necessary legal and technical qualifications to enable him to render valuable service before the Commission, and that he is otherwise competent to advise and assist in the presentation of matters before the Commission.

§ 1100.9 Applications for admission to practice. (Rule 9)

An application under oath for admission to practice shall be addressed to the Commission, Washington, D.C., and must state the name, residence address, and business address of the applicant, and the time and place of his admission to the bar, or the nature of his qualifications. Such application shall also state whether the applicant has ever been suspended or disbarred as an attorney, or whether his right to practice has ever been revoked by any court, commission, or administrative agency, in any jurisdiction. Such application shall be accompanied by a certificate of the clerk of the court in which applicant is admitted to practice to the effect that he has been so admitted and is in good standing; or by a certificate signed by three or more practitioners as sponsors for the applicant, which certificate shall recite that applicant possesses all the requisite qualifications under this section, and the sponsors shall incorporate in their certificate a recommendation and motion that applicant be admitted to practice under this section.

§ 1100.10 Additional certificates by practitioner's sponsors; hearing; abandonment of application. (Rule 10)

The Commission in its discretion may call upon the practitioners making such certificate for a full statement of the nature and extent of their knowledge of the qualifications of the applicant. If upon consideration of the papers filed by the applicant and the statements submitted by his sponsors, or otherwise, the Commission is not satisfied as to the sufficiency of the applicant's qualifications under these rules, it will so notify him by registered mail, whereupon he may request a hearing for the purpose of showing his qualifications. If he presents such requests, the Commission will accord him a hearing. If he presents to the Commission no request for such hearing within 20 days after receiving the notification above referred to, his application shall be deemed to be withdrawn.

§ 1100.11 Application fee. (Rule 11)

An application filed after this section becomes effective must be accompanied by a fee of $10. Payment must be made either in cash or by New York draft, certified check, express or postal money order payable to the order of the Treasurer of the United States. The fee will be returned if applicant is not admitted to practice.

§ 1100.12 Practitioner's oath. (Rule 12)

No person shall be admitted to practice before the Commission until he shall have subscribed to an oath or affirmation that he will demean himself, as a practitioner before this Commission, uprightly, and accordingly to law; and that he will support the Constitution of the United States and laws of the United States and will conform to the rules and regulations of the Commission.

§ 1100.13 Denial of admission, censure, suspension, or disbarment of practitioners. (Rule 13)

The Commission may, in its discretion, deny admission, censure, suspend, or disbar any person who, it finds, does not possess the requisite qualifications to represent others, or is lacking in character, integrity, or proper professional conduct. Any person who has been admitted to practice may be suspended or disbarred only after he is afforded an opportunity to be heard. All persons, whether or not admitted to practice under Rule 9, must, in their representations before the Commission, conform to the code of ethics published by the Association of Interstate Commerce Commission Practitioners as of April 1, 1955, which code is reprinted in Appendix A to this part.

SPECIAL RULES RESPECTING BOARDS

§ 1100.14 Special rules respecting boards. (Rule 14)

(a) *Organization.* After a joint board has been created it shall select one of its members to act as chairman for all purposes concerning matters which may be referred to it. In the event the member so selected is absent from any meeting of the joint board the members attending shall select one of such members, except as provided in paragraph (b) of this section, temporarily to act as chairman.

(b) *Waiver by absence of a joint-board member.* The failure of a duly appointed member of a joint board to participate in any hearing after notice thereof on a matter referred to such joint board shall be considered to constitute, as to the matter referred, a waiver of action on the part of the State from which such member was appointed.

(c) *Procedural rulings in case of disagreement.* If the members of a board or a majority thereof in actual attendance at a hearing shall be unable to agree upon the disposition of a procedural question arising therein, the chairman (or acting chairman) of the board shall decide the question and rule or order accordingly.

(d) *Form of board's report; service.* For the sake of uniformity the board's report shall conform as nearly as may be practicable to the form of report issued by the Commission in similar cases. The board's report will be served by the Commission.

(e) *Termination of joint board jurisdiction; subsequent procedure.* The jurisdiction of a joint board over a referred matter shall be terminated in the event of: (1) service of a report as provided in paragraph (d) of this section; (2) submission of the board's conclusions without written report; (3) waiver of action in writing by appropriate authority of each State from which a member is entitled to be appointed; (4) failure of all members of the board to appear at the hearing; (5) failure of a majority of the board to agree; or (6) entry of order vacating the order of reference to the joint board. Except where a report is served as provided in paragraph (d) of this section, in which event the subsequent procedure will be as provided in Rule 96 and subsequent sections, a referred matter, after termination of joint-board jurisdiction, will be decided by the Commission or be made the subject of another officer's report on the record theretofore made or after such hearing or further hearing as may be required.

PLEADING SPECIFICATIONS GENERALLY

§ 1100.15 Typographical specifications generally. (Rule 15)

Except as otherwise provided respecting applications (Rule 38(a)), exhibits (Rule 84(a)), and informal complaints (Rule 24(a)), all pleadings, documents,

and papers to be filed under these rules shall be on opaque, unglazed, durable paper not exceeding 8½ by 11 inches. To permit binding in covers of uniform size, margins of at least 1½ and 1 inch, respectively, shall be allowed on the left and right margins. Binding shall be on the left margin. Reproduction may be by printing, printing by offset press, multigraphing, or mimeographing, or by any other process, provided the copies are clear and permanently legible. White-line blueprints which cannot be reproduced by photography are not acceptable. If directly typewritten, or if in facsimile reproduction of typewriting, the impression must be on one side of the paper and must be double-spaced, except that long quotations shall be single-spaced and indented. Nothing less in size than Elite type shall be used. If printed, adequate leading and nothing less than 10-point type shall be used, except that 8-point type may be employed in footnotes and in tabular matter where printing limitations so require. A pleading or brief in excess of 50 pages (except a pleading under modified or shortened procedure), including cover pages, indexes, and appendixes, must be printed. Printing by offset press will be accepted: *Provided*, That the type used is not reduced in size smaller than that required for typewritten documents and that where the pleading or brief exceeds 50 pages, the impression is on both sides of the paper. Failure to observe these specifications will result in rejection.

§ 1100.16 Copies. (Rule 16)

(a) *Generally.* The original and 15 copies of every pleading, document, or paper permitted or required to be filed under this part shall be furnished for the use of the Commission except as a different number is required under paragraph (b) of this section, or as otherwise provided respecting: answers (Rule 35(c)); applications (Rule 38(b)) and Rule 40(c)); complaints, formal (Rule 26 and Rule 37) and informal (Rule 24(a) and Rule 25(d)); depositions (Rule 64); exhibits (Rules 84(c) and 86); modified procedure (Rule 52); petitions in intervention (Rule 72(d)); prepared statements (Rule 77); protests in investigation-and-suspension proceedings (Rule 42(c)); replies (Rule 23(b)); and matters respecting oral argument (Rule 98); subpenas (Rule 56 (a)); time modification (Rule 21(b)); transcript correction (Rule 90(b)), and petitions for rehearing, reargument, or reconsideration (Rule 101(a)).

(b) *In bankruptcy proceedings.* Except as otherwise provided in an application form or instruction (Rule 38) and respecting exhibits (Rule 84(c)), the original and 19 copies of every pleading, document, or paper filed in a proceeding arising under the Uniform Bankruptcy Act shall be furnished for the use of the Commission.

§ 1100.17 Attestation and verification. (Rule 17)

(a) *Practitioner's signature.* If a party is represented by a practitioner each pleading, document, or paper of such party shall be signed in ink by one such practitioner whose address shall be stated. The signature of a practitioner constitutes a certificate by him that he has read the pleading, document, or paper; that he is authorized to file it; that to the best of his knowledge, information, and belief there is good ground for it; that it is not interposed for delay; and that with respect to a complaint he files it with the distinct knowledge and specific consent of complainant. A pleading document, or paper thus signed need not be verified or accompanied by affidavit except as otherwise provided respecting applications (Rule 38), modified procedure (Rule 50), and statements of claimed damages (Rule 100).

(b) *When no practitioner's signature.* A pleading, document, or paper not signed by a practitioner must be signed in ink, the address of the signer shall be stated, and the facts alleged in a pleading must be verified under oath by the person in whose behalf it is filed. Signature and verification in such manner must be by at least one complainant if the pleading is a complaint. A pleading document, or paper filed on behalf of a corporation or other organization authorized to make complaint under the act, which is not signed by a practitioner must be signed in ink, and the facts alleged in a pleading must be verified by an executive officer of such corporation or organization.

§ 1100.18 Affirmation in lieu of oath. (Rule 18)

Whenever under this part an oath is required, an affirmation in judicial form will be accepted in lieu thereof.

§ 1100.19 Pleadings part of record. (Rule 19).

Recitals of material and relevant facts in a pleading filed prior to oral hearing in any proceeding, unless specifically denied in a counterpleading filed under these rules, shall constitute evidence and be a part of the record without special admission or incorporation therein, but if request is seasonably made, a competent witness must be made available for cross-examination on the evidence so included in the record. Pleadings may contain specific references to or quotation from the tariffs or schedules containing the several rates, fares, charges, schedules, classifications, regulations or practices alleged to be material. A filing under Rule 42 *Petitions for suspension of tariffs or schedules*, shall not be considered a pleading for purposes of this rule.

§ 1100.20 Amendments. (Rule 20)

Leave to file amendments to any pleading will be allowed or denied as a matter of discretion.

§ 1100.21 Time. (Rule 21)

(a) *Computation.* In computing any period of time prescribed or allowed by this part, the day of the act, event, or default after which the designated period of time begins to run is not to be included. The last day of the period so computed is to be included, unless it is Saturday, Sunday or a legal holiday in the District of Columbia, in which event the period runs until the end of the next day which is neither a Saturday, Sunday nor a holiday. A half holiday shall not be considered as a holiday.

(b) *Modification.* Except as to the maximum time periods provided by law or specified in this part respecting informal complaints seeking damages (Rule 25), any time period prescribed or permitted in this part may, upon request and for good and sufficient cause, be modified by the Commission in its discretion. Requests for extension or modifications of time must be served upon all parties of record at the same time and by the same method of communication as service is made on the Commission. A request for postponement of date for filing briefs or other documents must be filed not less than 10 days before the date in question, except in extraordinary circumstances, and where such requests are filed less than 10 days before the due date the petitioning party shall state the reasons for his failure to make such request within the prescribed time. The original only of the request and certificate of service need be filed with the Commission. If granted, the party making the request shall promptly so notify all parties to the proceeding and so certify to the Commission.

§ 1100.22 Service; pleadings and papers to show. (Rule 22)

(a) *Generally.* Except as otherwise provided in paragraph (b) of this section, or as otherwise provided respecting applications (Rule 38(b)), formal complaints (Rule 34), and informal complaints (Rule 24(b)), every pleading, document, or paper must, when filed, or tendered to the Commission for filing, include a certificate showing simultaneous service thereof upon all parties to the proceeding. Such service shall be made by delivery in person, or by first-class or air mail, or by express, properly addressed with charges prepaid, one copy to each party. Service shall be effected upon the parties to the proceeding by the same means of communication and class of service that is employed in making delivery to the Commission: *Provided, however*, That when delivery is made to the Commission in person, and it is not feasible to serve the other parties in person, service shall be made upon parties 1000 or more miles distant from the party effecting service by air mail and upon parties less than 1000 miles distant by first-class or air mail. When any party is represented by a practitioner, service upon such practitioner will be deemed service upon the party.

(b) *Exceptions as to letter.* Copies of letters to the Commission relating to oral argument (Rule 98) and subpenas (Rule 56(a)) need not be served upon other parties to the proceeding.

§ 1100.23 Replies. (Rule 23)

(a) *Time for filing.* Except that a reply to a reply is not permitted, and except as otherwise provided in para-

graph (b) of this section and respecting answers (Rule 35(c)), modified procedure (Rule 51), and briefs (Rules 92 and 93), an adverse party may file and serve a reply to any pleading permitted under the rules in this part within 20 days after filing at the Commission.

(b) *Replies to petitions under Rule 101 and exceptions.* A reply to a petition filed under Rule 101 seeking a change in a decision, order, or requirement may be filed and served within 20 days after the final date for filing such petitions, and a reply to exceptions filed under Rule 96 may be filed and served within 20 days after the final date for filing such exceptions.

(c) *Copies.* The original of the reply should be accompanied by the same number of copies as required respecting the pleading to which the reply is responsive.

COMMENCEMENT OF PROCEEDINGS

§ 1100.24 Informal complaints not seeking damages. (Rule 24)

(a) *Form and content.* Informal complaint may be by letter or other writing, and will be serially numbered and filed as of the date of its receipt. No form of informal complaint is suggested, but in substance the letter or other writing (original and one copy shall be filed) must contain the essential elements of a formal complaint as specified in Rules 28 and 30. It may embrace supporting papers.

(b) *Correspondence handling.* If the informal complaint appears to be susceptible of informal adjustment, a copy or a statement of the substance thereof will be transmitted by the Commission to each person complained of in an endeavor to have it satisfied by correspondence and thus obviate the filing of a formal complaint.

(c) *Discontinuance without prejudice.* A proceeding thus instituted on the informal docket is without prejudice to complainant's right to file and prosecute a formal complaint, in which event the proceeding on the informal docket will be discontinued.

§ 1100.25 Informal complaints seeking damages. (Rule 25)

(a) *Actual filing required.* Notification to the Commission that an informal complaint may or will be filed later seeking damages is not a filing within the meaning of the statute except as provided in paragraph (e) of this section.

(b) *Content.* An informal complaint seeking damages, when permitted under the act, must be filed within the statutory period, and should contain such data as will serve to identify with reasonable definiteness the shipments or transportation services in respect of which damages are sought. Such complaint should state: (1) that complainant makes claim for damages, (2) the name of each individual claimant seeking damages, (3) the names of defendants against which claim is made, (4) the commodities, the rate applied, the date when the charges were paid, by whom paid, and by whom borne, (5) the period of time within which or the specific dates upon which the shipments were made, and the dates when they were delivered or tendered for delivery, (6) the points of origin and destination, either specifically or, where they are numerous, by definite indication of a defined territorial or rate group of the points of origin and destination and, if known, the routes of movement, and (7) the nature and amount of the injury sustained by each claimant.

(c) *Statement of prior claim.* If a complaint filed under paragraph (b) or (e) of this section contains a claim on any shipment which has been the subject of a previous informal or formal complaint to the Commission, reference to such complaint must be given.

(d) *Copies.* The original of an informal complaint seeking damages must be accompanied by copies in sufficient number to enable the Commission to transmit one to each defendant named.

(e) *Special-docket proceedings.* Where the act provides for an award of damages for violation thereof and a carrier is willing to pay them, or to waive collection of undercharges, petition for appropriate authority should be filed by the carrier on the special docket in the form prescribed by the Commission. If the petition is granted an appropriate order will be entered. Such petition, when not filed in connection with an informal complaint pending before the Commission, must be filed within the statutory period and will be deemed the equivalent of an informal complaint and an answer thereto admitting the matters stated in the petition. If a carrier is unable to file such petition within the statutory period and the claim is not already protected from the operation of the statute by informal complaint, a statement setting forth the facts may be filed by the carrier within the statutory period. Such statement will be deemed the equivalent of an informal complaint filed on behalf of the shipper or consignee and sufficient to stay the operation of the statute.

(f) *Six months' rule.* If an informal complaint seeking damages cannot be disposed of informally, or is denied, or is withdrawn by complainant from further consideration, the parties affected will be so notified in writing by the Commission. The matter in such complaint will not be reconsidered unless, within six months after the date such notice is mailed, either a formal complaint as to such matter is filed, or it is informally resubmitted on an additional fact basis.

Such filing or resubmission will be deemed to relate back to the date of the original filing, but reference to that date and the Commission's file number must be made in such resubmission or in the formal complaint filed. If the matter is not so resubmitted, or included in a formal complaint, as provided in this section, complainant will be deemed to have abandoned the complaint and no complaint seeking damages based on the same cause of action will thereafter be placed on file or considered unless itself filed within the statutory period.

§ 1100.26 Formal complaints; copies. (Rule 26)

(a) *Generally.* The original of each formal complaint, amended or supplemental formal complaint, or cross complaint, must be accompanied by copies in sufficient number to enable the Commission to serve one upon each defendant, including each receiver or trustee, and retain six copies in addition to the original.

(b) *Provision for State authorities.* If complaint is made under part II, or respecting State-made rates (Rule 30(b)), sufficient copies in addition to those required under paragraph (a) of this section shall be furnished to permit the Commission to supply one to the appropriate authority in each of the States included in the scope of the complaint.

§ 1100.27 Formal complaints; joinder. (Rule 27)

(a) *Causes of action.* Two or more grounds of complaint concerning the same principle, subject, or state of facts may be included in one complaint, but should separately be stated and numbered.

(b) *Complainants.* Two or more complainants may join in one complaint if their respective causes of action are against the same defendant or defendants and concern substantially the same alleged violation of the act and a like state of facts.

(c) *Defendants.* If complaint is made with respect to through transportation by continuous carriage or shipment, all persons subject to the act participating therein, and against which an order is sought, should be made defendants. If complaint is made of a classification or any provision thereof, ordinarily it will suffice to make defendants the persons operating one or more through routes between representative points of origin and destination.

(d) *Correct designation of parties.* The unabbreviated names of all parties complainant and defendant must be stated correctly.

§ 1100.28 Formal complaints; allegations generally. (Rule 28)

A formal complaint should be so drawn as fully and completely to advise the parties defendant and the Commission in what respects the provisions of the act have been or are violated or will be violated, and should set forth briefly and in plain language the facts claimed to constitute such violation. If two or more sections or subsections of the act or requirements established pursuant thereto are alleged to be violated, the facts claimed to constitute violation of one section, subsection, or requirement should be stated separately from those claimed to constitute a violation of another section, subsection, or requirement whenever that can be done by reference or otherwise without undue repetition.

§ 1100.29 Formal complaints; when damages sought. (Rule 29)

A formal complaint that includes a request for an award of damages should

contain the information specified for an informal complaint seeking damages (Rule 25, paragraphs (b) and (c)).

§ 1100.30 Formal complaints; discrimination, preference, and prejudice. (Rule 30)

(a) *Generally.* A complaint that alleges the act is violated because of an undue or unreasonable preference or advantage, undue or unreasonable prejudice or disadvantage, or unjust discrimination should specify clearly the particular elements stated in the act [1] as constituting such violation, and the facts which complainant relies upon to establish it.

(b) *State-made rates.* A complaint that brings in issue any rate, fare, charge, classification, regulation, or practice, made or imposed by authority of any State, upon the ground that it violates provisions of the act which prohibit undue or unreasonable advantage preference, or prejudice as between persons or localities in intrastate commerce and persons or localities in interstate or foreign commerce, or any undue, unreasonable or unjust discrimination against interstate or foreign commerce, should bring in issue the justness and reasonableness of the rate, fare, charge, classification, regulation, or practice applicable to the interstate or foreign commerce involved in such complaint. Such complaint should also bring in issue the question as to what should be the rate, fare, or charge, or the maximum or minimum, or maximum and minimum, thereafter to be charged, and the classification, regulation, or practice that should be established so as to remove any such advantage, preference, prejudice, or such unjust discrimination.

§ 1100.31 Formal complaints; other specifications. (Rule 31)

(a) *Tariff or schedule references.* The several rates, fares, charges, schedules, classifications, regulations, or practices on which complaint is made should be set out by specific reference to the tariffs or schedules in which they appear, whenever that is practicable.

(b) *States in which transportation occurs.* A formal complaint under part II should specifically name the States in and through which the transportation which gives rise to the complaint is performed.

(c) *Hearing place.* A formal complaint should be accompanied by a statement of the place at which hearing is desired.

§ 1100.32 Formal complaints; prayers for relief. (Rule 32)

(a) *Generally.* A formal complaint in which relief for the future is sought should contain a detailed statement of the relief desired. Relief in the alternative or of several different types may be demanded, but the issues raised in the formal complaint should not be broader than those to which complainant's evidence is to be directed at the hearing.

(b) *Specific prayer for damages.* Except under unusual circumstances, and for good cause shown, damages will not be awarded upon a complaint unless specifically prayed for, or upon a new complaint by or for the same complainant which is based upon any finding in the original proceeding.

§ 1100.33 Amended and supplemental formal complaints. (Rule 33)

An amended or supplemental complaint may be tendered for filing by a complainant against a defendant or defendants named in the original complaint, stating a cause of action alleged to have accrued within the statutory period immediately preceding the date of such tender, in favor of complainant and against the defendant or defendants.

§ 1100.34 Service of formal and cross complaints. (Rule 34)

The Commission will serve formal complaints. It will also serve supplemental, amended, and cross complaints and specific amendments to all complaints when it has granted leave to file such pleadings. Such service will be made personally upon a carrier or freight forwarder or upon an agent thereof designated for purposes of service, or by mail addressed to the carrier or freight forwarder or to the agent thereof at the address filed. If no agent has been designated, service may be made by posting in the office of the Secretary of the Commission, and if the defendant be a carrier subject to Part II of the Act, by also posting in the office of the secretary or clerk of the motor-carrier regulatory board of the State wherein the motor carrier maintains headquarters. If the complaint involves only the lawfulness of rates, fares, charges, classifications, or practices, service in the manner indicated in the third sentence of this section may be made upon an attorney in fact of a carrier or freight forwarder who has filed a tariff or schedule in behalf of such carrier or freight forwarder, but such service will not be made upon a carrier subject to Part I unless such carrier has failed to designate an agent for service in the city of Washington.

§ 1100.35 Answers and cross complaints to formal complaints. (Rule 35)

(a) *Generally.* An answer may simultaneously be responsive to a formal complaint and to any amendment or supplement thereof. It must be drawn so as fully and completely to advise the parties and the Commission of the nature of the defense, including, if a departure from the requirements of section 4(1) of the Act is involved, the number of the particular application or order, if any, which protects such departure; and must admit or deny specifically and in detail each material allegation of the pleading answered. An answer may embrace a detailed statement of any counter-proposal which a defendant may desire to submit. Unless the issue is such that separate answers are required, answer for all defendants may be filed on their behalf by one defendant in one document, in which event the answer must show clearly the names of all defendants joining therein, and their concurrence.

(b) *Cross complaints.* A cross complaint alleging that other persons, parties to the proceeding, have violated the act or requirements established pursuant thereto, or seeking relief against them under the act, may be tendered for filing by a defendant with its answer.

(c) *Time for filing; copies.* Unless otherwise directed by the Commission, an answer to a complaint should be filed within 20 days after the day on which the complaint to which answer is filed was served. The original and six copies of an answer shall be filed with the Commission.

(d) *When issue joined.* If any defendant answers or fails to file and serve answer within the period specified in paragraph (c), issue thereby is joined as to such defendant.

§ 1100.36 Motions to dismiss or to make more definite and certain. (Rule 36)

(a) *As to complaint.* Defendant may file with his answer, or with his statement under modified procedure, a motion that the allegations in the complaint be made more definite and certain, such motion to point out the defects complained of and details desired. Defendant may also file with his answer a motion to dismiss a complaint because of lack of legal sufficiency appearing on face of such complaint.

(b) *As to answer.* No replication to the answer shall be filed, but any party may file, within 10 days after the filing of an answer, or, in the case of modified procedure, complainant may file with his statement in reply, a motion that the answer, or defendant's statement, as the case may be, be made more definite and certain, such motion to point out the defects complained of and the details desired.

§ 1100.37 Satisfaction of complaint. (Rule 37)

If a defendant satisfies a formal complaint, either before or after answering, a statement to that effect signed by the opposing parties must be filed (original only need be filed), setting forth when and how the complaint has been satisfied. This action should be taken as expeditiously as possible.

§ 1100.38 Applications. (Rule 38)

(a) *Forms and instructions.* An application filed with the Commission shall be prepared in accord with and contain the information called for in the form of application, if any, prescribed by the Commission, or any instructions which may have been issued by the Commission with respect to the filing of an application.

(b) *Copies; service.* Copies of an application shall be furnished in such number, and be filed and served in the man-

[1] Special rate, rebate, drawback, or other device; and particular person, company, firm, corporation, association, port, port district, gateway, transit point, locality, region, district, territory, or description of traffic.

ner and upon the persons specified in the form or instruction.

§ 1100.39 Applications; notice. (Rule 39)

Appropriate notice of the filing of an application will be given by the applicant or by the Commission to the States, to State authorities, or to other persons as may be required by the form or instruction or by the act.

§ 1100.40 Protests against applications. (Rule 40)

(a) *Content.* A protest against the granting of any application shall set forth specifically the grounds upon which it is made and contain a concise statement of the interest of protestant in the proceeding.

(b) *When filed.* Any protest shall be filed with the Commission promptly after the application is filed. If the proceeding be one respecting which the Commission has issued a notice advising the public of the filing of the application, the protest shall be filed within the time specified in such notice. Failure to file a protest shall not prejudice subsequent participation in the proceeding.

(c) *Copies; service.* A protest filed under this section shall be served upon applicant and, unless otherwise specified in the public notice, the original and six copies of the protest shall be filed with the Commission.

(d) *When rule disregarded.* An application may be set for hearing without awaiting the filing of a protest or of a reply thereto, and also may be disposed of without regard to the prior paragraphs of this section unless the act provides that the particular application may be granted only upon hearing.

§ 1100.41 Valuation proceedings; protests. (Rule 41)

A protest of a tentative valuation shall contain a concise statement of the essential elements of protest with particular reference to the matters in the tentative valuation concerning which protest is made and shall include a statement of the changes therein desired by protestant. When practicable each object of protest should be set up as a separate item in a separately numbered paragraph. Each item of protest against land values or areas must state the valuation section and zone on the Commission's maps in which the land is located. When protestant claims that property owned or used has been omitted, a full description of such property and its location must be included in the protest.

§ 1100.42 Petitions for suspension of tariffs or schedules. (Rule 42)

(a) *Content.* The protested tariff or schedule sought to be suspended should be identified by making reference to the name of the publishing carrier, freight forwarder, or agent, to the Interstate Commerce Commission number, and to the specific items or particular provisions protested. Reference should also be made to the tariff or schedule, and the specific provisions thereof, proposed to be superseded. The protest should state the grounds in support thereof, indicate in what respect the protested tariff or schedule is considered to be unlawful, and state what protestant offers by way of substitution. Such protests will be considered as addressed to the discretion of the Commission and no protest shall include a prayer that it also be considered a formal complaint. Should a protestant desire to proceed further against a tariff or schedule which is not suspended, or which has been suspended and the suspension vacated, a separate later formal complaint or petition should be filed.

(b) *When filed.* Protests against, and requests for suspension of, tariffs or schedules filed under the act will not be considered unless made in writing and filed with the Commission at Washington, D.C. Such protests and requests for suspension shall reach the Commission at least 12 days before the effective dates of the tariffs, schedules, or parts thereof to which they refer, unless the protested publications were filed on less than 30-days notice under the authority of this Commission, in which event the protests should be filed not less than 5 days before such effective dates. In an emergency, telegraphic protests will be acceptable if received within the time limits herein specified, provided they also fully comply with paragraph (a) of this section and copies thereof are immediately telegraphed by protestants to the respondent carriers or their publishing agents. Six copies of such telegrams should immediately be mailed by the protestants to the Commission at Washington.

(c) *Copies; service.* Seven copies of each protest or reply filed under this section must be filed with the Commission and one copy of the protest simultaneously be served upon the publishing carrier, freight forwarder, or agent, and upon other persons known by protestant to be interested.

(d) *Reply to protest.* A reply to a protest filed under this section should be filed and served promptly.

§ 1100.43 Service of investigation order; default where failure to comply. (Rule 43)

An order instituting an investigation will be served by the Commission upon respondents. If within a time period stated in that order a respondent fails to comply with any requirement specified therein respondent shall be deemed in default and to have waived any further hearing. Thereafter the investigation may be decided without further proceedings.

PETITIONS SEEKING INSTITUTION OF RULEMAKING PROCEEDINGS

§ 1100.44 Petitions seeking institutions of rulemaking proceedings. (Rule 44)

Any person may file a petition requesting the Commission to institute a proceeding for the purpose of issuing statements, rules, or regulations of general applicability and significance designed to implement or interpret law, or to formulate general policy for future effect. No reply to such a petition may be filed. Whether a proceeding shall be instituted as requested is within the discretion of the Commission and the ruling on the petition will be final.

MODIFIED PROCEDURE

§ 1100.45 Modified procedure; how initiated. (Rule 45)

(a) *Commission's initiative or by request.* Modified procedure (see Rule 5(j)) will be ordered in a proceeding upon the Commission's initiative or upon its approval of a request filed by any party that the modified procedure shall be observed.

(b) *Order directing modified procedure.* An order directing modified procedure will list the names and addresses of the persons who at that time are parties to the proceeding, and direct that they comply with the modified-procedure rules. As used in Rules 49, 51, and 53 the term "complainant" shall comprehend the term "respondent" or "applicant," and the term "defendant" shall include the term "protestant," according as procedure under Rules 45 to 54, inclusive, may be ordered in a particular proceeding.

§ 1100.46 Modified procedure; effect of order. (Rule 46)

(a) *Relief from answer rule.* Issuance of an order directing modified procedure shall relieve defendant from the obligation of answering as provided in Rule 35.

(b) *Default where failure to comply.* If within any time period provided in the modified-procedure rules a party fails to file a pleading required by those rules, or otherwise fails to comply therewith, such party shall be deemed to be in default and to have waived any further hearing. Thereafter the proceeding may be disposed of without further notice to the defaulting party, and without other formal proceedings as to such party.

§ 1100.47 Modified procedure; intervention. (Rule 47)

Persons permitted to intervene under modified procedure shall file and serve pleadings in conformity with the provisions relating to the parties in whose behalf they intervene.

§ 1100.48 Modified procedure; joint pleadings. (Rule 48)

Parties having common interests shall arrange for joint preparation of pleadings filed under modified procedure.

§ 1100.49 Modified procedure; content of pleadings. (Rule 49)

(a) *Generally.* A statement filed under the modified procedure after that procedure has been directed shall state separately the facts and arguments and include the exhibits upon which the party relies. If no answer has been filed pursuant to the waiver provision of Rule 46, defendant's statement must admit or deny specifically and in detail each material allegation of the complaint. In addition defendant's statement and com-

plainant's statement in reply shall specify those statements of fact and arguments of the opposite party to which exception is taken, and include a statement of the facts and arguments in support of such exception. Complainant's statement of reply shall be confined to rebuttal of the defendant's statement.

(b) *Exhibit identification.* In addition to being in compliance with Rule 8 (a) and (b), an exhibit which is part of any pleading filed under modified procedure shall serially be numbered and bear the notation, properly filled out, in the upper right-hand corner: "Complainant (Defendant) _____, Exhibit No. _____, Witness _____"

(c) *Damages.* If an award of damages is sought the paid freight bills or properly certified copies thereof should accompany the original of complainant's statement when there are not more than 10 shipments, but otherwise the documents should be retained.

§ 1100.50 Modified procedure; verification. (Rule 50)

The facts asserted in any pleading filed under modified procedure must be sworn to by persons having knowledge thereof, which latter fact must affirmatively appear in the affidavit. Except under unusual circumstances, such persons should be those who would appear as witnesses orally to substantiate the facts asserted should hearing become necessary. The original of any pleading filed under modified procedure must show the signature, capacity, and impression seal, if any, of the person administering the oath, and the date thereof.

§ 1100.51 Modified procedure; when pleadings filed and served. (Rule 51)

Within 20 days from the date of an order requiring modified procedure, complainant shall serve upon the other parties a statement of all the evidence upon which it relies. Within 30 days thereafter defendant shall serve its statement. Within 10 days thereafter complainant shall serve its statement in reply. No further reply may be made by any party except by permission of the Commission.

§ 1100.52 Modified procedure; copies of pleadings. (Rule 52)

The original and six copies of any statement made pursuant to Rule 51 shall be filed with the Commission. Subsequent pleadings are subject to Rule 54.

§ 1100.53 Modified procedure; hearings. (Rule 53)

(a) *Request for cross examination or other hearing.* If cross examination of any witness is desired the name of the witness and the subject matter of the desired cross examination shall, together with any other request for oral hearing, including the basis therefor, be stated at the end of defendant's statement or complainant's statement in reply as the case may be. Unless material facts are in dispute, oral hearing will not be held for the sole purpose of cross examination.

(b) *Hearing issues limited.* The order setting the proceeding for oral hearing, if hearing is deemed necessary, will specify the matters upon which the parties are not in agreement and respecting which oral evidence is to be introduced.

§ 1100.54 Modified procedure; subsequent procedure. (Rule 54)

Procedure subsequent to that provided in the modified-procedure rules shall be the same as that in proceedings not handled under modified procedure.

NOTICE OF HEARING; SUBPENAS; DEPOSITIONS

§ 1100.55 Notice of hearing. (Rule 55)

(a) *Assignment; service and posting of notice; electronically recorded transcript.* In those proceedings in which a hearing is to be held, the Commission will, by order or otherwise, assign a time and place for hearing. Such action will include notice when the transcript is to be made by electronic recording. Notice of such hearing will be posted in the Office of the Secretary of the Commission and will be served upon the parties and such other persons as may be entitled to receive notice under the Act.

(b) *Requests for changes in assignment.* Requests for postponements of date of hearing will be granted only for good and sufficient cause. After notice of the use of electronic recording, any request for stenographic transcript by the Commission's official reporter in lieu thereof must be made in writing to the Secretary of the Commission not less than 20 days prior to the date of the hearing. Such request will contain a statement that the requestor will provide the Commission with the original and one copy of such stenographic transcript at his own expense in accordance with the schedule of charges in the official reporting contract. In the event a request is made for a written transcript of an electronic recorded proceeding at a later date, the requestor will furnish at no expense to the Commission, an original and one copy of such written transcript for the Commission's use, in accordance with the schedule of charges in the official reporting contract.

(c) *Service of notice of assignment change.* The Commission may confine the service of notice of a change of time or place assigned for hearing (other than by publication or posting), or of any adjourned, further, or supplemental hearing to those only who have indicated to the Commission a desire to be notified, at their own expense if telegraphic advice becomes necessary, of any such change.

§ 1100.56 Subpenas. (Rule 56)

(a) *Requests; particularity.* Unless directed by the Commission upon its own motion, a subpena to compel a witness to produce documentary evidence will be issued only upon petition showing general relevance and reasonable scope of the evidence sought, which petition must also specify with particularity the books, papers, or documents desired, and the facts expected to be proved thereby: *Provided, however,* That for good cause shown, in lieu of a petition, the request for such a subpena may be made orally upon the record to the officer presiding at the hearing. A request for issuance of a subpena other than to compel the production of documentary evidence may be made either by letter (original only need be filed with the Commission) or orally upon the record to the officer presiding at the hearing. A showing of general relevance and reasonable scope of the evidence sought may be required and the subpena will be issued or denied accordingly.

(b) *Issuance.* A subpena may be issued by the Commission or by the officer presiding at the hearing, but only under the signature of the Secretary or of a member of the Commission.

(c) *Service.* The original subpena shall be exhibited to the person served, shall be read to him if he is unable to read, and a copy thereof shall be delivered to him by the officer or person making service.

(d) *Return.* If service of subpena is made by a United States marshal or his deputy, such service shall be evidenced by his return thereon. If made by any other person, such person shall make affidavit thereof, stating the date, time, and manner of service; and return such affidavit on, or with, the original subpena in accordance with the form thereon. In case of failure to make service the reasons for the failure shall be stated on the original subpena. The written acceptance of service of a subpena by the person named therein shall be sufficient without other evidence of return. The original subpena, bearing or accompanied by the required return, affidavit, statement, or acceptance of service, shall be returned forthwith to the Secretary of the Commission, or, if so directed on the subpena, to the officer presiding at the hearing at which the person subpenaed is required to appear.

(e) *Witness fees.* A witness who is summoned and responds thereto is entitled to the same fee as is paid for like service in the courts of the United States. Such fee is to be paid by the party at whose instance the testimony is taken at the time the subpena is served, except that when the subpena is issued on behalf of the United States or an officer or agency thereof, fees and mileage need not be tendered at the time of service.

§ 1100.57 Depositions; preliminary. (Rule 57)

(a) *When permissible.* The Commission will either upon its own initiative, or for good cause shown by a party to a proceeding, issue an order to take a deposition.

(b) *Officer before whom taken.* Within the United States or within a territory or insular possession subject to the dominion of the United States, depositions shall be taken before an officer authorized to administer oaths by the laws of the United States or of the place where the examination is held. Within a foreign country a deposition may be taken before an officer or person designated by the

Commission, or agreed upon by the parties by stipulation in writing to be filed with the Commission.

(c) *When taken.* Unless under special circumstances and for good cause shown, no deposition shall be taken within 10 days prior to the assigned date of the hearing in such proceeding, and when the deposition is taken in a foreign country it shall not be taken within 30 days prior to such date of hearing.

(d) *Fees.* A witness whose deposition is taken pursuant to these rules and the officer taking same, unless he be employed by the Commission, shall be entitled to the same fee paid for like service in the courts of the United States, which fee shall be paid by the party at whose instance the deposition is taken.

§ 1100.58 Depositions; petitions. (Rule 58)

A petition requesting an order to take a deposition shall be filed with due regard to the time periods specified in Rule 57(c) and shall set forth the name and address of the witness, the place where, the time when, the name and office of the officer before whom, and the cause or reason why such deposition should be taken.

§ 1100.59 Depositions; order; interrogatories. (Rule 59)

(a) *Order.* If the petition requesting an order to take a deposition is granted which action may be taken without awaiting the possible filing of a reply, the Commission will serve upon the parties an order which will name the witness whose deposition is to be taken, and specify the time when, the place where, and the officer before whom the witness is to testify, but such time and place, and the officer before whom the deposition is to be taken, so specified in the Commission's order, may or may not be the same as set out in the petition.

(b) *Interrogatories.* In lieu of participating in the oral examination, parties served with the order for the taking of a deposition may promptly transmit written interrogatories to the officer, who shall propound them to the witness and record the answers verbatim, but it is not necessary that such interrogatories be served upon the party at whose instance the deposition is taken.

§ 1100.60 Depositions; recordation of testimony. (Rule 60)

The officer before whom the deposition is to be taken shall observe the provisions respecting appearances (Rule 71(a)), and typographical specifications (Rule 15), put the witness on oath, and shall personally, or by some one acting under his direction and in his presence, record the testimony of the witness. The testimony shall be taken stenographically and transcribed unless the parties agree otherwise to record the evidence.

§ 1100.61 Depositions; objections. (Rule 61)

All objections made at the time of the examination to the qualifications of the officer taking the deposition, or to the manner of taking it, or to the evidence presented, or to the conduct of any party, and any other objection to the proceedings, shall be noted by the officer upon the deposition. Evidence objected to shall be taken subject to the objections.

§ 1100.62 Depositions; deponent's signature. (Rule 62)

When the testimony is fully transcribed or otherwise recorded the deposition of each witness shall be submitted to him for examination and shall be read to or by him. Any changes in form or substance which the witness desires to make shall be entered upon the deposition by the officer with a statement of the reasons given by the witness for making them. The deposition shall then be signed by the witness, unless the parties by stipulation waive the signing, or the witness is ill or cannot be found or refuses to sign. If the deposition is not signed by the witness, the officer shall state at the foot thereof the fact of the waiver or of the illness or absence of the witness, or the fact of the refusal to sign, together with the reason, if any, given therefor; and the deposition may then be used as fully as though signed, unless, on a motion to suppress, the Commission finds that the reasons given for the refusal to sign are sufficient to require rejection of the deposition in whole or in part.

§ 1100.63 Depositions; officer's attestation. (Rule 63)

The officer shall certify on the deposition that the witness was duly sworn by him and that the deposition is a true record of the testimony given by the witness, and that the officer is not of counsel or attorney for any of the parties, and that he is not interested in the event of the proceedings.

§ 1100.64 Depositions; return to Commission. (Rule 64)

The officer shall securely seal the deposition in an envelope endorsed with the title of the proceeding, and shall promptly send the original and one copy thereof, together with the original and one copy of all exhibits, by registered mail to the Secretary of the Commission. The deposition must reach the Commission not later than 5 days before the date of the hearing at which it is to be offered as evidence.

§ 1100.65 Depositions; notice of filing. (Rule 65)

The party taking the deposition shall give prompt notice of its filing to all other parties.

§ 1100.66 Depositions; copies. (Rule 66)

Upon payment of reasonable charges therefor, the officer before whom the deposition is taken shall furnish a copy of it to any interested party or to the deponent.

§ 1100.67 Depositions; inclusion in record. (Rule 67)

At the oral hearing, if one is held, the deposition shall be offered in evidence by the party at whose instance it was taken. If not offered by such party, it may be offered in whole or in part by the adverse party. If only part of a deposition is offered in evidence by a party, an adverse party may require him to introduce all of it, which is relevant to the part introduced, and any party may introduce any other parts. Such deposition shall be admissible in evidence subject to such objections as to competency of the witness, or to the competency, relevancy, or materiality of the testimony as were noted at the time of taking of said deposition, or are made at the time it is offered in evidence.

HEARINGS

§ 1100.68 Prehearing conferences. (Rule 68)

(a) *Purposes.* Upon written notice by the Commission in any proceeding, or upon written or oral instruction of an officer, parties or their attorneys may be directed to appear before an officer at a specified time and place for a conference, prior to or during the course of a hearing, or in lieu of personally appearing to submit suggestions in writing, for the purpose of formulating issues and considering:

(1) The simplification of issues;

(2) The necessity or desirability of amending the pleadings either for the purpose of clarification, amplification, or limitation;

(3) The possibility of making admissions of certain averments of fact or stipulations concerning the use by either or both parties of matters of public record, such as annual reports and the like, to the end of avoiding the unnecessary introduction of proof;

(4) The procedure at the hearing;

(5) The limitation of the number of witnesses;

(6) The propriety of prior mutual exchange between or among the parties of prepared testimony and exhibits; and

(7) Such other matters, including disposition of requests for discovery, as may aid in the simplification of the evidence and disposition of the proceeding.

(b) *Facts disclosed privileged.* Facts disclosed in the course of the prehearing conference are privileged and, except by agreement, shall not be used against participating parties either before the Commission or elsewhere unless fully substantiated by other evidence.

(c) *Recordation and order.* Action taken at the conference, including a recitation of the amendments allowed to the pleadings, the agreements made by the parties as to any of the matters considered and defining the issues, shall be recorded in an appropriate order, unless the parties enter upon a written stipulation as to such matters, or agree to a statement thereof made on the record by the officer.

(d) *Objection to the order; subsequent proceedings.* If an order is entered a reasonable time shall be allowed to the parties to present objections on the ground that it does not fully or correctly embody the agreements reached at such conference. Thereafter the terms of the said order or modification thereof, the written stipulation, or statement of the officer, as the case may be, shall de-

termine the subsequent course of the proceedings, unless modified to prevent manifest injustice.

§ 1100.69 Stipulations. (Rule 69)

Apart from the procedure contemplated by the prehearing provisions (Rule 68), and upon permission granted, the parties may in the discretion of the officer, by stipulation in writing filed with the Commission at any stage of the proceeding, or orally made at the hearing, agree upon any pertinent facts in the proceeding. It is desired that the facts be thus agreed upon so far as and whenever practicable.

§ 1100.70 Authority of officers. (Rule 70)

(a) An officer may grant leave to amend or to file any pleadings, or to intervene, upon request tendered at the hearing, but in no event shall an officer grant such leave if thereby the issues would be so narrowed as to make a referred matter one which should properly be referred to a different officer. An officer shall have no power to decide any motion to dismiss the proceeding or other motion which involves final determination of the merits of the proceeding. The officer shall regulate the procedure in the hearing before him and take all measures necessary or proper for the efficient performance of the duties assigned him, including the disposition of requests for discovery.

(b) Live, delayed, or recorded television or radio broadcasting of Commission hearings, or the taking of pictures in hearing rooms, will not be permitted without special permission of the Chairman of the Commission.

§ 1100.71 Appearances; standard of conduct; absence from hearing. (Rule 71)

(a) *Who may appear.* Any individual may appear for himself and any member of a partnership which is a party to any proceeding may appear for such partnership upon adequate identification. A bona fide officer or a full-time employee of a corporation, association, or of an individual may appear for such corporation, association, or individual by permission of the officer presiding at the hearing. A party also may be represented by a practitioner.

(b) *Appearances.* An appearance may be either general, that is, without reservation, or it may be special, that is, confined to a particular issue or question. When a practitioner enters an appearance at a hearing he will be expected to represent his client faithfully until the completion of the proceeding in which he has been retained, or until the completion of the part of the proceeding for which he has specially appeared. A practitioner who has entered his appearance at the hearing shall not be permitted to withdraw from the hearing, or wilfully to absent himself therefrom, except for good cause and, wherever practicable, only with the permission of the presiding officer. If a person desires to appear specially, he must expressly so state when he enters his appearance and at that time he shall also state the questions or issues to which he is confining his appearance; otherwise, his appearance will be considered as general.

(c) *Standard of conduct.* Contemptuous conduct by any person appearing at a hearing shall be ground for his exclusion by the presiding officer from the hearing.

(d) *Absence from hearing.* If a party or his representative shall, after entering an appearance, attempt to withdraw from the hearing in a manner other than that specified in paragraph (b) of this section, the Commission on its own motion, or on motion of any party to the proceeding, may take such action as, in the interest of justice and the protection of the lawful rights of all parties to the proceeding, the circumstances of the case may warrant, including the striking out of all or any part of any pleading of the offending party, and including the possible dismissal of the action or proceeding, or any part thereof, the entry of an order of default against that party, or the disciplining of the practitioner concerned.

§ 1100.72 Intervention; petitions. (Rule 72)

(a) *Content generally.* A petition for leave to intervene must set forth the grounds of the proposed intervention, the position and interest of the petitioner in the proceeding, and whether petitioner's position is in support of or opposition to the relief sought. If the proceeding be by formal complaint and affirmative relief is sought by petitioner, the petition should conform to the requirements for a formal complaint.

(b) *When filed.* A petition for leave to intervene in any proceeding should be filed prior to or at the time the proceeding is called for hearing, but not after except for good cause shown.

(c) *Broadening issues; filing.* If the petitioner seeks a broadening of the issues and shows that they would not thereby be unduly broadened, and in respect thereof seeks affirmative relief, the petition should be filed in season to permit service upon and answer by the parties in advance of the hearing.

(d) *Copies; service; replies.* When tendered at the hearing, sufficient copies of a petition for leave to intervene must be provided for distribution as motion papers to the parties represented at the hearing. If leave be granted at the hearing, one additional copy must be furnished for the use of the Commission. When a petition for leave to intervene is not tendered at the hearing, the original and three copies of the petition shall be submitted to the Commission together with a certificate that service in accordance with Rule 22 has been made by petitioner. Any reply in opposition to a petition for leave to intervene not tendered at the hearing must be filed within 20 days after service. In the discretion of the Commission leave to intervene may be granted or denied before the expiration of the time allowed for replies.

(e) *Disposition.* Leave will not be granted except on averments reasonably pertinent to the issues already presented and which do not unduly broaden them. If leave is granted the petitioner thereby becomes an intervener and a party to the proceeding.

§ 1100.73 Participation without intervention. (Rule 73)

In an investigation proceeding, in a proceeding under paragraphs (18) to (20) inclusive of section 1, or sections 5 and 13a of Part I, in application proceedings under parts II, III, and IV, and in a proceeding of any one of the characters herein enumerated when heard on a consolidated record with a complaint proceeding, but in no other proceeding, an appearance may be entered at the hearing without filing a petition in intervention or other pleading, if no affirmative relief is sought, if there is full disclosure of the identity of the person or persons in whose behalf the appearance is to be entered, if the interest of such person in the proceeding and the position intended to be taken are stated fairly, and if the contentions will be reasonably pertinent to the issues already presented and any right to broaden them unduly is disclaimed. A person in whose behalf an appearance is entered in this manner becomes a party to the proceeding.

§ 1100.74 Witness examination; order of procedure. (Rule 74)

Witnesses will be orally examined under oath before the officer unless their testimony is taken by deposition or the facts are presented to the Commission in the manner provided under modified or shortened procedure. In formal-complaint, application, and investigation proceedings complainant, applicant, and respondent, respectively, shall open and close at the hearing, except at further hearings granted on petition the petitioner requesting further hearing shall open and close; and except, further, that parties other than the respondent shall open and close in investigations in which the burden of proof is not upon the respondent. Interveners shall follow the party in whose behalf the intervention is made. The foregoing order of presentation may be varied by the officer, who also shall designate the order of presentation in any other type of proceeding, of any other party to any proceeding, or of parties to several proceedings being heard upon a consolidated record.

§ 1100.75 Evidence; admissibility generally. (Rule 75)

Any evidence which would be admissible under the general statutes of the United States, or under the rules of evidence governing proceedings in matters not involving trial by jury in the courts of the United States, shall be admissible in hearings before the Commission. The rules of evidence shall be applied in any proceeding to the end that needful and proper evidence shall be conveniently, inexpensively, and speedily produced, while preserving the substantial rights of the parties.

§ 1100.76 Evidence; cumulative restriction. (Rule 76)

It shall be the duty of the officer before whom any proceeding is being heard to limit the number of witnesses whose testimony may be merely cumulative. And in order to enforce this section, the officer may require a clear statement on the record of the nature of the testimony to be given by any witness proffered.

§ 1100.77 Evidence; prepared statements. (Rule 77)

With the approval of the officer, a witness may read into the record, as his testimony, statements of fact or expressions of his opinion prepared by him, or written answers to interrogatories of counsel, or a prepared statement of a witness who is present at the hearing may be received as an exhibit, provided that the statement shall not include argument; that before any such statement is read, or admitted in evidence the witness shall deliver to the officer, the reporter, and to opposing counsel as may be directed by the officer, a copy of such statement or of such interrogatories and his written answers thereto; and that the admissibility of the evidence contained in such statement shall be subject to the same rules as if such testimony were produced in the usual manner, including the right of cross-examination of the witness. Such approval ordinarily will be denied when in the opinion of the officer the memory or demeanor of the witness may be of importance.

§ 1100.78 Evidence; official records. (Rule 78)

An official record or an entry therein, when admissible for any purpose, may be evidenced by an official publication thereof or by a copy attested by the officer having the legal custody of the record, or by his deputy, and accompanied with a certificate that such officer has the custody. If the office in which the record is kept is within the United States or within a territory or insular possession subject to the dominion of the United States, the certificate may be made by a judge of a court of record of the district or political subdivision in which the record is kept, authenticated by the seal of the court, or may be made by any public officer having a seal of office and having official duties in the district or political subdivision in which the record is kept, authenticated by the seal of his office. If the office in which the record is kept is in a foreign state or country, the certificate may be made by a secretary of embassy or legation, consul general, consul, vice consul, or consular agent or by any officer in the foreign service of the United States stationed in the foreign state or country in which the record is kept, and authenticated by the seal of his office. A written statement signed by an officer having the custody of an official record or by his deputy that after diligent search no record or entry of a specified tenor is found to exist in the records of his office, accompanied by a certificate as above provided, is admissible as evidence that the records of his office contain no such record or entry. This section does not prevent the proof of official records or of entry or lack of entry therein or official notice thereof by a method authorized by any applicable statute or by the rules of evidence.

§ 1100.79 Evidence; entries in regular course of business. (Rule 79)

Any writing or record, whether in the form of an entry in a book or otherwise, made as a memorandum or record of any act, transaction, occurrence, or event, will be admissible as evidence thereof if it shall appear that it was made in the regular course of business, and that it was the regular course of business to make such memorandum or record at the time such record was made, or within a reasonable time thereafter.

§ 1100.80 Evidence; documents containing matter not material. (Rule 80)

When material and relevant matter offered in evidence is in a document containing other matter not material or relevant, the offering party shall produce the document at the hearing, shall plainly designate the matter so offered, and shall accord to the officer and to participating counsel an opportunity to inspect it. Unless it is desired to read such matter into the record, and the officer so directs, true copies in proper form of the material and relevant matter taken from the document may be received as an exhibit, but other parties shall be afforded an opportunity to introduce in evidence, in like manner, other portions of such document if found to be material and relevant. The document itself will not be received.

§ 1100.81 Evidence; documents in Commission's files. (Rule 81)

(a) *In general.* If any matter contained in a report or other document, not a tariff or schedule, open to public inspection in the files of the Commission is offered in evidence such report or other document need not be produced, but in other respects the provisions of § 1.80 will apply.

(b) *Tariffs and schedules; official notice in investigation proceedings.* If any matter contained in a tariff or schedule on file with the Commission is offered in evidence, such tariff or schedule need not be produced or marked for identification, but the matter so offered shall be specified with particularity in such manner as to be readily identified and may be received in evidence subject to check by reference to the original tariff or schedule. Official notice will be taken without offer or production of that portion of any tariff or schedule which is the subject matter of an order of investigation and suspension.

§ 1100.82 Evidence; records in other Commission proceedings. (Rule 82)

If any portion of the record before the Commission in any proceeding other than the one on hearing is offered in evidence a true copy of such portion shall be presented for the record in the form of an exhibit unless:

(a) The party offering the same agrees to supply such copy later at his own expense, if and when required by the Commission; and

(b) The portion is specified with particularity in such manner as to be readily identified; and

(c) The parties represented at the hearing stipulate upon the record that such portion may be incorporated by reference, and that any other portion offered by any other party may be incorporated by like reference subject to paragraphs (a) and (b) of this section; and

(d) The officer directs such incorporation. Any such portion so offered, whether in the form of an exhibit or by reference, shall be subject to objection.

§ 1100.83 Evidence; abstracts of documents. (Rule 83)

When documents, such as freight bills or bills of lading, are numerous, the officer may refuse to receive in evidence other than a limited number of such documents said to be typical. Instead he may instruct, if the proffer be for the purpose of proving damage, that introduction be deferred until there is opportunity to comply with Rule 100. If the proffer be for other purpose the officer may require the party in orderly fashion to abstract the relevant data from the documents, affording other parties reasonable opportunity to examine both the documents and the abstract, and thereupon offer such abstract in evidence in exhibit form.

§ 1100.84 Evidence; exhibits. (Rule 84)

(a) *Generally.* Exhibits of a documentary character may have a maximum width of 22 inches by 12½ inches in height. Whenever practicable the sheets of each exhibit and the lines of each sheet should be numbered. If the exhibit consists of five or more sheets the first sheet or title-page should be confined to a brief statement of what the exhibit purports to show, with reference by sheet and line to illustrative or typical examples contained therein. The exhibit should bear an identifying number, letter, or short title which will readily distinguish it from other exhibits offered by the same party. It is desirable that, whenever practicable, rate comparisons and other evidence should be condensed into tables. Whenever practicable, especially in proceedings in which it is likely that many documents will be offered, all the documents produced by a single witness should be assembled and bound together, suitably arranged and indexed, so that they may be identified and offered as one exhibit. Exhibits should not be argumentative and should be limited to statements of fact, and be relevant and material to the issue, which can better be shown in that form than by oral testimony.

(b) *Reference to tariff authority, routes, and distances.* All exhibits showing rates, fares, charges, or other tariff or schedule provisions must, by appropriate Interstate Commerce Commission number reference, indicate the tariff or schedule authority therefor, and if dis-

tances are shown must also show the authority therefor and, by lines, highways, or waterways, and junction points, the routes over which the distances are computed; except that the routes over which the distances are computed need not be shown when such distances are specifically published in a tariff or schedule lawfully on file with the Commission, or definitely ascertainable from a tariff or schedule on file with the Commission showing rates prescribed by the Commission and based on short-line distances, or short-highway distances, provided the exhibit makes specific reference to such tariff or schedules as provided by this section.

(c) *Copies.* Unless the officer shall otherwise direct, the original and one copy of each exhibit of a documentary character shall be furnished for the use of the Commission—original to be delivered to the reporter, and the copy to the officer. If the hearing be before a board, a copy of the exhibit shall be furnished to each member of the board, unless the board otherwise directs. Unless the officer for cause directs otherwise, a reasonable number of copies shall be furnished to counsel in attendance at the hearing. Unless the officer shall otherwise direct, in proceedings under the Uniform Bankruptcy Act, the original and three copies of every exhibit of a documentary character shall be furnished for use of the Commission—original to be delivered to the reporter, and the three copies to the officer.

(d) *Interchange prior to hearing.* Whenever practicable, the parties should interchange copies of exhibits or other pertinent material or matter before or at the commencement of the hearing; and the Commission or presiding officer may so direct.

(e) *When excluded how treated.* In case an exhibit has been identified, objected to, and excluded, the officer will develop whether the party offering the exhibit withdraws the offer, and if so, permit the return of the exhibit to him. If the excluded exhibit is not withdrawn it should be given an exhibit number for identification and be incorporated in the record. Exhibit numbers once used for identification will not be duplicated thereafter.

§ 1100.85 Record in referred matter unaffected by a second reference. (Rule 85)

If for any reason an order referring a matter to a particular officer is vacated and the matter referred to a different officer, any testimony already taken in such proceeding shall be part of the record along with any testimony which thereafter may be taken.

§ 1100.86 Evidence; filing of subsequent to hearing; copies. (Rule 86)

Except as provided below or as expressly may be permitted in a particular instance, the Commission will not receive in evidence or consider as part of the record any documents, letters, or other writings submitted for consideration in connection with any proceeding after close of the hearing, and may return any such documents to the sender. Before the close of a hearing the officer may, at the request of a party or upon his own motion, or upon agreement of the parties, require that a party furnish additional documentary evidence supplementary to the existing record, within a stated period of time. Documentary evidence thus to be furnished will not be assigned an exhibit number at the hearing, but the document will be given an exhibit number at the time of filing and the parties accordingly advised. Unless otherwise directed by the officer, the original and one copy of such submission shall be filed with the Commission.

§ 1100.87 Evidence; objections to. (Rule 87)

Formal exception to a ruling of an officer at a hearing is unnecessary. It is sufficient that a party, at the time the ruling is made or sought, make known to the officer on the record the action which he desires the officer to take or his objection to the action of the officer and his grounds therefor. An objection not pressed in brief will be considered as waived. Where no brief is filed an objection will be considered as waived if not pressed in exceptions or reply to exceptions, if filed, or in a separate petition dealing only with that objection.

§ 1100.88 Oral argument before officer. (Rule 88)

If oral argument before the officer is desired, he should be so notified at or before the hearing and may arrange to hear the argument at the close of the testimony within such limits of times as he may determine, having regard to other assignments for hearing before him. Such argument will be recorded and made a part of the transcript of testimony, and will be available to the Commission for consideration in deciding the case. The making of such argument shall not preclude oral argument before the Commission and request therefor may be made as provided in Rule 98.

§ 1100.89 Continuance for further hearing. (Rule 89)

A continuance may be granted by the presiding officer if it is impossible to conclude a hearing within the time available, or for any reason a continuance is necessary or advisable, but a joint board shall not set a date and place for a continued hearing without first consulting the Commission. If consultation with the Commission is impracticable, the hearing shall be adjourned by the joint board to such time and place as the Commission subsequently shall determine.

§ 1100.90 Transcript of record. (Rule 90)

(a) *Filing.* After the close of the hearing the complete transcript of testimony taken and the exhibits shall be filed with the Commission.

(b) *Corrections.* A suggested correction in a transcript ordinarily will be considered only if offered not later than 20 days after the date each transcript is filed with the Commission. A copy of the letter (original only need be filed with the Commission) requesting the suggested corrections shall be served upon all parties of record and with 2 copies to the official reporter.

(c) *No free copies.* No free copies of transcript will be furnished to any party to any proceeding.

BRIEFS; REPORTS; ORAL ARGUMENT

§ 1100.91 Briefs; content and arrangement. (Rule 91)

(a) *Due date.* The due date of each brief must appear on its front cover or title page.

(b) *Table of contents; citations.* A brief of more than 20 pages shall contain on its front flyleaves a table of contents and points made with page references, the table of contents to be supplemented by a list of citations, alphabetically arranged, with references to the pages where they appear.

(c) *Sketch or chart.* In proceedings wherein misrouting or undue prejudice or preference are alleged, the complainant should include as part of the brief a small sketch or chart adequately reflecting the situation.

(d) *Evidence abstract.* A brief filed after a hearing should contain an abstract of the evidence relied upon by the party filing it, preferably assembled by subjects, with reference to the pages of the record, if written, or exhibit where the evidence appears. The abstract should follow the statement of the case and precede the argument. In the event the party elects not to include a separate abstract in his brief, he should give specific reference to the portions of the record, whether transcript or otherwise relied upon in support of the respective statements of fact made throughout the brief.

(e) *Requested findings.* Each brief should include such requests for specific findings, separately stated and numbered, as the party desires the Commission to make.

(f) *Exhibit reproduction.* Exhibits should not be reproduced in the brief, but may, if desired, be shown, within reasonable limits, in an appendix to the brief. Analyses of such exhibits should be included in the abstract of evidence under the subjects to which they pertain.

§ 1100.92 Briefs; when officer's report is served. (Rule 92)

In a proceeding which has been the subject of oral hearing, and in which an officer's report is to be prepared and served, which fact will be stated by the officer on the record, only one brief shall be filed by each party. The officer shall fix for all parties the same time within which to file briefs, which time shall not exceed 45 days from the close of the hearing unless otherwise ordered by the Commission. Reply briefs are not permitted unless ordered by the Commission.

§ 1100.93 Briefs; when officer's report is not served. (Rule 93)

In a proceeding which has been the subject of oral hearing, and in which no officer's report is to be prepared and served, which fact will be stated by the

officer on the record, only one brief shall be filed by each party. The officer shall fix for all parties the same time within which to file briefs, which time shall not exceed 45 days from the close of the hearing unless otherwise ordered by the Commission. Reply briefs are not permitted unless ordered by the Commission.

§ 1100.94 Briefs of interveners. (Rule 94)

Briefs of interveners shall be filed and served within the time fixed for the brief or the party in whose behalf the intervention is made.

§ 1100.95 Officer's report; when and how served. (Rule 95)

After expiration of the time set for filing briefs, if the proceeding be one in which a hearing has been held, the officer's report will be prepared and served by mailing a copy to each party. An officer's report prepared in a proceeding in which a hearing has not been held will be served by mailing a copy to each party of record and to any other persons not parties to the proceeding who are believed to have an interest in the proceeding.

§ 1100.96 Exceptions to officer's report. (Rule 96)

(a) *Generally.* Exceptions to the officer's report with respect to statements of fact or matters of law must be specific and must be stated and numbered separately. If exception is taken to conclusions in the report, the points relied upon to support the exception must be stated and numbered separately. When exception is taken to a statement of fact contained in the report, reference also must be made to the page or part of the record relied upon to support the exception and a corrected statement must be incorporated.

(b) *When filed.* Within 30 days after service of the officer's report, any party may file and serve exceptions thereto and reasons in support thereof. Replies may be served and filed as provided in Rule 23. In any case the Commission may, in its discretion, upon notice to the parties reduce or extend the time for filing exceptions or replies.

(c) *Exceptions and request for hearing by person not party.* If the proceeding is one in which no oral hearing has been held, any person not a party to the proceeding, but having an interest therein, may file and serve upon applicant, or complainant, as the case may be, exceptions to the officer's report and reasons in support thereof. A request for hearing may be included therein but the exceptions need not include a request for hearing if none is deemed necessary.

§ 1100.97 Effect of exceptions or absence thereof. (Rule 97)

(a) *Upon report and recommended order.* The filing of exceptions to a recommended order operates to stay the effectiveness of the order and thereafter decision by the Commission will be made in due course. If no exception is filed to the recommended order and the Commission does not stay it, the recommended order becomes the order of the Commission upon expiration of the period for filing exceptions provided in Rule 96(b), or of any postponement of such period, or postponement of the effective date of such order, and a notice stating that the recommended order has, giving the date, become the order of the Commission will be mailed to the parties by the Commission.

(b) *Upon proposed report.* A proposed report will not become the decision of the Commission through failure to file objections, but in the absence of exceptions or of ascertained error the officer's statement of the issues and of the facts ordinarily will be taken by the Commission as the basis of its decision.

§ 1100.98 Oral argument before Commission. (Rule 98)

(a) *Request; how made.* If no officer's report is to be served, request for oral argument before the Commission must be made at hearing or by letter (original only need be filed with the Commission) within 10 days after the hearing. If an officer's report is to be served, the request for oral argument must be included as part of the exceptions brief or reply thereto.

(b) *Request for time allotment.* If the petition is granted a notice will be served by the Commission upon the parties setting the date for the oral argument. At least 10 days before that date any party desiring to participate in the oral argument must make request by letter (original only need be filed with the Commission) for an allotment of time. Only those making request in this manner will be permitted to participate.

ORDER COMPLIANCE; DAMAGE STATEMENTS

§ 1100.99 Compliance with Commission's orders. (Rule 99)

When in consequence of proceedings under the act, the Commission has by its order directed a defendant or a respondent to do or desist from doing a particular thing, such defendant or respondent must notify the Commission on or before the date upon which such order becomes effective whether or not compliance has been made therewith. If a change in rates or schedules is required the notification must be given in addition to the filing of proper tariffs or schedules, and must specify the Interstate Commerce Commission numbers of the tariffs or schedules so filed.

§ 1100.100 Statements of claimed damages based on Commission findings. (Rule 100)

When the Commission finds that damages are due, but that the amount cannot be ascertained upon the record before it, the complainant should immediately prepare a statement showing details of the shipments on which damages are claimed, in accordance with the form No. 5. (See Appendix B.) The statement should not include any shipment not covered by the Commission's findings, or any shipment on which complaint was not filed with the Commission within the statutory period. The filing of a statement will not stop the running of the statute of limitations as to shipments not covered by complaint or supplemental complaint. If the shipments moved over more than one route a separate statement should be prepared for each route, and separately numbered, except that shipments as to which the collecting carrier is in each instance the same may be listed in a single statement if grouped according to routes. The statement, together with the paid freight bills on the shipments, or true copies thereof, should then be forwarded to the carrier which collected the charges for verification and certification as to its accuracy. If the statement is not forwarded immediately to the collecting carrier for certification, a letter request from defendants that forwarding be expedited will be considered to the end that steps be taken to have the statement forwarded immediately. All discrepancies, duplications, or other errors in the statements should be adjusted by the parties and correct agreed statements submitted to the Commission. The certificate must be signed in ink by a general accounting officer of the carrier and should cover all of the information shown in the statement. If the carrier which collected the charges is not a defendant in the case its certificate must be concurred in by like signature on behalf of a carrier defendant. Statements so prepared and certified shall be filed with the Commission whereupon it will consider entry of an order awarding damages.

REHEARING; REARGUMENT; OR RECONSIDERATION

§ 1100.101 Petitions for rehearing, reargument, or reconsideration. (Rule 101)

(a) *In general.* (1) A petition seeking any change in a decision, order, or requirement of the Commission should specify whether the prayer is for reconsideration, reargument, rehearing, further hearing, modification of effective date, vacation, suspension, or otherwise.

(2) *Administrative finality of division and employee board decisions.* All decisions, orders, or requirements of a division of the Commission in any proceeding shall be considered administratively final, except those involving issues of general transportation importance, those wherein the division reverses, changes, or modifies a prior decision by a hearing officer, and those wherein the initial decision is made by a division: *Provided, however,* That this subparagraph shall not preclude the seasonable filing of a petition for relief under paragraphs (b) and (c) of this section, to be considered and disposed of by the division or appellate division which made the decision, order, or requirement as to which relief is sought. Decisions of an employee board, whether original or on review, are not administratively final. Such employee board decisions shall be subject to review by an appropriate appellate division of the Commission upon the filing of a timely petition in accordance with these rules of practice.

(3) *Limitations on petitions for review of division decisions.* Pursuant to authority granted in section 17(6) of the Interstate Commerce Act, the right to apply to the entire Commission for rehearing, reargument, or reconsideration of a decision, order, or requirement of a division of the Commission in any proceeding shall be limited and restricted to those proceedings in which the entire Commission, on its own motion, determines and announces that an issue of general transportation importance is involved. In proceedings in which no such announcement has been made, but in which a division reverses, changes, or modifies a prior decision by a hearing officer or where the initial decision is made by a division, a petition to the same division for rehearing, reargument, or reconsideration of its decision will be permitted and will be considered and disposed of by such division in an appellate capacity and with administrative finality.

(4) *Petitions seeking a finding that an issue of general transportation importance is involved; 3-page limitation; time for filing; no reply permitted.* In any proceeding which has involved the taking of evidence at oral hearing or by modified procedure in which the Commission has not noted the presence of an issue of general transportation importance, any party may, within 15 days after the service of a final decision, order, or requirement of a division or appellate division, as to which the filing of a petition for rehearing, reargument, or reconsideration is not permitted, file a petition requesting the Commission to find on its own motion that the proceeding is one involving an issue of general transportation importance. Any petition seeking such a finding shall not be considered an application for rehearing, reargument, or reconsideration within the meaning of section 17 of the act and shall not exceed 3 pages. No reply thereto may be filed and the ruling thereon will be final. Petitions seeking the relief specifically covered herein will not be entertained at any other stage of the proceeding.

(5) *Copies of petitions and replies.* In cases in which it has been determined and announced that an issue of general transportation importance is involved, there shall be furnished for the use of the Commission the original and 14 copies of each petition filed under this section and of replies to such petitions. A like number of copies shall be furnished of petitions seeking a finding that the proceeding involves an issue of general transportation importance. In all other cases, the original and 7 copies of such petitions and replies shall be furnished for the use of the Commission.

(b) *Rehearing or further hearing.* When in a petition filed under this section opportunity is sought to introduce evidence, the evidence to be adduced must be stated briefly, such evidence must not appear to be cumulative, and explanation must be given why such evidence was not previously adduced.

(c) *Modification of effective date.* A petition under this section seeking only modification of the effective date of a decision, order, or requirement, or in the period of notice, or other period or date prescribed therein, must be filed seasonably, except that, in case of unforeseen emergency satisfactorily shown by petitioner, such relief may be sought informally by telegram or otherwise, provided like notice is simultaneously communicated to all parties of record.

(d) *Reconsideration.* If relief under this section other than under paragraphs (b) and (c) is sought, the matters claimed to have been erroneously decided and the alleged errors or relief sought must be specified with the particularity respecting exceptions as outlined in Rule 96(a), as should also any substitute finding or other substitute requirement desired by petitioner.

(e) *Time for filing.* Except for good cause shown, and upon leave granted, petitions under this section must be filed within 30 days after the date of service of a decision or order, except as otherwise provided in the special rules of practice.

(f) *Successive petitions on same grounds, not entertained.* A successive petition under this section submitted by the same party or parties, and upon substantially the same grounds as a former petition, which has been considered and denied by the entire Commission will not be entertained.

(g) *Petitions for reconsideration of appellate division decisions on review of board decisions.* When an appellate division has denied a petition seeking a reversal, change, or modification of a determination whether original or on review by a board of employees, any further petition for reconsideration by the same party or parties upon substantially the same grounds will not be entertained. If in the consideration of such a petition, however, by the appellate division, the previous determination of the board of employees has been reversed, changed, or modified, a further petition may be filed by any party to the proceeding adversely affected by the decision of the appellate division, within the time specified in paragraph (e) of this section, and the petition will be considered and disposed of by the same appellate division which passed upon the initial petition.

§ 1101.102 Petitions not otherwise covered. (Rule 102)

When the subject matter of any desired relief is not specifically covered by the rules in this part, a petition seeking such relief, which relief shall be construed as including appropriate discovery procedures, and stating the reasons therefor may be served and filed.

SPECIAL RULES OF PRACTICE

§ 1100.200 Special rules of practice governing procedure in certain suspension and fourth-section matters. (Rule 200)

(a) The proceedings of the Board of Suspension and the Fourth Section Board shall be informal. No transcription of such proceedings will be made. Subpoenas will not be issued and, except when applications or petitions are required to be attested, oaths will not be administered.

(b) Petitions for reconsideration of orders of the following may be filed by any interested person within 20 days after the date of the service of the order:

(1) Board of Suspension,

(2) Fourth Section Board,

(3) Appellate Division 2 reversing, changing, or modifying a previous determination of an employee board, and

(4) Division 2 suspending schedules or granting or denying fourth-section relief prior to hearing in proceedings not subject to a prior determination by an employee board.

Except as to said subparagraph (4) of this paragraph, respecting which an original and 14 copies are required, the original and six copies of every pleading, document or paper filed under this section shall be furnished for the use of the Commission. Any interested person may file and serve a reply to any petition for reconsideration permitted under this paragraph within 20 days after the filing of such petition with the Commission but if the facts stated in any such petition disclose a need for accelerated action, such action may be taken before expiration of the time allowed for reply. In all other respects, such petitions and replies thereto will be governed by the Commission's general rules of practice.

(c) When the Board of Suspension has declined to suspend a proposed tariff or schedule, or any part thereof, a petition in writing by any protestant or protestants may be filed with the Commission for reconsideration by the designated appellate division provided it reaches the Commission at least two work-days prior to the effective date of the tariff or schedule in question. For the purposes of this section, a work-day shall be considered any day except Saturday, Sunday, or a legal holiday in the District of Columbia. (A legal holiday of less than one day shall be considered a work-day within the meaning of this section.) Petitions submitted under this section shall be filed with the Secretary of the Commission by 4:00 p. m., United States Standard Time (or by 4:00 p. m., Local Daylight Saving Time if that time is observed in the District of Columbia). Telegraphic notice or the equivalent thereof must be given by the petitioners to the respondent or respondents. As no replies to the petitions for reconsideration are contemplated under this rule, petitioners will be expected, except in unusual circumstances, to rely wholly on the information previously filed with the Board of Suspension. Written or telegraphic communication in intelligible form requesting reconsideration will be sufficient. Such request shall contain the following prefatory statement: "This matter requires expedited handling under the Commission's Special Rules of Practice." A petition not timely filed shall be rejected by the Secretary.

§ 1100.225 Special rules of practice governing the procedure of the Temporary Authorities Board, the Transfer Board, Finance Boards [1] Nos. 1, 2, and 3, the Safety and Service Boards, the Motor Carrier Boards, the Special Permission Board, the Released Rates Board, and Operating Rights Boards [1] Nos. 1 and 2. (Rule 225)

(a) The proceedings of the Temporary Authorities Board, the Transfer Board, Finance Boards Nos. 1, 2, and 3, the Safety and Service Boards, the Motor Carrier Boards, the Special Permission Board, the Released Rates Board, and Operating Rights Boards Nos. 1 and 2 shall be informal. No transcription of such proceedings will be made. Subpenas will not be issued and, except when applications or petitions are required to be attested, oaths will not be administered.

(b) A petition for reconsideration of an order of (1) the Temporary Authorities Board, the Transfer Board, a Safety and Service Board, a Motor Carrier Board, the Special Permission Board, the Released Rates Board, or Operating Rights Board No. 2 may be filed by any interested person, and (2) Operating Rights Board No. 1 and the Finance Boards may only be filed by a party to the proceeding. Such petition and reply thereto will be governed by the Commission's general rules of practice, except as otherwise provided in paragraphs (c), (d), and (e) of this section.

(c) The original and six copies of every pleading, document, or paper permitted or required to be filed under this section, shall be furnished for the use of the Commission.

(d) A petition seeking reconsideration of an order of the Temporary Authorities Board entered under section 210a(a) or of a Finance Board entered under sections 210a(b) or 311(b) of the Interstate Commerce Act must be filed within 20 days after the date of service of the order. Within 20 days after the filing of such petition with the Commission any interested person may file and serve a reply thereto.

(e) A petition seeking reconsideration of an affirmative order of the Transfer Board entered pursuant to the rules and regulations governing transfers of property brokers' licenses, Part 1045 of this chapter, passenger brokers' licenses, Part 1134 of this chapter, motor carrier operating rights, Part 1131 of this chapter, water carrier operating rights, Part 1151 of this chapter, and freight forwarder permits, Part 1161 of this chapter, must be filed within 20 days following publication of a synopsis of such order in the FEDERAL REGISTER. In such a petition the matters claimed to have been erroneously decided and the alleged errors must be specified with particularity. If the petition contains a request for oral hearing, the request shall be supported by an explanation as to why the evidence sought to be presented cannot reasonably be submitted in affidavit form. Within 20 days after the final date for filing of such petitions with the Commission, any interested person may file and serve a reply thereto.

§ 1100.240 Special rules governing notice of filing of application by motor carriers of property or passengers under sections 5(2) and 210a(b) of the Interstate Commerce Act and certain other procedural matters with respect thereto. (Rule 240)

(a) *Scope of special rules.* These special rules govern the filing and handling of (1) applications under section 5(2) or the Interstate Commerce Act respecting control, lease, and unification of operating rights and properties of motor carriers of property or passengers, and (2) applications for approval under section 210a(b) of the act of the temporary operation of motor carrier properties sought to be acquired in an application under section 5(2) of the act. Except as otherwise herein provided, the General Rules of Practice shall apply.

(b) *Notice to interested persons.* (1) Notice of the filing of applications under section 5(2) will be given by the publication of a summary of the authority sought in the FEDERAL REGISTER. Such summaries will be prepared by the Commission, and it shall be the responsibility of applicants promptly to advise the Commission if the summary does not properly describe the authority sought.

(2) If applicants propose that any portion of the operating rights involved in the transaction be canceled or restricted, such proposal will be included in the summary.

(3) The summary will state whether an application has or has not been filed for temporary authority under section 210a(b) of the act.

(4) No notice by applicants to interested persons is required, except that applicants are not relieved from the obligation to file copies of applications with Governors, State Boards, and Regional Directors of the Commission's Bureau of Operations as may be required by the prescribed form of application, and except as hereinafter provided in paragraph (d)(3) of this section.

(5) Except for good cause shown, amendments to applications which broaden the scope of the proposed transaction will not be allowed if tendered after notice of the filing of an application has been published in the FEDERAL REGISTER. Restrictive amendments may be submitted at any time, but if tendered after such publication, they may be allowed only in the discretion of the Commission, or by the hearing officer if the matter is assigned for hearing or prehearing conference.

(c) *Protests and requests for hearing under section 5(2).* (1) Protests to the granting of an application under section 5(2) of the act shall be filed with the Commission within 30 days after the date notice of the filing of the application is published in the FEDERAL REGISTER. A protest filed under these rules shall be served upon applicants' representatives named in the notice of filing published in the FEDERAL REGISTER. Unless otherwise specified in the notice, the original and one copy of the protest shall be filed with the Commission. Protests not in reasonable compliance with the requirements of this section may be rejected in the discretion of the Commission.

(2) Failure seasonably to file a protest will be construed as a waiver of opposition and participation in the proceeding.

(3) A protest against an application shall set forth specifically the grounds upon which it is made and the protestant's interest in the proceeding, shall request an oral hearing if one is desired, and shall specify with particularity the facts, matters and things relied upon, but shall not include issues or allegations phrased generally.

(4) Any request for an oral hearing shall be supported by a specific explanation as to why the evidence to be presented cannot reasonably be submitted in the form of affidavits, and shall set forth the approximate number of witnesses who would be presented by the protestant, an estimate of the hearing time required for such presentation, and whether a hearing at Washington, D.C., would be objectionable, and, if so, what place would be more suitable; and protestant shall certify in its protest that, if an oral hearing is held, it will appear and present evidence.

(5) Where a person has a limited interest in an application, which possibly could be eliminated by a restrictive amendment of the proposed transaction, such person may also include in a protest filed in conformity with this paragraph an offer to withdraw the protest in the event of acceptance by applicants of such amendment.

(6) Except as provided in subparagraph (5) of this paragraph, or for good cause shown, the failure of any person filing a protest to an application to appear at a hearing scheduled thereon shall be construed as a waiver of his right to participate further in the proceeding; such person shall no longer be considered as a party to the proceeding, and such person and any representative responsible for his participation in the proceeding may be subject to censure for failure to appear.

(7) Any interested person, not a protestant, desiring to receive notice of the time and place of any hearing, conference, or other proceedings shall notify the Commission by telegram or letter within 30 days from the date of the publication of the notice of the filing of the application in the FEDERAL REGISTER.

(d) *Procedure to be followed under section 210a(b).* (1) Subject to subparagraph (4) of this paragraph, protests to the granting of an application for temporary authority under section 210a(b) may be filed by persons who oppose, or intend seasonably to oppose, the application under section 5(2).

(2) The protest to temporary approval may be by telegram, letter, or other writing, of which only an original need be filed, or may be included in a protest filed under paragraph (c) of this section. It should state the interest of the protestant and the grounds for the position

[1] The general rules of practice apply to the procedure of all employee boards except to the extent specifically provided for in Rules 200 and 225.

taken in opposition to temporary approval, and should show service upon applicants' representatives.

(3) If an application for temporary authority is filed in a contested proceeding after the period for filing protests under paragraph (c) of this section has expired, applicants are required to furnish copies of such application to protestants. Notice will not thereafter be given by publication in the FEDERAL REGISTER.

(4) Applications for temporary authority under section 210a(b) will be disposed of without hearings or other proceedings, and without necessarily awaiting expiration of the period allowed for protests.

(5) Unless circumstances requiring immediate action are shown, applications for temporary authority under section 210a(b) will not be disposed of before 10 days after the date the notice of filing of the application under section 5(2) is published in the FEDERAL REGISTER, or 10 days after the date an amended notice is published, if the application for temporary authority is filed within 30 days after the date of initial publication; or, if the application for temporary authority is filed after expiration of the 30 days from the date of initial publication of notice of the section 5 application, and protests have been filed, copies of the temporary authority application shall be served on protestants, and action will not be taken in less than 20 days from the date of such service, unless circumstances require immediate action.

(e) *Hearing or other procedures under section 5(2).* (1) The Commission will determine whether an assignment for oral hearing should be made, after notice to interested persons of the filing of the application has been published in the FEDERAL REGISTER and the period for filing protests has expired. At or prior to such time, applicants who do not intend to prosecute their application should promptly request dismissal thereof.

(2) Applicants who believe their application is not susceptible of handling without oral hearing may request oral hearing when the application is filed, or later, if additional evidence which cannot reasonably be submitted in the form of affidavits is required.

(3) If applicants request an oral hearing and show that such hearing is necessary, or if the proceeding is contested, applicants shall advise the approximate number of witnesses who will be presented, furnish an estimate of the hearing time required for such presentation, and state whether a hearing at Washington, D.C., would be objectionable, and, if so, what place would be more suitable.

(f) *Notice of hearing, conference or other proceedings.* (1) Notice of the time and place of any hearing, conference, or other proceedings will be given to applicants' representatives, applicants, protestants, and other interested parties by mailing to them the order or notice assigning the application for hearing, conference, or other procedure.

(2) A request by any party for a change in the time or place of an assigned hearing must set forth good and sufficient cause for the action requested, must be in writing and filed with the Commission not less than 10 days before the assigned hearing date, except in emergency circumstances, and must be served on all known parties of record at the same time and by the same method of communication as service is made on the Commission. Where such requests are filed less than 10 days before the date of hearing, the petitioning party shall state the reasons for his failure to make such request within the prescribed time.

(3) The applicants' representatives, protestants, and those who request notice of changes in time or place of hearing, conference, or other proceedings will be informed of such changes if notice is given by mail. If telegraphic notice becomes necessary, notice of such changes will be given by telegram only to those who request telegraphic notice at their expense.

(4) Upon receipt of an order or notice of a hearing assignment, applicants who no longer intend to proceed to hearing shall immediately and jointly request dismissal of their application, with appropriate notification to all protestants, failing in which applicants or their representatives, or both, may be subject to censure.

(g) *Intervention.* Rule 73 relating to participation without intervention is inapplicable to applications subject to this section, except with respect to persons seeking to intervene in support. No person who fails to file a protest as provided in these rules will be permitted to intervene in opposition except upon a showing of substantial reasons in a petition submitted in accordance with Rule 72.

§ 1100.245 Special rules governing procedures for the issuance to single-State common carriers by motor vehicle of Certificates of Registration under section 206(a)(6) of the Interstate Commerce Act, as amended October 15, 1962, authorizing motor common carrier operations in interstate and foreign commerce, and certain other procedural matters with respect thereto. (Rule 245)

(a) *Scope of special rules.* These special rules govern (1) the matter of giving notice to interested persons, by publication in the FEDERAL REGISTER, of the filing of applications for State certificates of public convenience and necessity authorizing motor common carrier operations in the transportation of property or passengers in intrastate commerce, in connection with which the applicant also desires to engage in transportation in interstate and foreign commerce under the provisions of section 206(a)(6) of the Interstate Commerce Act, as amended October 15, 1962, and certain related matters.

(2) The filing with the Interstate Commerce Commission of applications for Certificates of Registration based upon intrastate certificates of public convenience and necessity issued by a State Commission which contain a concurrent finding that the public convenience and necessity require operations in interstate and foreign commerce in accordance with the provisions of section 206(a)(6) of the Interstate Commerce Act, as amended October 15, 1962.

(3) The filing with, and the handling by, the Interstate Commerce Commission of petitions for reconsideration of the decisions of State Commissions, made pursuant to the provisions of section 206(a)(6) of the Interstate Commerce Act, as amended October 15, 1962, finding that the public convenience and necessity require motor common carrier operations in the transportation of property or passengers, in interstate and foreign commerce, which do not exceed the scope of the concurrently authorized motor common carrier operations in intrastate commerce contained in certificates of public convenience and necessity issued by such State Commissions. Except as otherwise herein provided, the general rules of practice shall apply.

(b) *Notice to interested persons of the filing of State Applications.* In accordance with such rules and regulations as may be prescribed by the State Commissions, any person seeking an intrastate certificate of public convenience and necessity, who or which also desires to engage in transportation in interstate and foreign commerce pursuant to section 206(a)(6) of the Interstate Commerce Act, as amended October 15, 1962, shall so notify the State Commission with which the intrastate application is filed at the time of filing the intrastate application. Notice to interested persons of the filing of such an application, and of the applicant's desire also to engage in transportation in interstate and foreign commerce, shall be given by the publication in the FEDERAL REGISTER of a summary of the authority sought as prepared by the State Commission and transmitted to the Interstate Commerce Commission at Washington, D.C. (See approved Form No. 7 in Appendix B.) In order to afford interested persons a reasonable opportunity to be heard, such summaries must be forwarded to the Interstate Commerce Commission sufficiently in advance of any hearings that may be scheduled on the application so noticed. Except as otherwise may be required by the State Commission, no other notice by applicant to interested persons is necessary.

(c) *Conduct of, and participation in, State Commission application proceedings.* Subject to the requirement of section 206(a)(6) of the Interstate Commerce Act, as amended October 15, 1962, that interested persons be afforded a reasonable opportunity to be heard, the rules and regulations of the State Commission with which the intrastate application is filed shall govern the conduct of, and participation in, any State hearings or other State Commission proceedings that may be held with respect to such application, notice of the filing of which has been published in the FEDERAL REGISTER pursuant to paragraph (b) of this section. Protests and requests for

information concerning the time and place of State Commission hearings or other proceedings, any subsequent changes therein, and any other related matters shall be directed to the State Commission with which the application is filed and shall not be addressed to or filed with the Interstate Commerce Commission. The record made in the State Commission proceeding shall be made available to the parties to such proceeding upon payment of such costs as may be fixed or prescribed by the State Commission.

(d) *Applications to the Interstate Commerce Commission for Certificates of Registration.* (1) Within 30 days after service by the State Commission of a certificate of public convenience and necessity authorizing motor common carrier operations in intrastate commerce and containing the recitations required by section 206(a)(6) of the Interstate Commerce Act, as amended October 15, 1962, the holder of such State certificate shall file with the Interstate Commerce Commission at Washington, D.C., an Application for Motor Carrier Certificate of Registration, Form BOR-100, § 1003.1 of this chapter. Such application shall be prepared in accordance with and contain all information called for in the form of application and the instructions thereto. Copies of such application shall be furnished in such number, and be filed and served in the manner and upon the persons specified in the form of application.

(2) Upon receipt, an application for a Certificate of Registration will be assigned a docket number; and thereafter notice of the date of filing of the application and the docket number assigned thereto will be transmitted by the Interstate Commerce Commission to the applicant and those persons upon whom copies of the application were served by the applicant as specified in the form of application; and thenceforth all further proceedings therein before the Interstate Commerce Commission will be under such docket designation.

(3) Any party in interest, who or which opposed in the State Commission proceeding the authorization of operations in interstate or foreign commerce, shall be deemed to be a party in the corresponding application proceeding instituted in accordance with subparagraph (1) of this paragraph. No other person will be permitted to participate in such proceeding except upon a showing of substantial reasons in a petition submitted in accordance with Rule 72 of the Commission's general rules of practice.

(4) Except for good cause shown, and upon leave granted, failure to file an application for a Certificate of Registration within the 30-day time period specified in subparagraph (1) of this paragraph shall be construed as a waiver of any right thereafter to file for and obtain such a certificate.

(e) *Petitions for reconsideration of State Commission decisions made the subject of applications for Certificates of Registration*—(1) *Parties.* Any party in interest, who or which opposed in the State Commission proceeding the authorization of operations in interstate or foreign commerce, may file with the Interstate Commerce Commission at Washington, D.C., a petition seeking reconsideration of the State Commission decision which is the basis for an application for a Certificate of Registration.

(2) *Filing requirements.* Except for good cause shown, and upon leave granted, petitions under this rule shall be filed within 30 days after the date of the filing of an application with the Interstate Commerce Commission pursuant to paragraph (d)(1) of this section for a Certificate of Registration authorizing motor common carrier operations in interstate and foreign commerce under the provisions of section 206(a)(6) of the Interstate Commerce Act, as amended October 15, 1962, and such petition shall be filed under the docket number assigned to the related application proceeding.

(3) *Contents.* Any such petition shall specify with particularity the facts, matters, and arguments relied upon; and unless a copy of such record already has been submitted by another petitioner, such petition shall be accompanied by a certified copy of the complete record made before the State Commission, including a transcript of any testimony taken and any exhibits filed before such State Commission, such copy to be provided by, and at the expense of, the petitioner. The petition shall conform in all respects to requirement of Rules 15 and 17 of this Commission's general rules of practice. The original and 6 copies of the petition, and one certified copy of the record made before the State Commission, shall be furnished for the use of the Interstate Commerce Commission.

(4) *Replies to petitions.* A reply to a petition filed under these rules may be filed and served within 20 days after the final date for filing such petitions. The original and 6 copies of the reply shall be furnished for the use of the Interstate Commerce Commission.

(5) *Service of petitions and replies.* Copies of each petition and reply filed under these rules shall be served on the State Commission involved and on all other parties to the State Commission proceeding in accordance with the requirements of Rule 22 of the Commission's general rules of practice.

(6) *Effect of petitions.* The filing under these rules of a petition for reconsideration shall not preclude or affect the institution of the motor carrier operations in intrastate commerce authorized by the State certificate; and failure seasonably to file a petition for reconsideration under these rules will be construed as a waiver of opposition and further participation in the related application proceeding for a Certificate of Registration.

(f) *Disposition of Applications for Certificates of Registration and related petitions for reconsideration.* Applications for Certificates of Registration and related petitions for reconsideration filed under these rules will be handled together and processed in a single proceeding and will be disposed of by the division of the Interstate Commerce Commission to which these matters may be assigned, acting as an Appellate Division. Except as the Interstate Commerce Commission may, in its discretion, otherwise direct, a decision or order issued by the Appellate Division disposing of such an application and petition will be administratively final and petitions by any of the parties for reconsideration of such Division's actions will not be entertained.

(g) *Disposition of Unopposed Applications for Certificates of Registration.* Where the State Commission proceeding which resulted in the issuance of the State Certificate sought to be made the basis of a Certificate of Registration was unopposed, or where petitions for reconsideration of the finding of the State Commission that the public convenience and necessity require operations in interstate and foreign commerce are not seasonably filed, the application for a Certificate of Registration will be disposed of in the most expeditious manner and, so far as practicable and legally permissible, without formal hearings or other proceedings.

§ 1100.246 Special rules pertaining to proceedings for the discontinuance or change of train or ferry service. (Rule 246)

(a) *Scope of special rules.* These special rules govern procedure before the Commission in proceedings commenced by carriers subject to part I of the Interstate Commerce Act, under and pursuant to the provisions of section 13a of said Act, upon a notice under paragraph (1) of said section or by a petition under paragraph (2) thereof, with respect to a proposed discontinuance or change, in whole or in part, of the operation or service of any train or ferry.

(b) *General rules otherwise applicable.* Except as provided otherwise in these special rules, proceedings upon notices and petitions filed under section 13a shall be governed by the Commission's general rules of practice.

(c) *Notices and petitions by carriers.* A notice filed under paragraph (1), and a petition under paragraph (2), of said section 13a shall be prepared in accordance with and contain the information called for by rules and regulations then in force with respect to such a notice or petition. See Part 1122 of this chapter.

(d) *Notice to interested parties.* Notice of the institution of any investigation or of the time and place of any hearing, conference, or other proceeding will be given by the Commission to the carrier or carriers involved, the Governor and appropriate regulatory agency of each State in which the train or ferry affected is operated, protestants, and other interested parties of record, by mailing to them the order or notice instituting the investigation or assigning the hearing, conference, or other proceeding. Similar notice will be given to the same parties of changes in the time or place of hearing, conference, or other proceeding when time permits notice by mail; but, if telegraphic notice becomes necessary, notice of such changes will be

given by telegram only to those who have requested telegraphic notice at their expense.

(e) *Participation at hearings without intervention.* In an investigation proceeding under section 13a(1), or in proceedings upon a petition filed under section 13a(2), an appearance may be entered at the hearing without filing a petition in intervention or other pleading, if there is full disclosure of the identity of the person or persons in whose behalf the appearance is to be entered, if the interest of such person in the proceeding and the position intended to be taken are stated fairly, and if the contentions will be reasonably pertinent to the issues already presented. A person in whose behalf an appearance is entered in this manner becomes a party to the proceeding.

(f) *Complaints and protests.* When a notice is filed with the Commission pursuant to the provisions of section 13a(1), proposing to discontinue or change, in whole or in part, the operation or service of any train or ferry operating from a point in one State to a point in any other State or in the District of Columbia, or from a point in the District of Columbia to a point in any State, any interested person opposed to such proposal may make his opposition known by filing with the Commission a complaint or protest. The complaint or protest may be by telegram, letter, or other writing, of which only an original need be filed. Service of copies thereof upon the carrier proposing the discontinuance or change is not required. A complaint or protest should identify the proceeding by reference to the name of the carrier and to the particular train or ferry involved, and should state the interest of the complainant or protestant and the grounds for the position taken in opposition to the proposal. In order to be considered by the Commission, a complaint or protest must be filed with the Commission in Washington, D.C., not later than 15 days before the date when the carrier proposes to make effective the subject discontinuance or change. Replies to a protest or complaint are not contemplated, and failure to reply will not be construed as an admission of any allegations contained therein.

(g) *Petitions for reconsideration of orders instituting an investigation.* Petitions for reconsideration of an order instituting an investigation in relation to a proposed change or discontinuance may be filed by the carrier or carriers affected within 15 days after the date of service of the order. An original and 6 copies shall be furnished for the use of the Commission, and copies thereof shall be served upon the persons to whom copies of the notice of the carrier were required to be mailed by the rules and regulations prescribed by the Commission. See § 1122.5 of this chapter. Any interested person may file and serve a reply to any petition for reconsideration permitted under this paragraph within 15 days after the filing of such petition with the Commission.

(h) *Reconsideration of decision not to institute an investigation.* A decision not to institute an investigation concerning a proposed discontinuance or change of service may be made the subject of a petition for reconsideration by any interested person, provided the petition reaches the Commission at least two workdays prior to the effective date of the proposed discontinuance or change of service. If an order is desired requiring continuance of the service pending hearing and decision upon investigation, the petition should reach the Commission at least two workdays before the Commission's authority to enter such an order will expire.[1] For the purposes of this section, a workday shall be considered any day except Saturday, Sunday, or a legal holiday in the District of Columbia. (A legal holiday of less than one day shall be considered a workday within the meaning of this section.) Petitions submitted under this paragraph shall be filed with the Secretary of the Commission by 4:00 p.m., United States Standard Time (or by 4:00 p.m., Local Daylight Saving Time if that time is observed in the District of Columbia.) Written or telegraphic communication in intelligible form requesting reconsideration will be sufficient. The request for reconsideration shall contain the following prefatory statement: "This matter requires expedited handling under the Commission's special rules of practice". If in writing, an original and six copies of the petition shall be furnished for the use of the Commission. Telegraphic notice or its equivalent must be given by the petitioner to the carrier or carriers affected, and certification that such notice has been given must accompany the request for reconsideration. Action may be taken upon the petition without awaiting a reply, but if a reply is received prior to a decision upon the petition it will be given consideration. A petition not timely filed will be rejected by the Secretary.

(i) *Protests.* As the applicable statute requires a full hearing in the State involved before the Commission may grant a petition under the provisions of section 13a(2), for authority to discontinue or change the operation or service of any train or ferry operated wholly within the boundaries of a single State, it is not necessary that persons opposed to such a petition file a protest in order to obtain a hearing on the proposal, but interested persons may file protests by complying with Rule 40 or they may register their opposition by letter addressed to the Secretary, Interstate Commerce Commission, Washington, D.C. 20423, for the purpose of receiving notice of the time and place of hearing when assigned. See paragraph (e) of this section in regard to participation at hearings.

[1] Under the provisions of section 13a(1) of the Act, an order of the Commission requiring continuance of the operation or service, pending hearing and decision in an investigation, must be served upon the carrier or carriers affected thereby at least 10 days before a discontinuance or change would otherwise become effective.

§ 1100.247 Special rules governing notice of filing of applications by motor carriers of property or passengers and brokers under sections 206 (except section 206(a)(6) relating to Certificates of Registration), 209 and 211, by water carriers under sections 302(e), 303, and 309, and by freight forwarders under section 410 of the Interstate Commerce Act, and certain other procedural matters with respect thereto. (Rule 247)

(a) *Scope and applicability of special rules*—(1) *Scope.* These special rules govern the filing and handling pursuant to the provisions of the Interstate Commerce Act of (i) applications for certificates, permits, and licenses respecting the transportation of property or passengers under sections 206 (except section 206(a)(6) relating to Certificates of Registration), 209, and 211, (ii) applications for certificates, permits, and exemptions respecting the water transportation of property or passengers under sections 302(e), 303, and 309, and (iii) applications for permits to operate as freight forwarders and for certificates of abandonment under section 410. Except as otherwise herein provided, the general rules of practice shall apply.

(2) *Applicability.* These special rules shall apply to all applications enumerated in subparagraph (1) of this paragraph and filed with the Commission on and after May 20, 1968, and to such of those applications filed prior to that time as the Commission may designate by appropriate publication in the FEDERAL REGISTER.

(b) *Applications*—(1) *Form and content.* An application filed with the Commission under these special rules shall be prepared in accord with and contain the information called for in the form of application prescribed by the Commission or in instructions which may have been issued by the Commission with respect to the filing of such an application.

(2) *Copies and service.* Copies of an application filed under these special rules shall be furnished in such number and shall be filed and served in the manner and upon the persons specified in the form or instructions.

(3) *Requests for handling applications without oral hearing.* An applicant who believes its application is susceptible of handling without oral hearing may request such handling when the application is filed. If such a request is made at that time, the applicant shall submit with its application original verified statements of the facts to which its witnesses would testify at an oral hearing if one were held, together with one copy thereof which need not be verified. Applicant shall furnish copies of its verified statements to interested persons upon request from such interested persons.

(c) *Notice to interested persons.* (1) Notice of the filing of applications to competitors and other interested persons will be given by the publication of a summary of the authority sought in the FEDERAL REGISTER. Such summaries

will be prepared by the Commission, and it shall be the responsibility of applicant promptly to advise the Commission if the summary does not properly describe the authority sought. No other notice by applicants to interested persons is required, except that applicants are not relieved from the obligation to file copies of applications with Governors, State Boards, and Regional Directors of the Commission's Bureau of Operations as may be required by the prescribed form of the application.

(2) *Amendments.* Except for good cause shown, amendments to applications which broaden the scope of the proposed operations will not be allowed if tendered after notice of the filing of an application has been published in the FEDERAL REGISTER. Restrictive amendments acceptable to the Commission may be submitted at any time, but if tendered after such publication, they may be allowed only in the discretion of the Commission or by the hearing officer if the matter is assigned for hearing or prehearing conference.

(d) *Protests and request for hearing.* (1) Protests to the granting of an application shall be filed with the Commission within 30 days after the date notice of the filing of the application is published in the FEDERAL REGISTER. A protest filed under these rules shall certify that it has been served upon applicant's representative (or applicant, if no practitioner representing him is named in the notice of filing published in the FEDERAL REGISTER). Unless otherwise specified in the published notice, the original and one copy of the protest shall be filed with the Commission. Protests not in reasonable compliance with the requirements of these rules may be rejected in the discretion of the Commission.

(2) Failure seasonably to file a protest will be construed as a waiver of opposition and participation in the proceeding.

(3) A protest against any application shall set forth specifically the grounds upon which it is made and contain a detailed statement of the protestant's interest in the proceeding (including a copy of the specific portions of its authority which protestant believes to be in conflict with that sought in the application, and describing in detail the method (whether by joinder, interline, or other means) by which protestant would use such authority to provide all or part of the service proposed), shall request an oral hearing if one is desired, and shall specify with particularity the facts, matters, and things relied upon, but shall not include issues or allegations phrased generally. Protests phrased in general terms and not complying with these specifications may be rejected.

(4) Any request for an oral hearing shall be supported by a specific explanation as to why the evidence to be presented cannot reasonably be submitted in the form of affidavits, and shall set forth the number of witnesses which would be presented by the protestant and an estimate of the hearing time required for such presentation. Protests embracing a request for oral hearing shall contain the following certification without further qualification:

> The undersigned hereby certifies that, if an oral hearing is held, protestant(s) will appear and present evidence of protestant(s) own operations and particular interest(s) in the outcome of this application unless this application is amended so as to eliminate the interest(s) of protestant(s) as set forth in this protest.

(5) Where a person has a limited interest in an application, which possibly could be eliminated by a restrictive amendment to the application, which amendment must be acceptable to the Commission, it may also include in a protest filed in conformity with this paragraph an offer to withdraw the protest in the event of acceptance by applicant and the Commission of such amendment.

(6) Except where a restrictive amendment has been made as provided in subparagraph (5) of this paragraph, or for good cause shown, the failure of any person filing a protest to an application to appear at a hearing scheduled thereon shall be construed as a waiver of its right to participate further in the proceeding; such person shall no longer be considered as a party to the proceeding, and it and any representative responsible for its participation in the proceeding may be subject to censure for failure to appear. In addition, the mere appearance of protestant without the presentation of evidence of protestant's own operations and particular interest in the application may, in the absence of good cause shown, subject protestant and its representative to similar censure.

(7) An interested person, not a protestant, desiring to receive notice of the time and place of any hearing, conference, or other proceedings shall notify the Commission by telegram or letter (original and one copy) within 30 days from the date of the publication of the notice of the filing of the application in the FEDERAL REGISTER.

(e) *Hearing or other procedures to be followed*—(1) *Determination.* The Commission will determine whether an assignment for oral hearing should be made, after notice to interested persons of the filing of the application has been published in the FEDERAL REGISTER and the period for filing protests has expired. At or prior to such time, any applicant who does not intend to prosecute its application should promptly request dismissal thereof.

(2) *Uncontested proceedings.* Proceedings in which no protests are filed within 30 days after publication of notice in the FEDERAL REGISTER, and which are not assigned for oral hearing, will be determined on the basis of verified statements submitted by applicant. Where not submitted previously along with the application as provided in paragraph (b) (3) of this section, such statements, by order, will be required to be filed by the applicant with the Commission within the time prescribed in said order, failing which the application may be summarily dismissed for want of prosecution.

(3) *Contested proceedings.* In those contested proceedings which the Commission determines that assignment of an application for oral hearing is unnecessary, thereafter the procedure shall be in accordance with Rules 45(b), 46(b), and 47–54, inclusive, of the general rules of practice, except that only the original and one copy of any statement made pursuant to Rule 51 need be filed with the Commission. All other contested proceedings which are subject to these rules will be assigned for oral hearing, unless other procedures are ordered.

(f) *Withdrawal or dismissal of contested applications.* If protests to its application have been filed, applicant shall, within 30 days after the period for filing protests has expired, notify the Commission in writing (1) that it is ready to proceed and prosecute the application, or (2) that it wishes to withdraw the application. Failure so to notify the Commission will be construed to mean that applicant has no further interest in the application, and the application will thereupon be dismissed by the Commission. Withdrawal of the application after the 30-day period or failure by applicant to appear at a hearing scheduled thereon will, except for good cause shown, subject applicant and its representative to censure.

(g) *Notice of hearing, conference or other proceedings*—(1) *Initial assignment.* Notice of the time and place of any hearing, conference, or other proceedings will be given to applicant's representative, applicant, protestants, and other interested parties by mailing to them the order or notice assigning the application for hearing, conference, or other procedure.

(2) *Assignment of an application for hearing concurrently with notice of its filing.* For the convenience of the Commission in handling applications related to one or more applications which already have been noticed in the FEDERAL REGISTER, when, in the Commission's discretion, the public interest would be served, an application may be concurrently noticed and assigned for hearing provided appropriate publication in the FEDERAL REGISTER can be made at least 1 week prior to the assigned date of hearing. Where such action is taken, and regardless of any prior publication of the application, any interested person may, without filing a protest prior to the assigned hearing, appear at the hearing in opposition to the application so assigned and become a party and be entitled to participate in that proceeding.

(3) *Requests for change.* A request by any party for a change in the time or place of an assigned hearing must set forth good and sufficient cause for the action requested, must be in writing and filed with the Commission not less than 10 days before the assigned hearing date, except in emergency circumstances, and must be served on all known parties of record at the same time and by the same method of communication as service is made on the Commission. Where such requests are filed less than 10 days before the date of hearing, the petitioning party shall state the reasons for his failure to make such request within the prescribed 10 days.

(4) *Notice of changes.* The applicant's representative (or applicant if it has no representative), protestants, and those who request notice of changes in time or place of hearing, conference, or other proceeding will be informed of such changes if notice is given by mail. If telegraphic notice becomes necessary, notice of such changes will be given by telegram only to those who request telegraphic notice at their expense.

(h) *Intervention.* Rule 73 relating to participation without intervention is inapplicable to applications subject to this section, except with respect to those persons seeking to intervene in support. No person who fails to file a protest as provided in these rules will be permitted to intervene in opposition in a proceeding except upon a showing of substantial reasons in a petition submitted in accordance with Rule 72.

(i) *Drafting of recommended order and report by prevailing party.* Applications in which oral hearings are held and in which the hearing officer can announce his decision, either (1) on the record after the close of the taking of testimony or (2) by appropriate notification to the parties after the filing of briefs, may be made the subject of a report and recommended order, prepared by the party or parties in whose favor the hearing officer decides, within a period specified by the hearing officer. The hearing officer will make such changes as he considers appropriate in the draft prepared for him.

NOTE: The following General Policy Statement Concerning Motor Carrier Licensing Procedures (Ex Parte No. 55) was published May 3, 1966, at 31 F.R. 6600:

The number of applications filed for authority to conduct operations, in interstate or foreign commerce, as common and contract carriers by motor vehicle, long has been on the increase. The rate of this increase has accelerated markedly in recent years and shows no signs of abating. Motor carrier applications alone, which now make up about 85 percent of the Commission's formal case docket, increased from 5,655 new filings in 1964 to 7,658 new filings in 1965. In the first quarter of 1966, 2,454 motor carrier applications already have been opened. The pending docket of this category of cases alone on April 1, 1966, totaled 6,534.

Motor carrier application proceedings involve issues of substantial interest not only to the regulated transportation industry, but to every shipper and receiver of goods, regardless of the size of his operation; to manufacturers, wholesalers, distributors, and retailers; and to all members of the general public, both as buyers and consumers, and as travelers over the lines of the Nation's common carriers of passengers. To delay a determination that a newly proposed motor transportation is required by the public convenience and necessity or would be consistent with the public interest and the national transportation policy can result in an irretrievable loss of sales and can unjustifiably deprive the public of needed products and transportation services. For the regulated surface transportation industry to continue to thrive, to grow, and to keep pace with the expanding national economy, the mechanics of regulation must be such that administrative decisions are not only fair and impartial, but are rendered with reasonable dispatch and efficiency. The regulatory process in which competing claims are considered and adjudicated must be geared to the type of proceeding involved, and must not entail an expenditure of time and money, either for the parties or the Government, which is disproportionate to the scope, importance, and economic significance of the particular proceeding.

Operating under its present procedures, the Commission no longer is able to deal with motor carrier application proceedings with the promptness and efficiency to which the parties are entitled, and which the nature of the proceedings themselves and the public interest require. The due and timely execution of the Commission's functions, therefore, imperatively and unavoidably, requires that these procedures be modified to eliminate those steps and procedural requirements which result in undue and unnecessary delay and in unjustified expense.

To achieve the foregoing ends and to insure that application proceedings are adjudicated with the maximum possible speed and efficiency consistent with the requirements of due process of law, this Commission has adopted, among other things, a number of general policies and internal procedures governing the handling and processing of motor carrier operating authority applications. A new form for applying for operating rights has been approved and released, and revised special rules of practice have been issued.

In processing the motor carrier caseload, the scheduling of unnecessary oral hearings will be avoided to the extent possible. Where the issues presented are well defined or where the matters involved are not of sufficient moment to justify the expense of an oral hearing, parties will be required to submit their evidence in the form of verified statements under the modified procedure, and the issuance of an initial report by a hearing officer will be dispensed with. Oral hearings for the sole purpose of cross-examination will be scheduled only where material facts are in dispute.

All applications for motor carrier operating rights will be noticed in the FEDERAL REGISTER as at present. After the 30-day period for filing protests has expired, the Commission will determine whether an application should be placed on the hearing docket or the modified procedure docket.

All unopposed applications will be assigned directly to the Commission's Operating Rights Board, as is done at present. Where the necessary supporting information has not been filed with the application, an order will be entered calling for the filing of the necessary supporting verified statements, after which the case will be disposed of by that Board.

All opposed applications will be placed either on the hearing docket or the modified procedure docket. To the hearing docket will be assigned the more complex cases, and those which, for one reason or another, might be handled more expeditiously and effectively with an oral hearing. Applications placed on the hearing docket will be processed through oral hearing and the issuance of a report and recommended order.

To the modified procedure docket will be assigned those applications in which an oral hearing is not deemed necessary for their proper disposition. Assignments to the modified procedure docket will be followed by the entry of an order requiring the submission of the supporting and opposing evidence under the present general rules of practice. Such order will provide that "except for good cause shown" all preliminary motions or other requests for relief filed prior to a decision will not be handled separately but will be acted upon by those making the decision in the case.

Following the filing of all verified statements under the modified procedure in opposed application proceedings, the cases will be submitted to one of the five existing Review Boards, in rotation, to the extent practicable, for the issuance of final reports. The Boards' decision will be subject to petitions to Appellate Division 1.

A request for cross-examination by any party will be disposed of by the Review Board. If the Board concludes that the request has merit, it will have the authority to refer the case for hearing for the purpose of cross-examination. Requests which are found to be without merit will be denied in the Board's report, with the reasons for the action taken. The Review Board also will have authority to refer for full oral hearing any case in which it believes such treatment is warranted.

APPENDIX A—CODE OF ETHICS FOR PRACTITIONERS BEFORE THE INTERSTATE COMMERCE COMMISSION

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PREAMBLE

No rules of conduct can be framed which will particularize all the duties of the practitioner in the varying phases of litigation or in his relations to clients, adversaries, other practitioners, the Commission and the pub-

lic. The following canons of ethics are adopted as a general guide for those admitted to practice before the Interstate Commerce Commission.

It will be remembered that the practitioners before the Commission include (a) lawyers, who have been regularly admitted to practice law, and (b) others having traffic or other technical experience qualifying them to aid the Commission in administration of the Interstate Commerce Act and related acts of Congress. The former are bound by a broad code of ethics and unwritten rules of professional conduct which apply to every activity of a lawyer; for the latter, no code of ethics has been written heretofore. The following canons do not release the lawyer from any of the duties or principles of professional conduct by which lawyers are bound. They apply alike to all practitioners before the Commission and the setting forth therein of particular duties or principles of conduct should not be construed as a denial of the existence of others equally imperative although not specifically mentioned. The word "Commission" as used herein includes Divisions of the Commission, and the representatives of the Commission, whether members, examiners, or other employees connected with the matter in hand.

CANONS OF ETHICS

1. *Standards of ethical conduct in courts of United States to be observed.* These canons are in furtherance of the purpose of the Commission's rules of practice which enjoin upon all persons appearing in proceedings before it to conform, as nearly as may be, to the standards of ethical conduct required of practitioners before the courts of the United States; and such standards are taken as the basis for these specifications, modified in so far as the nature of the practice before the Commission requires.

2. *The duty of the practitioner to and his attitude towards the Commission.* It is the duty of the practitioner to maintain towards the Commission a respectful attitude, not for the sake of the temporary incumbent of the office, but for the maintenance of the importance of the functions he administers. In many respects the Commission functions as a Court, and practitioners should regard themselves as officers of that Court and strive to uphold its honor and dignity. The Commission, not being wholly free to defend itself is peculiarly entitled to receive the support of the practitioner against unjust criticism and clamor. Whenever there is proper ground for serious complaint of a member or employee of the Commission it is the right and duty of the practitioner to submit his grievances to the proper authorities. In such cases, but not otherwise, such charges should be encouraged and the person making them should be protected.

3. *Punctuality and expedition.* It is the duty of the practitioner not only to his client, but also to the Commission and to the public, to be punctual in attendance, and to be concise and direct in the trial and disposition of causes.

4. *Attempts to exert political influence on the Commission.* It is unethical for a practitioner to attempt to sway the judgment of the Commission by propaganda, or by enlisting the influence or intercession of members of the Congress or other public officers, or by threats of political or personal reprisal.

5. *Attempts to exert personal influence on the Commission.* Marked attention and unusual hospitality on the part of a practitioner to a Commissioner, examiner, or other representative of the Commission, uncalled for and unwarranted by the personal relations of the parties, subject both to misconstruction of motive and should be avoided. A self-respecting independence in the discharge of duty, without denial or diminution of the courtesy and respect due the official station is the only proper foundation for cordial personal and official relations between Commission and practitioners.

6. *The selection of Commissioners.* The nomination of Commissioners is a duty of the President, and confirmation, of the Senate. It is the duty of the practitioners in so far as they attempt to advise the appointing or confirming officers, to endeavor to prevent any consideration from outweighing fitness in the selection.

7. *The practitioner's duty in its last analysis.* No client, corporate or individual, however powerful, no cause, civil or political however important, is entitled to receive, and no practitioner should render, any service or advice involving disloyalty to the law or disrespect of its official ministers, or corruption of any person or persons exercising a public office or employment or private trust, or deception or betrayal of the public. In rendering any such improper service or advice the practitioner invites and merits stern and just condemnation. Correspondingly, he advances the honor of his calling and the best interests of his client when he renders service or gives advice tending to impress upon the client and his undertaking exact compliance with the strictest principles of moral law. He must also observe and advise his client to observe the statute law, although until a statute shall have been construed and interpreted by competent adjudication, he is free and is entitled to advise as to its validity and as to what he conscientiously believes to be its just meaning and extent. But above all he will find his highest honor in a deserved reputation for fidelity to private trust and to public duty, as an honest man and as a patriotic and loyal citizen.

8. *Private communications with the Commission.* In the disposition of contested proceedings brought under the Interstate Commerce Act the Commission exercises quasi-legislative powers, but it is nevertheless acting in a quasi-judicial capacity. It is required to administer the Act and to consider at all times the public interest beyond the mere interest of the particular litigants before it. To the extent that it acts in a quasi-judicial capacity, it is grossly improper for litigants, directly or through any counsel or representative, to communicate privately with a commissioner, examiner or other representative of the Commission about a pending cause, or to argue privately the merits thereof in the absence of their adversaries or without notice to them. Practitioners at all times should scrupulously refrain in their communications to and discussions with the Commission and its staff from going beyond ex parte representations that are clearly proper in view of the administrative work of the Commission.

9. *Adverse influences and conflicting interests.* It is the duty of a practitioner at the time of retainer to disclose to the client all the circumstances of his relations to the parties, and any interest in or connection with the controversy, which might influence the client in the selection of the person to represent or assist him.

It is unethical to represent conflicting interests, except by express consent of all concerned given after a full disclosure of the facts. Within the meaning of this canon a practitioner represents conflicting interests when, in behalf of one client, it is his duty to contend for that which duty to another client requires him to oppose.

The obligation to represent the client with undivided fidelity and not to divulge his secrets or confidences forbids also the subsequent acceptance of retainers or employment from others in matters adversely affecting any interest of the client with respect to which confidence has been reposed.

10. *Joint association of practitioners and conflicts of opinion.* A client's proffer of the assistance of additional practitioner should not be regarded as evidence of want of confidence, but the matter should be left to the determination of the client. A practitioner should decline association as colleague if it is objectionable to the practitioner first retained, but if the client should relieve the practitioner first retained, another may come into the case.

When practitioners jointly associated in a cause cannot agree as to any matter vital to the interest of the client, the conflict of opinion should be frankly stated to him for his final determination. His decision should be accepted by them unless the nature of the difference makes it impracticable for the practitioner whose judgment has been overruled to cooperate effectively. In this event it is his duty to ask the client to relieve him.

Efforts, direct or indirect, in any way to encroach upon the business of another practitioner are unworthy of those who should be brethren, but, nevertheless, it is the right of any practitioner, without fear or favor, to give proper advice to those seeking relief against an unfaithful or neglectful practitioner, generally after communication with the practitioner of whom the complaint is made.

11. *Withdrawal from employment.* The right of a practitioner to withdraw from employment, once assumed, arises only from good cause. Even the desire or consent of the client is not always sufficient. The practitioner representing him should not throw up the unfinished task to the detriment of his client except for reasons of honor or self-respect. If the client insists upon an unjust or immoral course in the conduct of his case, or if he persists over the practitioner's remonstrance in presenting frivolous defenses, or if he deliberately disregards an agreement or obligation as to fees or expenses, the practitioner may be warranted in withdrawing on due notice to the client, allowing him time to employ another. So also when a practitioner discovers that his client has no case and the client is determined to continue it; or even if he finds himself incapable of conducting the case effectively. Sundry other instances may arise in which withdrawal is to be justified. Upon withdrawing from a case after a retainer has been paid, he should refund such part of the retainer as has not been clearly earned.

12. *Advising upon the merits of a client's cause.* A practitioner should endeavor to obtain full knowledge of his client's cause before advising thereon, and he is bound to give a candid opinion of the merits and probable result of pending or contemplated litigation. He should beware of bold and confident assurances to clients, especially where employment may depend upon such assurance. Whenever the controversy will admit of fair adjustment, the client should be advised to avoid or to end the litigation.

13. *Negotiations with opposing party.* A practitioner should not in any way communicate upon the subject of controversy with a party represented by another practitioner except upon express agreement with the practitioner representing such party; much less should he undertake to negotiate or compromise the matter with him, but should deal only with the practitioner who represents the other party. It is incumbent upon the practitioner most particularly to avoid everything that may tend to mislead a party not represented by a practitioner, and he should not undertake to advise him as to the law.

14. *Fixing the amount of the fee.* In fixing fees, practitioners should avoid charges which overestimate their advice and services, as well as those which undervalue them. A client's ability to pay cannot justify a charge

in excess of the value of the service, although his poverty may require a less charge, or even none at all.

15. *Compensation, commission and rebates.* A practitioner should accept no compensation, commissions, rebates, or other advantages from parties to the proceeding other than his client without the knowledge and consent of his client after full disclosure.

16. *Contingent fees.* Contingent fees should be such only as are sanctioned by law. In no case, except a charity case, should they be entirely contingent upon success.

17. *Division of fees.* No division of fees for services is proper, except with a member of the bar or with another practitioner, based upon a division of service or responsibility. It is unethical for a practitioner to retain laymen to solicit his employment in pending or prospective cases, and reward them by a division of fees, and such a practice cannot be too severely condemned.

18. *Suing clients for fees.* Controversies with clients concerning compensation are to be avoided in so far as compatible with self-respect and with the right to receive reasonable recompense for services; and lawsuits against clients should be resorted to only to prevent injustice, imposition or fraud.

19. *Acquiring interest in litigation.* The practitioner shall not purchase or otherwise acquire any pecuniary interest in the subject matter of the litigation which he is conducting.

20. *Expenses.* A practitioner may not properly agree with a client that the practitioner shall pay or bear the expenses of litigation. He may in good faith advance expenses as a matter of convenience but subject to reimbursement by the client.

21. *Witnesses.* A practitioner shall not undertake that the compensation of a witness shall be contingent upon the success of the cause in which he is called. If the ascertainment of truth requires that a practitioner should seek information from one connected with or reputed to be biased in favor of an adverse party, he is not thereby deterred from seeking to ascertain the truth from such person in the interest of his client.

22. *Dealing with trust property.* Money of the client or other trust property coming into the possession of the practitioner should be reported promptly, and, except with the client's knowledge and consent, should not be commingled with the practitioner's private property or be used by him.

23. *How far a practitioner may go in supporting a client's cause.* Nothing will operate more certainly to create or foster popular prejudice against practitioners as a class, and deprive them of that full measure of public esteem and confidence which belongs to the proper discharge of their duties than does the false claim, often set up by the unscrupulous in defense of questionable transactions, that it is the duty of the practitioner to do whatever may enable him to succeed in winning his client's cause.

The practitioner owes "entire devotion to the interest of the client, warm zeal in the maintenance and defense of his rights, and the exertion of his utmost learning and ability," to the end that nothing be taken or be withheld from him, save by the rules of law, legally applied. No fear of the disfavor of the Commission or public unpopularity should restrain him from full discharge of his duty. The client is entitled to the benefit of any and every remedy and defense that is authorized by the law of the land, and he may expect his counsel to assert every such remedy or defense. But it is to be steadfastly borne in mind that this great trust is to be performed within and not without the bounds of the law. Admission to the privilege of appearing before the Commission as representing another does not permit, much less does it demand of him for any client, violation of law or any manner of fraud or chicane. He must obey his own conscience and not that of his client.

24. *Restraining clients from improprieties.* A practitioner should use his best efforts to restrain and to prevent his clients from doing those things which he himself ought not to do, particularly with reference to their conduct towards the Commission, other practitioners, witnesses and suitors. If a client persists in such wrong-doing the practitioner should terminate their relations.

25. *Ill-feeling and personalities between advocates.* Clients, not their representatives, are the litigants. Whatever may be the ill-feeling existing between clients, it should not be allowed to influence practitioners in their conduct and demeanor toward each other or toward suitors in the case. All personalities between practitioners should be scrupulously avoided. In the trial of a cause it is indecent to allude to the personal history or the personal peculiarities and idiosyncrasies of practitioners on the other side. Personal colloquies between practitioners which cause delay and promote unseemly wrangling should also be carefully avoided. Their statements should be addressed to the Commission.

26. *Treatment of witnesses and litigants.* A practitioner should always treat adverse witnesses and suitors with fairness and due consideration, and he should never minister to the malevolence or prejudice of a client in the trial or conduct of a cause. The client cannot be made the keeper of the practitioner's conscience in such matters. He has no right to demand that the practitioner representing him shall abuse the opposing party or indulge in offensive personalities. Improper speech is not excusable on the ground that it is what the client would say if speaking in his own behalf.

27. (None.)

28. *Discussion of pending litigation in public press.* Attempts to influence the action and attitude of the members and examiners of the Commission through propaganda, or through colored or distorted articles, in the public press, are more apt to react against than in favor of the parties resorting to such measures. On the other hand, it is not against the public interest or unfair to the Commission that the facts of pending litigation shall be made known to the public through the press in a fair and unbiased manner and in dispassionate terms. Practitioners should themselves avoid, and should counsel their clients against, giving to the public press any press notices or statements of a nature intended to inflame the public mind, to stir up possible hostility toward the Commission, or to influence the Commission's course and judgment as to pending or anticipated litigation. When the circumstances of a particular case appear to justify a statement to the public through the press, it is unethical to make it anonymously.

29. *Candor and fairness.* The conduct of practitioners before the Commission and with other practitioners should be characterized by candor and fairness. The non-technical character and liberality of the Commission's practice call for scrupulous observance of the principles of fair dealing and just consideration for the rights of others.

It is not candid or fair for a practitioner knowingly to misstate or misquote the contents of a paper, the testimony of a witness, the language or the argument of an opposing practitioner, or the language or effect of a decision or a text book; or, with knowledge of its invalidity to cite as authority a decision which has been overruled or otherwise impaired as a precedent or a statute which has been repealed; or in argument to assert as a fact that which has not been proved, or to mislead his opponent by concealing or withholding positions in his opening argument upon which his side then intends to rely.

It is dishonorable to deal other than candidly with the facts in taking the statements of witnesses, in drawing affidavits and other documents, and in the presentation of causes.

A practitioner should not offer evidence, which he knows the Commission should reject, in order to get the same before the Commission by argument for its admissibility, or arguments upon any point not properly calling for determination. He should not introduce into an argument remarks or statements intended to influence the by-standers.

These and all kindred practices are unethical and unworthy of a practitioner.

30. *Right of practitioner to control the incidents of the trial.* As to incidental matters pending the trial, not affecting the merits of the cause or working substantial prejudice to the rights of the client, such as forcing the opposing practitioner to trial when he is under affliction or bereavement, forcing the trial on a particular day to the injury of the opposing practitioner when no harm will result from trial at a different time, agreeing to extensions of time and the like, the practitioner and not the client, must be allowed to judge. In such matters no client has a right to demand that his practitioner shall be illiberal or do anything therein repugnant to the practitioner's sense of honor and propriety.

31. *Taking technical advantage of opposing practitioner; agreements with him.* A practitioner should not ignore known customs or practice of the Commission, even when the law permits, without giving timely notice to the opposing practitioner. In so far as possible, important agreements affecting the rights of clients should be reduced to writing; but it is dishonorable to avoid performance of an agreement fairly made because it is not reduced to writing.

32. *Advertising, direct or indirect.* The most worthy and effective advertisement possible is the establishment of a well-merited reputation for capacity and fidelity to trust. This cannot be forced, but must be the outcome of character and conduct. The publication or circulation of ordinary simple business cards, being a matter of personal taste or local custom, and sometimes of convenience, is not improper. But solicitation of employment by circulars or advertisements, or by personal communications or interviews, not warranted by personal relations, is unethical. It is equally unethical to procure business by indirection through touters of any kind. Indirect advertisement for employment by furnishing or inspiring newspaper comments concerning causes in which the practitioner has been or is engaged, or concerning the manner of their conduct, the magnitude of the interests involved, the importance of the practitioner's positions, and all other like self-laudation, lower the tone of the calling and are intolerable.

33. *Professional card.* The simple professional card mentioned in Canon 32 may with propriety contain only a statement of the practitioner's name (and those of his associates), occupation, address, telephone number, and special branch or branches of practice. Such cards may be inserted in reputable lists and may give authorized references, or name clients with their permission.

34. *Stirring up litigation, directly or through agents.* It is unethical for a practitioner to volunteer advice that a proceeding be brought before the Commission, except in rare cases where ties of blood, relationship or trust make it his duty to do so. Stirring up strife and litigation is not only unethical but it is indictable at common law. It is disreputable for a practitioner to hunt up

defects or other causes of action and disclose them in order to be employed to bring complaint, or to breed litigation by seeking out those having claims for damages or any other grounds of action in order to secure them as clients, or to employ agents or runners for like purposes, or to pay or reward, directly or indirectly, those who bring or influence the bringing of such cases to his office to seek his services. No complaint should be brought before the Commission by a practitioner except with the distinct knowledge and specific consent of the client in the particular case. A duty to the public and to the Association devolves upon every member having knowledge of such practices upon the part of any practitioner, immediately to inform thereof to the end that the offender may be disciplined or disbarred.

35. *Justifiable and unjustifiable litigation.* The practitioner must decline to conduct a cause or to make a defense when convinced that it is intended merely to harass or to injure the opposing party, or to work oppression or wrong. But otherwise it is his right, and having accepted retainer, it becomes his duty, to insist upon the judgment of the Commission as to the merits of his client's claim. His appearance should be deemed equivalent to an assertion upon his honor that in his opinion his client's case is one proper for determination.

36. *Responsibility for litigation.* No practitioner is obliged to act either as adviser or advocate for every person who may seek to become his client. He has the right to decline employment. Every practitioner upon his own responsibility must decide what employment he will accept, what causes he will bring before the Commission for complainants, or contest for defendants or respondents. The responsibility for advising as to questionable transactions, for bringing questionable proceedings, for urging questionable defenses is his alone. He cannot escape it by urging as excuses that he is only following his client's instructions, or that he is under a stated retainer or in the regular employment of his client.

37. *Discovery of imposition and deception.* When a practitioner discovers that some fraud or deception has been practiced, which has unjustly imposed upon the Commission or a party, he should endeavor to rectify it; first by advising his client to forego any advantage thus unjustly gained and, if his client refuses, by promptly informing the injured person or his counsel (practitioner), so that appropriate steps may be taken.

38. *Upholding the honor of the calling.* Practitioners should expose without fear or favor before the proper tribunals corrupt or dishonest conduct and should accept without hesitation employment against a practitioner who has wronged his client. The practitioner upon the trial of a cause in which perjury has been committed owes it to the Commission and to the public to bring the matter to the knowledge of the prosecuting authorities. The practitioner should aid in guarding the bar of the Commission against admission thereto of candidates unfit or unqualified because deficient in either moral character or education. A practitioner should propose no person for admission to practice before the Commission unless from personal knowledge or upon reasonable inquiry he sincerely believes and is able to vouch that such person possesses the qualifications prescribed in the Commission's rules of practice. He should strive at all times to uphold the honor and maintain the dignity of his calling and to improve not only the law but the administration of justice.

39. *Intermediaries.* The services of a practitioner should not be controlled or exploited by any lay agency, personal or corporate, which intervenes between client and practitioner. His responsibility and qualifications are individual. He should avoid all relations which direct the performance of his duties in the interest of such intermediaries. His relation to the client should be personal, and the responsibility should be direct to the client.

He may accept employment from any organization such as an association, club or trade organization, authorized by law to be a party to proceedings before the Commission, to render services in such proceedings in any matter in which the organization, as an entity, is interested. This employment should only include the rendering of such services to the members of the organization in respect to their individual affairs as are consistent with the free and untrammeled performance of his duties to the Commission.

Nothing in this canon shall be construed as conflicting with canon 17.

40. *Retirement from public employment.* A practitioner, having once held public office or having been in the public employ, should not after his retirement, accept employment as an advocate or adviser in the same proceeding or as to the same, or substantially the same, facts as were involved in any specific question which he investigated or passed upon in a judicial or quasi-judicial capacity while in such office or employ, whether the same or different parties are concerned.

41. *Confidences of a client.* The duty to preserve his client's confidences in the course of his employment outlasts the practitioner's employment, and extends as well to his employees. None of them should accept employment which involves the disclosure or use of these confidences, either for the private advantage of the practitioner or his employees or to the disadvantage of the client, without knowledge and consent of the client even though there are other available sources of such information. A practitioner should not continue employment when he discovers that this obligation prevents the performance of his full duty to his former or to his new client.

If a practitioner is falsely accused by his client, he is not precluded from disclosing the truth in respect to the false accusation. The announced intention of a client to commit a crime is not included within the confidences which a practitioner is bound to respect. He may properly make such disclosures as to prevent the act or protect those against whom it is threatened.

42. *Partnerships-names.* Partnerships among practitioners for the practice of their calling are very common and are not to be condemned. The rules of the Commission provide that corporations or firms will not be recognized. Practitioners before the Commission should therefore appear individually and not as members of partnerships. In the formation of partnerships care should be taken not to violate any law locally applicable; care should also be taken to avoid any misleading name or representation which would create a false impression as to the position or privileges of a member not locally admitted, or who is not duly authorized to practice, and as such amenable to discipline. No person should be held out as a practitioner or member who is not so admitted. No practitioner who is not admitted to practice in the courts should be held out in a way which will give the impression that he is so admitted. No false or assumed or trade name should be used to disguise the practitioner or his partnership. The continued use of the name of a deceased or former partner is or may be permissible by local custom, but care should be taken that no imposition or deception is practiced through this use. If a member of the firm becomes a Commissioner, or an Examiner or other employee of the Commission his name should not be retained in the firm name, as such retention may give color to the impression that an improper relation or influence is continued or possessed by the firm.

This canon does not inhibit the association of a practitioner with a mercantile, manufacturing, or other commercial institution, in the capacity of its representative or adviser.

43. *Titles.* No member of the Association not admitted to the bar shall use the title "Attorney" or "Counsel" but should use the title "Traffic Manager," "Practitioner before the Interstate Commerce Commission," "Registered Practitioner," or other appropriate title or designation.

APPENDIX B—APPROVED FORMS

TABLE OF CONTENTS

1. Complaint; verification.
2. Answer.
3. Certificate of service.
4. Petition for leave to intervene.
5. Form of reparation statement under Rule 100.
6. Verification for statements of fact filed under modified procedure.
7. Approved Form No. 7 under Rule 245.

[These forms may be used in cases to which they are applicable, with such alterations as the circumstances may render necessary. Before using such forms the pertinent rules, particularly those referred to in the footnotes, should carefully be studied.]

No. 1. COMPLAINT [1]

Before the Interstate Commerce Commission

COMPLAINT

---

v.

[Insert without abbreviation the names of complainant and defendant (including each of the receivers, operating trustees, or other legal representatives of defendant), and whether a corporation, firm, or partnership, specifying the individual names of the parties composing the partnership; and the postoffice address of any motor-carrier defendant.]

The Complaint of the above-named complainant respectfully shows:

I. That [complainant should here state nature and place of business, also whether a corporation, firm, or partnership, and if a firm or partnership, the individual names of the parties composing the same.]

II. That the defendant above named is [here state whether: (a) carrier by railroad, express, motor vehicle (common or contract), water (common or contract), a freight forwarder, or otherwise; (b) the transportation is of property or passengers, or both; and (c) the transportation involves a freight forwarder or more than one type of carrier, specifying particulars] between points in the State of_____ and points in the State of_____ [a complaint under part II should specifically name the States in and through which the transportation which gives rise to the complaint is performed] and as such defendant is subject to the provisions of the Interstate Commerce Act.

III. That [state in this and subsequent paragraphs to be numbered IV, V, etc., the matter or matters intended to be complained of, naming every rate, fare, charge, classification, regulation, or practice the lawfulness of which is challenged, and also, if practicable, the points between which the rates, etc., complained of are applied. Where it is impracticable to designate each point, describe clearly the rate territory or rate group involved. Whenever practicable tariff or schedule reference should be given.]

[Where unlawful discrimination, preference, or prejudice is alleged the particular

[1] See Rules 26 to 33, inclusive.

elements specified in the act as constituting such violation (see sections 2, 3, 4, 13, 216, 217, 218, 305, and 406) and the facts upon which complainant relies to establish the violation should be stated clearly. Where any provision of the act other than those just mentioned, or any requirement established pursuant to the act, is alleged to be violated, the pertinent statutory provision, or established requirement, together with the facts which are alleged to constitute the violation, should be stated. If two or more subsections of the act or requirements established pursuant thereto are alleged to be violated, the facts claimed to constitute violation of one subsection, or requirement, should be stated separately from those claimed to constitute a violation of another subsection, or requirement, wherever that can be done by reference or otherwise without undue repetition.]

X. That by reason of the facts stated in the foregoing paragraphs complainant has been subjected to the payment of rates [fares or charges, etc.] for transportation which were when exacted and still are (1) unjust and unreasonable in violation of section ..... of the Interstate Commerce Act, and (2) unjustly discriminatory in violation of section....., and (3) unduly preferential or prejudicial in violation of section....., and (4) in violation of the long-and-short haul [or aggregate of intermediate rates] provision of section 4 thereof. [Use one or more of the allegations numbered (1), (2), (3), (4), or other appropriate allegation according to the nature of the complaint.] That [if recovery of damages is sought] complainant has been injured thereby to his damage in the sum of $.....

Wherefore complainant prays that defendant be required to answer the charges herein; that after due hearing and investigation an order be made commanding said defendant [and each of them] to cease and desist from the aforesaid violations of said act, and establish and put in force and apply in future to the transportation of..... between the origin and destination points named in paragraph.....hereof, in lieu of the rates [fares, or charges, etc.], named in said paragraph, such other rates [fares, or charges, etc.], as the Commission may deem reasonable and just [and also, if recovery of damages is sought, pay to complainant by way of reparation for the unlawful charges hereinbefore alleged the sum of $ ....., or such other sum as, in view of the evidence to be adduced herein, the Commission shall determine that complainant is entitled to an award of damages under the provisions of said act for violation thereof], and that such other and further order or orders be made as the Commission may consider proper in the premises.

Dated at....., 19.....

.....
(Complainant's signature [2])

.....
(Office and post-office address)

.....
(Signature of practitioner)

.....
(Post-office address)

VERIFICATION [3]

State of.....
County of..... } ss:

....., being duly sworn, deposes and says: that he is the complainant (or, one of the complainants; or, is the (Insert title of the affiant if complainant is a corporation) of the ..... company, complainant) in the above-entitled proceeding; that he has read the foregoing complaint, and knows the contents thereof; that the same are true as stated, except as to matters and things if any, stated on information and belief, and that as to those matters and things, he believes them to be true.

.....

Subscribed in my presence, and sworn to before me, by the affiant above named, this ..... day of ....., 19.....

[USE AN L. S. IMPRESSION SEAL]

.....
[Title of Officer]

Commission expires .....

No. 2. ANSWER [4]

Before the Interstate Commerce Commission

ANSWER

Docket No. .....

.....
v.

.....

The above-named defendant, for answer to the complaint in this proceeding, respectively states:

I. [Here set forth appropriate and responsive admissions, denials, and averments, specifically answering the complaint paragraph by paragraph.]

Wherefore defendant prays that .....

Dated ....., 19.....

.....
[Name of defendant]

By [5] .....

.....
[Title of officer]

.....
[Office and post-office address]

.....
[Signature of practitioner]

.....
[Post-office address]

No. 3. CERTIFICATE OF SERVICE [6]

I hereby certify that I have this day served the foregoing document upon all parties of record in this proceeding, by (here state the precise manner of making service, which must be consistent with the provisions of Rule 22).

Dated at ....., this ..... day of ....., 19...

(Signature) .....

No. 4. PETITION FOR LEAVE TO INTERVENE [7]

Before the Interstate Commerce Commission

PETITION

.....
v. } Docket No. .....
.....
[or state other title]

Comes now your petitioner, ... and respectfully represents that he has an interest in the matters in controversy in the above-entitled proceeding and desires to intervene in and become a party to said proceeding, and for grounds of the proposed intervention says:

I. That [petitioner should here state nature and place of business, and whether a corporation, firm, or partnership, etc., as in form No. 1].

II. [Petitioner should here set out specifically his position and interest in the proceeding.]

III. [If affirmative relief is sought see paragraphs III and X and prayer in form No. 1]

Wherefore said ..... prays leave to intervene and be treated as a party hereto with the right to have notice of and appear at the taking of testimony, produce and cross examine witnesses, and be heard in person or by counsel upon brief and at the oral argument, if oral argument is granted.

[If affirmative relief is sought insert appropriate prayer here.]

Dated at ....., 19.....

[See forms Nos. 1 and 3 as to subscription, verification, and certificate of service.]

[1] See Rules 35 to 37, inclusive.
[2] See Rule 17.
[3] See Rule 22.
[4] See Rule 72.

No. 5. FORM OF REPARATION STATEMENT UNDER RULE 100

Claim of ..... under decision of the Interstate Commerce Commission in Docket No. .....

Date of shipment	Date of delivery or tender of delivery	Date charges were paid	Car [1] initials	Car [2] number	Origin	Destination	Route	Commodity	Weight	As charged		Should be		Reparation on basis of the Commission's decision	Charges paid by [3]
										Rate	Amount	Rate	Amount		

Claimant hereby certifies that this statement includes claims only on shipments covered by the findings in the docket above described and contains no claim for reparation previously filed with the Commission by or on behalf of claimant or, so far as claimant knows, by or on behalf of any other person, in any other proceedings, except as follows: (Here indicate any exceptions, and explanation thereof).

.....
Claimant

By .....
Practitioner

.....
Address

.....
Date

Total amount of reparation $.....

The undersigned hereby certifies that this statement has been checked against the records of this company and found correct.

Date ..... Concurred [4] in: ..... Company

..... Company, Defendant Collecting Carrier, Defendant. [5]

By ....., Auditor. By ....., Auditor.

[1] Substitute "Vessel" if water carrier involved. [2] Substitute "Voyage No." if water carrier involved.
[3] Here insert name of person paying charges in the first instance, and state whether as consignor, consignee, or in what other capacity.
[4] If not a defendant, strike out word "defendant."
[5] For concurring certificate in case collecting carrier is not a defendant.

[2] See footnote to Verification.
[3] Signature and verification by complainant unnecessary if complaint is signed by a practitioner. See Rule 17.

No. 6. VERIFICATION FOR STATEMENTS OF FACT FILED UNDER MODIFIED PROCEDURE[8]

STATE OF _____,
County of _____, *ss:*

_____ being duly sworn, deposes and says that he has read the foregoing statement, knows the contents thereof, and that the same are true as stated.

(Signed) _____

Subscribed and sworn to before me this _____ day of _____.

Notary Public of _____.

My Commission expires _____.

NOTICE OF FILING OF APPLICATION FOR PUBLICATION IN FEDERAL REGISTER UNDER SECTION 206(a)(6) OF THE INTERSTATE COMMERCE ACT, AS AMENDED

(See instructions)

PART I

(To be completed by applicant)

Notice is hereby given that the below-named applicant has filed with

_____

(Name of State commission)

an application for a certificate to conduct motor common carrier operations in intrastate commerce; that, in connection with such operations, applicant also is seeking authority to engage in transportation in interstate and foreign commerce within limits which do not exceed the scope of the intrastate operations which may be authorized to be conducted; and that the intrastate and interstate operations proposed to be conducted are as set forth below.

1. _____
(Name and business address of applicant)

_____
(Street) (City) (State)

2. _____
(Name and address of applicant's representative, if any)

_____
(Street) (City) (State)

3. Describe below in full the operations proposed to be conducted in intrastate commerce, together with the extent to which applicant is seeking authority in connection with such intrastate operations to engage in transportation in interstate and foreign commerce. (If additional space is necessary, use reverse side.)

_____
(Signature)

_____
(Title)

Date _____ 19__

PART II

(To be completed by State commission)

Date of filing application _____.

Docket number assigned _____.

Date and time and place application has been assigned for hearing, if known _____

_____

_____
(Signature)

_____
(Title)

_____
(Name of State commission)

Date this notice forwarded to Interstate Commerce Commission, Washington, D.C. 20423, _____ 19__

INSTRUCTIONS

This form is for use in giving notice to interested persons regarding the filing of intrastate motor carrier applications in connection with which the applicant also desires authority to engage in interstate and foreign commerce pursuant to section 206(a)(6) of the Interstate Commerce Act, as amended October 15, 1962, by Public Law 87-805. It should be filed *in duplicate* (along with the intrastate application) with the State commission, which will forward it to the Interstate Commerce Commission, Washington, D.C. 20423.

The description in Part I, item 3 should include the commodities (or passengers) sought to be transported, the points to be served, and the routes over which, or territories within which, such transportation is to be performed. Care should be taken to insure that the description, which will be published in the FEDERAL REGISTER, fully informs interested persons of the type and scope of the proposed intrastate operations, and the extent to which applicant desires authority to engage in transportation in interstate and foreign commerce in connection with such intrastate operations.

[8] See Rule 50.

APPENDIX C—EX PARTE COMMUNICATIONS

1. *Ex parte communications.* (a) No person who is a party to, or counsel or agent of a party, or who intercedes in, any on-the-record proceeding, shall submit any ex parte communication concerning the merits of the proceeding to any member of the Commission, hearing officer, member of a joint board, or to any employee of the Commission participating in the decision in such proceeding.

(b) No member of the Commission, hearing officer, member of a joint board, or employee of the Commission participating in the decision in such proceeding shall invite or knowingly entertain any prohibited ex parte communication, or make any such communication to any party to, or counsel or agent of a party, or any other person who he has reason to know may transmit such communication to a party or party's agent.

2. The prohibitions of paragraph 1 apply from the time an on-the-record proceeding is noticed for oral hearing or the taking of evidence by modified procedure or from such earlier time as the Commission may fix by rule or order in the particular case.

3. For the purposes hereof:

(a) "On-the-record proceeding" means a proceeding required by the Constitution, by statute, by Commission rule, or by order in the particular case, to be decided solely upon the record made in a Commission hearing.

(b) "Person who intercedes in any proceeding" means any individual outside the Commission (whether in public or private life), partnership, corporation, or association, other than a party or an agent of a party, who volunteers a communication which he may be expected to know may advance or adversely affect the interest of a particular party to the proceeding, whether or not he acts with the knowledge or consent of any party or any party's agent.

(c) "Ex parte communication concerning the merits" includes both oral and written communications, but the following classes of ex parte communications shall not be prohibited:

(1) Any oral or written communication which all the parties to the proceeding agree, or which the Commission, the hearing officer, or joint board formally rules, may be made on an ex parte basis.

(2) Any oral or written communication of facts or contentions which have general significance for an industry subject to regulation if the communicator cannot reasonably be expected to know that the facts or contentions are material to a substantive issue in a pending on-the-record proceeding in which he is interested.

(3) Any communication by means of any news medium which in the ordinary course of business of the publisher is intended to inform the general public, members of the organization involved, or subscribers to such publications with respect to pending on-the-record proceedings.

(d) "Any employee of the Commission participating in the decision" includes personal assistants to members of the Commission, members of an employee review board appointed pursuant to Public Law 87-247 (1961) to whom the proceeding may be referred for decision, employees of the Commission Bureau (e.g., Operating Rights, Finance, Rates and Practices) whose responsibilities correspond to the nature of the proceeding, and the staff of the General Counsel's Office.

4. Any member of the Commission, hearing officer, employee of the Commission, or member of a joint board, participating in the decision who personally receives a written or oral communication which he believes is prohibited at the time received, shall transmit the written communication or a written summary of the substance of an oral communication promptly to the Chairman of the Commission together with a written statement of the circumstances under which the communication was made, if not apparent from the communication itself. If the Chairman concludes that the communication is prohibited, or that the dictates of fairness require that it be made public, he shall instruct the Secretary to place the written communication or summary of the oral communication in the correspondence part of the public docket of the proceeding or take such other or further action as may be appropriate under all of the circumstances.

5. The Commission may censure, or suspend or revoke the privilege to practice before the agency, of any person who knowingly and willfully makes or solicits the making of a prohibited ex parte communication.

6. To the extent permitted by law, the relief or benefit sought by a party to a proceeding may be denied if the party, or an agent of the party, knowingly and willfully makes or solicits the making of a prohibited communication.

7. The Commission may censure, suspend, or dismiss, or institute proceedings for the suspension or dismissal of, any Commission employee who knowingly and willfully violates the foregoing prohibitions or requirements.

PART 1101—TEMPORARY OPERATING AUTHORITIES AND APPROVALS

Sec.

1101.1 Extension of temporary operating authority or approval.
1101.2 Definitions and interpretations.
1101.3 Additional grant for new need.
1101.4 Termination of temporary authority or approval.

AUTHORITY: The provisions of this Part 1101 issued under sec. 17, 24 Stat. 546, as amended 49 Stat. 546, as amended, sec. 10, 52 Stat. 1238, as amended, secs. 304, 311, 54 Stat. 933; 49 U.S.C. 17, 304, 310a, 904, 911.

§ 1101.1 Extension of temporary operating authority or approval.

The Commission will determine upon written request by any interested party, or it may determine upon its own initiative, whether under section 558 of the Administrative Procedure Act (5 U.S.C. 558):

(a) Any temporary operating authority granted under 210a(a) or 311 (a) of the Interstate Commerce Act (49 U.S.C. 310a(a), 911(a)) is continued in force, beyond the expiration date specified in such temporary operating authority, until the determination of an application filed by the holder of such

temporary operating authority for a certificate of public convenience and necessity or a permit to engage in operations authorized by such temporary operating authority.

(b) Any temporary approval granted under section 210a(b) or 311(b) of the Interstate Commerce Act (49 U.S.C. 310a(b), 911(b)), is continued in force, beyond the expiration date specified in such temporary approval, until the determination of the related application for approval of a consolidation or merger of the properties of two or more motor or water carriers or of a purchase, lease, or contract to operate the properties of one or more such carriers.

In order to afford sufficient time for consideration and action thereon, a written request for such a determination should be filed not later than 30 days prior to expiration of the temporary operating authority or approval.

§ 1101.2 Definitions and interpretations.

In making the determination provided in § 1101.1, the Commission will be guided by the following interpretations of the provisions of the 3d sentence of section 558 of the Administrative Procedure Act (5 U.S.C. 558), and of the provisions of section 210a(a) of the Interstate Commerce Act (49 U.S.C. 310a(a)):

(a) *Timely application.* An application for a certificate of public convenience and necessity or a permit filed in accordance with the applicable laws, regulations, and instructions, not later than 60 days after issuance of temporary authority for a period of 180 days or not later than 60 days after issuance of the first of a series of consecutive temporary authorities aggregating 180 days.

(b) *Sufficient application.* An application for a certificate of public convenience and necessity or a permit, which is in the form, contains the information, and is accompanied by the documents and exhibits required by the applicable laws, regulations, and instructions.

(c) *Aggregate of 180 days.* As used in section 210a (a) of the act and Commission notices and orders relating thereto, the term "for not more than an aggregate of one hundred and eighty days" means the total number of days of temporary authority which may be granted to a motor carrier under the provisions of that section of the act to meet a continuing need for a particular service.

(d) *Series of grants.* As relates to extensions of temporary authorities under section 558 of the Administrative Procedure Act (5 U.S.C. 558), only those grants of temporary authority for less than 180 days which have been approved to meet a specific continuing need and which follow one after the other without interruption for a total of 180 days will be considered as a "series of consecutive temporary authorities aggregating 180 days".

(e) *Need considered not to be of a continuing nature.* Any need which is the basis of an operation authorized by a temporary authority or approval to be conducted for a period of less than an aggregate of 180 days is presumed not to be of a "continuing nature" unless the Commission otherwise expressly determines.

(f) *Final determination of application.* For the purpose of this section—

(1) An application for a certificate or permit shall be considered to be "finally determined" (i) with respect to operations for which the certificate or permit is denied, upon the expiration of the period allowed by the rules and regulations of the Commission or by the order (whichever is greater) within which petitions for rehearing, reargument, or reconsideration may be filed, or upon the denial of such petitions if filed, and (ii) with respect to operations for which the certificate or permit is granted, when the certificate or permit becomes effective.

(2) An application for approval of a consolidation or merger of the properties of two or more motor or water carriers, or of a purchase of the properties of one or more such carries shall be considered to be "finally determined" (i) in the case of denial of such an application, upon the expiration of the period allowed by the rules and regulations of the Commission or by the order (whichever is greater) within which petitions for rehearing, reargument, or reconsideration may be filed, or upon the denial of such petitions if filed, and (ii) in the case of approval of such an application, when the certificate or permit to be transferred in connection with such application has been reissued in the name of the transferee and has become effective.

(3) An application for approval of a lease or contract to operate the properties of one or more motor or water carriers shall be considered to be "finally determined," (i) in the case of denial of such an application, upon the expiration of the period allowed by the rules and regulations of the Commission or by the order (whichever is greater) within which petitions for rehearing, reargument, or reconsideration may be filed, or upon the denial of such petitions if filed, and (ii) in the case of approval of such an application, when the order approving such application becomes effective.

§ 1101.3 Additional grant for new need.

If the need for a particular service ceases and the temporary authority covering such need expires or is revoked and a new or separate need arises subsequent to such expiration or revocation, additional temporary authority for the 180-day aggregate, or for a shorter period, may be granted to the same carrier for the service notwithstanding the prior grant or grants. However, an application filed after the expiration or revocation of temporary authority for an aggregate of 180 days will be denied unless the facts clearly show that the application is in reality based on a new need and not on a continuation of the need on which the prior grant of authority was based.

§ 1101.4 Termination of temporary authority or approval.

Nothing in this part shall be construed as preventing the Commission from terminating at any time, in accordance with law, any temporary authority or approval, or any extension thereof under section 558 of the Administrative Procedure Act (5 U.S.C. 558).

PARTS 1110–1119—RAILCARRIERS CONSOLIDATION, FINANCE, AND REORGANIZATION

PART 1110—GENERAL REQUIREMENTS

Sec.

1110.1 Scope and applicability of rules and regulations.
1110.2 Definitions of terms used in the rules and regulations.
1110.3 Use of prescribed form.
1110.4 Information required; unknown or not available.
1110.5 Typographical specifications.
1110.6 Execution.
1110.7 Filing; number of copies; service.
1110.8 Additional information.
1110.9 Incorporation by reference.
1110.10 Waiver of rules.
1110.20 List of forms.

AUTHORITY: The provisions of this Part 1110 issued under secs. 12, 17, 24 Stat. 383, as amended, 385, as amended; secs. 204, 205, 49 Stat. 546, as amended, 548, as amended; secs. 304, 316, 54 Stat. 933, 946; secs. 403, 417, 56 Stat. 285, 297, as amended; 49 U.S.C. 12, 17, 304, 305, 904, 916, 1003, 1017.

§ 1110.1 Scope and applicability of rules and regulations.

(a) The rules and regulations of this part govern the filing and handling of applications and reports, as prescribed in Parts 1111 to 1119 of this chapter, inclusive, except that any provision in such part covering the same subject matter as any such rule shall be controlling unless otherwise specifically provided herein.

(b) The rules and regulations of this part shall apply to applications and reports under the enumerated parts at such time as the Commission may designate as to each part.

§ 1110.2 Definitions of terms used in the rules and regulations.

(a) The term "applicant" means a person filing an application.

(b) The term "respondent" means a person filing a report required by the Interstate Commerce Act or the rules and regulations.

(c) Unless otherwise specifically provided, the terms used in the rules and regulations have the meanings defined in the Act.

§ 1110.3 Use of prescribed form.

The prescribed form is to be used as a guide in the preparation of the application or report. Each application required to be served as provided in § 1110.7 shall include a caption clearly and concisely describing the applicant or applicants and the authority sought. Other parts of the application and reports shall contain full and complete responses. Each part shall contain all of the item

numbers and headings, but the text of any item may be omitted if all of the information required by such item is clearly set forth thereunder or in exhibits attached or referred to under the respective item number and heading. Where an item is not applicable, the application or report shall so state.

§ 1110.4 Information required; unknown or not available.

All information required must be given unless neither known nor available to the applicant or respondent. In such case, however, specific statement to such effect shall be made in the application or report in lieu of the omitted material, setting forth the reasons why the information is neither known nor available.

§ 1110.5 Typographical specifications.

The application or report shall be submitted in typewritten or similar form specified in Rule 15 of the General Rules of Practice (§ 1100.15 of this chapter), on paper approximately 8½ inches wide and not more than 13 inches long, with a lefthand margin of 1½ inches and, if typewritten, the impression must be on only one side of the paper. Exhibits may be in any convenient size but shall be folded to conform to the size of the application or report.

§ 1110.6 Execution.

The original application or report shall bear the date of execution and be signed with ink by or on behalf of each applicant or respondent. Execution shall be by the applicant or respondent if an individual, by all partners if a partnership, unless satisfactory evidence is furnished of the authority of a partner to bind the partnership, and, if a corporation, an association or other similar form of organization, by its president or other executive officer having knowledge of the matters therein set forth. Each person signing the application or report shall also sign a certificate showing, among other things, that such person has knowledge of the matters therein set forth and is duly authorized to verify and file the application or report. A false statement in an application or report is punishable under section 35 of the Criminal Code, 18 U.S.C. 1001. Additional signatures and certificates shall be furnished as directed by the Commission.

§ 1110.7 Filing; number of copies; service.

(a) The original and six copies of each application shall be filed with the Secretary, Interstate Commerce Commission, Washington, D.C., 20423.

(b) Copies of each application shall be served in the manner and upon the persons specified in the prescribed form or instructions. Proof of service of copies of the application shall be made in connection with and as part of the original application filed with the Commission.

(c) Each report shall be filed in duplicate with the Secretary of the Commission. No service of copies is required.

(d) Each copy shall conform in all respects to the original and, except as otherwise specifically provided, shall be complete in itself, but the signature in the copies may be stamped or typed.

§ 1110.8 Additional information.

The applicant or respondent shall submit such additional information to support its application or report as the Commission may require.

§ 1110.9 Incorporation by reference.

(a) If any required document shall have been previously filed in connection with another proceeding, it will be sufficient to refer to the docket number under which previously filed, provided that any change or changes which have occurred in any such document subsequent to the previous filing thereof shall be shown in an exhibit identified to correspond with the specific required exhibit.

(b) Except as in any form of application or report otherwise specifically provided, income statements, balance sheets or supporting detail for items therein may not be incorporated by reference to annual or quarterly reports filed with the Commission or to other proceedings.

§ 1110.10 Waiver of rules.

If unusual difficulties arise in, or undue burden would result from, the furnishing of the information required in or in connection with any application or report, the Commission may, upon appropriate showing, modify such requirement.

§ 1110.20 List of forms.

CROSS REFERENCE: See section 1003.4 of this chapter.

PART 1111—RAILROAD CONSOLIDATION PROCEDURE

Sec.
1111.1 Contents of application.
1111.2 Required exhibits.
1111.3 Form and style.
1111.4 Procedure.

AUTHORITY: The provisions of this Part 1111 issued under secs. 12, 5, 24 Stat. 380, as amended; 49 U.S.C. 12, 5.

§ 1111.1 Contents of application.

Applications under section 5(2) of the Interstate Commerce Act involving carriers other than motor carriers shall show in the title thereof the nature of the proposed transaction and shall set forth, in the sequence indicated, the following information:

(a) Identification of applicant, or of each applicant, if there are two or more applicants, showing:

(1) Full and correct name of applicant and the business address of applicant (street and number, city, county and State).

(2) Whether applicant is an individual, firm, copartnership, corporation company, association, joint stock company, trustee, receiver, assignee, or other personal representative, and trade name or style, if any, under which applicant is doing business.

(3) Whether applicant is a carrier by railroad or an express company subject to Part I of the act, or a water carrier subject to Part III of the act, or a person which is not a carrier subject to the act.

(4) State or States in which any part of the property of the carrier or carriers involved is situated, and, in case of a water carrier, in which any port served by such carrier is located.

(5) The name, title, and business address of the officer or officers to whom correspondence with respect to the application should be addressed.

(6) If applicant or other party to the transaction has been authorized by the Interstate Commerce Commission to engage in interstate or foreign commerce, the date of the certificate, permit, or temporary authority, and the number of the Commission's docket assigned to the application upon which such certificate, permit, or temporary authority was issued or granted; or if application to engage in interstate or foreign commerce has been made but not granted, date of the application and the docket number.

(b) Information respecting applicant, or each applicant, if there are two or more applicants, as follows:

(1) If applicant is a corporation:

(i) Date of incorporation and Government, State, or Territory of incorporation.[1]

(ii) Name and business address of directors.

(iii) Name, title and business address of officers.

(iv) Name and business address of 10 principal stockholders as of last record date and their respective holdings.

(2) If applicant is a copartnership:

(i) Date on which copartnership was formed; and State and county in which it was formed.[1]

(ii) Name and business address of all present partners, including limited or silent partners and their respective interests.

(3) If applicant is an association or other form of organization, except a corporation:

(i) Date of organization and place of organization.[1]

(ii) Full description of the nature and objectives of the organization.

(iii) Name, title and business address of officers and directors, or trustess.

(iv) Name and business address of 10 principal stockholders or other owners, of whatever kind, of applicant.

(4) If applicant is a trustee, receiver, assignee, or a personal representative of the real party in interest:

(i) The name and address of the court, if any under the direction of which applicant is acting.

(ii) Nature of the proceedings, if any, in which applicant was appointed.

(iii) With respect to the real party in interest: The information required under paragraphs (b) (1), (2), and (3) of this section, whichever is applicable.[1]

(5) If applicant is not a carrier:

(i) The information required under subparagraphs (1), (2), (3), or (4), of this paragraph, whichever is applicable.

[1] If the applicant is incorporated or organized under the laws of, or authorized to operate in, more than one State, Territory, or Federal District, give all pertinent facts as to such incorporation, organization, or authorization.

(ii) Applicant's charter powers.

(6) The length of time applicant has been continuously engaged in the type of business in which it is now engaged; and, if applicant is not a carrier, particulars of its present and prospective activities which have or may have a relation to transportation subject to the Interstate Commerce Act or facilities under therein.

(7) Whether or not applicant is controlled by any other corporation or corporations, and, if such control is held, state the name of the controlling corporation or corporations, the form of control, whether sole or joint, direct or indirect, and its extent.

(8) The measure of control or ownership if any, now exercised by applicant over any carrier corporation subject to the Interstate Commerce Act, or over the properties of such corporation.

(9) If applicant, or the real party in interest, is part of a system or group of corporations or other persons, the relationship of the applicant, or of the real party in interest, to the members of such system or group, including the form and extent of such relationship, direct or indirect.

(10) Whether there are any intercorporate relationships, not disclosed in responses to prior instructions, through holding companies, ownership of securities, or otherwise, direct or indirect, between applicant and any carrier or person affiliated with any carrier, or between any person affiliated with applicant and any carrier or person affiliated with any carrier, at the time of making the application; if so, the nature and extent of such relationship; and, if applicant owns securities of a carrier corporation or corporations subject to the act, the name of the corporation, a description of the securities, and the par value of each class of securities held.

(11) Whether any of the applicants or any of their affiliates have officers or directors in common with any other applicant or its affiliates; and, if so, a reference to the Commission's order, or orders if any, authorizing the holding of such positions in common, with the names of such officers or directors and the position held in each corporation.

(12) The amount of applicant's outstanding capital stock, by classes, and in connection therewith the par value of each share, its voting rights, if any, the total number of stockholders of record, and the voting power of all security holders.

(c) Information respecting the nature of the transaction proposed and the terms and conditions thereof as follows:

(1) The nature of the transaction, whether a consolidation or merger, or a purchase, lease, contract to operate properties, or any part thereof, of a carrier subject to Part I or Part III of the act, or for acquisition of control of such carrier, or to acquire trackage rights over or joint ownership in, or joint use of, any railroad line or lines.

(2) Briefly, the terms and conditions of the contract or agreement pursuant to which the proposed transaction is to be effected, including the manner in which it is proposed to consummate the transaction and the consideration, in money or otherwise, to be paid by applicant or applicants.

(3) Whether there is any financial or other relationship, direct or indirect, not disclosed in responses to prior instructions, existing at the present time between applicant or applicants and the other party or parties to the transaction proposed; and, if so, a full explanation of such relationship.

(4) The route, termini, and mileage of the lines to be consolidated, merged, purchased, leased, operated, or controlled, giving the principal points of interchange, with ports served in cases involving carriers subject to Part III of the act, and with main line mileage and branch line mileage shown separately in case of railroad properties.

(5) Whether the property involved in the proposed transaction includes all the property of the applicants proposing a consolidation or merger, or of the carrier whose property it is proposed to purchase, lease, or operate, or control of which is proposed; and, if not, definitely what property is included in the proposed transaction.

(6) Value of each of the properties involved in the proposed transaction as found by the Commission, or if such value has not been found by the Commission, as appraised for the purposes of the proposed transaction; and, separately, the net cost of additions and betterments made after the date of valuation or appraisal.

(7) The policy and practice followed by each party to the transaction with respect to reserves for depreciation and similar reserves, including rates by classes of property.

(8) The market value of any securities acquired or proposed to be acquired in consummating the proposed transaction; or, if there be no ascertainable market value, the estimated value, giving the basis of the estimate.

(9) If any of the property covered by the application is encumbered and applicant has agreed to assume obligation or liability in respect thereof:

(i) A description of the property encumbered.

(ii) Amount of encumbrance and full description thereof, including maturity, interest rate, and other terms and conditions.

(iii) Amount of encumbrance assumed or to be assumed by applicant.

(10) If a consolidation or merger is proposed:

(i) The name of the company resulting from the consolidation or merger, and the State or Territory under the laws of which the consolidated company was formed.

(ii) The capitalization proposed for the company resulting from the consolidation or merger; and, separately, the amount and character of capital stock and other securities to be issued.

(d) Facts and circumstances relied upon to show that the proposed transaction is within the scope of section 5 (2) (a) of the Interstate Commerce Act, will be consistent with the public interest, and will otherwise be within the requirements of section 5, particularly:

(1) In case of any proposed transaction:

(i) To establish that the transaction covered by the application will be consistent with the public interest.

(ii) To explain and properly support the financial considerations involved in the proposed transaction, including an explanation of economies, if any, to be effected in operation, and increase, if any, in traffic, revenues, earnings available for fixed charges, and net earnings, expected to result from the consummation of the proposed transaction.

(iii) To show the effect of the proposed transaction upon adequate tranportation service to the public.

(iv) To establish that the increase, if any, of total fixed charges resulting from the proposed transaction would not be contrary to the public interest.

(v) To show the interest of the carrier employees affected.

(vi) To establish that any guaranty or assumption of payment of dividends or fixed charges contemplated in the transaction is not inconsistent with the public interest.

(2) Also, if the proposed transaction involves a railroad:

(i) To show the effect upon the public interest of the inclusion, or the failure to include, other railroads in the territory involved in the proposed transaction.

(ii) To indicate what terms and conditions should be imposed by the Commissions to meet the requirements of section 5(2)(f) of the Interstate Commerce Act.

(3) Also, in case of a transaction involving a carrier by water subject to Part III of the act, where any applicant is a carrier as defined in section 1 (3) of Part I of the act, or is a person controlling, controlled by, or under common control with such a carrier, to establish that the transaction is not within the inhibition of section 5(14) of Part I of the act; or, if so, that the transaction will not prevent the common carrier by water or vessel involved from being operated in the interest of the public and with advantage to the convenience and commerce of the public and that it will not exclude, prevent, or reduce competition on the route by water under consideration.

§ 1111.2 Required exhibits.[2]

(a) There shall be filed with the original application and as a part thereof, but not with copies, the following exhibits: [3]

[3] Where two or more exhibits bear the same letter or number, distinguish them by giving the second and each additional exhibit a distinguishing number or letter as, Exhibit A, Exhibit A-1, Exhibit A-2, etc., Exhibit 1, Exhibit 1-a, Exhibit 1-b, etc.

[2] If documents here requested have been previously filed in connection with an application under section 1(18), 5, or 20a of part I of the act, it will be sufficient to make reference to the Finance Docket number under which filed, provided that any change or changes occurring in such documents since the filing thereof shall be shown in an exhibit identified to correspond with the specific exhibit requested.

(1) As Exhibit A, one or more of the following doucuments as may be appropriate:

(i) One copy each of the charter or articles of incorporation, and the bylaws and amendments thereof, of each applicant corporation or carrier corporation involved in the proposed transaction duly certified by the appropriate public officer.

(ii) A properly authenticated copy of the articles of copartnership, if any, of each copartnership which is a party to the transaction.

(iii) A properly authenticated copy of articles of association, trust agreement, or other documents evidencing organization of each association or other form of organization, except a corporation, which is a party to the transaction.

(iv) A properly authenticated copy of the order of the court or instrument appointing each trustee, receiver, assignee, or personal representative which is a party to the transaction.

(2) As Exhibit B, a properly authenticated copy of the annual report, if any, to stockholders or shareholders for each of the two calendar or fiscal years preceding the filing of the application.

(b) There shall be filed with the original application, and with each copy, as a part thereof, the following exhibits:

(1) As Exhibit 1, a copy of all resolutions of directors of each applicant and of each carrier which is a party to the transaction, authenticated by a proper executive officer, authorizing the proposed transaction and, where applicable, the making of the application to the Commission for its approval and authorization; and, if the charter or bylaws of the applicant or carrier require approval of the stockholders, a copy of the resolution of stockholders authorizing the proposed transaction and the making of the application; all such resolutions to be accompanied by sufficient transcripts of the minutes of meetings of the stockholders or directors of the applicant or carrier to show the number of shares entitled to vote, the number of shares voted for and against the resolutions, and the number of share-votes required to adopt the resolution.

(2) As Exhibit 2, a copy of all resolutions of stockholders or directors of the applicant, or duly authorized committee thereof, authenticated by a proper executive officer of the applicant, designating by name and for that purpose the executive officer by whom the application is signed and verified, and filed on behalf of the applicant.

(3) As Exhibit 3, if an organization other than a corporation is an applicant, documentary evidence showing authorization and designation of the individual or individuals signing, verifying, and filing on behalf of the applicant.

(4) As Exhibit 4, if a trustee, receiver, assignee, or personal representative of the real party in interest is an applicant, a certified copy of the order, if any, of the court having jurisdiction, authorizing the contemplated action.

(5) As Exhibit 5, opinion of counsel of applicant or of the applicants and carriers that the transaction described in the application meets the requirements of the law and will be legally authorized and valid, if approved by the Commission with specific reference to any specially pertinent provisions of applicant's, or applicant's and carrier's charter or articles of incorporation.

(6) As Exhibit 6, a general or key map indicating clearly, in separate colors, or otherwise, on a suitable scale, preferably not smaller than 20 miles to the inch, the line or lines, route or routes, of each applicant and of each carrier, if any, other than the applicant or applicants, involved in the proposed transaction, and distinguishing such parts of the line or lines of each carrier as are included in the proposed transaction in their true relation to each other, showing, where lines of railroad are involved, short-line connections, and, in general, other rail lines in the territory, and the principal geographic points of the region traversed. Whenever possible, this map should not be over 30 inches in its largest dimension. There shall also be furnished three extra copies of the map, unbound, for the use of the Commission.

(7) As Exhibit 7, copy of any contract or other written instrument entered into, or proposed to be entered into pertaining to the transaction covered by the application.

(8) As Exhibit 8, a general balance sheet statement of each applicant or carrier as of the latest practicable date prior to the filing of the application; also, in case of a proposed purchase, consolidation, or merger, a balance sheet statement, actual or constructed, giving effect to the proposed transaction or showing the estimated effect of the consummation of the transaction proposed.

(9) As Exhibit 9, a duly authenticated copy of income statement and profit and loss statement of each applicant and carrier involved in the proposed transaction for each of the preceding 5 calendar years, and for the months of the current year for which the figures are available; also, in case of a proposed consolidation or merger, a constructed profit and loss statement for the current calendar year to date, giving effect to the proposed transaction for such period and showing all adjustments or eliminations, or adjustments and eliminations, which would have resulted from the proposed transaction during such period.

(10) As Exhibit 10 a statement to illustrate the relationship described in paragraph (b) (9) of this section, showing a graphic or tabular form the members of the system or group and indicating by notation or otherwise the various degrees of relationship.[4]

(11) As Exhibit 11, a statement showing for each water carrier involved in the transaction the property covered by the application, including detailed description, number of units (of equipment only) and ledger value or estimated value where ledger value is not available.

(12) As Exhibit 12, where a water carrier is a party to the proposed transaction, if there has been an appraisal of any or all of the properties of the water carrier involved in, and in connection with, the proposed transaction, a copy of such appraisal.

(13) As Exhibit 13, where the proposed transaction involves water carriers, a certificate showing that notice of the filing of the application has been served upon all known water-line competitors in the same trade route or routes over which the carriers involved are authorized to operate, and the names and addresses of such competitors.

§ 1111.3 Form and style.

The application and exhibits shall conform with Rule 15 of the General Rules of Practice (§ 1100.15 of this chapter).

§ 1111.4 Procedure.

(a) The original application shall be signed in ink by the applicant, if an individual; by all partners, if a copartnership, and if a corporation, association or other similar form of organization, by its president, vice president, auditor, comptroller, or other executive officer having knowledge of the matters therein contained and duly designated for that purpose by the applicant, and shall be made under oath. The application shall show that the affiant is duly authorized by the applicant to verify and file the same.

(b) There shall be filed with the Secretary of the Commission, Washington, D.C., the original application, and 20 copies thereof for the use of the Commission. Each copy shall conform in all respects to the original and shall be complete in itself except that the signature in the copies may be stamped or typed and notarial seal omitted. In like manner where certified copies of documents are filed with the original application, conformed copies thereof, showing certification in stamped or typewritten form, will be sufficient to accompany the additional copies of the application.[5]

(c) The applicant shall submit such additional information to support its application as the Commission may require.

(d) The Commission, upon receipt of an application and accompanying exhibits in proper form, will cause notice to be given to the Governor of each State in which any part of the properties of the carriers involved in the proposed transaction is situated and, in case of a water carrier, in which any port served by such carrier is located (also, in cases involving railroad properties, to the Public Service Commission of each such State), together with an inquiry as to whether such Governor or other appropriate State authority desires to make representation in the matter.

[4] If documents here requested have been previously filed in connection with an application under section 1(18), 5, or 20a of part I of the act, it will be sufficient to make reference to the Finance Docket number under which filed, provided that any change or changes, occurring in such documents since the filing thereof shall be shown in an exhibit identified to correspond with the specific exhibit requested.

[5] The applicant should be prepared to furnish copies of the application to State authorities and interveners upon request.

(e) The Commission, if it shall consider it necessary in order to determine whether the findings required for the entry of an order approving and authorizing the transaction may properly be made, and in all cases where a carrier by railroad is involved, will order a hearing upon the application, giving notice thereof to the applicant or applicants, to the carrier or carriers whose properties are involved in the proposed transaction, to the State authorities of each State in which any part of the property of the carriers involved in the proposed transaction is situated and, in case of a water carrier, in which any port served by such carrier is located, and to the public.

PART 1112—INTERLOCKING OFFICERS

Sec.
1112.1 Meaning of term "carrier."
1112.2 Application of regulations.
1112.3 Order of authorization.
1112.4 Application for order.
1112.5 Contents of application.
1112.6 Subscription and verification of application.
1112.7 Number of copies; form and style.
1112.8 General authority.

AUTHORITY: The provisions of this Part 1112 issued under sec. 12, 24 Stat. 383, as amended; sec. 439, 41 Stat. 494, as amended; 49 U.S.C. 12, 20a.

§ 1112.1 Meaning of term "carrier."

The term "carrier" is used in this part as it is defined in section 20a(1) of the Interstate Commerce Act.

§ 1112.2 Application of regulations.

The regulations in this part apply to any person authorized by or undertaking for each of two or more carriers to perform the duties, or any of the duties, ordinarily performed by a director, president, vice president, secretary, treasurer, general counsel, general solicitor, general attorney, comptroller, general auditor, general manager, freight traffic manager, passenger traffic manager, chief engineer, general superintendent, general land and tax agent, or chief purchasing agent of a carrier.

§ 1112.3 Order of authorization.

An order of authorization will be granted only upon application therefor as hereinafter provided in this part.

§ 1112.4 Application for order.

An application for such an order may be made by any person in his own behalf.

§ 1112.5 Contents of application.

Each application shall state the following:

(a) The full name, occupation, business address, place of residence, and postoffice address of the applicant.

(b) A specification of every carrier of which the applicant holds stock, bonds, or notes, individually, as trustee, or otherwise; and the amount of and accurately describe the securities, owned or held by him, of each carrier for which he seeks authority to act. Whenever it is contemplated that the applicant will represent on the board of directors of any carrier securities other than those owned by him, the application shall describe such securities, state the character of representation, the name of the beneficial owner or owners, and the general nature of the business conducted by such owner or owners.

(c) Each and every position with any carrier:

Which is held by the applicant at the time of the application; and which he seeks authority to hold, together with the date and manner of his election or appointment thereto and, if he has entered upon the performance of his duties in any such position, the nature of the duties so performed and the date when he first entered upon their performance. (An order authorizing a person to hold the position of director of a carrier will be construed as sufficient to authorize him to serve also as chairman of its board of directors or as a member or chairman of any committee or committees of such board; and, therefore, when authority is sought to hold the position of director, the applicant need not request authority to serve in any of such other capacities.)

(d) As to each carrier covered by the requested authorization, whether it is an operating carrier, a lessor company, or any other corporation organized for the purpose of engaging in transportation by railroad subject to the act. If any such carrier neither operates nor owns any railroad, transportation by which is subject to the act, there shall be filed with the application, as a part thereof, a copy of such carrier's charter or certificate or articles of incorporation, with amendments to date. When such copy has once been filed with the Commission, reference thereto, with amendments, if any, will suffice.

(e) Thereafter a full statement of pertinent facts relative to any carrier which does not make annual reports to the Commission, authorization for a position with which is sought.

(f) Full information as to the relationship, operating, financial, competitive, or otherwise, existing between the carriers covered by the requested authorization.

(g) Specify every corporation—industrial, financial, or miscellaneous—of which the applicant is an officer or director, and the general character of the business conducted by such corporation.

(h) The reasons, fully, why the granting of the authority sought will not affect adversely either public or private interests.

(i) Whether or not any other application for authority has been made in behalf of the applicant and, if so, shall show the date and finance docket number thereof, by who made, and the action thereon, if any.

(j) When application has been made in behalf of any person, a subsequent application by him need not repeat any statement contained in the previous application but may incorporate the same by appropriate reference.

§ 1112.6 Subscription and verification of application.

The original application shall be signed by the individual applicant, and shall be verified under oath in substantially the following form:

State of _____}
County of _____,} ss.

_____ make____oath and say__ that _____ hold__ no position as officer or director of any carrier or other corporation except as indicated in the foregoing application, and that all of the statements contained therein are true and correct to the best of _____ knowledge and belief.

_____
(Signature of applicant)

Subscribed and sworn to before me, a ____ _____ in and for the State and county above named, this _____ day of _____, 19__.

[SEAL]

My commission expires _____.

§ 1112.7 Number of copies; form and style.

The original application and six copies thereof shall be filed with the Commission. Each copy shall bear the dates and signatures that appear on the original and shall be complete in itself, but the signatures in the copies may be stamped or typed and the notarial seal may be omitted. The application shall be submitted in typewritten or printed form, on paper not more than 8½ inches wide and not more than 12 inches long, with a left-hand margin of 1½ inches, and if typewritten, the impression must be on only one side of the paper, and must be double spaced.

§ 1112.8 General authority.

Any person, who has been or shall hereafter be authorized to hold positions with a carrier or with a company or companies subsidiary thereto or affiliated therewith, may include in any application made by him pursuant to the foregoing regulations in this part a request for an order authorizing him to hold generally, in addition to the positions so specifically authorized, a directorship or any office or offices with the first-mentioned carrier and all companies subsidiary thereto or affiliated therewith, or the properties of which are operated or used by the carrier, either separately or jointly, with other carriers. Like general authority may be applied for by the first-mentioned carrier in behalf of any person or persons to whom such specific authority has heretofore been granted: *Provided*, That such general authority may not be applied for by such carrier when the person for whom authority is desired holds a position or positions with any carrier or carriers not subsidiary to or not affiliated with the first-mentioned carrier, or the properties of which are not operated or used by the first-mentioned carrier, either separately or jointly with other carriers. Every carrier application shall be verified by an executive officer having knowledge of the facts.

PART 1113—GUARANTY OF LOANS TO CARRIERS BY RAILROAD

Sec.
1.1 Form and content of application.
1.2 Required exhibits.
1.3 Fees.
1.4 Execution and filing of application.
1.5 General instructions.

AUTHORITY: The provisions of this Part 1113 issued under sec. 12, 24 Stat. 383, as amended,

secs. 501–510, 72 Stat. 568–570; 49 U.S.C. 12, 1231–1240.

§ 1113.1 Form and content of application.

The application and supporting exhibits shall conform to Rule 15 of the General Rules of Practice (§ 1100.15 of this chapter) and shall show in the order indicated and by section numbers and letters corresponding to those used in this part the following:

(a) As to the carrier applicant and the transaction:

(1) Full and correct name and principal business address.

(2) Date of incorporation, or organization if not a corporation, and government, state, or territory under the laws of which it was incorporated or organized. If carrier applicant is a trustee, receiver, assignee, or other fiduciary, the name and address of the court, if any, under the direction of which the carrier applicant is acting, and the nature of the proceeding, if any, in which applicant was appointed. If carrier applicant is a partnership, an association, or other form of organization other than a corporation, a full description of the organization should be furnished.

(3) Name, title, and address of the person to whom correspondence regarding the application should be addressed.

(4) Brief description of the loan and its purpose or purposes, including statements of (i) the total amount of the loan, (ii) the purpose or purposes for which the loan proceeds will be used, (iii) the maturity date or dates, (iv) description of the security, if any, for the loan, including applicants' opinion of the value of any collateral and the basis for such opinion, (v) the date or dates on which carrier applicant desires the funds to be made available, (vi) the rate of interest, (vii) estimated total expenses in connection with the loan, including detail as to expenses estimated for legal, accounting, and engineering services, printing and engraving, trustees, fees, state and federal taxes, and commissions and discounts; and (viii) the portion of the loan concerning which guaranty by the Commission is sought.

(5) Concerning the necessity for the guaranty sought:

(i) Statement on behalf of the applicant carrier that it has endeavored to obtain a loan or loans for the purpose or purposes proposed without a guaranty by the Commission in connection therewith, but has not been able to obtain a loan therefor upon reasonable terms.

(ii) Information as to the applicant carrier's efforts to obtain the needed financing without a guaranty thereof by the Commission, and as to the results of such efforts. (See § 1113.2(b)(8) as to exhibits on this subject.)

(6) Statement, in summary form, showing the carrier applicant's financial obligations to, or claims against, the United States, if any, as of date of application, or latest available date, listed as to (i) balance on any direct loans, (ii) balance on any loans under which the United States is guarantor, (iii) status of any claims under litigation, and (iv) any other debits or credits existing between the carrier applicant and the United States, showing the department or agency involved in such loans, claims and other debts.

(b) As to the lender or lenders:

(1) Full and correct name and principal business address.

(2) Names and addresses of principal executive officers and directors, or partners.

(3) Reference to applicable provisions of law and the charter or other governing instruments conferring authority to the lender to make the loan and to accept the mortgage or other obligation evidencing the loan.

(4) Brief statement of the circumstances and negotiations leading to the agreement by the lender to make the proposed loan, including the name and address of any person or persons, other than directors, officers, partners, or employees of the carrier applicant, representing or purporting to represent the carrier applicant in connection with such negotiations.

(5) Brief statement of the nature and extent of any affiliation or business relationship between the lender and any of its directors, partners, or principal executive officers, on the one hand, and, on the other, the carrier applicant and any of its directors, partners, or principal executive officers, or any person or persons whose name is required to be furnished under subparagraph (4) of this paragraph.

(6) Full and complete statement of all sums paid or to be paid and of any other consideration given or to be given by lender in connection with the proposed loan, including with respect thereto: (i) Name and address of each person to whom the payment is made or to be made, (ii) the amount of the cash payment, or the nature and value of other consideration, (iii) the exact nature of the services rendered or to be rendered, (iv) any condition upon the obligation of the lender to make such payment, and (v) the nature of any affiliation, association, or prior business relationship between any person named in answer to subdivision (i) of this subparagraph and the lender or any of its directors, partners, or officers.

§ 1113.2 Required exhibits.

There shall be filed with and made a part of each application, and with each copy thereof, the exhibits required in this section, except that exhibits filed with and made a part of any related application filed with the Commission under section 20a of the act for authority to issue securities in connection with the proposed loan may be incorporated in and made part of the loan application by reference.

(a) The following exhibits are required concerning the carrier applicant:

(1) As Exhibit 1, with the original application but not with copies thereof, copy of charter or articles of incorporation, with amendments to date, duly certified by the appropriate public officer; and copy of by-laws, with amendments to date. If carrier applicant is not a corporation, copy of articles of agreement, or association, or trust agreement, evidencing organization, or if carrier applicant is a trustee, receiver, assignee, or other fiduciary, copy of duly certified order of the court, or instrument of appointment.

(2) As Exhibit 2, the following: (i) Copies of all resolutions of directors authorizing the proposed loan; (ii) if the charter or by-laws require approval by stockholders, copies of resolutions of stockholders authorizing such loan, all such resolutions of stockholders to be accompanied by sufficient transcripts of the minutes of their meetings to show the number of shares voted for and against the resolutions, and the number of share-votes required to adopt the resolution; (iii) copies of resolutions of stockholders or directors, or duly authorized committee thereof, authenticated by a proper officer of carrier applicant, designating by name and for that purpose the executive officer by whom the application is signed, verified, and filed on behalf of the carrier applicant; (iv) if carrier applicant is an association or other organization except a corporation, documentary evidence showing authorization of the proposed loan and designation of the individual signing, verifying, and filing the application on behalf of the carrier applicant; and (v) if carrier applicant is a trustee, receiver, assignee, or other fiduciary, a certified copy of the order, if any, of the court having jurisdiction, authorizing the proposed loan, and the filing of the application.

(3) As Exhibit 3, preliminary opinion of counsel that he is familiar with the corporate or other organizational powers of the carrier applicant, that the carrier applicant is authorized to make the application, and that when proper corporate or other organizational action has been taken and the obligations executed, and security delivered as contemplated by the application, such obligations will constitute the valid and subsisting obligations of the carrier applicant. Such opinion should also cover the validity and lien of each item of any collateral offered.

(4) As Exhibit 4, a map of carrier applicant's existing railroad, and a map and profile of the line or lines to be constructed, if any.

(5) As Exhibit 5, statement showing miles of line owned; miles operated; number of units of locomotives, freight cars, and passenger cars owned and leased; principal commodities carried; and identification of the 10 most important industries served.

(6) As Exhibit 6, statement as to whether any railroad affiliated with the carrier applicant has applied for or received a loan guaranty under this part. If such an affiliate has applied for or received such a guaranty, full particulars should be given.

(7) As Exhibit 7, statement showing total dividends declared and total dividends paid for each of the last 10 calendar years and for each month of the current year to latest available date.

(8) As Exhibit 8, a copy of general balance sheet as of latest available date,

but as of a date not earlier than the end of the second month preceding date of filing of the application, in form and detail as required in schedules 200A and 200L of the Commission's annual report Forms A or C, together with the following supporting schedules:

(i) Particulars of loans and notes receivable in form and detail as required in schedule 203 of annual report Form A for the Class I railroads; and for the Class II similar detail for every item in excess of $25,000,

(ii) Particulars of investments in other companies in form and detail as required in schedules 205 and 206 of annual report Form A, or schedules 1001 and 1002 of Form C, as appropriate,

(iii) Particulars of balance in account 743, Other Deferred Charges, in form and detail as required in annual report Form A, schedule 217, or schedule 1703 of Form C, as appropriate,

(iv) Particulars of loans and notes payable in form and detail required in schedule 223 of annual report Form A, or schedule 1701 of Form C, as appropriate, as well as information as to bank loans, including the name of the bank, date and amount of the original loan, current balance, maturities, rate of interest, and security, if any, therefor,

(v) Particulars of long-term debt in form and detail required in schedules 218 and 219 of annual report Form A, or schedules 670, 695, 901, 902 and 1702 of Form C, as appropriate, together with a list of mortgages, pledges, and other liens, including a brief statement concerning each, indicating the property or securities encumbered, the mortgage limit per mile, if any, particulars as to priority, as well as to whether "open", "closed", or "open end",

(vi) Particulars of balance in account 784, Other Deferred Credits, in form and detail as required in schedule 226 of annual report Form A, or schedule 1704 of Form C, as appropriate,

(vii) Particulars as to contingent assets and liabilities in form and detail as required in schedule 233 of annual report Form A for the Class I railroads, and similar information for the Class II in the same form and detail,

(viii) Particulars as to guaranties and suretyships in form and detail as required in schedule 110 of annual report Form A for the Class I railroads, and similar information for the Class II in the same form and detail,

(ix) Particulars as to capital stock in form and detail as required in schedules 228, 229 and 230 of annual report Form A or schedule 690 in Form C, as appropriate.

NOTE: The information required as Exhibit 8 shall give effect to any modification of the Commission's Uniform System of Accounts for Railroad Companies in effect on the date of filing the loan application.

(9) As Exhibit 9, statement showing comparative balance sheets as of December 31 for each of the last 10 years preceding the year in which the application is filed in form and detail as required in annual report Forms A and C, schedules 200A and 200L, and if carrier applicant's reports to its stockholders include a consolidated balance sheet for two or more railroads which differs from the returns in the balance sheet schedules of its annual reports to the Commission, reference should be made here to the sections of the stockholders' reports which include said consolidated balance sheets.

(10) As Exhibit 10, to be filed only with the original copy of the application, a copy of carrier applicant's report to its stockholders for each of the 3 years preceding the year in which the application is filed.

(11) As Exhibit 11, comparative income statement for each month of the year in which the loan application is filed, including cumulative data to latest month shown, which shall not be earlier than the second month preceding date of filing the application, compared with the same month of each of the two preceding years, in account form similar to that required in column (a) of schedule 300 of annual report Form A, or columns (a) and (c) of schedule 1801 of Form C, as appropriate, and modified to include any revision of the Commission's Uniform System of Accounts for Railroad Companies (Part 1201 of this chapter) in effect on the date of filing the loan application.

(12) As Exhibit 12, comparative income statement showing data for each of the last 10 years in account form and detail similar to that required in subparagraph (11) of this paragraph.

(13) As Exhibit 13, pro forma income statement showing estimated income account for each of the remaining months in the current year and for each month of the year subsequent thereto, in account form and detail similar to that required in subparagraphs (11) and (12) of this paragraph, together with a statement setting forth the basis for such estimates.

(14) As Exhibit 14, comparative statement of total expenditures for maintenance of (i) way and structures and (ii) equipment for each of the past 10 years and for each month of the current year, together with estimated expenditures for the remaining months of the current year and the year subsequent thereto, and including a statement showing the basis for such estimates.

(15) As Exhibit 15, a statement showing for the current calendar year and each 5 years thereafter estimated total operating revenues, total operating expenses, operating ratio, income available for fixed charges, and net income after fixed charges and contingent interest.

(16) As Exhibit 16, a statement showing actual cash balance at the beginning of each month and the actual cash receipts and disbursements during each month of the current year to the date of the latest balance sheet furnished as Exhibit 8, together with a monthly forecast (both before and after giving effect to use of proceeds from the proposed loan) for the balance of the current year and the year subsequent thereto.

(17) As Exhibit 17, a statement showing for each month to latest available month of the current year, compared with the same month of each of the 2 preceding years (i) number of tons of revenue freight carried, (ii) number of revenue ton-miles, (iii) freight revenue (account 101), (iv) number of passengers carried, (v) number of passenger miles, and (vi) passenger revenue (account 102), as well as similar information, on an estimated basis, for each of the remaining months in the current year and the year subsequent thereto.

(18) As Exhibit 18, statement showing comparatively for each year in the 8-year period preceding the year in which the application is filed, and on an estimated basis for the current and succeeding 4 years, the following: (i) Total charges to operating expenses for depreciation of way and structures, and equipment, (ii) deductions for accelerated tax amortization under section 168 of the Internal Revenue Code in excess of such depreciation charged to operating expenses, (iii) net income reported in annual reports to the Commission, and (iv) pro forma net income which would have resulted without the benefit of such deductions for accelerated tax amortization.

(19) As Exhibit 19, a general statement setting forth the facts as to estimated prospective earnings and other funds upon which applicant relies to repay the loan.

(b) The following exhibits are required as to the transaction:

(1) As Exhibit 20, specimens, or forms where specimens are not available, of all securities to be pledged or otherwise issued in connection with the proposed loan; and in case of an issue of bonds copy of the mortgage or indenture by which secured or proposed to be secured.

(2) As Exhibit 21, if the application is with respect to the acquisition of property other than equipment, a statement showing: (i) The name and business address of the owner or vender of the property to be acquired, (ii) a general description as to the character and size of the property and its location, accompanied by a general map and profile or by a general plan, as may be appropriate, (iii) the agreed or estimated purchase price, and the full terms of the contract, if any has been made, for such acquisition, (iv) such other information or data as may aid in a determination of the reasonableness of the agreed or estimated purchase price, and (v) the account or accounts of the Commission's effective classification of accounts in which the cost of such property would be properly classified.

(3) As Exhibit 22, if the application is with respect to equipment acquired after January 1, 1957, or to be acquired, a statement showing: (i) For locomotives, full particulars as to kind, unit cost, size, power, number of units coupled, and name of builder, (ii) for freight cars, full particulars as to service type (box, gondola, flat, etc.), capacity, unit cost, and name of builder, (iii) for passenger cars, full particulars as to service type (coach, baggage, postal, etc.), capacity, unit cost, and name of builder, (iv) for floating equipment, full particulars as to service type (tug, float, ferry, lighter, etc.), displace-

ment tonnage, length, cargo capacity, unit cost, and name of builder, and (v) whether the equipment was purchased through competitive bidding, and, if the unit prices, free on board builders plant, shown are not the lowest bids received, the reason for accepting a higher bid.

(4) As Exhibit 23, if the application is with respect to the construction, completion, extension or improvement of facilities, or additions and betterments thereto, made after January 1, 1957, or not yet made, a statement showing (i) location and description of project, (ii) quantities and prices (actual or estimated) attested by a competent engineer, and (iii) distribution of total cost by primary accounts of the Commission's classification of investment in road and equipment property, together with one copy of each A. F. E. (authority for expenditure) or of each completion report, as may be appropriate.

(5) As Exhibit 24, if the application is with respect to maintenance of property, a statement showing (i) description of project or projects, (ii) date or dates initial work is proposed to be commenced, (iii) additional employees (not now employed by carrier applicant) to be hired or recalled, (iv) why the maintenance is required at this time, (v) breakdown of total cost as between material and labor, and (vi) distribution of total cost by primary accounts of the Commission's classification for operating expenses.

(6) As Exhibit 25, if the application is with respect to refinancing of existing obligations, a statement containing a full description of the transaction, including the terms and conditions of the disposition of such existing obligations.

(7) As Exhibit 26, copies of the loan agreement entered into, or to be entered into, between the carrier and lender, and of any agreements or instruments executed or to be executed in connection with the proposed loan.

(8) As Exhibit 27, copies of correspondence from all, and not less than 3, lending institutions or security underwriters to which application for the financing has been made, evidencing that they have declined the financing unless guaranteed by the Commission or specifying the terms upon which they will undertake the financing without such guaranty.

(c) The following exhibits are required as to the lender:

(1) As Exhibit 28, to be filed only with the original copy of the application, copies of the charter or other organizational papers and of by-laws or other governing instruments, including all amendments.

(2) As Exhibit 29, balance sheet statement as of the latest available date, but within 3 months of the date of filing the application.

(3) As Exhibit 30, income statement for the 3 calendar or fiscal years immediately preceding the year in which the application is filed and similar statement for the latest available period in the current year but within 3 months of the date of filing the application.

§ 1113.3 Fees.

On or before the date of closing of any loan guaranteed by the Commission pursuant to an application filed under this part, the applicant carrier shall pay, or cause to be paid, to the Commission as a guaranty fee such amount as the Commission hereafter may determine and prescribe as necessary to cover the administrative costs of carrying out the provisions of part V of the Interstate Commerce Act, as amended. Checks or money orders in payment of such fees shall be made payable to the order of the Treasurer of the United States.

NOTE: By order of the Commission, 24 F.R. 3818, May 13, 1959, the guaranty fee referred to in § 1113.3 was determined to be in an amount equal to the three-eighths of one percent of the total principal amount of the loan guaranteed.

§ 1113.4 Execution and filing of application.

The following procedure shall govern the execution and filing of the application:

(a) The original application shall bear the date of execution and be signed with ink by or on behalf of the carrier applicant and the lender. Execution shall be by the applicant if an individual, by all partners if a partnership, unless satisfactory evidence is furnished of the authority of a partner to bind the partnership, and, if a corporation, an association or other similar form of organization, by its president or other executive officer having knowledge of the matters therein set forth. Persons signing the application on behalf of the carrier and lender, respectively, shall also sign a certificate in form as follows:

---------- certifies that
(Name of official)
he is the ----------
(Title of official)
of the ----------;
(Name of carrier or lender)
that he is authorized on the part of said applicant to sign and file with the Interstate Commerce Commission this application and exhibits attached thereto; that he has carefully examined all of the statements contained in such application and the exhibits attached thereto and made a part thereof relating to the aforesaid ----------;
(Name of carrier or lender)
that he has knowledge of the matters set forth therein and that all such statements made and matters set forth therein are true and correct to the best of his knowledge, information, and belief.

(Date)

(b) There shall be made a part of the original application the following certificate by the Chief Accounting Officer of the carrier applicant:

---------- certifies that he
(Name of officer)
is ---------- of
(Title of officer)
----------; that he
(Name of carrier applicant)
has supervision over the books of account and other financial records of the carrier applicant and has control over the manner in which they are kept; that such accounts are maintained in good faith in accordance with the effective accounting and other orders of the Interstate Commerce Commission; that he has examined the financial statements and supporting schedules included in this application and to the best of his knowledge and belief said statements accurately reflect the accounts as stated in the books of account; and that, other than the matters set forth in the exceptions attached to such statements, said financial statements and supporting schedules represent a true and complete statement of the financial position of the carrier applicant and that there are no undisclosed assets, liabilities, commitments to purchase property or securities, other commitments, litigation in the courts, contingent rental agreements, or other contingent transactions which might materially affect the financial position of the carrier applicant.

(Date)

(c) The original application and supporting papers, and 6 copies thereof for the use of the Commission, shall be filed with the Secretary of the Interstate Commerce Commission, Washington, D.C. Each copy shall bear the dates and signatures that appear in the original and shall be complete in itself, but the signatures in the copies may be stamped or typed. If unusual difficulties arise in the furnishing of any of the exhibits required in § 1113.2, the carrier applicant or the lender, upon appropriate showing and with the consent of the Commission, may file a lesser number.

(d) In event the application is for a loan not exceeding $500,000, and the furnishing of exhibits in the detail required by § 1113.2 is shown by the applicant or applicants to be unduly burdensome in relation to the nature and amount of the loan, the Commission may modify the requirements of said section.

§ 1113.5 General instructions.

(a) If the application is approved by the Commission, the following documents will be required for deposit with the Commission before the transaction is closed:

(1) Resolutions of the board of directors or executive committee of the carrier applicant, and where necessary, of meetings of the stockholders, authorizing the execution and delivery of such obligations, instruments, and security as are incident to the loan and guaranty thereof, in conformity with such terms as may be prescribed by the Commission, and authorizing the designated officers to receive and receipt for the proceeds of the loan.

(2) Final opinion by counsel for the carrier applicant to the effect that he is familiar with the corporate powers of the carrier applicant; that the carrier applicant is authorized to execute and deliver the notes or other obligations evidencing the same, and to pledge and hypothecate any securities pledged as collateral; that the notes or other obligations so executed and so delivered constitute the valid and binding obligations of the carrier applicant, secured by the said collateral, and that the lender will obtain a lien on any security involved

of the rank and priority represented by the applicant carrier. Such opinion shall also cover the priority and lien of each item of the collateral offered.

(3) In respect of loans to receivers or trustees, the receiver or trustee will be required to deposit with the Commission certified copies of the court orders and decrees authorizing him to execute and deliver the obligations and to give the security under and according to the terms of the loan and guaranty as prescribed by the Commission.

(b) The guaranty by the Commission of a loan pursuant to an application filed as provided in this part should not be construed as relieving a carrier from complying with applicable provisions of section 20a of the Interstate Commerce Act (49 U. S. C. 20a) in relation to the issuance of securities or the assumption of obligation with respect to securities of others. Any related application filed under said section should be complete in itself. To avoid duplication in filing required information, exhibits included in an application filed with the Commission for authority under said section 20a incident to the proposed loan may be incorporated in and made a part of the related loan application by reference. (See also § 1113.2.)

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

PART 1114—ALTERATION OR MODIFICATION OF SECURITIES AND THE PROVISIONS OF INSTRUMENTS, AND FILING OF CERTIFICATES AND REPORTS

Sec.
1114.1 Form and contents of application.
1114.2 Required exhibits.
1114.3 Procedure.
1114.4 Certificates of notification and periodical reports.

AUTHORITY: The provisions of this Part 1114 issued under sec. 12, 24 Stat. 383, as amended; 62 Stat. 162; 49 U.S.C. 12, 20b.

§ 1114.1 Form and contents of application.

The application and supporting exhibits, shall conform to Rule 15 of the General Rules of Practice (§ 1100.15 of this chapter) and shall show, in the order indicated, with the following paragraph designations, the following information:

(a) Full and correct name and business address of the applicant (street and number, city and zone, county and State).

(b) Date of incorporation, the Government, State or Territory under the laws of which the applicant was organized and received its present charter, and if the applicant is incorporated under the laws of, or authorized to operate in, more than one State, Territory, or Federal district, all pertinent facts as to each such incorporation or authorization.

(c) Whether applicant is a carrier by railroad, a corporation organized for the purpose of engaging in transportation as such a carrier, or a carrier in equity receivership or in process of reorganization under section 77 of the Bankruptcy Act, as amended.

(d) The name of each State in which the applicant carrier operates, has been authorized by certificate to operate, or proposes to operate.

(e) A precise description of the alterations or modifications proposed and a statement of the reasons for making such alterations or modifications, and the purposes and uses that will be served if such alterations or modifications are made. The statement should be condensed, as most of the details will be supplied in the exhibits required in § 1114.2, but should give a detailed description of the securities to be modified, altered or issued. (1) If the application covers the modification, alteration or issuance of stock, or the modification or alteration of any provision of any corporate charter, the detailed description should include (i) the kind and class of stock, (ii) the number of shares authorized, the number outstanding (for general purposes and not merely for the purposes of paragraph (3) of section 20b, 49 U.S.C. 20b), and the number to be affected or issued, (iii) the par value of each share, or stated value if having no par value, (iv) amount, (v) voting rights, (vi) preferences, (vii) conversion privileges, (viii) call provisions, (ix) preemptive rights, (x) liquidation rights. (2) If the application covers the modification, alteration or issuance of securities other than stock, or the modification or alteration of any provision of any mortgage, indenture, deed of trust or other instrument, except the corporate charter, pursuant to which any class of securities shall have been issued, or by which any class of obligations is secured, the detailed description should include (i) full title of the securities, (ii) title and date of the indenture, if any, under which the securities were, or are to be issued, or to be modified, and the name or names of the trustee or trustees under the indenture, (iii) principal amount of securities authorized, previously issued, and proposed to be modified or altered and to be affected or issued under the indenture, (iv) denominations of the securities to be issued, (v) date of the securities, (vi) interest rate or rates, (vii) interest payment dates, (viii) date or dates of maturities, with amounts maturing on each date, if maturing serially, and (ix) reference to provisions of the indenture, if any, under which the securities were or will be issued, permitting the proposed modification, alteration or issuance of securities thereunder, and relating to sinking funds, redemption features and conversion rights.

(f) In any case where the issuance of securities is involved, the facts and circumstances on which the applicant relies to establish that (to the extent not inconsistent with paragraph (1) of section 20b, 49 U.S.C. 20b) the proposed issue (1) is for some lawful object within its corporate purposes, and compatible with the public interest, which is necessary or appropriate for or consistent with the proper performance by the carrier of service to the public as a common carrier, and which will not impair its ability to perform that service, and (2) is reasonably necessary and appropriate for such purpose.

(g) At what price or prices, rate or rates, and upon what terms and conditions it is proposed to sell or otherwise dispose of the securities to be issued, including an estimate of the expenses to be incurred in connection with such sale or other disposition. The estimate of expenses to be incurred in connection with the sale or other disposition of securities should be itemized to show the commissions to be paid, discounts to be allowed, and the total of these, and in addition, legal expenses, accounting expenses, engineering expenses, expenses for certification, expenses for authentication, other expenses, and the total expense; also the grand total of commissions, discounts, and expenses. Where the amounts of the items grouped under "other expenses" are relatively substantial, they should also be itemized under that general item.

(h) The facts and circumstances on which applicant relies to establish that the proposed alteration or modification of securities or instrument (1) is within the scope of paragraph (1) of section 20b of the Interstate Commerce Act (49 U.S.C. 20b), (2) will be in the public interest, (3) will be in the best interest of the carrier, of each class of its stockholders, and of the holders of each class of its obligations affected by such modification or alteration, and (4) will not be adverse to the interests of any creditor not affected (within the meaning of paragraph (3) of section 20b) by such modification or alteration.

(i) How and by or through whom it is proposed to effect the proposed alteration or modification, and to whom, or by and through whom, it is proposed to issue any securities to be issued, with details of all contracts, underwriting, and other arrangements made or proposed to be made in connection with the alteration or modification, and issue, if any. Also, a detailed estimate of the expenses to be incurred in connection with such modification or alteration.

(j) Reference to action by the stockholders or directors of applicant, if a corporation, and by the court having jurisdiction over the applicant, if a carrier in equity receivership or in process of reorganization under section 77 of the Bankruptcy Act, as amended, authorizing the proposed alteration, modification or issue and the making and filing of the application, giving dates and places of meetings of stockholders or directors, the date of the court's order, and the names, titles, and post office addresses of the applicant's president, secretary, principal attorney, or other officer or person authorized to sign, verify and file the application on behalf of the applicant.

(k) The name, title, and post office address of counsel, officer, or other person to whom correspondence in regard to the application is to be addressed.

(l) The outstanding principal amount, or the number of shares and par value per share, of each class of security af-

fected by the proposed alteration or modification, and the percentage, if any, of the total of such principal amount and total number of shares for each such class as to which assurances of assent have been obtained from the holders, with a statement of the method of determining such percentage.

(m) Extent and manner of notice, by mail, advertisement or otherwise proposed to be given of the hearing by the applicant, including the time or times, and place or places of advertisement, the reasons for selection of the place or places of advertisement, the class of security or classes of securities the holders of which will be notified, and the names of committees; conferees and other interested parties and the manner of their notification. The Commission will give notices of the application to, and file a copy of it with, the governor of each State in which the applicant operates.

(n) Each class of securities affected, 75 percent of the aggregate principal amount, or number of shares outstanding of which is held by fewer than 25 holders.

(o) Amount, if any, of the securities affected which are pledged under a mortgage, indenture, deed of trust, or other instrument pursuant to which evidences of indebtedness of the applicant or of any company controlling or controlled by the applicant are outstanding, and the amount and description of such evidences of indebtedness; the name or names of any trustee or trustees under any such indenture or deed of trust; and the amount, if any, of the securities affected which are pledged to secure other evidences of indebtedness of the applicant or of any company controlling or controlled by the applicant not so issued under mortgage, indenture, deed of trust, or other instrument, and the amount and description of such other evidences of indebtedness so secured.

(p) Any facts or circumstances relied on by the applicant to show that the proposed modification or alteration does not materially affect the interests of the holder or holders of the evidence or evidences of indebtedness secured by the pledged securities referred to in paragraph (o) of this section.

(q) Amount, if any, of securities, affected by the proposed modification or alteration and of evidences of indebtedness secured by the pledge thereof as referred to in paragraph (o) of this section, which are held by any holder whose assent to the proposed alteration or modification is within the control of the applicant or any person controlling the applicant.

(r) The name or names of any carrier or carriers, or any other person or persons, which or who has assumed liability as guarantor, endorser, surety or otherwise in respect of the securities proposed to be affected, and whether such carrier or other person has consented in writing to the proposed alteration or modification.

(s) A statement of the procedures and methods which the applicant proposes to use in procuring and verifying the assents of the security holders affected by the proposed alteration or modification, and the character of the evidence which the applicant proposes to certify to the Commission in proof of such assents.

(t) Description and terms and conditions of any certificates of deposit that will be issued in connection with the proposed modification or alteration, by the applicant or committees representative of security holders.

§ 1114.2 Required exhibits.

There shall be filed with and made a part of each original application, and, except as otherwise provided, with each copy, or there shall be presented at the hearing, the following exhibits (see last paragraph under this subheading):

(a) As Exhibit 1, a copy of the charter or articles of incorporation, with amendments to date, of the applicant corporation, duly certified by the appropriate public officer, and a copy of the applicant's bylaws, with amendments to date, authenticated by a proper executive officer of the applicant.

(b) As Exhibit 2, a copy of the proposed plan of alteration or modification of securities.

(c) As Exhibit 3, one or more of the following as may be appropriate:

If applicant is a corporation (1) copies of all resolutions of directors authorizing the proposed modification or alteration, and where an issuance of securities is involved the proposed issuance of securities, for which authority is requested, authenticated by a proper executive officer of the applicant; (2) if the charter or bylaws require approval by stockholders, copies of resolutions of stockholders authorizing such alteration or modification and any issuances of securities, all such resolutions of stockholders to be accompanied by a sufficient transcript of the minutes of their meetings to show the number of shares voted for and against the resolutions, and the number of shares required to adopt the resolution; and (3) copies of resolutions of stockholders or directors, or duly authorized committee thereof, authenticated by a proper executive officer of the applicant, designating by name and for that purpose the executive officer by whom the application is signed, verified and filed on behalf of the applicant.

If the applicant is a carrier in equity receivership or in process of reorganization under section 77 of the Bankruptcy Act, as amended, a copy of the order of the court having jurisdiction authorizing the filing of the application.

(d) As Exhibit 4, opinion of counsel that the alteration or modification and the issuance of securities, if any, with respect to which application is made meet the requirements of law as set forth in § 1114.1 (f) and (h), and will be legally authorized and valid if approved by the Commission, with specific reference to any specially pertinent provisions of charter of articles of incorporation or association.

(e) As Exhibit 5, a map of the applicant's existing railroad.

(f) As Exhibit 6, specimens or forms where specimens are not available of all securities and forms of all instruments with respect to which application is made.

(g) As Exhibit 7, in case of the issue or assumption of bonds or evidences of indebtedness, a copy of the mortgage or indenture by which secured or proposed to be secured.

(h) As Exhibit 8, if application is made with respect to the discharge or refunding of existing obligations (including notes maturing not more than two years after the dates thereof, issued under paragraph (9) of section 20a of the Interstate Commerce Act, 494 U.S.C. 20a or otherwise), a statement containing a full description, together with terms and conditions (including discounts and commissions, counsel fees, and all other expenses) of sale or other disposition of such existing obligations.

(i) As Exhibit 9, if application is made with respect to purposes other than those covered by the above classifications under this heading, "Required exhibits", a statement containing complete details of such other purposes.

(j) As Exhibit 10, details of all creditor obligations of the carrier, not affected by the proposals, to the same extent as required in § 1114.1(e) with respect to affected obligations: *Provided*, That in place of such filing the applicant may refer to documents heretofore filed in proceedings before the Commission, to the extent that the required information is covered by such documents, giving the docket number.

(k) As Exhibit 11, a certified copy of the applicant's general balance sheet as of the latest practicable date and as of December 31 next preceding that date.

(l) As Exhibit 12, a verified copy of the applicant's income and profit and loss statement for the last calendar year and a copy of such statement for the current calendar year to the latest available date, and a statement of the applicant's annual income account for a period sufficient to permit the determination by the Commission of the applicant's probable prospective earnings.

Exhibits shall be numbered as above indicated if filed with the application. If presented at the hearing they will be assigned numbers when presented. The application shall contain a list of exhibits filed therewith, and a list of the required exhibits remaining to be filed at the hearing. Exhibits shall conform in size to Rule 84 of the General Rules of Practice (§ 1100.84 of this chapter) but shall be folded to conform to the size of the application. If the documents here requested have been previously filed in connection with an application under the Interstate Commerce Act, it will be sufficient to make reference to the docket number under which filed, provided that any change or changes occurring in such documents since the filing thereof shall be shown in an exhibit identified to correspond with the exhibit requested. Income statements, balance sheets, or profit and loss accounts, may not be incorporated by reference to the annual reports filed with the Commission.

§ 1114.3 Procedure.

The following procedure shall govern the execution, filing and disposition of the application:

(a) The procedure prescribed in § 1115.6(a) of this chapter governing applications under section 20a of the Interstate Commerce Act (49 U.S.C. 20a).

(b) The original application and supporting papers, six copies thereof for the use of the Commission, and one copy for the governor of each State in which the applicant operates, shall be filed with the Secretary of the Interstate Commerce Commission, Washington 25, D.C. Each copy shall bear the dates and signatures that appear in the original and shall be complete in itself, but the signatures in the copies may be stamped or typed, and the notarial seal may be omitted.

(c) Upon receipt of the application the Commission will cause notice thereof to be given to, and a copy of the application to be filed with, the governor of each State in which the applicant operates, with inquiry as to whether such governor or other appropriate authority of the State desires to be heard in the matter.

(d) Petitions for leave to intervene may be filed by persons interested in the application prior to or at the time the application is called for hearing, but not thereafter except for good cause shown, the practice in regard to such petitions and answers thereto to be governed by the Commission's general rules of practice.

(e) In connection with its findings required by paragraph (2) of section 20b (49 U.S.C. 20b) the Commission will give directions (1) as to the manner in which the carrier shall submit the proposed alteration or modification (with such terms, conditions, and amendments, if any) to the holders of each class of its securities affected thereby, for acceptance or rejection, and (2) as to the manner of proof to be made by the carrier of the percentage of assents to the proposed alteration or modification by the holders of each class of securities affected thereby.

(f) All letters, circulars, advertisements, and other communications, and all financial and statistical statements, or summaries thereof, to be used in soliciting the assents or the opposition of holders of securities affected, shall, before being used, be submitted to the Commission for its approval as to correctness and sufficiency of the material facts stated therein; but this requirement shall not be construed to apply to normal and ordinary correspondence or other communication between the carrier and a creditor, stockholder, or other interested party.

§ 1114.4 Certificates of notification and periodical reports.

Sections 1115.4, 1115.5 and 1115.6 of this chapter governing applications under section 20a of The Interstate Commerce Act (49 U.S.C. 20a) shall be followed as a guide.

PART 1115—ISSUANCE OF SECURITIES, ASSUMPTION OF OBLIGATIONS, AND FILING OF CERTIFICATES AND REPORTS

Sec.

1115.1 Application form.
1115.2 Definitions.
1115.3 Procedure; applications, certificates, and reports.
1115.4 Disposal of pledged or treasury securities.
1115.5 Issuance of short-term notes.
1115.6 Reports of securities issued or obligations assumed.

Competitive Bidding Exemption

1115.25 Applications for authority to sell securities without competitive bidding.

Authority: The provisions of this Part 1115 issued under sec. 12, 24 Stat. 383, as amended; sec. 20a, 41 Stat. 494, as amended; secs. 204, 205, 214, 49 Stat. 546, as amended, 548, as amended, 557, as amended; 49 U.S.C. 12, 20a, 304, 305, and 314.

Cross Reference: Prescribed forms referred to in this part listed in § 1003.4 of this chapter.

§ 1115.1 Application form.

All carriers and other persons subject to sections 20a and 214 of the act making application for authority (a) to nominally issue securities, (b) to sell, pledge, repledge, or otherwise dispose of securities nominally issued or assumed or nominally outstanding, (c) to actually issue securities, or (d) to assume any obligation or liability as lessor, lessee, guarantor, endorser, surety, or otherwise in respect of the securities of any other person, natural or artificial, actually outstanding, shall make such application substantially in the form of application designated Form BF–6.

§ 1115.2 Definitions.

(a) The term "carrier" includes a common carrier by railroad (except a street, suburban, or interurban electric railway which is not operated as a part of a general steam railroad system of transportation) which is subject to part I of the Act, a common or contract carrier by motor vehicle subject to part II, a corporation organized for the purpose of engaging in transportation as any such carrier, and a sleeping-car company which is subject to part I.

(b) The term "holding company" means a person which is not a carrier, but which is authorized by an order entered under section 5(2) of the Act to control a carrier or carriers and, as provided in section 5(3), is to be considered a carrier subject to the provisions of sections 20a or 214.

(c) The term "securities" is used herein as it is defined in section 20a(1) of the Act.

(d) The terms "nominally issued", "nominally outstanding", "actually issued", and "actually outstanding" are used herein as they are defined by the Commission for purposes of the uniform system of accounts and annual reports of railroads and motor carriers.

§ 1115.3 Procedure; applications, certificates, and reports.

(a) The application shall be filed sufficiently in advance of the date of the proposed issue or assumption to give the Commission reasonable time, not less than 30 days, for the notices and investigation required by law.

(b) The governor of each state upon whom a copy of the application is served, or other appropriate regulatory authority to which the matter is referred, is requested to notify the Commission within 15 days if it is desired to make any representations or to be heard in the matter.

(c) Protests or petitions for leave to intervene may be filed by persons interested in the applications within 15 days after the filing thereof or prior to or at the time the application is called for hearing, if a hearing is ordered, but not afterward, except for good cause shown, the practice in regard to such petitions and answers thereto to be governed as nearly as may be by the Commission's General Rules of Practice.

(d) Public hearing will not be ordered unless good cause therefor is shown or unless the Commission deems a hearing desirable.

(e) The rules and regulations prescribed in Part 1110 of this chapter shall govern the execution, filing, and disposition of the application, the filing of certificates of notification, and the making of special reports.

§ 1115.4 Disposal of pledged or treasury securities.

(a) Certificates of notification required by paragraph (5) of section 20a of the Act to be filed with the Commission within 10 days after the sale, pledge, repledge, or other disposition of securities theretofore pledged or held unencumbered in the treasury of the carrier, shall be filed substantially in the form designated as Form BF–21.

(b) As used in paragraph (5) of section 20a, securities described as "pledged or held unencumbered in the treasury of the carrier" are securities theretofore nominally issued, or reacquired and held in the treasury of the carrier, except securities held by trustees in sinking or other funds.

§ 1115.5 Issuance of short-term notes.

(a) Certificates of notification required by paragraph (9) of section 20a of the Act to be filed with the Commission within 10 days after the making of short-term notes within the limits within which such notes may be issued without authorization, shall be filed substantially in the form designated as Form BF–22.

(b) The term "short-term notes" means notes maturing not more than two years after the date thereof.

(c) The limits within which short-term notes may be issued without authorization are those specified in paragraph (9) of section 20a and in the proviso of section 214.

(d) Carriers or corporations within the exemptions provided in section 214 are not required to file certificates of notification.

§ 1115.6 Reports of securities issued or obligations assumed.

(a) Within 30 days after the initial date of issue of any security or assumption of any obligation or liability authorized, a report showing the issue or assumption shall be filed with the Commission in Form BF–23, as revised. An interim report shall be made concurrently with any subsequent application for additional authority filed under sections 20a or 214, showing the action theretofore taken, and any balance previously authorized but not disposed of, in the same form; otherwise no interim report is required. A final report shall be made upon the completion of the issue or assumption, and may be made in lieu of the initial report within the 30-day period following the initial action.

(b) On or before March 31 of the year following the year to which it relates, the respondent shall report in and as a part of its Annual Report Form to the Commission, concerning the securities issued and obligations assumed during such year.

COMPETITIVE BIDDING EXEMPTION

§ 1115.25 Applications for authority to sell securities without competitive bidding.

(a) Special application for exemption from the competitive bidding requirement shall be made in the form designated as Form BF–7 only when for any reason it is not practicable to include the request for exemption in an application filed in Form BF–6, pursuant to the instructions (§ 1115.1–1115.3) respecting applications filed under section 20a.

(b) The requirement that, with certain specified exceptions, all classes of railroad securities other than equipment, issued under authority granted pursuant to the provisions of section 20a of the Act be offered for sale at competitive bidding, or its equivalent, set forth in the Commission's report in Ex Parte 158, In Re Competitive Bidding in the Sale of Securities, 257 I.C.C. 129, decided May 8, 1944, and modified by findings in Atlantic Coast Line R. Co. Competitive Bidding Exemption, 282 I.C.C. 513, decided June 18, 1952, and further modified by supplemental report in Ex Parte 158, Ibid., 307 I.C.C. 1, decided August 14, 1958, with resepct to securities issued or proposed to be issued incident to a loan guaranteed under the provisions of part V of the Act, is published in an appendix to this section.

(c) The rules and regulations prescribed in Part 1110 of this chapter shall govern the execution, filing, and disposition of the application.

APPENDIX TO § 1115.25

Pertinent conclusions and the requirement of the Commission in its report of May 8, 1944, in Ex Parte 158, "In the Matter of Competitive Bidding in the Sale of Securities under section 20a of the Interstate Commerce Act", are as follows:

We find that for the proper administration, execution, and enforcement of section 20a of the Interstate Commerce Act we should require as a condition to our approval of the sale of railroad securities issued under the provisions of that section that such securities be offered for sale at competitive bidding or at what we have heretofore considered tantamount thereto, viz., upon invitation of bids for the purchase thereof. Proposals received in response to such invitation should be opened only at such time and place as is specified in the invitation, and the duly authorized representative of any person making any such proposal should be permitted to be present at the opening of such proposals, and to examine each proposal submitted. If the right be reserved in the advertisement or invitation for bids, the railroad proposing the issue may properly reject all bids and call for new bids or seek such relief as the facts and circumstances may warrant.

We further find that such requirement should apply to all classes of railroad securities other than equipment, as to which no change in the present practice is contemplated, except the following:

(1) Common and preferred stocks;

(2) Securities sold or otherwise issued pro rata to existing holders of securities of the issuing company pursuant to any preemptive right or privilege or in exchange for or extension of outstanding securities, or in connection with any liquidation, reorganization, or financial adjustment;

(3) Any note or other security maturing in not more than 3 years;

(4) Securities sold or otherwise issued when the total issue does not exceed $1,000,000, principal amount;

(5) Securities of any railroad company issued in exchange for the securities or properties of any other railroad company acquired pursuant to authority granted under the provisions of section 5(2) of the act, and any securities of such other company to be acquired by any other person pursuant to such authority;

(6) Securities sold or otherwise issued to a railroad company by any of its subsidiary companies pursuant to authority granted under section 20a of the act where such securities are not to be sold by the parent company, but are to be held subject to our further order; and

(7) Any securities as to which we shall find, upon due showing by a railroad company, either upon application under the provisions of section 20a or upon special application preliminary to the filing of such application under section 20a, that sale at competitive bidding should not be required.

Applications under section 20a to sell securities without competitive bidding on the ground that such securities come within one of the foregoing specific exemptions should include a statement of facts relied upon to show that the exemption applies. Special applications for exemption from the competitive bidding requirement may be made pursuant to such special instructions as may hereafter be issued.

We further find that for the present no formal rule or regulations requiring the sale of railroad securities at competitive bidding should be promulgated. Railroads applying after June 30, 1944, for authority to issue securities under the provisions of section 20a will be expected to observe these findings.

The foregoing requirement was modified by the Commission's report of June 18, 1952, in Finance Docket No. 17748, Atlantic Coast Line R. Co. Competitive Bidding Exemption, 282 I.C.C. 513, as follows:

It will hereafter be our policy to deny any application for exemption from our competitive bidding requirement when competitive bidding is prima facie required and the applicant has, before obtaining the required exemption from us, entered into any discussions or any negotiations with respect to the terms of sale with any prospective purchaser of its securities. Our competitive bidding requirement is modified to this extent.[1]

The foregoing requirements were further modified by the Commission's supplemental report of August 14, 1958, in Ex Parte 158, (1) to except securities sold or otherwise issued in connection with a loan guaranteed under the provisions of part V of the Interstate Commerce Act from the general requirement set forth in the prior report thereof of May 8, 1944, that railroad securities be offered for sale at competitive bidding or upon invitation of bids for the purchase thereof, and (2) to make the policy expressed in Finance Docket No. 17748, Atlantic Coast Line R. Co. Competitive Bidding Exemption, supra, inapplicable to applications for exemption from the Commission's competitive bidding requirements by an applicant which in good faith, and under the belief that a guaranty may or will be required by the Commission in order for it to obtain the needed financing upon reasonable terms, has entered upon discussions or negotiations with respect to the terms of sale with a prospective purchaser of its securities.

PART 1116—RECORDATION OF DOCUMENTS

Sec.

1116.1 Definitions.
1116.2 Submission of documents for recording.
1116.3 Eligibility of documents.
1116.4 Form and contents of letter of transmittal.
1116.5 Administrative procedure.

AUTHORITY: The provisions of this Part 1116 issued under 66 Stat. 724; 49 U.S.C. 20c.

§ 1116.1 Definitions.

As used in this part, "document" means:

(a) A mortgage, lease, equipment trust agreement, conditional sale agreement, or other instrument evidencing the mortgage, lease, conditional sale or bailment of, railroad cars, locomotives, or other rolling stock used or intended for use in connection with interstate commerce; and

(b) Any assignment of rights or interest under any such instrument, or any supplement or amendment to any such instrument or assignment (including any release, discharge or satisfaction thereof, in whole or in part).

§ 1116.2 Submission of documents for recording.

Documents to be recorded shall be submitted in person or by registered mail addressed to the Secretary of the Interstate Commerce Commission, Washington, D.C. 20423.

[1] This is not to be construed as prohibiting preliminary discussion of an exploratory nature with prospective purchasers dealing with the availability of money, the general condition of the market for railroad securities and similar matters, or the making of such inquiries or investigation as may be required to determine the probability that two or more bids will be received if a proposed issue is offered at competitive bidding.

§ 1116.3 Eligibility of documents.

A document shall be eligible for recordation only if:

(a) The document is in writing (handwriting, typewriting, or print), executed by the parties thereto, and acknowledged or verified as provided in paragraph (c) of this section.

(b) The original document and, for retention in the files of the Commission, two counterparts thereof, or, if counterparts have not been executed and acknowledged by the parties, two certified true copies thereof, are submitted. A certified true copy of an original document is one which is a complete copy of the original in all respects, including the dates, signatures, and acknowledgments and to which is attached a certificate of a notary public, stating that such officer has compared the copy with the original document and that it is a true and correct copy in all respects. In case of a corporate mortgage or deed of trust of the nature referred to in paragraph (d) of § 1116.4, two certified true copies may be submitted in addition to an original executed counterpart, whether or not other counterparts have been executed and acknowledged by the parties; and in such case the certification of such copies may be made by the trustee under such mortgage or deed of trust or an officer of such trustee.

(c) Documents submitted for recordation shall be acknowledged or verified:

(1) In a form authorized by the law of the state, territory, district, or possession where executed for the acknowledgment or verification of deeds of land, or

(2) In a form substantially as follows:

INDIVIDUAL FORM OF ACKNOWLEDGMENT

STATE OF _____
County of _____, *ss:*

On this _____ day of _____, 19____, before me personally appeared (name of signer), to me known to be the person described in and who executed the foregoing instrument and he acknowledged that he executed the same as his free act and deed.

[SEAL] _____
Title of officer

My commission expires _____

Corporate Form of Acknowledgment

STATE OF _____
County of _____, *ss:*

On this _____ day of _____, 19____, before me personally appeared (name of signer), to me personally known, who being by me duly sworn, says that he is the (title to office) of (name of corporation), that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[SEAL] _____
Title of officer

My commission expires _____

(d) The document is accompanied by the required recordation fee, which fee, (1) for each document of the type named in § 1116.1(a), shall be $50, and (2) for each document of the type named in § 1116.1(b) shall be $10, except that assignments which are executed prior to the filing of the original instrument and which are submitted concurrently for recordation as one document, shall be counted as one document. A lease and agreement (Philadelphia Plan) shall be counted as one document.

§ 1116.4 Form and contents of letter of transmittal.

(a) The letter of transmittal requesting the recording of documents as described in § 1116.1 (a) and (b) shall be typewritten or printed on paper approximately 8½ x 11 inches with 1½ inch margin on the left side.

(b) The letter shall set forth the names and addresses of the parties to the transaction as follows:

Conditional sale—vendor, purchaser, guarantor.
Mortgage—mortgagor, mortgagee, guarantor.
Equipment trust — vendor, trustee-lessor, lessee, guarantor of lease.
Lease—lessee, lessor, guarantor.
Bailment—bailor, bailee, guarantor.
Other transactions—principal debtors, trustee, guarantor and other parties to the transaction.

(c) A general description of the equipment covered by the document, whether locomotives, car or other rolling stock, the type of such equipment, with A. A. R. mechanical designation, if any, the number of each type, and identifying marks such as the name or initials of the lessee, mortgagee, or vendee, the road or serial number, or if more than one number of each type, the first and last inclusive numbers.

(d) If the document is a mortgage or deed of trust upon a railway line or lines which also includes in its coverage any interest of the mortgagor in rolling stock owned by it at the date of the mortgage or any interest in rolling stock thereafter to be acquired, substantially the following statement may be included in the letter of transmittal in lieu of the information specified in paragraph (c) of this section:

Included in the property covered by the aforesaid mortgage or deed of trust are (here identify generally the equipment such as "railroad cars, locomotives and other rolling stock") used or intended for use in connection with interstate commerce, or interests therein, owned by (name of mortgagor) at the date of said mortgage or thereafter acquired by it or its successors as owners of the lines of railway covered by said mortgage,

and shall be a sufficient description of the equipment covered by the document.

(e) In connection with the documents listed in § 1116.1(b) the application shall refer to the prior recording of the document by the recordation number, and the date and hour of such recordation.

(f) The letter of transmittal shall be signed by an executive officer of one of the parties having knowledge of the matters set forth therein and shall show the name and address of the person to whom the original document should be returned.

§ 1116.5 Administrative procedure.

(a) At the time of filing of a document with the Commission pursuant to the provisions of section 20c of the act, there will be stamped upon the original document and also upon the copies of same a consecutive recordation number and the date and hour of recordation with a notation to the effect that it has been filed pursuant to the provisions of section 20c of the act. The original will then be returned and the counterparts or copies retained in the Commission's files.

(b) The Commission will establish, maintain and keep open to public inspection under appropriate rules, an index showing the recordation number, together with other pertinent information of each document recorded under the provisions of section 20c of the act. When the document is one named in § 1116.1(b) a notation to that effect will be made also on the index showing the original recordation.

(c) There will also be established and maintained and kept open to public inspection under appropriate rules, an index showing for each party the recordation number of all documents to which it is a party which have been filed under section 20c of the act.

(d) The Commission cannot undertake to answer inquiries concerning the title to any unit or units of rolling stock, or any document recorded under the provisions of section 20c. Individuals interested in such information, however, may make a personal search of the records or may avail themselves of the service of an agent or attorney.

(e) When there has been filed, pursuant to this part, a mortgage or deed of trust of the nature referred to in paragraph (d) of § 1116.4, it shall not be necessary to again file said mortgage or deed of trust when additional rolling stock is acquired in order to perfect the lien of the same upon such additional rolling stock.

PART 1117—REORGANIZATION OF RAILROADS

SPECIAL RULES OF PROCEDURE

Sec.
1117.1 "Person" and "railroad corporation."
1117.2 "The debtor."
1117.3 "The security."
1117.4 "Affiliated interests."
1117.5 "Connection."
1117.6 Authority to solicit.
1117.7 Granting of order of authorization.
1117.8 Applicant desiring to act for more than one issue of securities.
1117.9 Contents of application.
1117.10 Application by other than an individual.
1117.11 Filing of exhibits.
1117.12 Procedure governing application.

RATIFICATION OF APPOINTMENT AS TRUSTEE

1117.51 Filing of petition.
1117.52 Petition under oath.
1117.53 Number of copies.
1117.54 Form; notice accompanying petition.
1117.55 Consideration of petition.

AUTHORITY: The provisions of this Part 1117 issued under sec. 12, 24 Stat. 383, as amended, sec 1, 47 Stat. 1474, as amended; 49 U.S.C. 12, 11 U.S.C. 205.

SPECIAL RULES OF PROCEDURE

SOURCE: The provisions of this Part 1117 contained in regulations governing applications for authority to solicit, use, employ, or act under or pursuant to, proxies, authorizations, or deposit agreements, in or in connection with reorganization or receivership proceedings, ICC, Oct. 23, 1935, unless otherwise noted.

§ 1117.1 "Person" and "railroad corporation."

The terms "person" and "railroad corporation" are used in §§ 1117.1–1117.12 as they are defined in section 77 (m) of the Bankruptcy Act.

§ 1117.2 "The debtor."

The term "the debtor" as used in §§ 1117.1–1117.12 means any railroad corporation by or against which proceedings have been instituted and are pending under section 77 of the Bankruptcy Act, or against which receivership proceedings have been instituted and are pending in any State or Federal Court, being the proceedings in connection with which the applicant proposes to act.

§ 1117.3 "The security."

The term "the security" as used in §§ 1117.1–1117.12 means any security for which the applicant proposes to act or the deposit of which he expects to solicit and to which the application relates.

§ 1117.4 "Affiliated interests."

The term "affiliated interests" as used in §§ 1117.1–1117.12 means any person (a) by which the person designated is employed; (b) of which he is an officer, director, trustee, stockholder, or partner; (c) in which he has a direct or indirect pecuniary interest; (d) which he controls, whether by stock ownership, lease, agency, or otherwise; or (e) by which he is controlled in any manner whatsoever.

§ 1117.5 "Connection."

The term "connection" as used in §§ 1117.1–1117.12 means the prior or present relationships as employee, director, stockholder, trustee, partner, creditor, debtor, or attorney at law.

§ 1117.6 Authority to solicit.

Any person seeking authority (a) to solicit, or permit the use of his name to solicit, from any creditor or shareholder of a railroad corporation by or against which proceedings under section 77 of the Bankruptcy Act, or against which receivership proceedings have been instituted and are pending, any proxy, or authorization to represent or act for such creditor or stockholder in such proceedings or in any matters relating to such proceedings, or (b) to solicit the deposit by any such creditor or shareholder of his claim against or interest in such railroad corporation, or any instrument evidencing the same, under any agreement authorizing such representation or action for such depositor, or to act under such agreement, or (c) to use, employ, or act under or pursuant to any such proxy, authorization, or deposit agreement, which has been solicited or obtained prior to the institution of such proceedings, shall make application for authority, and such application shall, unless otherwise authorized by the Commission, be filed sufficiently in advance of the date of such proposed solicitation, use, employment, or action, to give the Commission reasonable time, not less than 30 days, for the consideration and hearing required by law.

§ 1117.7 Granting of order of authorization.

An order of authorization will be granted only upon application therefor as provided in §§ 1117.1–1117.12.

§ 1117.8 Applicant desiring to act for more than one issue of securities.

Where the applicant desires authority to act for more than one issue of securities, the information required in §§ 1117.1–1117.12 other than that required in § 1117.9 (a), (b), (c), shall be supplied for each issue.

§ 1117.9 Contents of application.

Each applicant shall show, in the following order:

(a) Full name and address of the applicant.

(b) (1) If the application is by an individual who proposes to act as a member of a protective committee, partnership, association, or other unincorporated organization, the name and address of such committee, partnership association, or organization, with date when he became a member.

(2) If the application is by a protective committee, partnership, association, or other unincorporated organization, the names and addresses of the individual members thereof and of the secretary and counsel, if any, with date of organization, and dates when each individual became a member, or secretary, or counsel, designating which members, if any, are officers of the organization.

(3) If the application is by a corporation or a joint-stock company, the names and addresses of the officers and directors of the applicant and the names and addresses of the 20 stockholders of the applicant who, at the date of the application, if known, or if not known, who at the date of the latest closing of the stock book or compilation of list of stockholders of the applicant (if within 1 year prior to the date of the application) had the highest voting powers in the applicant together with names and addresses of counsel, if any, the date of incorporation, and the dates on which each officer and director was elected or appointed.

(c) Principal occupations, for the last 10 years prior to the date of the application, of the applicant, if an individual, of each member, the secretary, and counsel, if the applicant is a committee, partnership, association, or other unincorporated organization, and of each officer director, and principal stockholder (not more than 20) if applicant is a corporation or joint-stock company.

(d) Nature of the authority sought, i.e., whether to solicit, use, employ, or act under or pursuant to proxies or authorizations to represent any member or shareholder of the debtor or to solicit the deposit by such member or stockholder of his claim against, or interest in, such debtor under a deposit agreement, or to act for depositors under such agreement.

(e) Whether the applicant made such solicitation, or used, employed, or acted under or pursuant to, such proxies, authorizations, or deposit agreements prior to the date of the application.

(f) (1) The name of the security.

(2) Date of default, if any, in the security.

(3) Principal amount or number of shares of the security presently outstanding.

(g) (1) Name of the railroad corporation originally issuing the security.

(2) Names of the person currently obligated to meet the principal and interest of the security.

(3) Names of all parties involved in any controversy with respect to the obligation to meet the principal and interest of the security.

(h) (1) Name and title of the proceedings in or in connection with which the committee proposes to act.

(2) The court having jurisdiction in such proceedings.

(3) The nature of such proceedings.

(i) The name or names of the debtor or debtors.

(j) (1) The manner in which the applicant proposes to make such solicitation, or to use, employ, or act under or pursuant to, such proxies, authorizations, or deposit agreements.

(2) The name and address of the persons, if known, to be employed or compensated directly or indirectly by the applicant, to solicit proxies or authorizations to represent holders of the security or to solicit the deposit of the security.

(3) The rates of compensation to be paid to the persons to be so employed.

(4) The maximum amount estimated to be required to pay each person so employed as advances for or in reimbursement of expenses.

(5) The rate of compensation to be charged by the applicant for his services.

(6) The maximum amount estimated to be required in reimbursement of the applicants expenses.

(k) Arrangements contemplated by the applicant to obtain funds for financing his operations before his expenses are approved by the court and the Commission.

(l) Names and addresses of other persons including committees or other organizations in process of formation, known to the applicant, who represent, propose to represent, or have sought to represent, the security.

(m) Names and addresses of the original underwriters of the security.

(n) Any present and prior connection of the applicant and each of the affiliated interests of the applicant with:

(1) The original issuer of the security and each of its affiliated interests.

(2) The debtor and each of its affiliated interests.

(3) The person who originally sold or underwrote or participated in the selling or underwriting of the security.

(4) The trustee of the debtor and of the original issuer.

(5) The trustee of the instrument, if any, under and pursuant to which the security was issued.

(6) The depositary under the proposed agreement, if any, under which the security is to be deposited.

(7) Any other person acting for any securities of the original issuer or of the debtor.

(o) The number of shares of each class of stock, and the principal amount of each class of bonds, notes, certificates, or other obligations, direct or indirect, of the debtor and of each of its affiliated interests, owned by the applicant, any of his affiliated interests, and any member of his immediate family on or about the date of the application.

(p) Whether the applicant, any of his affiliated interests, or any of his immediate family, have, within 6 months prior to the date of the application, purchased or sold any securities or other obligations of the debtor or of any of its affiliated interests.

(q) The names of any depositaries with which the applicant has arranged or proposes to arrange for the deposit of the securities, and the terms and provisions of all contracts and agreements entered into by the applicant and by any of its affiliated interests, with such depositaries.

(r) The terms and provisions of all contracts and agreements entered into by the applicant and by each of his affiliated interests with any other person, including its own members and officers, if the applicant is a committee, or its own officers, directors, or principal stockholders, if it is a corporation, representing or seeking to represent any creditor or stockholder of the debtor, whether such representation is to be as an individual, a committee, an association, an unincorporated organization, a corporation, or a joint-stock company, or as a member, officer, director, or principal stockholder, of the applicant or of any other person.

§ 1117.10 Application by other than an individual.

If the application is by any person other than an individual, the applicant shall, in addition to furnishing the information as to itself required by § 1117.9 (n)-(r) attach to said application a statement or statements under oath by each of its members, if secretary, and counsel, or by each of its officers, directors, and principal stockholders (not more than 20), as may be appropriate, setting forth for each individual so connected with the applicant such information as to his connections, securities, ownership, purchase and sale of securities, and terms and provisions of contracts, as is required of the applicant by said paragraphs: *Provided, however,* That such individuals need not include in such statement or statements information that would duplicate information furnished by the applicant where such information is not peculiarly within the knowledge of such individuals.

§ 1117.11 Filing of exhibits.

There shall be filed with the original application and with each copy thereof, as a part thereof, or in such other manner as the Commission, through appropriate agency, may authorize, the following exhibits:

(a) A copy of the proxy, authorization, or deposit agreement under which the applicant proposes to act.

(b) A copy of the applicant's charter or articles of incorporation, with amendments to date, attested by proper public authority, if the applicant is a corporation or joint-stock company, and of any contract or agreement by which the applicant was formed, if the applicant is a committee, partnership, association, or other unincorporated organization, except that when such copy has been once filed with an application, reference thereto, with subsequent amendments, if any, will suffice.

(c) A copy of any bylaws, adopted or proposed to be adopted, with amendments, if any, to date, to govern the affairs of the applicant, except that were such copy has been once filed with an application, reference thereto with subsequent amendments, if any, will suffice.

§ 1117.12 Procedure governing application.

The following procedure shall govern the execution, filing and disposition of the application:

(a) The original application shall be signed by the applicant or on his behalf by a duly authorized agent having knowledge of the matters set forth, and shall be verified in the manner provided by § 1.17 of this chapter.

(b) The original application and six copies thereof shall be filed as provided in Rule 4(b) of the General Rules of practice (§ 1100.4(b) of this chapter). Each copy shall be complete in itself with copies of all attachments, and shall bear the dates and signatures that appear in the original but the signatures in the copies may be stamped or typed and notarial seal may be omitted.

Ratification of Appointment as Trustee

§ 1117.51 Filing of petition.

The appointee seeking such ratification shall file with the Commission a petition reciting the proceedings in court pertaining to the appointment, asking that the appointment be ratified, and giving the following information with respect to the appointee:

(a) Date and place of birth.

(b) Education.

(c) All past principal occupations and period covered by each.

(d) All present occupations and intentions with respect to continuation thereof during service as trustee.

(e) Whether or not the appointee, within 1 year of the date of his appointment, has been an officer, director, or employee of the debtor corporation, any subsidiary corporation, or any holding company connected therewith.

(f) All present business relations, connections, or affiliations, of any character, either direct or indirect, with any individuals, partnerships, associations, corporations, or other organization, and all such relations, connections, or affiliations of such individuals, corporations, or organizations, with the debtor or any of its affiliated interests.

(g) The names and addresses of all persons, partnerships, associations, corporations or other organizations in which the appointee or any member of his immediate family has a financial interest, direct or indirect, beneficial, contingent, or otherwise, together with a description of the nature of such interest, showing whether it is evidenced by stock certificates, notes, bonds or other securities.

(h) The names and addresses of all persons, partnerships, associations, corporations or other organizations to which the appointee is under financial obligation, direct or indirect, fixed, contingent or otherwise, in excess of $4,000 to any one person or concern, together with a description of the nature of such financial obligation, showing whether it is evidenced by book entries, notes, or otherwise.

§ 1117.52 Petition under oath.

The original petition shall be made under oath, and shall be signed by the petitioner.

§ 1117.53 Number of copies.

The original petition and six copies thereof for the use of the Commission shall be filed with the Secretary of the Commission, Washington, D.C. Each copy shall bear the dates and signatures that appear in the original and shall be complete in itself, but the signatures in the copies may be stamped or typed, and the notarial seal may be omitted. Additional copies shall be furnished as directed by the Commission.

§ 1117.54 Form; notice accompanying petition.

Petitions and statements filed by or on behalf of appointees seeking ratification of appointments as trustee shall conform to Rules 15 and 16 of the General Rules of Practice (§§ 1100.15 and 1100.16 of this chapter), and must be accompanied by notice showing service upon all parties who appeared in court in opposition to the appointment.

§ 1117.55 Consideration of petition.

Upon receipt of such petition in due form, and upon receipt from the clerk of the court of a copy of the order of the court appointing the person by or on whose behalf said petition is filed trustee of the debtor's property together with a copy of any petition or petitions and other pleadings presented to the court, and of a transcipt, if any, of the proceedings in court, pertaining to such appointment, the Commission will proceed to consider the petition, or will order a hearing, if a hearing shall be deemed necessary, and after such hearing will proceed to consider the petition.

PART 1118—CORPORATE REORGANIZATION OF CARRIERS AND CORPORATIONS

Sec.
1118.1 Submission of copies of reorganization plan.
1118.2 Statements and information to be submitted with reorganization plan.
1118.3 Hearing in court; filing of notice with Commission.

AUTHORITY: The provisions of this Part 1118 issued under sec. 12, 24 Stat. 383, as amended, sec. 1, 52 Stat. 891; 49 U.S.C. 12, 11 U.S.C. 577.

§ 1118.1 Submission of copies of reorganization plan.

A duly authenticated copy and five additional copies of each such plan for the reorganization of a debtor corporation, subject to the jurisdiction of this Commission under Chapter 1, Title 49, of the United States Code, shall be submitted to this Commission by the proponent of such plan not later than 10 days after its tender to the court in which the reorganization proceeding is pending.

§ 1118.2 Statements and information to be submitted with reorganization plan.

In the event the debtor be a common carrier by railroad engaged in the transportation of persons or property in interstate commerce, or a lessor of such railroad, or a corporation considered as a carrier under the provisions of section 5, Chapter 1, Title 49, of the United States Code, which is, or may be, subject to the jurisdiction of this Commission under Chapter 1 of said Title 49, and which is not, or may not be, a railroad corporation as that term is used in section 77 of the Bankruptcy Act, as amended, there shall be submitted to this Commission, together with the plan of reorganization:

(a) An original verified statement, and five copies thereof, showing:

(1) Date of filing of petition for reorganization.

(2) Date of approval of petition for reorganization.

(3) Whether the debtor's properties are operated under lease or under other arrangement, as part of a general railroad system of transportation, or a general steam railroad system of transportation, and, if so, the name of such system, and the character of operating arrangement.

(4) Whether the debtor is controlled by stock ownership or otherwise, as part of such system and the name of the person exercising such contrpl.

(5) Whether the plan involves any new construction, extension, acquisition, or abandonment of lines, or the acquisition or abandonment of any trackage rights.

(6) If a transfer or lease of, or operating contract covering the debtor's property, or a transfer of control of the debtor through stock ownership, or a consolidation or merger of the debtor with any other carrier or carriers is contemplated under the plan of reorganization, the name and address, if known, of such transferee, or of the consolidating, merging, or controlling company, including affiliates of such transferee, etc., with other carriers subject to the Interstate Commerce Act.

(b) Six copies, one verified, of:

(1) Articles of incorporation of the debtor.

(2) Articles of incorporation proposed for the reorganized debtor or any amendments to the existing articles of incorporation to be made as a result of the reorganization.

(3) Balance sheet of the debtor as of the latest date for which it is available preceding the date of filing the petition.

(4) Income account of the debtor for the calendar year immediately preceding bankruptcy and for succeeding years up to the end of the last full month prior to filing the information, the income account to show total operating revenues and the amount of operating revenues from the transportation of freight in standard steam railroad freight equipment.

(5) If under the plan of reorganization there is contemplated an issue of securities or assumption of obligation or liability as lessor, lessee, corporate endorser, surety, or otherwise in respect of the securities of any other person by the debtor or prospective transferee, a statement showing securities of the debtor or prospective transferee outstanding, securities to be issued, and obligations and liabilities to be assumed, segregated by classes and amounts (par value or, if such have no par value, the fair market value thereof as of date of issue).

§ 1118.3 Hearing in court; filing of notice with Commission.

Notice of the time and place of any hearing in court on any proposed plan of reorganization of a debtor corporation, subject to the jurisdiction of this Commission, in such proceedings shall be filed by the proponent of the plan with the Secretary, Interstate Commerce Commission, Washington, D.C.

PARTS 1120–1129—SPECIAL PROCEDURES—RAIL CARRIERS CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

PART 1120—CONSTRUCTION, EXTENSION, ACQUISITION, OR OPERATION OF RAILROAD LINES

Sec.
1120.1 Information to be contained in applications.
1120.2 Execution, filing, and disposal of application.
1120.3 Form and style.
1120.4 Notice of application.
1120.5 Return to questionnaire; general instructions.
1120.6 Questionnaire.
1120.7 Exhibits required.
1120.8 Vertification required.

AUTHORITY: The provisions of this Part 1120 issued under sec. 12, 24 Stat. 383, as amended; 41 Stat. 476, as amended; 49 U.S.C. 1, 12.

§ 1120.1 Information to be contained in applications.

Applications for certificates of convenience and necessity authorizing the construction, extension, acquisition, or operation of lines of railroad shall set forth the following information:

(a) Exact corporate name of the applicant.

(b) Whether the applicant is (1) a carrier by railroad subject to the Interstate Commerce Act, (2) a corporation organized to construct and operate a railroad but not an operating corporation, or (3) an unincorporated organization, or an individual.

(c) Date of incorporation, and Government, State, or Territory under the laws of which the applicant was organized. If incorporated under the laws of, or authorized to operate in, several States, give the facts in regard thereto.

(d) Whether it is proposed (1) to construct a new line of railroad or an extension of an existing line of railroad, or (2) to acquire and operate, or to operate, a line of railroad not at the time owned or being operated by a common carrier.

NOTE: If the line to be acquired or operated is one for the abandonment of which permission has been granted, section 1 (18)-(20) of the act applies; the application should state the facts.

(e) Each State, and each county thereof, in which the line would be or is located.

(f) The route and termini of the line it is proposed to construct, acquire, or operate. Give the name of each incorporated city or village through which the line would or does pass.

(g) The total number of miles of track proposed to be constructed, acquired, or operated, showing main lines and branch lines separately.

(h) The reasons, briefly stated, why the present or future public convenience and necessity require or will require the proposed construction, acquisition, or operation. (Detailed reasons should be reserved for the return to the questionnaire set forth in § 1120.6.)

(i) Applicant's general plan for financing the proposed construction, or acquisition, and applicant's relation, if any, traffic or financial, to any other corporation or corporations.

(j) Reference to action by stockholders or directors of the applicant authorizing the making and filing of the application, giving date and place of meeting.

(k) Name, title, and post-office address of counsel or officer to whom correspondence in regard to application is to be addressed.

(l) The application and each copy thereof shall be accompanied by map drawn to scale, showing fully the geographic situation of the lines it is proposed to construct, acquire, or operate, and their relation to existing railroads. Towns, villages, large rivers or lakes, national parks, and reservations should be shown, at least near the route. The limits of the area which the applicant claims would be served should be shown when possible. The map and each copy thereof shall be on a sheet 8 x 10½ inches, or a multiple of that size not larger than 16 x 21 inches, and folded to dimension. The proposed line should be shown in clear relief on the prints by

color or otherwise. In addition, 3 extra copies of the map should be submitted, unbound, for the use of the Commission.

§ 1120.2 Execution, filing, and disposal of application.

The following procedure shall govern the execution, filing, and subsequent disposal of the application:

(a) The original application shall be signed by an executive officer of the applicant, shall be verified under oath, and shall show, among other things, that the affiant has knowledge of the matters and things therein stated and is duly authorized by the applicant to verify and file the application.

(b) The original application and nine copies for the use of the Commission shall be filed with the Secretary of the Commission, Washington, D.C. Each copy shall bear the dates and signatures that appear in the original and shall be complete in itself; the signatures in the copies may be stamped or typed, and the notarial seal may be omitted. Additional copies shall be furnished as directed by the Commission.

(c) Upon receipt of the application the Commission will transit to the applicant a notice of the filing of the application, which notice shall be published by the applicant at least once during each of three consecutive weeks in some newspaper of general circulation in each county in which any part of the line proposed to be constructed, acquired, or operated is located. Upon receipt of notice from the Commission that the application has been received and assigned a stated docket number, the applicant shall serve, by first class mail, a conformed copy of the application on the governor and public service commission of each State in which any part of the proposed construction, acquisition, or operation would be located, accompanied by a notice that if they desire to be heard in the matter they should advise the Commission within 20 days of their interest in the proceeding. A certificate of such service shall be filed with this Commission.

(d) The return to the questionnaire, as set forth in this part (§ 1120.5 et seq.), shall be filed with the Commission as soon as practicable, but not later than six weeks after receipt of notice of the filing of the application. Action will not be taken on the application, and a hearing thereon, if considered necessary by the Commission, will not be ordered until after the return to the questionnaire shall have been received. The applicant shall serve a copy of the return to the questionnaire on each governor and public service commission to whom a copy of the application was sent. A certificate of such service shall be filed promptly with the Commission.

§ 1120.3 Form and style.

The application and the return to the questionnaire shall be prepared in typewritten or printed form on paper approximately 8½ x 11 inches, with 1½ inch margin at the left side for binding.

§ 1120.4 Notice of application.

The return to the questionnaire shall contain a statement of publication of notice of the application in the following form:

The ---------- Company, having made application to the Interstate Commerce Commission, under section 1 (18) of the Interstate Commerce Act, for (here state in detail the nature of application), which application is filed in the office of the Commission in Finance Docket No. ---------, hereby affirms that notice of the application has been published in the form prescribed by the Commission, at least once during each of three consecutive weeks, in the following newspapers: (here list the newspapers); that said newspapers are of general circulation in each of the following counties of the States named: (name States and counties), which are all of the States and counties in which the proposed new line of railroad would be located, or in which the line to be acquired or operated is situated; and that the newspaper clippings hereto attached contain true copies of the notice as published in said newspapers.

§ 1120.5 Return to questionnaire; general instructions.

(a) Responses to all questions and requirements of the questionnaire shall be full and complete. Responses of a general nature will not be acceptable. For estimates and opinions the supporting data shall be given. Information not specifically requested but which may be helpful to the Commission in reaching correct conclusions should be supplied in detail.

(b) In the return to the questionnaire the questions must appear before the answers thereto and must be numbered and lettered as in the questionnaire in § 1120.6. Each copy of the return shall bear the dates and signatures that appear in the original and shall be complete in itself; the signatures in the copy may be stamped or typed and the notarial seal may be omitted. Statement of the same facts in answer to two or more questions should generally be avoided, suitable reference being made where necessary.

(c) In connection with applications for authority to acquire and to operate lines of railroad, questions clearly relating only to construction may be answered by the words "not applicable."

(d) The original return and nine copies for the use of the Commission, and two additional copies for each State in which is located any part of the lines to be constructed, acquired, or operated, shall be filed with the Secretary of the Interstate Commerce Commission, Washington, D.C. 20423.

§ 1120.6 Questionnaire.

The applicant shall also submit the following information required by the Commission:

1. The essential facts to show that the applicant is a carrier by railroad, engaged in the transportation of passengers or property, subject to the Interstate Commerce Act, or is a corporation organized to construct and operate a railroad. If not incorporated, so state, giving complete description of party or parties filing the application.

2. Whether the proposed new line of railroad would be both constructed and operated by the applicant.

3. Whether any corporation, individual, or trustee holds control over the applicant at the date of filing this return. If so:

(a) The form of control, whether sole or joint, and whether in trust.

(b) The name and business address of the controlling corporation, individual, or trustee.

(c) The manner in which control was established.

(d) The extent of control.

(e) Whether control is direct or indirect; if indirect, the name and business address of the intermediary through which it was established and is exercised.

(f) The name and business address of the beneficiaries for whom the trust, if any, is maintained.

(g) The purposes of the trust.

4. Whether the applicant is connected by stock ownership, or otherwise, with any industry to be served by the line proposed to be constructed, acquired, or operated. If so, state the facts.

5. The chief uses and purposes of the proposed line or operation.

6. The classes of service to be performed, as passenger, freight, express, and switching.

7. The kind of motive power to be used. If electric power, state source and estimated cost.

8. Whether the line proposed to be constructed, acquired, or operated would receive material revenue from the territory traversed, or serve any material public convenience and necessity of the local territory.

9. The name, area, and population of each county in which the new line is to be constructed, or in which the line to be acquired or operated is located, and the name and population of each city, town, and village at which a station would be or is established together with its distance from a designated initial point, with the source of information as to population.

10. The names of places mentioned in question 9 that are now served by common-carrier railroads (excluding street railways), and the name of each such carrier serving the several places.

11. The names of the places mentioned in question 9 that have no common carrier railroad service, the distance in miles of each such place from the nearest station of a common-carrier railroad, and the character of the connecting highway.

12. The name and population of each city, town, and village (together with state and county in which located), within the area to be served but not on the proposed route.

13. The approximate distance in miles by highway from the nearest station on the line to be constructed or acquired to each of the places mentioned in question 12, and the names of all common-carrier railroads that now serve each of the places.

14. The names of common-carrier railroads with which the line would connect, and the proposed points of track connection.

15. The number of common-carrier truck and bus lines operating in the area to be traversed by the line, and the character of service performed by each.

16. The general character of the country which the line would serve. Indicate whether it is level, rolling, mountainous, cultivated, pasture, prairie, desert, rocky, or timbered, etc.

17. The approximate area of the territory to be served by the line, an estimate of the population therein, and the area.

(1) in timber,

(2) in pasture, and

(3) under cultivation. (See General Instructions, § 1120.5.)

18. The kinds of industry carried on in the area to be served, such, for example, as farming, dairying, grazing, coal mining, manufacturing, lumbering, etc., and the relative importance of each.

19. The main facts as to the age, growth, and extent of such industries, their probable future growth and permanence, and the reasons therefor.

20. What carriers now serve these industries, and to what extent.

21. Whether the chief support of the line to be constructed or acquired would come from the general community or from some particular industry or industries, located or to be located. In the latter case, give facts concerning such particular industry or industries and applicant's contractual or financial relation thereto.

22. Whether the proposed line of railroad would be built, acquired, or operated primarily for a direct profit from railway operation, or for the advantage of any other industry or business. If for the latter, state what industry or business would be so benefited, what such advantages would be, and the applicant's contractual or financial relation to said industry.

23. If the line is to be or is an extension of an existing railroad, or a branch, connecting track, or cutoff, the extent to which it is expected to be directly profitable in itself, and the extent to which it is expected to be justified by its effect on the business of the existing lines.

24. If the line is to be a connecting link between existing railroads, the kind and volume of traffic, expressed in tons or carloads, that probably would be interchanged, and the economies that would be effected by such interchange.

25. Of the interchange traffic mentioned in answer to question 24, what part, expressed in tons or carloads, cannot be hauled or moved by existing railroads or truck lines.

26. The facts concerning any agreement, tentative or otherwise, with existing carriers, covering operation, interchange of traffic, division of rates, or trackage rights, in connection with the line.

27. Whether any aid, gift, grant of right-of-way, or other donation has been promised in connection with the proposed new line of railroad; if so, state specifically the nature, amount, and value of such promised donations.

28. The manner in which it is proposed to finance construction and equipment, or acquisition, the kind and amount of securities to be issued, and the approximate terms of their sale; to what extent funds for financing are now available, and which, if any, of such securities would be underwritten by industries to be served by the proposed line.

29. An estimate, in detail, of the character and volume of traffic expected and the gross revenue to be derived therefrom, covering each of the first five years of operation, together with an estimate of the annual gross revenues expected after the first five years. The detailed estimate required for the first five years should show the amount of each class of traffic, the mean length of haul, the rate per unit, and the revenue to be derived, also chief points or territories of origin and destination.

30. The estimated gross revenue, operating expenses, net revenue, and net railway operating income, corresponding with the estimates of traffic under question 29. By "net railway operating income" is meant the excess of the credits over the debits to income, as reflected by the operating revenue, operating expense, railway tax accrual, uncollectible railway revenue, equipment rent, and joint facilities rent accounts.

31. The part of the estimated traffic which will constitute net additional business developed or created by the construction of the proposed new line of railroad, and the part that will be diverted from existing railroads.

32. The dates on which it is expected to begin and to complete the construction of the proposed new line of railroad.

33. The engineering work in full detail which has been done with respect to the proposed new line at the time of filing the return.

34. The following details concerning the line to be constructed:

(a) The gage and number of main line tracks.

(b) Weight of rail for main line tracks.

(c) Rate of maximum grade in each direction, and whether and how compensated for curvature.

(d) Rate of limiting grade that will fix train loading in each direction, and whether and how compensated for curvature.

(e) If helper grades are to be used, the location, length, rate, and direction of ascent for each.

(f) The maximum rate of curve.

(g) The average amount of curvature per mile, in degrees.

(h) The approximate length and height of wooden trestles or other temporary construction.

(Details under this paragraph not fixed by survey are to be estimated from reconnaissances so far as possible.)

Question 34 should also be answered for lines to be acquired, so far as the information may be available.

35. An estimate of total increase in charges to road and equipment account during the first five years after completion of the new line. If this displaces rental charges on equipment, so show.

36. Any additional facts or reasons to show that the public convenience and necessity require the granting of this application.

§ 1120.7 Exhibits required.

In the case of applications for authority to construct, there shall be filed with the return to the questionnaire the following exhibits: (Copies of return need not contain any exhibits except E and F.)

A. A copy of the engineering report of reconnaissance for the proposed line, if records of location surveys are not submitted.

B. A copy of the specifications as to construction, if any exist.

C. A map of the location projected or actually staked for the proposed line, if such location has been made. This map should show the alignment in detail, with the usual topographic features added. Small maps may be folded accordion fashion to conform to the size of the return. If more than 12 feet long, the maps should be submitted in a continuous roll.

D. A copy of the best available profile of the proposed line. If more than 12 feet long, submit in a continuous roll, otherwise fold to the size of the return.

E. (1) A detailed estimate of the cost of building the proposed line, with all the necessary appurtenances (except equipment), classified by Interstate Commerce Commission primary accounts; also a concise detail of estimated quantities and prices covering what is set down under accounts 3 to 12, inclusive. Details may be required for other principal accounts. A complete estimate showing quantities and prices in reasonable detail may be submitted in any form.

(2) Detailed estimates of the kind and cost (or rental cost) of the equipment required to handle the estimated traffic separately for the first and the fifth years of complete operation. State whether the equipment is to be bought or rented, show second-hand equipment as such; give number of units, class of service and general type, with the weight and tractive power of locomotives and capacity of freight cars.

F. If the applicant is a going concern, copies of the income account for the five preceding calendar years and for the months of the current year for which the figures are available; also copies of the latest profit and loss account and general balance sheet.

G. Opinion of counsel that the proposed construction or acquisition is within the charter powers of the applicant.

In the case of applications for authority to acquire or operate, there shall be filed with the original of return to the questionnaire Exhibits F and G described in this section.

§ 1120.8 Verification required.

The return to the questionnaire should be verified by the applicant in the following form:

State of ____ }
County of ____ } ss.

____ makes oath and says
(Name of affiant)

that he is the ____
(Title of affiant)

of the ____
(Corporate name of applicant)

applicant herein; that he has been authorized by proper corporate action on the part of said applicant to verify and file with the Interstate Commerce Commission the foregoing return to questionnaire of said Commission in respect of the application in Finance Docket No. ____; that he has carefully examined all of the statements referred to in said return and the exhibits attached thereto and made a part thereof; that he has knowledge of the matters set forth in such return and that all such statements made and the matters set forth therein are true and correct to the best of his knowledge, information, and belief.

____

Subscribed and sworn to before me ____ in and for the State and County above named, this ____ day of ____, 19 .

____

____

My commission expires ____

PART 1121—ABANDONMENT OF RAILROAD LINES

APPLICATION

Sec.
1121.1 Information to be contained in application.
1121.2 Preparation of application and return to questionnaire.
1121.3 Execution of application.
1121.4 Filing of application.
1121.5 Notice of application.

RETURN TO QUESTIONNAIRE

1121.6 Filing and verification.
1121.7 Service.
1121.8 General instructions.
1121.9 Questionnaire.

AUTHORITY: The provisions of this Part 1121 issued under sec. 12, 24 Stat. 383, as amended; 41 Stat. 476, as amended; 49 U.S.C. 12, 1.

APPLICATION

§ 1121.1 Information to be contained in application.

Applications for certificates of public convenience and necessity permitting the abandonment of railroad lines or the operation thereof shall set forth the following information:

(a) Exact corporate name of the applicant.

(b) Whether the applicant is a carrier by railroad subject to the Interstate Commerce Act.

(c) Route and termini of the line proposed to be abandoned with its total length in miles naming each county in which any portion is situated.

(d) Whether abandonment of the line itself, or merely of its operation, is sought.

(e) Reasons, briefly stated, why the abandonment should be permitted. (Detailed reasons are to be reserved for the return to the questionnaire set forth in § 1121.9.)

(f) Name, title, and postoffice address of counsel or officer to whom correspondence in regard to the application should be addressed.

(g) Government, State, or Territory under the laws of which the applicant was organized. If incorporated under the laws of, or authorized to operate in, more than one State, give the facts in regard thereto.

(h) Reference to action by stockholders or directors of the applicant authorizing the making and filing of the application, giving date and place of meeting.

(i) If the application is made by receivers or trustees in bankruptcy, a certified copy of the court order authorizing the application should be attached, and reference should be made thereto.

(j) The application and each copy thereof shall be accompanied by a situation map on a sheet not larger than 16 x 21 inches, preferably 8 x 10½ inches or some multiple thereof. This map must be drawn to scale and the scale shown thereon. It must cover a sufficient territory, showing the railroads, water routes, and important points therein, and in clear relief, the line it is proposed to abandon, and its principal stations. In addition 3 extra copies of the map should be submitted, unbound, for the use of the Commission.

§ 1121.2 Preparation of application and return to questionnaire.

The application and the return to the questionnaire shall be prepared in typewritten or printed form on paper approximately 8½ x 11 inches, with 1½ inch margin at the left side for binding. Carbon copies, hectographed copies, white line blue prints, or copies prepared by similar processes will not be accepted.

§ 1121.3 Execution of application.

The original application shall be signed by an executive officer of the applicant having knowledge of the matters and things therein set forth, shall be verified under oath, and shall show, among other things, that the affiant is duly authorized by the corporation or court to verify and file the application.

§ 1121.4 Filing of application.

The original application and 10 copies for the use of the Commission shall be filed with the Secretary of the Commission, Washington, D.C. Each copy shall bear the dates and signatures that appear in the original and shall be complete in itself; the signatures in the copies may be stamped or typed, and the notarial seal may be omitted.

§ 1121.5 Notice of application.

Upon receipt of the application, the Commission will:

(a) Transmit to the applicant a notice of the filing of the application, which notice shall be published by the applicant at least once during each of three (3) consecutive weeks in some newspaper of general circulation in each county in which any part of the line of railroad sought to be abandoned is situated. Copy of notice shall also be posted in a conspicuous place at each station on the line sought to be abandoned. If there is no station on the line sought to be abandoned, the notice shall be posted at the nearest agency station on the applicant's line. Proof of publication and posting of the notice shall be filed promptly by the applicant:

(b) Upon receipt of notice from the Commission that the application has been received and assigned a stated docket number, the applicant shall serve, by first class mail, a conformed copy of the application on the governor and public service commission of each State in which any part of the line of railroad sought to be abandoned is situated, accompanied by a notice that if they desire to be heard in the matter they should advise the Commission within 20 days of their interest in the proceeding. A certificate of such service shall be filed promptly with this Commission.

Return to Questionnaire

§ 1121.6 Filing and verification.

The questionnaire to be answered by the applicant is set forth in § 1121.9. The return to such questionnaire shall be prepared as provided in § 1121.2, and shall be duly verified under oath by an officer or agent of the applicant thereunto properly authorized. The return to the questionnaire may accompany the application, but in any event shall be filed not later than six weeks after receipt of the notice referred to in § 1121.5(b) for publication. The original return, duly verified, accompanied by ten copies for the use of the Commission shall be filed with the Secretary of the Commission, Washington, D.C.

§ 1121.7 Service.

The applicant shall serve a copy of the return to the questionnaire on each governor and public service commission to whom a copy of the application was sent. A certificate of such service shall be filed promptly with the Commission.

§ 1121.8 General instructions.

Responses to all questions and requirements of the questionnaire shall be full and complete in every particular. Responses of a general nature will not be acceptable. For estimates and opinions the supporting facts and data shall be given. Information not specifically requested but which may be helpful to the Commission in reaching correct conclusions should be supplied in detail.

In the return to the questionnaire the questions must appear before the answers thereto and must be numbered and lettered as indicated in the questionnaire in § 1121.9. Each copy of the return shall bear the dates and signatures that appear in the original and shall be complete in itself; the signatures in the copy may be stamped or typed and the notarial seal may be omitted.

§ 1121.9 Questionnaire.

The questionnaire to which the applicant shall file a return is as follows:

1. Complete statement of the purpose of the application.

2. When, by whom, and for what purpose the line was constructed, and its proprietary history.

3. A copy of the applicant's general balance sheet of the latest date available, and a copy of the applicant's income account for each of the last five calendar years, and for that portion of the current year for which the information is available.

4. The present state of maintenance of the line.

5. The estimated salvage value of the line, with a general statement of the basis of the estimate.

6. The names of all railroads with which the line connects for interchange of traffic and the points of such interchange.

7. A brief description of the present train service on the line, and of important changes made in the past five years.

8. The names of all stations on the line, stated in order with milepost numbers, with the approximate population of each, and the authority for the information, showing for each place the names of all other railroads by which it is served, or its distance by highway from the nearest other railroad. Distinguish nonagency stations.

9. The approximate population of the territory served by the line, explaining how the limits of the territory are defined.

10. A detailed statement of the location and nature of the highways available for movement of the traffic now handled by the line, and of the common-carrier truck and bus service on such highways, if any.

11. The nature of the industries in the tributary territory (such as farming, mining, lumbering, manufacturing, etc.), how long established, and the extent to which each is dependent upon the line for transportation. State location and other facts concerning the most important plants served.

12. The passenger traffic handled on the line in each of the last two calendar years,[1] and for that part of the current year for which the information is available, giving separately the number of local and connecting-line passengers (if the latter designation is applicable) and the revenue from each class.

13. The freight tonnage handled by the line for each of the last two calendar years,[1] and for that part of the current year for which the information is available, showing the number of cars and the tonnage of carload freight, classified by principal commodities, and the tonnage of less-than-carload freight. Show in separate statements (a) local freight originated at and destined to points on the line, (b) freight moved between points on the line and points beyond it, and (c) freight neither originated at nor destined to points on the line (overhead or bridge traffic).

[1] The requirement that data be furnished for the last two calendar years is subject to the reservation that applicant will furnish such data for five years if specially requested by the Commission.

14. (1) If the line to be abandoned is less than the entire mileage operated by the applicant, a statement showing the effect of the proposed abandonment on the net railway operating income of the applicant. The statement should include for each of the last two calendar years[1] and for that part of the current year for which the information is available:

(a) The applicant's railway operating revenue from traffic handled locally between points on the line proposed to be abandoned;

(b) The applicant's railway operating revenue from traffic originating on or destined to points on the line proposed to be abandoned and also handled on other parts of the applicant's lines of railroad;

(c) An estimate in detail of the total operating revenue that should be assigned to the line proposed to be abandoned and a statement of the reasons for such assignment;

(d) The expense of operating the line proposed to be abandoned, stated by appropriate primary accounts, actual so far as possible and otherwise approximated, with a full statement of the method used;

(e) Railway tax accruals with method of apportionment;

(f) Other items entering into the applicant's income account and assignable to the line proposed to be abandoned, with methods of assignment; and

(g) The costs of moving the traffic on the line proposed to be abandoned beyond the limits of said line on other parts of the applicant's lines, with method of determination.

Revenues from freight, passenger, and other service should be shown separately.

(2) If the applicant's line is operated as part of a system under common control and management, a statement for the same period as required in paragraph (1) showing the effect of the proposed abandonment on the net railway operating income of the system and the unit members thereof. This statement should show the revenues accruing to the system and its unit members from traffic moving to and from the line proposed to be abandoned and the costs of handling such traffic. The method of determining such costs also should be shown.

15. If the volume of freight or passenger traffic of the line has decreased during recent years, any reasons therefor.

16. If the line is operated as a joint facility, and abandonment of the applicant's operation only is proposed, state fully the facts as to operation by others and the extent to which it will supply the place of the operation it is proposed to abandon.

17. State what effort has been made to dispose of the line so as to insure its continued operation, and what, if any, transportation service will remain or may be substituted for that proposed to be discontinued.

18. A summary statement of the reasons for the application.

VERIFICATION

State of _____}
County of _____} ss.

_____ makes oath and says
(Name of affiant)
that he is the _____ of the
(Title of affiant)
_____ applicant herein;
(Corporate name of applicant)

that he has been authorized by proper corporate action on the part of said applicant, or by the proper court, to verify and file with the Interstate Commerce Commission the foregoing return to questionnaire of said Commission in respect of the application in Finance Docket No. _____; that he has carefully examined all of the statements referred to in said return and the exhibits attached thereto and made a part thereof; that he has knowledge of the matters set forth in such return and that all such statements made and matters set forth therein are true and correct to the best of his knowledge, information and belief.

_____

Subscribed and sworn to before me _____ in and for the State and County above named, this ___ day of _____, 19____.

_____

My commission expires _____.

PART 1122—DISCONTINUANCE OR CHANGE OF OPERATION OR SERVICE

Sec.
1122.1 Scope of rules in this part.
1122.2 Definitions.
1122.3 Form and style of notice.
1122.4 Contents of notice.
1122.5 Information required with notice.
1122.6 Petition.
1122.7 Execution.
1122.8 Filing; copies.

AUTHORITY: The provisions of this Part 1122 issued under sec. 12, 24 Stat. 383, as amended, sec. 13a, 72 Stat. 571; 49 U.S.C. 12, 13a.

§ 1122.1 Scope of rules in this part.

The rules in this part govern the procedure to be followed by carriers subject to part I of the Interstate Commerce Act which, under and pursuant to the provisions of section 13a of said act, file with the Commission a notice under paragraph (1) of said section or a petition under paragraph (2) thereof with respect to a proposed discontinuance or change, in whole or in part, of the operation or service of any train or ferry.

§ 1122.2 Definitions.

As used in this part:

(a) The term "act" means the Interstate Commerce Act, as amended.

(b) The term "notice" means a notice as provided for in paragraph (1) of section 13a.

(c) The term "petition" means a petition filed with the Commission under the provisions of paragraph (2) of section 13a for authority to effect a discontinuance or change.

§ 1122.3 Form and style of notice.

The notice shall be reproduced by printing, multigraphing, or mimeographing (or by any other process provided the copies are clearly legible) on paper not less than 8½ by 11 inches, with the words, "Notice of proposed change (or discontinuance, if appropriate) of service" printed in large bold-face type near the top. If printed, nothing less than 12-point type shall be used in the remainder of the notice.

§ 1122.4 Contents of notice.

A separate notice shall be given for each discontinuance or change of service. A single notice may include more than one train or ferry except that unrelated trains or ferries shall not be made the subject of a single notice. Each notice shall set forth the following information:

(a) Exact corporate name and general office address of the carrier.

(b) The number and name or other description of the train or ferry with respect to which a discontinuance or change of operation or service is proposed, the name of each station, depot, or facility affected thereby, and the termini between which the train or ferry operates.

(c) The date on which the discontinuance or change of operation or service is proposed to become effective.

(d) Advice to the public that persons desiring to object to the proposed discontinuance or change should notify the Interstate Commerce Commission, at Washington, D.C., of such objection and the reasons therefor at least 15 days before the effective date of the proposed discontinuance or change.

§ 1122.5 Information required with notice.

With each notice of a proposed discontinuance or change of operation or service, there shall be filed with the Commission a "Statement in Relation to Proposed Discontinuance or Change of Train or Ferry Service" which, in the body thereof or in exhibits attached thereto and referred to therein, shall contain the following:

(a) Exact corporate name and general office address of the carrier proposing the discontinuance or change.

(b) Name, title, and post office address of counsel or officer to whom correspondence in regard to the notice should be addressed.

(c) Complete description of the present service of the train or ferry involved and of the discontinuance or change of operation or service proposed.

(d) Complete statement of the reasons for the proposed discontinuance or change of operation or service.

(e) The names of all railroads interchanging passengers or freight with the subject train or ferry, and the points of such interchange.

(f) Description of other common carrier service, including service of the subject carrier, of the same kind (passenger or freight) rendered by the trains or ferries involved, between and at the points described in the notice and other common carrier service available in the immediate territory.

(g) A statement of the traffic transported on trains or ferries involved for each of the last 2 calendar years and for the part of the current year for which such information is available. If information for such periods is not submitted, explanation must be given as to why such information was not submitted. When a notice involves more than one train or ferry, the traffic of each should be segregated to the extent practicable. If the proposed discontinuance or change involves less than all of the stations served by a train or ferry, to the extent such information is available segregation should be made of the traffic transported to and from each station which will be affected.

(h) Financial results of operating the trains or ferries involved during the period or periods embraced in the statement submitted pursuant to para-

[1] See footnote on p. 20109.

graph (g) of this section, segregated in the same manner and to the same extent as required by that paragraph.

(i) A copy of the carrier's general balance sheet statement as of the latest date available; and of its income statements for each of the last two calendar years and for that portion of the current year for which such information is available.

(j) A certificate that a copy of the notice and of the "Statement in Relation to Proposed Discontinuance or Change of Train or Ferry Service" has been mailed to the Governor and railroad regulatory body of each State in which the subject train or ferry is operated and that such notice has been posted in a conspicuous place in each station, depot, or other facility involved, including each ferry and each passenger car on trains affected, which certificate shall include information of the date or dates on which the notice and statement were mailed and the date or dates on which the notice was posted as aforesaid and that a copy of the notice and statement were served upon the Assistant Postmaster General, Bureau of Transportation and International Services, Washington, D.C. 20260 and the Railway Labor Executives' Association, Washington, D.C. 20001.

(k) Map showing the geographic situation of the line over which the train operates, or, if a ferry, the route traversed. The map should show the line or route clearly, by color or otherwise, and the stations thereon, on a sheet not smaller than 8½ x 11 inches. Three copies of the map should be submitted unbound for use of the Commission, in addition to those attached to the statement.

§ 1122.6 Petition.

Petitions for authority to effect a discontinuance or change of the operation or service of a train or ferry shall contain in the body thereof or in exhibits attached thereto and referred to therein, the information required by paragraph (b) of § 1122.4 of this part, that required by § 1122.5 excepting paragraph (j) thereof, and in addition the following:

(a) The date on which the petition or application for discontinuance or change in the operation or service of the train or ferry was filed with the appropriate State authority.

(b) Identification of the State authority with which such petition or application was filed.

(c) Description of the action, if any, taken by such State authority on the petition or application filed with it.

(d) To be filed only with the original of the petition to the Commission, copy of the record made before the State authority, including copies of the application or petition to it, transcript of any oral hearing, and decision and order, if any.

§ 1122.7 Execution.

The original copy of the statement required by § 1122.5 and of a petition as described in § 1122.6 shall be signed in ink by an executive officer of the carrier having knowledge of the matters and things therein set forth. Persons signing the statement or petition shall also sign a certificate in form as follows:

---------- hereby certifies that he is the
(Name)
---------- of the ----------
(Title)
---------- petitioner
(Corporate name of petitioner)

herein; that he has been authorized by proper corporate action on the part of said petitioner, or by the proper court, to execute and file with the Interstate Commerce Commission the foregoing statement (or petition); that he has carefully examined all of the statements referred to in said statement (or petition) and the exhibits attached thereto and made a part thereof; that he has knowledge of the matters set forth therein; and that all such statements made and matters set forth therein are true and correct to the best of his knowledge, information, and belief.

(Signature)

Dated this ------ day of ----------, 19---.

NOTE: A false statement is punishable by law.

§ 1122.8 Filing; copies.

As applicable, 8 copies of the notice and an original and 7 copies of the accompanying statement, or an original and 7 copies of the petition shall be filed with the Secretary of the Commission, Washington, D.C. Each copy of the statement or petition shall bear the dates and signatures that appear in the original and shall be complete in itself; but the signatures in the copies may be stamped or typed.

NOTE: The reporting requirements contained herein have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942. Budget Bureau No. 60-R342.1.

PARTS 1130–1139—SPECIAL PROCEDURES—MOTOR CARRIERS AND BROKERS CERTIFICATES, PERMITS, LICENSES

PART 1130—APPLICATIONS FOR CERTIFICATES AND PERMITS

Sec.
1130.1 Applications.
1130.2 Application for certificate in lieu of permit.
1130.5 Application for temporary authority.

AUTHORITY: The provisions of this Part 1130 issued under 49 Stat. 546, as amended, 551, as amended, 552, as amended, 554, as amended, 555, as amended, 563, as amended, 52 Stat. 1238, as amened; 49 U.S.C. 304, 306, 307, 309, 310, 310a, 312, 320.

CROSS REFERENCE: See also Rule 247 of the Special Rules of Practice (§ 1100.247 of this chapter).

§ 1130.1 Applications.

(a) *Form.* Applications for motor carrier certificates and permits to continue, institute, change, or extend motor carrier operations, or to engage in dual operations, in interstate or foreign commerce under the Interstate Commerce Act, shall be in the form and contain the information called for in the form of application designated as Form OP-OR-9 (§ 1003.1 of this chapter).

(b) *Filing and service.* The verified original of each such application shall be filed with this Commission, one true copy thereof shall be furnished the Regional Director or Supervisor of the Bureau of Operations located in the region wherein applicant is domiciled and one true copy shall be delivered, in person or by registered or receipted mail, to the Board, Commission, or official (or Governor if there is no Board, Commission or official) having authority to regulate the business of transportation by motor vehicles, of each State in or through which applicant operates or proposes to operate. Applicant is not required to give notice to competitors since notice of such filing will be by publication in the FEDERAL REGISTER.

§ 1130.2 Application for certificate in lieu of permit.

Applications under section 212(c) of the Interstate Commerce Act for authority to operate as a common carrier by motor vehicle of the same commodities, between the same points, or within the same territory as authorized in a permit outstanding as of August 22, 1957, shall be in the form and contain the information called for in the form of application designated BOR-96 (§ 1003.1 of this chapter).

§ 1130.5 Application for temporary authority.

Applications under section 210a(a) of the Interstate Commerce Act for temporary authority to operate as a motor carrier shall be in the form and contain the information called for in the form of application designated BOR-95 (§ 1003.1 of this chapter).

PART 1131—TEMPORARY AUTHORITY APPLICATIONS UNDER SECTION 210(a) OF THE INTERSTATE COMMERCE ACT

Sec.
1131.1 Controlling legislation and definitions.
1131.2 Filing of applications.
1131.3 Processing of applications.
1131.4 Determination of applications.
1131.5 Rates, charges, and special permission applications.
1131.6 Petitions for reconsideration.

AUTHORITY: The provisions of this Part 1131 issued under 49 Stat. 560, 561, 52 Stat. 1237, 1238, 80 Stat. 378; 49 U.S.C. 317, 318, 304; 310a, 5 U.S.C. 553, 558.

NOTE: Rules governing extension of temporary operating authority or approvals are contained in Part 1101 of this chapter.

§ 1131.1 Controlling legislation and definitions.

(a) *Controlling legislation.* Section 210a(a) of the Interstate Commerce Act, as amended, 49 U.S.C. 310a(a), which the rules and regulations in this part are designed to implement, provides as follows:

To enable the provision of service for which there is an immediate and urgent need to a point or points or within a territory having no carrier service capable of meeting such need, the Commission may, in its discretion and without hearings or other proceedings, grant

temporary authority for such service by a common carrier or a contract carrier by motor vehicle, as the case may be. Such temporary authority, unless suspended or revoked for good cause, shall be valid for such time as the Commission shall specify but for not more than an aggregate of one hundred and eighty days, and shall create no presumption that corresponding permanent authority will be granted thereafter.

Extensions of temporary authority beyond 180 days are governed by the special rules, contained in Part 1101 of this chapter, promulgated pursuant to section 558 of the Administrative Procedure Act, 5 U.S.C. 558.

(b) *Definitions.* As used in this part, the following words and terms are construed as follows:

(1) *"Temporary authority".* Limited-term motor carrier operating authority issued for periods up to 180 days (TA) pursuant to section 210a(a) of the Interstate Commerce Act to authorize transportation service for which there is an immediate and urgent need and which cannot be met by existing carrier service. This term includes "emergency temporary authority" issued for periods of 30 days or less (ETA) to meet an immediate and urgent need for service due to emergencies, in which time or circumstances do not reasonably permit the filing and processing of an application for temporary authority (TA).

(2) *"Common carrier by motor vehicle".* Same as defined in section 203(a)(14) of the Interstate Commerce Act (49 U.S.C. 303(a)(14)).

(3) *"Contract carrier by motor vehicle."* Same as defined in section 203(a)(15) of the Interstate Commerce Act (49 U.S.C. 303(a)(15)).

(4) *"Aggregate of 180 days".* The total number of days of temporary authority which may be granted to a motor carrier under the provisions of section 210a(a) of the Interstate Commerce Act to meet a continuing need for a particular service.

(5) *"Person".* Same as defined in section 203(a)(1) of the Interstate Commerce Act (49 U.S.C. 303(a)(1)).

§ 1131.2 Filing of applications.

(a) *General.* All temporary authority applications are filed at and initially processed by the Commission's field offices. The field staff of the Commission's Bureau of Operations conducts preliminary investigations into applications for temporary authority and transmits the applications, with recommendations as to their disposition, to the Commission's Temporary Authorities Board in Washington, D.C. The Bureau's field offices maintain records of authorized carriers and their operating authorities, and its staff members are available for consultation and to give assistance in the obtaining of motor carrier service, and guidance in the preparation of temporary authority applications and related supporting material, and in making rate, insurance, and other required filings. The field offices will furnish copies of necessary forms upon request.

(b) *How and where filed.* A separate application for each temporary authority sought must be filed on Form BOR–95 (§ 1003.1 of this chapter). The signed original and six copies of each application and all supporting documents must be filed with the Bureau of Operation's field office which has jurisdiction over the point at which applicant is domiciled, or such other field office as the Commission may designate in special circumstances.

(c) *Supporting statements.* Each application for temporary authority must be accompanied by a supporting statement(s) designed to establish an immediate and urgent need for service which cannot be met by existing carriers, except that when the Department of Defense is the shipper such support may be furnished directly to the Temporary Authorities Board by the Washington office of that Department. Each such shipper's statement, except those submitted by the Department of Defense must contain a certification of its accuracy and must be signed by the person (or an authorized representative thereof) having such immediate and urgent need for motor carrier service. Any such supporting statement must contain at least the following information:

(1) Description of the specific commodity or commodities to be transported (where the transportation of property is involved).

(2) Points or areas to, from, or between which such commodities or passengers are to be transported. (If service is needed to or from a territory or area rather than a specific point or points, clearly describe such territory or area and furnish evidence of a broad need to justify the territorial grant of authority requested.)

(3) Volume of traffic involved, frequency of movement, and how transported now and in the past.

(4) How soon the service must be provided and the reasons for such time limit.

(5) How long the need for such service likely will continue, and whether the persons supporting the temporary application will support a permanent service application.

(6) Recital of the consequences if service is not made available.

(7) The circumstances which created an immediate and urgent need for the requested service.

(8) Whether efforts have been made to obtain the service from existing motor, rail, or water carriers, and the dates and results of such efforts.

(9) Names and addresses of existing carriers who have either failed or refused to provide the service, and the reasons given for any such failure or refusal.

(10) Name and address of motor carrier who will provide service and is filing application for temporary authority.

(11) If the person supporting the application has supported any prior application for permanent or temporary authority covering all or any part of the desired service, give the carrier's name, address, and motor carrier docket number, if known, and state whether such application was granted or denied and the date of such action, if known.

(d) *Special procedures for filing applications for emergency temporary authority.* (1) Emergency temporary authority should be applied for only where emergency conditions exist which do not permit sufficient time to afford the notice specified in § 1131.3(a). Applications for emergency temporary authority must be filed on Form BOR–95 (§ 1003.1 of this chapter).

(2) Where the emergency is found to continue beyond the period of the initial grant, the emergency temporary authority may be extended only upon written request until disposition is made of the longer term temporary authority application.

(3) In the cases where the urgency of the situation warrants, the supporting statements of those having the immediate and urgent need for carrier service may be furnished by telegram. However, such telegram must contain substantially the federal information which is more fully described in paragraph (c) of this section. The telegram must be sent to the Bureau of Operations' field staff member who is handling the application.

(4) In processing emergency temporary authority applications, it often becomes necessary to use telephone and telegraph service to verify rate levels and the absence of existing carriers' service, and to submit the Bureau of Operations' field report to the Temporary Authorities Board in Washington, D.C. As Government funds are not available to pay such communication expenses, the applicant must have or make arrangements with the telephone and telegraph companies so that such costs can be charged to its account.

(e) *Insurance and service of process.* (1) Where the applicant is an authorized carrier, a statement must accompany the application indicating whether evidence of effective insurance is on file with the Commission and whether agents for service of process have been designated for each State in which operations are conducted or proposed. If applicant is not an authorized carrier, it should furnish a statement containing the name of its insurance company, its policy number, the effective and expiration dates of such policy, the limits contained therein, and a copy of the Commission's Form BOC 3 (§1003.1 of this chapter) designating an agent for service of process in each State where operations are proposed to be conducted. If such carrier does not have appropriate insurance it may submit a statement, which includes the name of its insurance company and of its intent to effect compliance before commencing operations if the authority is granted.

(2) On emergency temporary authorities where time does not permit the submission of the required written statement by applicant, a telegraphic statement may be accepted.

§ 1131.3 Processing of applications.

(a) *Notice to interested persons—(1) Service.* Notice of the filing of tempo-

rary authority applications tendered shall be given by the publication of a summary of the authority sought in the FEDERAL REGISTER, except that no such summary will be published in the case of emergency temporary authority applications. Such summaries will be prepared by the appropriate Bureau of Operations supervisor and forwarded to the Office of Proceedings, Washington, D.C.

(2) *Filing of protests.* Any interested persons who can and will provide all or any part of the proposed service may file a protest against the application. Such protest must be specific as to the service which such protestant can and will offer and must consist of a signed original and six (6) copies which must be filed with the district supervisor named in the FEDERAL REGISTER publication within 15 calendar days after the date notice of the filing of the application is published in the FEDERAL REGISTER. One copy of such protest must be served on the applicant or its authorized representative, if any, by U.S. mail or in person.

(b) *Publication of rates and charges.* A carrier may not lawfully perform transportation under a grant of temporary authority unless and until compliance has been made with the rate and other requirements of section 217 of the Interstate Commerce Act in the case of common carriers and of section 218 of the act in the case of contract carriers, as provided in § 1131.5.

(c) *Revocation for noncompliance, and reinstatement and extension of time for making compliance.* (1) Temporary authority is approved subject to compliance within 30 days, or within such additional time as the Commission may approve, with the applicable provisions of the statute and the requirements, rules, and regulations prescribed by the Commission thereunder governing the filing of rate and contract publications, the filing of acceptable evidence of security for the protection of the public and designation of agents for service of process.

(2) If compliance is not made within the 30-day period, or within the time allowed in any extension thereof applicant will be notified that the temporary authority order is of no further force and effect. Where this occurs, applicant may make written request for reinstatement of the granting order if it so desires, provided (i) that such request is made within 20 days from the date of the notice, (ii) that good cause can be shown as to why compliance was not made within the time allowed, and (iii) that the request for reinstatement contains positive assurance that applicant is now able to and will comply immediately with all applicable requirements, if the order is reinstated.

§ 1131.4 Determination of applications.

(a) *General.* (1) Initial determination of temporary authority applications will be made by the Commission's Temporary Authorities Board or by Division 1 of the Commission, acting initially. For purposes of administration, distinctions in the applicable grounds of approval and rate filings will be maintained as between temporary authority of not more than 30 days (ETA), and temporary authority of up to 180 days (TA). No successive grants of temporary authority shall exceed a total of 180 days, and, if a grant of an emergency authority results in a total aggregate temporary authority grants of more than 180 consecutive days, such total, to the extent that it exceeds 180 days, will be reduced accordingly.

(2) While a grant of temporary authority is neither a permit nor a certificate under the Interstate Commerce Act it nevertheless enables the applicant to provide service either as a common or a contract carrier, as the case may be. Consequently, an applicant for temporary authority to operate as a motor contract carrier must show that the operation proposed is that of a contract carrier by motor vehicle as defined in section 203(a)(15) of the Interstate Commerce Act; that is, that the applicant serves one or a limited number of shippers, and that the service proposed involves either the assignment of vehicles to the supporting shipper's exclusive use or the provision of a transportation service designed to meet the distinct needs of that shipper. No "dual operation" finding is necessary, however, where a grant of temporary authority to operate as a contract carrier is made to an existing common carrier and vice versa.

(3) Since a grant of temporary authority is not a permit or certificate, none of the related rights, under the Interstate Commerce Act, such as the incidental charter rights of passenger carriers and the implied authority to perform terminal services at points within the commercial zone but beyond the corporate limits of named municipalities, is applicable. Temporary authority may not be tacked or joined with permanent authority held by the carrier for the purpose of performing through transportation, nor can through, joint-line service be performed thereunder. Where there is a need for such services which are not implicit in grants of temporary operating authority this fact should be stated specifically so that an appropriate authority description may be issued.

(4) For administrative convenience, temporary authority to transport property will be considered to authorize the return transportation of shipper-owned trailers and of empty crates, barrels, bottles, hangers, pallets, bracing, dunnage, and other similar containers and shipping devices used in the outbound transportation covered by the temporary authority.

(b) *Standards for determination.* The following standards shall be used by the Temporary Authorities Board, and by Division 1 of the Commission acting initially or in an appellate capacity, in the absence of special or unusual circumstances, in the determination under section 210a(a) of the Interstate Commerce Act (49 U.S.C. 310a(a)) of applications for temporary authority.

(1) *General.* (i) Grants of temporary authority shall only be made upon the establishment of an immediate and urgent need for the transportation of passengers, or of particular commodities or classes of commodities, from specified origin points or areas to specified destination points or areas, having no carrier service capable of meeting such needs. Requests for temporary authority involving service to or from entire States, counties, or other defined areas will warrant approval only when supported by evidence that there is a compelling need for service to or from a representative number of points in each such State, county, or area, that there is a reasonable certainty that such service will be utilized, and that there is no carrier service available capable of meeting such need. Otherwise, such grants will be limited in accordance with the evidence to point-to-point authorizations covering the immediate and urgent need for service.

(ii) Any need which is the basis of an operation authorized by a temporary authority to be conducted for a period of less than an aggregate of 180 days is presumed not to be of a "continuing nature" unless the Commission otherwise expressly determines. If the need for a particular service ceases and a temporary authority covering such need expires or is revoked, and a new or separate need arises subsequent to such expiration or revocation, additional temporary authority for the 180-day aggregate, or for a shorter period, may be granted to the same carrier for the service, notwithstanding the prior grant or grants. However, an application filed after an aggregate of 180 days temporary authority has expired or been revoked will be denied unless the facts clearly show that the application is in reality based on a new need and not a continuation of the need on which the prior grant of authority was based.

(2) *Immediate and urgent need.* An immediate and urgent need justifying a grant of temporary authority will be determined to exist only where it is established that there is or soon will be an immediate transportation need which reasonably cannot be met by existing carrier service. Such a showing may involve a new or relocated plant, different method of distribution, new or unusual commodities, an origin or destination not presently served by carriers, a discontinuance of existing service, failure of existing carriers to provide service, or comparable situations which require new motor carrier service before an application for permanent authority can be filed and processed.

(3) *Emergency temporary authority.* An immediate and urgent need justifying a grant of emergency temporary authority will be determined to exist only where it is established that existing carrier service is not capable of providing transportation service to meet immediate and actual emergencies, such as, for example, to prevent a plant shutdown, to move particular shipments in the interest of the national defense, to meet needs resulting from fires, floods, storms, or other disasters which affect the public health,

safety, and welfare, disruption in existing carrier services by work stoppages, unexpected cessation of existing transportation service, lack of equipment capable of transporting the involved commodity, failure or lack of storage facilities and imminent spoilage of perishable commodities, or comparable situations which make it impracticable to afford the notice specified in § 1131.3(a).

(4) *Single-line service.* Generally, the desire of a shipper for single-line service in lieu of existing interchange or connecting-carrier service will not warrant a grant of temporary authority. A grant of temporary authority to effectuate single-line service will be authorized only when it is clearly established that the carriers providing multiple-line service are not capable of, or have failed in, meeting the reasonable immediate and urgent needs of shippers or receivers between the points or territories and in respect of the commodity or commodities involved.

(5) *Complete service.* Requests for temporary authority on the basis of "providing a complete service to a shipper," even though existing carriers are participating in the traffic and in many instances can provide a substantial part of the service, require special justification. Generally, in such instances, the applicant must establish with reasonable certainty that the existing carriers cannot adequately serve the shipper in their authorized territories, or that the supporting shipper has revised its distribution methods to such an extent that there actually is an immediate and urgent need for the complete service proposed.

(6) *Failure to provide equipment.* Temporary authority may be granted where existing authorized carriers are unable or refuse to furnish equipment necessary to move passengers or the traffic of shippers in order to meet an immediate and urgent transportation need.

(7) *Alternate routes.* Except in unusual circumstances, temporary authority to operate over an alternate route will not be granted, even though the service route may be be circuitous, since the carrier-applicant may now operate between the points involved.

(8) *General bases for disapproval.* Applications for temporary authority may be denied for the following reasons:

(i) Failure to meet statutory standards.

(ii) Unfitness of the applicant.

§ 1131.5 Rates, charges, and special permission applications.

(a) Rates requirements generally.

(1) *Motor common carriers.* A motor common carrier may not lawfully perform transportation until effective rates and provisions are published, posted, and filed with the Commission as required by section 217 of the Interstate Commerce Act and the Commission's rules and regulations issued thereunder. Rates to be established upon less than thirty days' notice must not be less than existing motor common carrier commodity rates on the same commodities in like quantities from and to the same points, or in absence thereof not less than the motor common carrier commodity rates in the same commodities in like quantities from and to nearby points for similar distances. In the absence of existing motor common carrier commodity rates, the rates to be established on less than thirty days' notice shall not be less than the applicable motor common carrier class rates from and to the same points except as otherwise authorized in paragraph (b) of this section. Detailed instructions on rate filings may be obtained from any Bureau of Operations' field office.

(2) *Motor contract carriers.* A motor contract carrier may not lawfully provide transportation until executed transportation contracts, when required, and schedules of rates and charges are on file with the Commission as required by section 218 of the Interstate Commerce Act and the Commission's rules and regulations issued thereunder. The filing of contracts covering transportation of passengers, currency, bullion, and certain other valuable articles is not required. Except as otherwise authorized in paragraph (b) of this section, the rates proposed to be established upon less than thirty days' notice shall not be lower than permitted under subparagraph (1) of this paragraph if applicant were a common carrier, except that if any of the points of origin, destination, or territory to be served is at the time served by a contract carrier transporting the same commodities, the rates and charges may be made on the same or higher basis as those of such contract carrier, or those maintained by applicant between other points in the same area.

(3) *Notice of rate publication required.* In most cases there is outstanding special permission authority to publish rates on less than statutory notice covering transportation service by and for the Railway Express Agency and the substitution of motor for rail service. Most tariff publishing agents also have outstanding special permission authority to publish on short-notice scope of operating rights to be granted pursuant to a temporary authority application and to add new participating carriers to their tariffs. The temporary authority application must state who will make the tariff publication, and whether it is to be made on thirty days' notice or upon less than thirty days' notice.

(4) *Special permission applications.* (i) If publication is to be made on short notice by the carrier filing the temporary authority application and it is not covered by the outstanding special permission authority referred to in paragraph (b)(1) of this section, such temporary authority application must be accompanied by a special permission application (four copies with original signed and notarized), setting forth the proposed rates clearly and completely. An accompanying exhibit may be used if identified by letter, such as Exhibit "A", and so referred to in the application. If the proposed provisions consist of rates, all points of origin and destination must be shown or definitely indicated. If permission is sought to establish a rule, the exact wording of the proposed rule must be shown. If relief from tariff circular rules is sought, the exact form of publication must be shown.

(ii) The special permission application must contain the names of motor carriers known to maintain competitive rates; charges, or rules between the same points or points related thereto, together with adequate identification of tariffs containing such rates, charges, or rules. It must also state whether such carriers have been advised of the proposed rates, charges, or rules and whether they have been advised that it is proposed to establish such provisions on less than thirty days' notice. The rates, charges, or rules proposed to be established should conform to the competitive rate level standards of subparagraph (1) of this paragraph for motor common carriers or subparagraph (2) of this paragraph for motor contract carriers. In the absence of effective commodity rates via competing carriers on the commodity or commodities to be transported, the Special Permission Board, upon a proper showing, may authorize the establishment of rates on a different level.

(b) *Emergency temporary authority.* (1) *Property carrier.* Each application for emergency temporary authority for 30 days or less, except those involving the Railway Express Agency or substitution of motor for rail service, shall be accompanied by a statement of the rates, charges, and rules to be filed under Special Permission M-60160 and M-60161, §§ 1307.100, 1307.101 of this chapter, for use in the event the authority sought is granted. Such statement shall contain the names of competing motor carriers transporting the same commodities and the rates of such carriers between the same points or from or to nearby points for similar distances and the application will not be acted upon until such statement shall have been furnished by the applicant to the district supervisor.

(2) *Existing rates.* If the statement of the proposed rates submitted with the emergency temporary authority application contains rates or charges lower than existing rates described under paragraphs (a) (1) or (2) of this section by the named or other carriers, approval will not be recommended or authority granted. All emergency temporary authority will be expressly conditioned on establishing rates or charges no lower than those set forth in the application, and a "W" tariff naming rates lower than those set forth in the application will be rejected. Emergency temporary authority will be revoked for failure to seasonably file a proper "W" tariff.

(3) *Suspended or special permission rates.* (i) In every case the carrier shall state in its emergency authority application whether there is under suspension at the time any rates published for its account, or whether an application for special permission authority to file its rates on less than 30 days' notice has been granted or denied, covering the same traffic from and to the same points in connection with another temporary or permanent authority application. If the applicant has rates or other tariff

matter under suspension, or has received or been denied special permission to file on less than 30 days' notice any rates not yet effective, covering the same traffic, the district supervisor will not recommend approval of the request nor will a grant be made of the emergency temporary authority.

(ii) If applicant carrier has rates under suspension covering the same traffic, it should file a special permission application as set forth in paragraph (a)(4) of this section, stating a copy was served upon protestant(s) and requesting short notice authority to cancel the suspended matter and to file rates according to paragraphs (a) (1) or (2) of this section or, in the alternative, state that the suspended rates will be defended and request short notice authority to file rates conforming with paragraphs (a) (1) or (2) of this section to apply during the suspension period, such rates to expire at the end of the suspension period.

(4) *Passenger carriers.* (i) Each application for emergency temporary authority must be accompanied by an application for special permission to publish fares and charges in connection therewith if they are proposed to be made effective on less than 30 days' statutory notice. Such application shall be accompanied by a statement of the fares, charges, and rules to be filed if the authority is granted. Authority to file fares and charges on less-than-statutory notice will be granted only when the proposed fares and charges are on a level which does not undercut or disrupt the existing level of the fares and charges between the points involved maintained by competing motor carriers generally in the same territory.

(ii) The special permission application must contain the names of motor carriers known to maintain competitive fares, charges, or rules between the same or related points, together with accurate identification of the tariffs by I.C.C. numbers, containing such fares, charges, and rules. It must also state whether such competing carriers have been advised of the fares and charges proposed to be established upon less-than-statutory notice.

§ 1131.6 Petitions.

(a) *Petitions for reconsideration.* Pursuant to and in accordance with the Commission's General and Special Rules of Practice, petitions for reconsideration of orders of (1) the Temporary Authorities Board, and (2) Division 1 initially granting or denying temporary authority in proceedings not subject to prior determination by the Temporary Authorities Board, may be filed by any interested person.

(b) *Replies.* Replies may be filed by any interested person to such petitions; but if the facts stated in any such petition disclose a need for accelerated action, such action, in the discretion of the Commission, may be taken before expiration of the time allowed for reply. Replies received after accelerated action on petition will be treated as petitions for reconsideration of the accelerated action and given corresponding accelerated action.

(c) *Petitions for reconsideration.* The filing of a petition for reconsideration of an order of Division 1 or the Temporary Authorities Board does not have the effect of automatically staying such order, and the grantee carrier may conduct the operations authorized by such order upon compliance with its tariff, insurance, and other requirements for the duration of the temporary authority, or until otherwise ordered.

PART 1132—TRANSFERS OF OPERATING RIGHTS

Sec.

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SUPPLEMENTAL RULES AND REGULATIONS GOVERNING TRANSFER OF CERTIFICATES OF REGISTRATION AND CERTAIN OTHER SINGLE-STATE OPERATING RIGHTS

1132.10 Scope of supplemental rules.
1132.11 Definitions.
1132.12 Applications.
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1132.14 Notice of approval; petitions for reconsideration and oral hearing.

AUTHORITY: The provisions of this Part 1132, issued under secs. 204, 206, 209, 211 and 212, 49 Stat. 546, 551, 552, 554, 555, as amended; 49 U.S.C. 304, 306, 309, 311, 312.

§ 1132.1 Definitions.

As used in this part the following words and terms are construed to mean:

(a) *Transfer.* All transactions not subject to sections 5[1] and 210a(b) of the Interstate Commerce Act, whether by purchase, lease, or otherwise, whereby an operating right as a motor carrier arising out of the Interstate Commerce Act is acquired by one person from another. No attempted transfer of any operating right shall be effective prior to approval thereof by the Interstate Commerce Commission as provided in this part. The mere execution of a chattel mortgage, deed of trust, or other similar document, does not constitute a transfer within the meaning of this part, and does not require the approval of the Commission, unless it embraces the conduct of the operation by a person other than the holder of the operating right. A foreclosure of a mortgage or deed of trust or other lien upon such operating right, an execution for the purpose of transferring such operating right in satisfaction of any judgment or claim against the holder thereof, or settlement of an estate involving an operating right, shall not be effective as a transfer without compliance with this part. See §§ 1132.6 and 1132.7.

(b) *Operating right.* The right to operate as a motor carrier in interstate or foreign commerce over a route or routes or within a specified territory, as authorized by a certificate of public convenience and necessity or a permit issued by this Commission under the provisions of the Interstate Commerce Act, or as authorized by those provisions of said act under which a motor carrier may continue operations pending consideration of its application to the Commission for a certificate or permit. As used in §§ 1132.10 through 1132.14, this term includes rights to operate under a certificate of registration issued by this Commission and rights under section 206(a)(7) of the said act to continue operations within a single State pending the filing and determination of an application for a certificate or registration.[2] This term does not include temporary authority granted under section 210a(a) of the said Act.

(c) *Duplicating rights.* Operating rights which authorize the transportation of passengers, or of the same commodities, from and to, or between the same points.

(d) *Control.* The same meaning as that contained in section 1(3)(b) of the Interstate Commerce Act (49 U.S.C. 1(3)(b)).

(e) *Holder.* The record holder of the operating rights, including a lessor.

(f) *Person.* Same as defined in section 203(a)(1) of the Interstate Commerce Act (49 U.S.C. 303(a)(1)).

§ 1132.2 Applications.

(a) *Form.* Applications for approval of the transfer of operating rights shall be made in writing to the Commission and shall be in such form and contain such information as the Commission shall prescribe.

(b) *Filing.* An original application properly executed, and four copies thereof, shall be filed with the Commission at Washington, D.C., one copy thereof shall be delivered, in person or by mail, to the Regional Director in each region of the Bureau of Operations in which headquarters of the parties signing such application are located, and one copy thereof shall be delivered, in person or by mail, to the board, commission or official (or to the Governor where there is no board, commission or official) having authority to regulate the business of

[1] The first paragraph of sec. 5(10) provides as follows:

"Nothing in this section shall be construed to require the approval or authorization of the Commission in the case of a transaction within the scope of paragraph (2) where the only parties to the transaction are motor carriers subject to part II (but not including a motor carrier controlled by or affiliated with a carrier as defined in section 1(3)), and where the aggregate gross operating revenues of such carriers have not exceeded $300,000 for a period of twelve consecutive months ending not more than six months preceding the date of the agreement of the parties covering the transaction."

[2] A transferee of a State certificate, engaged in operations outside such State, or controlled by, controlling, or under common control with a carrier engaged in such operations, who wishes to continue an operation conducted by the transferor solely within such State under an operating right as defined in § 1131.11 is required to obtain a certificate of public convenience and necessity, application for which may be made on Form OP-OR-9.

transportation by motor vehicle of each State in which are located the headquarters of applicants. Proof of delivery of copies of the application to the appropriate Regional Directors and State authorities shall be made a part of the original application filed with the Commission.

(c) *Transfers for limited periods.* Applicants who seek approval of a transfer of operating rights for a limited term, such as a lease, shall attach to their application a written agreement covering the specific period for which the transfer is sought, the rental stated in dollars, the time and method of payment, and a provision that all the operating rights involved shall revert to the transferor at the expiration of said term, or upon a discontinuance of operations thereunder by the transferee at any time prior to the expiration of said term. In case of reversion, the transferor shall give immediate notice thereof in writing, to the Commission.

§ 1132.3 General bases for approval.

Except as may be otherwise provided in this part, the proposed transfer described in any such application shall be approved if it is shown that the proposed transaction is not subject to the provisions of section 5 of the Interstate Commerce Act; and that the proposed transferee is fit, willing, and able properly to perform the service authorized by the operating rights sought to be transferred, and to conform to the provisions of the Interstate Commerce Act and the requirements, rules, and regulations of the Commission thereunder. Otherwise, the application shall be denied.

§ 1132.4 Notice of approval; petitions for reconsideration and oral hearing.

Prior to their effective dates, synopses of affirmative orders entered pursuant to the rules in this part currently will be published in the FEDERAL REGISTER. The notice accompanying such publication will refer to section 17(8) of the Interstate Commerce Act and include a requirement that if a petition is timely filed by an interested person seeking reconsideration or oral hearing, such petition must specify with particularity the alleged errors and shall cite in all cases, the particular section or sections of this part (Rules and Regulations Governing Transfers of Rights to Operate as a Motor Carrier in Interstate or Foreign Commerce), and the arguments based thereon, which petitioner believes warrant a conclusion different from that set forth in the affirmative order. In the absence of citation of the particular section relied upon, the petition may be rejected. If the petition contains a request for oral hearing, the request shall be supported by an explanation as to why the evidence sought to be presented cannot reasonably be submitted in affidavit form. In this connection, see also Rule 225 of the General Rules of Practice (§ 1100.225 of this chapter).

§ 1132.5 General bases for disapproval.

(a) *Division of rights.* An application for transfer of part of an operating right as to routes or commodities will be denied if it is found that the partition (1) would create duplicating rights as defined in § 1132.1(c): *Provided,* That transfer of regular-route authority to operate between the same points, but over different highways, as is authorized by other operating rights of the transferor not embraced within the application, may be approved upon a satisfactory showing that the transaction will not result in the performance of substantially competitive or duplicative services, (2) would divide the rights at a point other than along clearly defined geographical or political lines, or permit the minute and multiple division of operating rights so that numerous carriers might ultimately operate under rights initially granted as a unit, or would permit the division of radial, irregular-route operating rights, in such a way that the respective parts would be held by two or more carriers under common control; (3) permit the separation of a commodity or commodities from a class of substantially related commodities or from general-commodity authority; or (4) would separate an alternate route or routes, an intermediate point or points, or an off-route point or points, from the route or routes to which it or they are appurtenant. In construing subparagraphs (2) and (3) of this paragraph, the nature of divisions proposed in other applications for transfers of operating authority filed on behalf of the holder, and the action taken thereon, will be considered in passing upon the current application.

(b) *Cessation of operations.* The mere cessation of operations by the holder of an operating right shall not be deemed to require denial of the proposed transfer of such right. If, however, a cessation of operations has occurred, which fact shall be stated in the application, and operations have not been conducted under the considered rights for a substantial period of time, the proposed transfer will be denied unless the holder shows that such discontinuance was caused by circumstances over which he had no control. The Commission may require, in an appropriate case, proof of the nature and extent of operations conducted under the operating right for a period of 6 months preceding the date of the request for such evidence.

(c) *Purpose of transfer.* A proposed transfer of operating rights will not be approved if the Commission finds that the transferee does not intend to, or would not, engage in bona fide motor carrier operations under such operating rights, or if the Commission finds that the transferor acquired such operating rights for the purpose of profiting therefrom and has not engaged in bona fide motor carrier operations under such operating rights.

(d) *Duplicating rights of affiliate.* The Commission will not approve a transfer of operating rights to a person who controls, or who is controlled by, or who is under common control with, another person who is the holder of operating rights which duplicate, in whole or in part, except to an immaterial extent, those proposed to be transferred.

(e) *Lease of duplicate operating rights.* The Commission will not approve a transfer of operating rights for a limited period, whether by lease, or otherwise, to a person who is the holder of operating rights which duplicate, in whole or in part, except to an immaterial extent, those proposed to be transferred.

(f) *Leases.* Unless unusual circumstances are found by the Commission, an application for the transfer of operating rights for a limited period of time will not be approved for longer than one year, during which time the parties will be expected to consider and determine whether they want to enter into a transaction of sale and purchase of the rights. Nothing herein shall be construed as approving a sale and purchase of operating rights in advance of application therefor.

CONDITIONS: The rules set forth in paragraphs (d) and (e) of this section may be suspended, in the discretion of the Commission, with respect to transfers which are proposed because of conditions resulting from a national emergency.

(g) *Dual operations.* The Commission will not approve a transfer of operating rights which would result in the transferee holding both a certificate and a permit, or in the holding by separate persons of a certificate and a permit, under common control, unless it finds, on the basis of evidence submitted with the application, or otherwise, that such holding would be consistent with the public interest and the national transportation policy within the meaning of section 210 of the Interstate Commerce Act.

§ 1132.6 Operations by fiduciaries.

(a) Unless otherwise ordered by the Commission, administrators and executors of the estates of deceased holders of operating rights, guardians of incapacitated holders of operating rights, persons having custody of the business of dissolved partnerships the members of which held operating rights as partners and trustees, receivers, conservators, assignees, or other persons authorized by law to collect and preserve property of financially disabled, bankrupt, or deceased holders of operating rights may continue the operations authorized by such operating rights without approval by the Commission of a transfer thereof, but shall, within 30 days after assuming control of such operations, give notice thereof by furnishing to the Secretary of the Commission, a certified copy of the court order appointing the fiduciary and a statement describing such operations and identifying the operating rights under authority of which they are conducted, stating the full name and address of the person or persons who are continuing the operations, and stating the date on which, and the circumstances under which, such person or persons assumed control of such operations. If there is no court order evidencing appointment of a fiduciary, the best evi-

dence available showing the authority of the fiduciary must be submitted.

(b) *Compliance by fiduciary.* Operations referred to in paragraph (a) of this section may be continued in the name or names of the record holder of the operating rights, followed also by the name or names of the person or persons conducting the operations and a designation of his or their capacity.[3] Compliance with this rule with respect to all tariffs, schedules, reports, or other documents filed in accordance with the Interstate Commerce Act or the rules and regulations prescribed thereunder, shall be sufficient compliance with any requirement, rule, or regulation that such tariffs, schedules, reports, or documents be filed in the name of the holder of the operating rights.

§ 1132.7 Orders of court.

If any proposed transfer presented to the Commission for approval shall also require the authority or approval of any court, applicants shall file with the Commission, at the time of filing their application, a certified copy of the order of the court authorizing the transfer of the operating rights involved, or, if the court has not acted as of that time, a copy of the order of the court shall be submitted prior to consummation of the transfer.

Supplemental Rules and Regulations Governing Transfers of Certificates of Registration and Certain Other Single-State Operating Rights

§ 1132.10 Scope of supplemental rules.

Sections 1132.10 to 1132.14 govern transfers, except as provided in section 5 of the Interstate Commerce Act, of certificates of registration and claimed "grandfather" rights as a common carrier by motor vehicle in interstate or foreign commerce solely within a single State under section 206(a) (6) and (7) of the Interstate Commerce Act, as amended October 15, 1962, by Public Law 87-805 (76 Stat. 911).

§ 1132.11 Definitions.

Unless otherwise specifically provided in this part, the terms used in §§ 1132.10 to 1132.14 have the meanings defined in § 1132.1 of this part.

(a) "Transfers:" Where the transferor of a State certificate of public convenience and necessity conducts an operation in interstate or foreign commerce under a certificate of registration or other single-State operating right recognized only under section 260(a)(7) of the Act, and the transferee could continue such operation lawfully only if issued a certificate of public convenience and necessity under section 207 of the Act, no transfer within the meaning of this part is involved. See § 1132.1, footnote 2.

(b) "Operating right:" Includes the right to operate as a common carrier by motor vehicle in interstate or foreign commerce over a route or routes or within a specified territory solely within a single State, as evidenced by a certificate of registration issued by this Commission under the provisions of section 206(a) (6) or (7) of the Act, or as authorized by section 206(a)(7)(B) of the Act under which a motor carrier may continue such operation pending the filing and determination of its application to the Commission for a certificate of registration.

(c) "Certificate of registration:" Includes the right to issuance of a certificate of registration under section 206(a) (6) or (7)(A) of the Act, if an appropriate application therefor is filed; and the right under section 206(a)(7)(B) to operate pending the filing and determination of an application for a certificate of registration.

(d) "Registrant:" Means a holder of a certificate of registration.

(e) "State board" and "State:" Same as defined in section 203(a) (2) and (8) of the Act.

(f) "State certificate:" Means a certificate of public convenience and necessity issued by a State board authorizing motor vehicle common carrier operations in intrastate commerce.

§ 1132.12 Applications.

(a) *Form.* Applications for approval of the transfer of certificates of registration shall be made in writing to the Commission and shall be in such form and contain such information as the Commission shall prescribe.

(b) *Filing.* An original application properly executed, and four copies thereof, shall be filed with the Commission at Washington, D.C., one copy thereof shall be delivered, in person or by mail, to the Regional Director of the Commission's Bureau of Operations for the Region in which the applicants have their headquarters, and one copy thereof shall be delivered, in person or by mail, to the State board of the State in which the operations described in the application are performed. Proof of delivery of copies of the application to the appropriate Regional Director and State board shall be made a part of the original application filed with the Commission.

(c) *Transfers of State certificates.* Applicants who seek transfer of a certificate of registration shall attach to their application and each copy thereof a copy of the order of the State board approving the transfer or lease to the transferee of the corresponding State certificate. The copy attached to the original application must be properly certified by a duly authorized official of the State board as being a true copy of the State order. If the State order does not specify the terms and expiration date of leased rights, copies of the lease agreement between the parties must also be submitted. In case of reversion of the State certificate, the transferor shall give immediate notice thereof in writing to the Commission.

§ 1132.13 General bases for approval.

Except as may be otherwise provided in §§ 1132.0 to 1132.4, the proposed transfer described in any such application shall be approved if it is shown that the proposed transaction is not subject to the provisions of section 5 of the Interstate Commerce Act; that the proposed transferor has qualified as a registrant; that the proposed transferee will be a carrier engaged in operations solely within a single State, not controlled by, controlling, or under common control with a carrier engaged in operations outside such State; that the certificate of registration has not been invalidated by the transfer of the State certificate without the interstate or foreign rights; and that the proposed transfer will not invalidate the certificate or registration by a transfer of such certificate of registration apart from the corresponding State certificate. Otherwise, the application will be denied; and, upon a petition timely filed as provided in § 1132.14 of and upon good cause shown, an application may be denied for any of the reasons set forth as bases for disapproval in § 1132.5 of this part. A notice by the transferor of intent to engage in interstate and foreign commerce, on file with the Commission on October 15, 1962, under the second proviso of section 206(a) (1) of the Act, as in effect immediately before that date; and, on and after February 12, 1963, an application by transferor claiming "grandfather" rights under section 206(a)(7) of the Act for a certificate of registration which has not been denied; or a certificate of registration issued by the Commission to the transferor after that date, shall be prima facie evidence that transferor has qualified as a registrant.

§ 1132.14 Notice of approval; petitions for reconsideration and oral hearing.

Prior to their effective dates, synopses of affirmative orders entered pursuant to these supplemental rules currently will be published in the Federal Register. The notice accompanying such publication will refer to section 17(8) of the Interstate Commerce Act and include a requirement that if a petition is timely filed by an interested person seeking reconsideration or oral hearing, such petition must specify with particularity the alleged errors and shall cite in all cases the particular section or sections of this part, and the arguments based thereon, which petitioner believes warrant a conclusion different from that set forth in the affirmative order. In the absence of citation of the particular section relied upon, the petition may be rejected. If the petition contains a request for oral hearing, the request shall be supported by an explanation as to why the evidence sought to be presented cannot reasonably be submitted in affidavit form. In this connection, see also Rule 225 of the General Rules of Practice of the Commission (§ 1100.225 of this chapter).

[3] For example:
John Jones, Richard Smith, administrator; John Jones, Richard Smith, executor; John Jones and Richard Smith, d/b/a Jones & Smith, R. Roe, trustee; John Jones, Richard Smith, guardian; John Jones, Richard Smith, trustee; John Jones, Richard Smith, receiver; John Jones, Richard Smith, conservator, and John Jones, Richard Smith, assignee.

PART 1133—TRANSFERS OF PASSENGER BROKERS' LICENSES

Sec.
1133.1 Transfer of brokers' licenses.
1133.2 Corporations and associations holding brokers' licenses.

AUTHORITY: The provisions of this Part 1133 issued under secs. 204, 211, 212, 49 Stat. 546, as amended, 554, as amended, 555, as amended; 49 U.S.C. 304, 311, 312.

CROSS REFERENCE: See also Rule 247 of the Special Rules of Practice (§ 1100.247 of this chapter).

§ 1133.1 Transfer of brokers' licenses.

A license issued a passenger broker under section 211 of the Interstate Commerce Act may be transferred, if approved by the Commission, upon application and proof that the transferee is fit, willing, and able to perform the duties, and that the transfer will not be contrary to the public interest.

§ 1133.2 Corporations and associations holding brokers' licenses.

A change in the control of a corporation may be accomplished only with the approval of the Commission upon application and proof that the change in control will not be contrary to the public interest.

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

Sec.
1134.1 Application for authority to merge properties or franchises.
1134.3 Computation of gross operating revenues of carriers involved in unifications.
1134.4 Deduction of revenues from sources other than regulated transportation.
1134.6 Application for approval of temporary operation.
1134.50 Application for authority to acquire control.

AUTHORITY: The provisions of this Part 1134 issued under secs. 1, 5, 12, 24 Stat. 379, as amended, 380, as amended, 546, as 383, as amended, 49 Stat. 544, as amended, amended, 555, as amended; 49 U.S.C. 1, 5, 12, 303, 304, 312, unless otherwise noted.

§ 1134.1 Application for authority to merge properties or franchises.

(a) Applications for authority under section 5, Interstate Commerce Act, to consolidate, merge, purchase, or lease operating rights and properties, or any part thereof of a motor carrier, shall be in the form and contain the information called for in the form of application, designated Form B.M.C. 44 (Revised) (§ 1003.1 of this chapter).

(b) The original of each such application and five copies thereof shall be filed with this Commission, one copy thereof shall be furnished to each of the Regional Directors of the Bureau of Operations in which are located the headquarters of the carriers involved in the application, and one copy shall be delivered, in person or by registered or receipted mail, to the Board, Commission, or Official (or to the Governor where there is no Board, Commission, or Official) having authority to regulate the business of transportation by motor vehicle in each State in which said carriers operate. Applicants are not required to give notice to competitors since notice of such filing will be by publication in the FEDERAL REGISTER, as provided in Rule 240 of the Special Rules of Practice (§ 1100.240 of this chapter).

(c) Proof of service of copies of the application as provided in paragraph (b) of this section shall be made in connection with and as part of the original application filed with this Commission.

§ 1134.3 Computation of gross operating revenues of carriers involved in unifications.

The aggregate gross operating revenues of the carriers involved in unifications under the provisions of section 5 of the Interstate Commerce Act, as amended, shall be deemed to have exceeded $300,000 for the period of 12 consecutive months ending not more than 6 months preceding the date of the agreement of the parties covering the transaction, unless otherwise shown, under each of the following circumstances:

(a) At the end of the preceding calendar year the carriers involved in the transaction filed reports with the Commission, as required by section 220 of the act, showing annual gross operating revenues from motor carrier operations totaling more than $300,000, and none of the carriers has sold or otherwise disposed of any portion of its operating rights subsequent to the end of the preceding calendar year;

(b) A carrier involved in the transaction filed a quarterly report or reports for subsequent quarters, and a reasonable estimate of its annual gross operating revenues and the reported annual gross operating revenues of the other carriers involved in the transaction for the preceding calendar year aggregates more than $300,000; or

(c) A reasonable estimate of the annual gross operating revenues of any carrier which sold or otherwise disposed of any portion of its operating rights or which began new operations or extended existing operations subsequent to the end of the preceding calendar year and the reported annual gross operating revenues of the other carriers involved in the transaction for the preceding calendar year aggregates more than $300,000.

NOTE: The foregoing § 1134.3 shall apply only with respect to agreements entered into on or after September 25, 1965. In the case of agreements entered into before May 1, 1966, and before May 1 of each succeeding year, the preceding calendar year shall mean the year ended December 31, 1964, and each succeeding calendar year.

(Secs. 206, 209, 211, 49 Stat. 551, 552, 554; 49 U.S.C. 306, 309, 311)

§ 1134.4 Deduction of revenues from sources other than regulated transportation.

(a) In determining whether a proposed transaction is not subject to the provisions of section 5, Interstate Commerce Act, revenues shown to be derived from sources other than transportation subject to part II of said Act shall be deducted from the revenues computed under § 1134.3.

(b) Applicants shall show the amounts which they claim should be deducted, the sources from which the revenues were derived, and the circumstances under which transportation performed is claimed not to have been subject to such part, in transfer proceedings under Part 1132 of this chapter or in support of a motion for dismissal of proceedings under this part.

(c) Applicants shall not be required to show that the revenues computed under § 1134.3 were derived from transportation subject to part II.

(Secs. 206, 209, 211, 49 Stat. 551, 552, 554; 49 U.S.C. 306, 309, 311)

§ 1134.6 Application for approval of temporary operation.

(a) Applications for approval under section 210a(b), Interstate Commerce Act, of the temporary operation of motor-carrier properties sought to be acquired under separately filed application under section 5, shall be in the form and contain the information called for in the form of application, designated B.M.C. 46 (Revised) (§ 1003.1 of this chapter).

(b) The original of each such application and five copies thereof, shall be filed with this Commission, one copy thereof shall be furnished to each of the Regional Directors of the Bureau of Operations in which the headquarters of applicants are located, and one copy shall be delivered, in person or by registered or receipted mail, to the Board, Commission, or Official (or to the Governor where there is no Board, Commission, or Official) having authority to regulate the business of transportation by motor vehicle in each State in which the applicants operate. Applicants are not required to give notice to competitors since notice of such filing will be by publication in the FEDERAL REGISTER, as provided in Rule 240 of the Special Rules of Practice (§ 1140.240 of this chapter).

(c) Proof of service of copies of the application as provided in paragraph (b) of this section shall be made in connection with and as part of the original application filed with this Commission.

§ 1134.50 Application for authority to acquire control.

(a) Applications for authority under section 5, Interstate Commerce Act, to acquire control of a motor carrier or motor carriers through ownership of stock, or otherwise, shall be in the form and contain the information called for in the form of application, designated Form B.M.C.-45 (Revised) (§ 1003.1 of this chapter).

(b) The original of each such application and five copies thereof shall be filed with this Commission, one copy thereof shall be furnished to each of the Regional Directors of the Bureau of Operations in which are located the headquarters of the carriers involved in

the application, and one copy shall be delivered in person or by registered or receipted mail, to the Board, Commission, or Official (or to the Governor where there is no Board, Commission, or Official) having authority to regulate the business of transportation by motor vehicle in each State in which said carriers operate. Applicant is not required to give notice to competitors since notice of such filing will be by publication in the FEDERAL REGISTER, as provided in Rule 240 of the Special Rules of Practice (§ 1100.240 of this chapter).

(c) Proof of service of copies of the application as provided in paragraph (b) of this section shall be made in connection with and as part of the original application filed with this Commission.

PART 1135—CORPORATE REORGANIZATIONS OF MOTOR CARRIERS

§ 1135.1 Information required to be filed with the Secretary of the Commission.

Concurrently with the filing of any plan of corporate reorganization, amendment thereto, or modification thereof, of a motor carrier in proceedings under the Bankruptcy Act, as amended, in a District Court of the United States required to be submitted to the Interstate Commerce Commission under the provisions of said Bankruptcy Act, as amended, three shall be filed with the Secretary, Interstate Commerce Commission, Washington, D.C. 20423:

(a) Seven copies of such plan of reorganization, of which one copy shall be certified.

(b) Verified original and 6 copies of statement containing the following information unless such information is contained in the plan of reorganization:

(1) Number assigned to debtor's certificate or permit under Part II of the Interstate Commerce Act or to application therefor.

(2) Date of filing of petition for reorganization.

(3) Date of approval of petition for reorganization.

(4) If petition approved prior to June 22, 1938, whether court has deemed application of provisions of Chapter X, Bankruptcy Act, as amended, practicable. If order entered, one certified copy and 6 conformed copies thereof should be furnished.

(5) If a transfer or lease of debtor's rights to operate as a motor carrier in interstate or foreign commerce, or transfer of control of debtor through stock ownership is contemplated under plan of reorganization—if known, name and address of prospective transferee, status of such transferee, including affiliation with other carriers subject to Interstate Commerce Act, and separately for debtor, prospective transferee and affiliates of latter, if any, number of motor vehicles owned, leased, controlled or operated.

(c) Verified original and 6 copies of:

(1) Balance sheet statement of debtor as of latest available date.

(2) Income statement of debtor covering each of the last 2 calendar years, and the current calendar year to the end of the latest month during which operations have been conducted.

(3) If under the plan of reorganization there is contemplated issuance of securities or assumption of obligation or liability as lessor, lessee, guarantor, endorser, surety, or otherwise, in respect of the securities of any other person by debtor or prospective transferee—

(i) Statement showing securities of such person outstanding, securities to be issued, and obligations or liabilities to be assumed, segregated by classes and amounts (par value of securities, or if such have no par value, the fair market value thereof as of date of issue), and

(ii) If not furnished under subparagraph (1) of this paragraph, balance sheet statement as of latest available date of such person proposing to issue securities, or assume obligation or liability.

(d) Notice of time and place of any hearing on the proposed plan of reorganization.

(49 Stat. 546, as amended, 551, as amended, 552, as amended, 555, as amended, 557, as amended; 49 U.S.C. 304, 306, 309, 312, 314)

PARTS 1140–1149—SPECIAL PROCEDURES—WATER CARRIERS

INTRODUCTORY NOTE: Rules governing extension of temporary operating authority or approvals for water carriers are contained in Part 1101 of this chapter.

PART 1140—EXTENSIONS OF OPERATIONS

Sec.

1140.1 Applications for certificates.
1140.2 Proof of convenience and necessity.

CROSS REFERENCE: See also Special Rule 247 of the Special Rules of Practice (§1100.247 of this Chapter).

§ 1140.1 Applications for certificates.

(a) A common carrier subject to Part III of the Interstate Commerce Act must obtain a certificate from the Commission covering any extension of services, pursuant to the proviso of section 309(d) of said act, over uncompleted portions of waterway projects now or hereafter authorized by Congress, over the completed portions of which it already operates.

(b) Applications for such certificates shall be in the form provided for in § 1003.2 of this chapter and must be filed with the Commission not later than the date of the filing of tariffs establishing rates and charges for transportation of passengers or property over that portion of the waterway embraced in such application and in no event later than the date on which the extended operations are instituted.

(c) Applications for certificates covering such extended services shall be served on interested parties in the manner provided in Form B. W. C. 7 (see § 1003.2 of this chapter).

(54 Stat. 933, 941; 49 U.S.C. 904, 909)

§ 1140.2 Proof of convenience and necessity.

(a) No common carrier subject to Part III of the Interstate Commerce Act shall institute such extended services after the expiration of 120 days, from the date on which the uncompleted portions of such projects are open for navigation without first obtaining a certificate from the Commission based upon proof of public convenience and necessity.

(b) If extended services are instituted within 120 days after the uncompleted portions of such projects are open for navigation and an application is filed as provided in § 1140.1, a certificate covering such extended services will be issued without proof of public convenience and necessity (proof of public convenience and necessity will be required in connection with applications filed for the institution of such extended services after the expiration of such 120-day period).

(54 Stat. 933, 941; 49 U.S.C. 904, 909)

PART 1141—TRANSFERS OF CERTIFICATES AND PERMITS TO OPERATE

Sec.

1141.1 Transfers approved only upon application.
1141.2 Transfers effected in section 5(2) proceedings.
1141.3 Transfers not effected in section 5(2) proceedings.
1141.4 Required exhibits.
1141.5 Form and style of application.
1141.6 Procedure.
1141.7 Transfers by fiduciaries.
1141.8 Leases and contracts to operate.
1141.9 Abandoned or suspended operations.
1141.10 Attempted transfers.

AUTHORITY: The provisions of this Part 1141 issued under secs. 5, 12, 24 Stat. 380, as amended, 383, as amended; 49 U.S.C. 5, 12, unless otherwise noted.

§ 1141.1 Transfers approved only upon application.

An order approving a transfer will be entered only upon the joint application of the person to whom the certificate or permit was issued, or such person's duly qualified legal representative, and of the person to whom it is proposed to transfer the certificate or permit.

§ 1141.2 Transfers effected in section 5(2) proceedings.

If the person to whom it is proposed to transfer a certificate or permit is a carrier as defined in section 5(13) of the Interstate Commerce Act and the proposed transfer is to be made in connection with any transaction requiring approval and authorization of the Commission under section 5(2) of the act, the parties to the transaction may join in the application for such approval and authorization and request approval of the proposed transfer in connection with such other transaction. Under such circumstances the application shall be made pursuant to the special instructions governing applications under section 5(2) of the act and, in addition to the information required by such special instructions, the transferee shall furnish the information required by paragraphs (n) and (o) of § 1141.3.

§ 1141.3 Transfers not effected in section 5(2) proceedings.

If the person to whom it is proposed to transfer a certificate or permit is not

a carrier as defined in section 5(13) of the act, or the proposed transfer is not to be made in connection with any transaction requiring approval and authorization of the Commission under section 5(2) of the act, the application to transfer a certificate or permit shall show, in the order indicated, the following:

(a) Full and correct names of the transferor.

(b) Business address of the transferor (street, number, city, county, State).

(c) Title, date, and docket number of certificate or permit to be transferred

(d) Full and correct name of transferee.

(e) Business address of transferee (street number, city, county, State).

(f) Whether transferee is a corporation, partnership, association or individual, and (1) if transferee is a corporation, the Government, State, or Territory under the laws of which transferee is organized, and, if incorporated under the laws of, or authorized to operate in, more than one State, the facts in regard thereto; (2) if a corporation or association, the names and addresses of the directors and officers; (3) if a partnership, the names and addresses of the partners; and (4) if an association, partnership or individual, firm or trade name under which operations are conducted.

(g) Whether the transferee is a carrier as defined in section 5(13) of the Interstate Commerce Act, or controls, is controlled by, or is under common control or otherwise affiliated with such a carrier. (See appendix for definition of "affiliated" as used in section 5 of the act.)

(h) All routes, both regular and irregular, over which transferor is authorized by its certificate or permit to operate; whether transferor was operating over all these routes on the date of the application; and, if not, the route or routes over which operations had ceased and the date on which operations ceased, with a full explanation of the circumstances causing cessation of operations.

(i) Vessels and other transportation facilities, showing for each vessel the name, and if documented, the official number, owned, leased or controlled and/or operated by the transferor and by the transferee on the date of the application, showing for each the number and description of vessels and the nature of other facilities.

(j) Whether the proposed transfer of the certificate or permit is part of a transaction involving the transfer of vessels or other facilities from the transferor to the transferee; and if so, (1) the nature of the transaction, whether a sale, lease or operating contract, and (2) a description of the vessels and facilities to be transferred.

(k) If transferee does not propose to acquire vessels or other transportation facilities from the transferor, and does not own or lease such vessels or facilities, a statement showing (1) the vessels or facilities the transferee proposes to acquire for continuing operation under the certificate or permit, (2) the method of such acquisition, whether by purchase, lease or operating contract, and (3) the name, address and carrier status of the owner of such vessels and facilities.

(l) The purchase price, rental, or other consideration to be paid for vessels and other facilities which the transferee proposes to acquire.

(m) The transferee's general plan of financing its requirements for vessels and other transportation facilities.

(n) Experience of the transferee, and of its principal officers and operating personnel in transporting persons or property by water for hire.

(o) Any additional information to show that the proposed transferee is fit, willing, and able properly to perform the service authorized by the certificate or permit sought to be transferred and to conform to the provisions of Part III of the Interstate Commerce Act and the requirements, rules and regulations of the Commission thereunder.

(p) Reference to action by stockholders or directors of applicant, if a corporation, by directors or members of applicant, if an association, and by the court having jurisdiction over applicant, if a trustee, receiver, or other fiduciary, authorizing the proposed transaction and the making and filing of the application, giving dates and places of meetings of stockholders, directors and associate members, and the date of the court's order.

(q) The name, title, and postoffice address of counsel or officer to whom correspondence in regard to the application is to be addressed.

§ 1141.4 Required exhibits.

The following exhibits shall be attached to and made a part of the application:

(a) As Exhibit 1, copy of each resolution or order to which reference is made in response to the requirements of paragraph (p) of § 1141.3.

(b) As Exhibit 2, copy of all contracts or other written instruments entered into, or proposed to be entered into, pertaining to the proposed transfer and to the acquisition of vessels and other transportation facilities to be used in the proposed operations of the transferee.

(c) As Exhibit 3, general balance sheet statement of the transferee as of the close of the last preceding calendar year, and as of the latest available date of the current calendar year, or if transferee is an individual or a newly organized corporation, association or partnership, a statement of resources and liabilities with which the transferee proposes to begin operation pursuant to the certificate or permit.

(d) As Exhibit 4, income statement of the transferee for the last preceding calendar year and, separately, for the current calendar year to the last available date, or if the transferee is an individual or a newly organized corporation, association or partnership, an estimate of revenues, expenses, and income for the first three years of the proposed operation, and a statement showing the basis of such estimate.

(e) As Exhibit 5, a general or key map indicating clearly in colors, or otherwise, on a suitable scale, the line or lines, route or routes, and ports or points, involved in the proposed transfer. Three extra copies of the map should be submitted, unbound, for the use of the Commission.

§ 1141.5 Form and style of application.

The application and exhibits shall conform with Rule 15 of the General Rules of Practice (§ 1100.15 of this Chapter).

§ 1141.6 Procedure.

(a) The original application shall be signed in ink by the transferor and the transferee, if individuals, by all partners, if either transferor or transferee is a partnership, and, if either is a corporation, an association or other similar form of organization, by its president, vice president, auditor, comptroller or other executive officer having knowledge of the matters therein contained and duly designated for that purpose by such applicant, and shall be made under oath. The application shall show that any affiant acting for the transferor or transferee is duly authorized by such applicant to verify and file the same.

(b) There shall be filed with the Secretary of the Commission, Washington, D.C. 20423, the original application and four copies thereof for the use of the Commission and one copy shall be delivered in person, or by mail, to the Governor of each State in which any part of point served by the transferor is located. Proof of such delivery shall be made as a part of the original application filed with the Commission. Each copy shall conform in all respects to the original and shall be complete in itself, except that the signature in the copies may be stamped or typed and the notarial seal omitted.

(c) In those proceedings in which no oral hearing is held, if the application is approved, prior to the effective date, a synopsis of the order of approval will be published in the FEDERAL REGISTER. The notice accompanying such publication will refer to section 17(8) of the Interstate Commerce Act and include a requirement that if a petition is timely filed by an interested person seeking reconsideration or oral hearing, such petition must specify with particularity the alleged errors and shall cite in all cases, the particular section or sections of the rules and regulations in this part, and the arguments based thereon, which petitioner believes warrant a conclusion different from that set forth in the affirmative order. In the absence of citation of the particular section relied upon, the petition may be rejected. If the petition contains a request for oral hearing, the request shall be supported by an explanation as to why the evidence sought to be presented cannot reasonably be submitted in affidavit form. In this connection see also Rule 225 of the Special Rules of Practice (§ 1100.225 of this chapter).

(d) The Commission, if it shall consider it necessary in order to determine whether the findings required for the

entry of an order approving and authorizing a transfer may properly be made, will order a hearing upon the application, giving notice thereof to the applicants and such others as are interested in the proposed transfer.

(e) Within 10 days after the execution of any instrument or instruments whereby property together with operating rights under any certificate or permit is transferred with the approval and authorization of the Commission under the provisions of section 5(2) of the act, and within 10 days after the transfer or assignment of a certificate or permit not effected in section 5(2) proceedings, the transferee shall file with the Commission, in duplicate, in the form in which they were executed, verified copies of such instrument, or instruments, or, in the absence of any such instrument, of the endorsement or other written evidence of the transfer or assignment. Upon receipt of such copies an appropriate certificate, or certificates, permit, or permits, superseding the certificate or permit transferred will be issued.

(Secs. 17, 304, 312, 24 Stat. 385, as amended, 54 Stat. 933, 944, 49 U.S.C. 17, 904, 912)

§ 1141.7 Transfers by fiduciaries.

(a) The temporary continuance of water-carrier operations without prior compliance with the provisions of the foregoing rules and regulations will be recognized as justified by the public interest in cases in which administrators and executors of deceased persons formerly operating as carriers, guardians of incapacitated persons formerly operating as carriers, a surviving partner or surviving partners collectively of dissolved partnerships, or trustees, receivers, conservators, assignees or other such persons who are authorized by law to collect and preserve property of financially disabled carriers, desire to continue the operations of the carriers whom they succeed in interest.

(b) Immediately upon any such succession, and in any event not more than 10 days thereafter, the successor shall give notice of the succession to the Secretary of the Interstate Commerce Commission, Washington, D.C., stating the names of the water carrier and of the successor, the date of the succession, the circumstances causing the succession, whether there has been any discontinuance of operations and, if so, for what period, and, if the representative capacity of the successor involves appointment by a judicial proceeding, enclosing a certified copy of such appointment.

(c) Such successors may continue to operate under the certificate or permit of the water carrier which they succeeded so long as they act in a temporary and representative capacity or until the Commission shall otherwise order. All transfers by successors to other persons shall be subject to the foregoing sections of these rules and regulations.

(d) Such successors shall operate in the name of the prior holder of the certificate or permit followed by the name of the successor and a designation of his capacity. The use of such name on all papers filed in accordance with the requirements of Part III of the Interstate Commerce Act, or the rules and regulations prescribed thereunder, shall be sufficient compliance with any requirement, rule, or regulation that such papers be filed in the name of the holder of a certificate or permit.

§ 1141.8 Leases and contracts to operate.

In addition to the showing required in § 1141.3 and § 1141.4, applicants who seek approval of a transfer of a certificate or permit for a limited period, whether by lease, operating contract or otherwise, shall agree in writing that such certificate or permit shall revert to the transferor at the expiration of the period for which the transfer is sought, or upon discontinuance of operation thereunder by the transferee at any time prior to the expiration of such period. In such case of reversion, the transferor shall give notice of that fact to the Commission, as provided in § 1141.7(b).

§ 1141.9 Abandoned or suspended operations.

The transfer of any certificate or permit under which operations are not being conducted at the time of the proposed transfer will be approved only upon a showing that the suspension of operations was caused by circumstances over which the holder of the certificate or permit had no control, and that the water-carrier operations authorized under the certificate or permit sought to be transferred will be consistent with the public interest.

§ 1141.10 Attempted transfers.

No attempted transfer of any certificate or permit, whether by means of an attempted pledge of such certificate or permit, or by any action purporting to foreclose a pledge or lease against such certificate or permit, or by any attempt to levy execution against such certificate or permit in satisfaction of any judgment or claim against the holder thereof, shall become effective except upon full compliance with the rules and regulations in this part and until after the Interstate Commerce Commission has approved such transfer upon application as herein provided.

PARTS 1150–1159—SPECIAL PROCEDURES—FREIGHT FORWARDERS

PART 1150—APPLICATIONS FOR PERMITS

Sec.
1150.1 Form of application.
1150.2 Filing of application.
1150.3 Service of application.
1150.4 Notice of the filing of an application.

AUTHORITY: The provisions of this Part 1150 issued under 56 Stat. 285, 291; 49 U.S.C. 1003, 1010.

CROSS REFERENCE: See also Rule 247 of the Special Rules of Practice (§ 1100.247 of this chapter).

NOTE: Forms referred to in this part are listed in § 1003.3 of this chapter.

§ 1150.1 Form of application.

Applications under section 410 of the Interstate Commerce Act for a permit authorizing operation as a freight forwarder, in interstate or foreign commerce, subject to part IV of the act shall be in the form (FF1) and shall contain the information, called for, in accordance with the instructions thereto.

§ 1150.2 Filing of application.

The verified original application and four additional true copies thereof shall be filed with the Interstate Commerce Commission.

§ 1150.3 Service of application.

A true copy of the application shall be served, in person or by mail, upon the Governor of each State in which applicant proposes to engage in forwarder service.

§ 1150.4 Notice of the filing of an application.

Notice of the filing of the application for a freight forwarder permit shall be in the form (FF 2) and shall be delivered in person or sent by mail to each freight forwarder, known to applicant, with whose services the operations described in such notice would be competitive.

PART 1151—TRANSFERS OF OPERATING RIGHTS (PERMITS)

Sec.
1151.1 Definitions and general provisions.
1151.2 Applications to transfer.
1151.3 Required exhibits.
1151.4 Form and style of application.
1151.5 Procedure.
1151.6 Transfers by fiduciaries.
1151.7 Leases and contracts to operate.

Appendix—Excerpt from the Commission's general rules of practice.

AUTHORITY: The provisions of this Part 1151 issued under 56 Stat. 285, 291; 49 U.S.C. 1003, 1010, unless otherwise noted.

§ 1151.1 Definitions and general provisions.

(a) *Definitions—(1) Transfer.* The term "transfer", as used herein, shall include all transactions, whether by purchase, lease, contract to operate, or otherwise, whereby an operating right as a freight forwarder arising out of the Interstate Commerce Act is acquired by one person from another.

(2) *Operating rights.* The term "operating right" or "operating rights", as used herein, shall include the right to engage in service as a freight forwarder in interstate commerce within a specified territory or from and to specified territories, as authorized by a permit issued by this Commission under the provisions of the Interstate Commerce Act, or as authorized by those provisions of said act under which a freight for-

warder may continue to operate pending consideration of its application to the Commission for a permit.

(b) *General provisions—(1) Division of operating rights.* An operating right may be divided as to territories and part thereof transferred, provided such territories are clearly severable and the division thereof does not permit the creation of duplicate operating rights. No division of operating rights will be approved unless it appears to the satisfaction of the Commission that the part of the operating rights sought to be transferred is, because of a difference in the nature or type of the service rendered, clearly distinguishable and severable from the remaining operating rights.

(2) *Attempted transfers.* No attempted transfer of an operating right shall be effective except upon full compliance with the rules and regulations in this part and until after the Commission has approved such transfer as herein provided. A transfer of operating rights by means of a pledge of such rights or by the foreclosure of a pledge upon or lien against such rights, or by a levy of execution in satisfaction of any judgment or claim against the holder thereof, shall not be effective without compliance with the rules and regulations in this part and the prior approval of the Commission.

§ 1151.2 Applications to transfer.

Applications for approval of the transfer of operating rights shall show, in the order indicated, the following:

(a) Full and correct name of the transferor.

(b) Business address of the transferor (street, number, city, county, State).

(c) Title, date, and docket number of operating right to be transferred.

(d) Full and correct name of the transferee.

(e) Business address of transferee (street, number, city, county, State).

(f) Whether transferee is a corporation, partnership, association, or individual, and (1) if transferee is a corporation, the Government, State, or Territory under the laws of which transferee is organized, and if incorporated under the laws of, or authorized to operate in, more than one State, the facts in regard thereto; (2) if a corporation or association, the names and addresses of the directors and officers; (3) if a partnership, the names and addresses of the partners; and (4) if an association, partnership, or individual, the firm or trade name under which operations are conducted.

(g) Whether the transferee is a freight forwarder, or is a person controlling, controlled by, or under common control or otherwise affiliated with a freight forwarder, or is a carrier subject to Part I, II, or III of the Interstate Commerce Act, or is a director, officer, employee, or agent of such carrier, or controls, is controlled by, or is under common control or otherwise affiliated with such a carrier; or is a person whose principal business is that of buying or selling or buying and selling articles or commodities and whose business operations are of such a character that services of a freight forwarder or forwarders are commonly used in connection with the transportation of such articles or commodities, or is a person controlling, controlled by, or under common control with such person; and, if so, a full explanation.

(h) All territories within which or between which transferor is authorized to operate; whether transferor was operating within or between all these territories on the date of the application; and, if not, the territories within or between which operations had ceased and the date on which operations ceased, with a full explanation of the circumstances causing cessation of operations.

(i) Experience of the transferee and of its principal officers and operating personnel in performing freight forwarder services; whether the proposed transfer would affect the interests of the employees of the transferor, and, if so, the manner in which their interests would be affected.

(j) Any additional information to show that the proposed transferee is ready, able, and willing properly to perform the service authorized by the operating right sought to be transferred and to conform to the provisions of Part IV of the Interstate Commerce Act and the requirements, rules, and regulations of the Commission thereunder.

(k) Reference to action by stockholders or directors of applicant, if a corporation, by directors or members of applicant, if an association, or by the court having jurisdiction over applicant, if a trustee, receiver, or other fiduciary, authorizing the proposed transaction and the making and filing of the application, giving dates and places of meetings of stockholders, directors, or associate members and the date of the court's order.

(l) Whether the proposed transfer of operating rights is part of a transaction involving the transfer of freight forwarder facilities from the transferor to the transferee; and, if so, (1) the nature of the transaction, whether a sale, lease, or operating contract, and (2) a description of the physical facilities to be transferred.

(m) The name, title, and post office address of counsel or officer to whom correspondence in regard to the application is to be addressed.

§ 1151.3 Required exhibits.

The following exhibits shall be attached to and made a part of the application:

(a) As exhibit 1, copy of each resolution or order to which reference is made in response to the requirements of paragraph (k) of § 1151.2.

(b) As exhibit 2, copy of contracts or other written instruments entered into, or proposed to be entered into, pertaining to the proposed transfer.

(c) As exhibit 3, general balance sheet statement of the transferee as of the close of the last preceding calendar year, and as of the latest available date of the current calendar year, or if transferee is an individual or a newly organized corporation, association or partnership, a statement of resources and liabilities with which the transferee proposes to begin operation pursuant to the operating right.

(d) As exhibit 4, income statement of the transferee for the last preceding year and, separately, for the current calendar year to the last available date, or if the transferee is an individual or a newly organized corporation, association, or partnership, an estimate of revenues, expenses, and income for the first three years of the proposed operation and a statement showing the basis of such estimate.

§ 1151.4 Form and style of application.

The application and exhibits shall conform with Rule 15 of the Commission's general rules of practice (§ 1100.15 of this chapter).

§ 1151.5 Procedure.

(a) The original application shall be signed in ink by the transferor and the transferee, if individuals; by all partners, if either transferee or transferor is a partnership; and, if either is a corporation, an association, or other similar form of organization, by its president, vice-president, auditor, comptroller, or other executive officer having knowledge of the matters therein contained and duly designated for that purpose by such applicant; and shall be made under oath. The application shall show that any affiant acting for the transferor or transferee is duly authorized by such applicant to verify and file the same.

(b) There shall be filed with the Secretary of the Commission, Washington, D.C., the original application and four copies thereof for the use of the Commission and one copy shall be delivered, in person or by mail, to the Governor of each State in which any point served by the transferor is located. Proof of such delivery shall be made as a part of the original application filed with the Commission. Each copy shall conform in all respects to the original and shall be complete in itself, except that the signature in the copies may be stamped or typed and the notarial seal omitted.

(c) The Commission, if it shall consider it necessary in order to determine whether the findings required for the entry of an order approving and authorizing a transfer may properly be made, will order a hearing upon the application, giving notice thereof to the applicants and to such others as are interested in the proposed transfer.

(d) Except as provided in § 1151.1 (b), the proposed transfer described in any such application shall be approved if it appears that such transfer, if approved, will be consistent with the public interest and the national transportation policy declared in the Interstate Commerce Act, will not result in unlawful ownership or control of a freight forwarder and will not adversely affect the employees of the transferor; and that the proposed transferee is ready, able, and willing properly to perform the service authorized by the

operating rights sought to be transferred, and to conform to the provisions of the Interstate Commerce Act and the requirements, rules, and regulations of the Commission thereunder. Otherwise the application shall be denied.

(e) In those proceedings in which no oral hearing is held, if the application is approved, prior to the effective date, a synopsis of the order of approval will be published in the FEDERAL REGISTER. The notice accompanying such publication will refer to section 17(8) of the Interstate Commerce Act and include a requirement that if a petition is timely filed by an interested person seeking reconsideration or oral hearing, such petition must specify with particularity the alleged errors and shall cite in all cases, the particular section or sections of the rules and regulations of this part, and the arguments based thereon, which petitioner believes warrant a conclusion different from that set forth in the affirmative order. In the absence of citation of the particular section relied upon, the petition may be rejected. If the petition contains a request for oral hearing, the request shall be supported by an explanation as to why the evidence sought to be presented cannot reasonably be submitted in affidavit form. In this connection see also Rule 225 of the special rules of practice (§ 1100.225 of this chapter).

(f) Within ten days after the transfer of an operating right the transferee shall file with the Commission in duplicate, in the form in which they are executed, verified copies of such instrument or instruments, or, in the absence of any such instrument, of the endorsement or other written evidence of the transfer. Upon receipt of such copies an appropriate permit superseding the permit transferred will be issued in transactions including the transfer of a permit issued by this Commission.

(Secs. 12, 17, 24 Stat. 383, as amended, 385, as amended; 49 U.S.C. 12, 17)

§ 1151.6 Transfers by fiduciaries.

(a) The temporary continuance of freight forwarder operations without prior compliance with the provisions of the foregoing rules and regulations will be recognized as justified by the public interest in cases in which administrators or executors of deceased persons formerly engaged in service as freight forwarders, guardians of incapacitated persons formerly engaged in service as freight forwarders, a surviving partner or surviving partners collectively of dissolved partnerships, or trustees, receivers, conservators, assignees, or other such persons who are authorized by law to collect and preserve property of financially disabled freight forwarders, desire to continue the operations of the freight forwarders whom they succeed in interest.

(b) Immediately upon any such succession, and in any event not more than ten days thereafter, the successor shall give notice of the succession to the Secretary of the Commission, Washington, D.C., stating the names of the freight forwarder and of the successor, the date of the succession, and the circumstances causing the succession, whether there has been any discontinuance of operations and, if so, for what period, and, if the representative capacity of the successors involves appointment by a judicial proceeding, enclosing a certified copy of such appointment.

(c) Such successors may continue to operate under the authority of the freight forwarder which they succeed so long as they act in a temporary and representative capacity or until the Commission shall otherwise order. All transfers by successors to other persons shall be subject to other sections of the rules and regulations in this part.

(d) Such successors shall operate in the name of the prior holder of the permit or operating right, followed by the name of the successor and a designation of his capacity. The use of such name on all papers filed in accordance with the requirements of Part IV of the Interstate Commerce Act, or the rules and regulations prescribed thereunder, shall be sufficient compliance with any requirement, rule, or regulation that such papers be filed in the name of the holder of the operating rights.

§ 1151.7 Leases and contracts to operate.

In addition to the showing required in §§ 1151.2 and 1151.3, applicants who seek approval of a transfer of an operating right for a limited period, whether by lease, operating contract, or otherwise, shall agree in writing that such operating right shall revert to the transferor at the expiration of the period for which the transfer is sought, or upon discontinuance of operation thereunder by the transferee at any time prior to the expiration of such period. In such case of reversion the transferor shall give notice of that fact to the Commission as provided in § 1151.6(b).

SUBCHAPTER C—ACCOUNTS, REPORTS AND RECORDS

PARTS 1200–1219—UNIFORM SYSTEMS OF ACCOUNTS

PART 1200—GENERAL ACCOUNTING REGULATIONS UNDER THE INTERSTATE COMMERCE ACT

§ 1200.1 Financial statements released by carriers.

Carriers desiring to do so may prepare and publish financial statements in reports to stockholders and others, except in reports to this Commission, based on generally accepted accounting principles for which there is authoritative support, provided that any variance from this Commission's prescribed accounting rules contained in such statements is clearly disclosed in footnotes to the statements.

(Sec. 20, 24 Stat. 386; 49 U.S.C. 20, sec. 220(a), 49 Stat. 563; 49 U.S.C. 320, sec. 313(a), 54 Stat. 944; 49 U.S.C. 913, sec. 412(a), 56 Stat. 294; 49 U.S.C. 1012)

PART 1201—RAILROAD COMPANIES

AUTHORITY: The provisions of this Part 1201 issued under sec. 20, 24, Stat. 386, as amended, 49 U.S.C. 20.

LIST OF INSTRUCTIONS AND ACCOUNTS

(i) Regulations prescribed.
(ii) Definitions.

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1–1 Classification of carriers.
1–2 Classification of accounts.
1–3 Records.
1–4 Accounting period.
1–5 Accrual method of accounting.
1–6 Unaudited items.
1–7 Delayed items.
1–8 Operating reserves.
1–9 Employees health and welfare benefits.
1–20 Items in texts of accounts.
1–21 Submission of questions.

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2–1 Items to be charged.
2–2 Minimum rule applicable to additions to property.
2–3 Land.
2–4 Structures.
2–5 Equipment.
2–6 Components of construction cost.
2–7 Additions to and retirements of property—General.
2–8 Additions to and retirements of units of property.
2–9 Additions to and retirements of other than units of property.
2–10 Expenses in connection with additions and betterments.
2–11 Units of property rebuilt or converted.
2–12 Changes in line of road.
2–13 Relocation of yard tracks.
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2–15 Reorganization of railway.
2–16 Construction projects in which governmental agencies, individuals, or others, and the carrier participate.
2–17 Leased property improvements and retirements.
2–19 Distribution of cost of property to primary accounts.
2–25 List of units of property.

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3–1 Items to be charged.
3–2 Equalization of maintenance expenses.

INSTRUCTIONS FOR CLEARING ACCOUNTS

4–1 Items to be charged.
4–2 Material and stationery store expenses.
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5–1 Method.
5–2 Rates of depreciation.
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6–1 Current assets.
6–2 Recorded value of securities owned.
6–3 Discount, expense and premium on debt.
6–4 Discount, premium, and assessment on capital stock.
6–5 Joint liabilities.
6–6 Contingent assets and liabilities.

PROPERTY ACCOUNTS

Road

0 Road.
1 Engineering.
2 Land for transportation purposes.
2½ Other right-of-way expenditures.
3 Grading.
5 Tunnels and subways.
6 Bridges, trestles, and culverts.
7 Elevated structures.
8 Ties.
9 Rails.
10 Other track material.
11 Ballast.
12 Track laying and surfacing.
13 Fences, snowsheds, and signs.
16 Station and office buildings.
17 Roadway buildings.
18 Water stations.
19 Fuel stations.
20 Shops and enginehouses.
21 Grain elevators.
22 Storage warehouses.
23 Wharves and docks.
24 Coal and ore wharves.
26 Communication systems.
27 Signals and interlockers.
29 Power plants.
31 Power-transmission systems.
35 Miscellaneous structures.
37 Roadway machines.
38 Roadway small tools.
39 Public improvements; construction.
43 Other expenditures; road.
44 Shop machinery.
45 Power-plant machinery.

Equipment

50 Equipment.
51 Steam locomotives.
52 Other locomotives.
53 Freight-train cars.
54 Passenger-train cars.
56 Floating equipment.
57 Work equipment.
58 Miscellaneous equipment.

General Expenditures

70 General expenditures.
71 Organization expenses.
76 Interest during construction.
77 Other expenditures; general.

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80 Other elements of investment.
90 Construction work in progress.

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Transportation Revenue Accounts

100 Transportation; rail line.
101 Freight.
102 Passenger.
103 Baggage.
104 Sleeping car.
105 Parlor and chair car.
106 Mail.
107 Express.
108 Other Passenger-train.
109 Milk.
110 Switching.
113 Water transfers.

Incidental Revenue Accounts

130 Incidental.
131 Dining and buffet.
132 Hotel and restaurant.
133 Station, train, and boat privileges.
135 Storage; freight.
137 Demurrage.
138 Communication.
139 Grain elevator.
141 Power.
142 Rents of buildings and other property.
143 Miscellaneous.

Joint Facility Revenue Accounts

150 Joint facility.
151 Joint facility—Cr.
152 Joint facility—Dr.

RAILWAY OPERATING EXPENSE ACCOUNTS

Maintenance of Roadway and Structures

200 Maintenance of way and structures.
201 Superintendence.
202 Roadway maintenance.
206 Tunnels and subways.
208 Bridges, trestles, and culverts.
210 Elevated structures.
212 Ties.
214 Rails.
216 Other track material.
218 Ballast.
220 Track laying and surfacing.
221 Fences, snowsheds, and signs.
227 Station and office buildings.
229 Roadway buildings.
231 Water stations.
233 Fuel stations.
235 Shops and enginehouses.
237 Grain elevators.
239 Storage warehouses.
241 Wharves and docks.
243 Coal and ore wharves.
247 Communication systems.
249 Signals and interlockers.
253 Power plants.
257 Power-transmission systems.
265 Miscellaneous structures.
266 Road property; depreciation.
267 Retirements; road.
269 Roadway machines.
270 Dismantling retired road property.
271 Small tools and supplies.
272 Removing snow, ice, and sand.
273 Public improvements; maintenance.
274 Injuries to persons.
275 Insurance.
276 Stationery and printing.
277 Employees health and welfare benefits.
278 Maintaining joint tracks, yards, and other facilities—Dr.
279 Maintaining joint tracks, yards, and other facilities—Cr.
280 Equalization; way and structures.
281 Right-of-way expenses.
282 Other expenses.

Maintenance of Equipment

300 Maintenance of equipment.
301 Superintendence.
302 Shop machinery.
304 Power-plant machinery.
305 Shop and power-plant machinery; depreciation.
306 Dismantling retired shop and power-plant machinery.
308 Steam locomotives; repairs.
311 Other locomotives; repairs.
314 Freight-train cars; repairs.
317 Passenger-train cars; repairs.
323 Floating equipment, repairs.
326 Work equipment; repairs.
328 Miscellaneous equipment; repairs.
329 Dismantling retired equipment.
330 Retirements; equipment.
331 Equipment; depreciation.
332 Injuries to persons
333 Insurance.
334 Stationery and printing.
335 Employees health and welfare benefits.
336 Joint maintenance of equipment expenses—Dr.
337 Joint maintenance of equipment expenses—Cr.
338 Equalization; equipment.
339 Other expenses.

Traffic Expense Accounts

350 Traffic.
351 Superintendence.
352 Outside agencies.
353 Advertising.
354 Traffic associations.
355 Fast freight lines.
356 Industrial and immigration bureaus.
357 Insurance.
358 Stationery and printing.
359 Employees health and welfare benefits.
360 Other expenses.

Transportation Expense Accounts

370 Transportation; rail line.
371 Superintendence.
372 Dispatching trains.
373 Station employees.
374 Weighing, inspection, and demurrage bureaus.
375 Coal and ore wharves.
376 Station supplies and expenses.
377 Yardmasters and yard clerks.
378 Yard conductors and brakemen.
379 Yard switch and signal tenders.
380 Yard enginemen.
382 Yard switching fuel.
383 Yard switching power produced.
384 Yard switching power purchased.
385 Water for yard locomotives.
386 Lubricants for yard locomotives.
387 Other supplies for yard locomotives.
388 Enginehouse expenses; yard.
389 Yard supplies and expenses.
390 Operating joint yards and terminals—Dr.
391 Operating joint yards and terminals—Cr.
392 Train enginemen.
394 Train fuel.
395 Train power produced.
396 Train power purchased.
397 Water for train locomotives.
398 Lubricants for train locomotives.
399 Other supplies for train locomotives.
400 Enginehouse expenses; train.
401 Trainmen.
402 Train supplies and expenses.
403 Operating sleeping cars.
404 Signal and interlocker operation.
405 Crossing protection.
406 Drawbridge operation.
407 Communication system operation.
408 Operating floating equipment.
409 Employees health and welfare benefits.
410 Stationery and printing.
411 Other expenses.
412 Operating joint tracks and facilities—Dr.
413 Operating joint tracks and facilities—Cr.
414 Insurance.
415 Clearing wrecks.
416 Damage to property.
417 Damage to livestock on right of way.
418 Loss and damage; freight.
419 Loss and damage; baggage.
420 Injuries to persons.

Miscellaneous Operations Expenses

440 Miscellaneous operations.
441 Dining and buffet service.
442 Hotels and restaurants.
443 Grain elevators.
445 Producing power sold.
446 Other miscellaneous operations.
447 Operating joint miscellaneous facilities—Dr.
448 Operating joint miscellaneous facilities—Cr.
449 Employees health and welfare benefits.

General Operating Expenses

450 General.
451 Salaries and expenses of general officers.
452 Salaries and expenses of clerks and attendants.
453 General office supplies and expenses.
454 Law expenses.
455 Insurance.

456 Employees health and welfare benefits.
457 Pensions.
458 Stationery and printing.
460 Other expenses.
461 General joint facilities—Dr.
462 General joint facilities—Cr.

Condensed Classification of Operating Expenses

490 Accounts for small carriers, Class II.

INCOME ACCOUNTS

Ordinary Items

501 Railway operating revenues.
502 Revenues from miscellaneous operations.
503 Hire of freight cars; credit balance.
504 Rent from locomotives.
505 Rent from passenger-train cars.
506 Rent from floating equipment.
507 Rent from work equipment.
508 Joint facility rent income.
509 Income from lease of road and equipment.
510 Miscellaneous rent income.
511 Income from nonoperating property.
512 Separately operated properties; profit.
513 Dividend income.
514 Interest income.
516 Income from sinking and other reserve funds.
517 Release of premiums on funded debt.
518 Contributions from other companies.
519 Miscellaneous income.
531 Railway operating expenses.
532 Railway tax accruals.
534 Expenses of miscellaneous operations.
535 Taxes on miscellaneous operating property.
536 Hire of freight cars; debit balance.
537 Rent for locomotives.
538 Rent for passenger-train cars.
539 Rent for floating equipment.
540 Rent for work equipment.
541 Joint facility rents.
542 Rent for leased roads and equipment.
543 Miscellaneous rents.
544 Miscellaneous tax accruals.
545 Separately operated properties; loss.
546 Interest on funded debt.
547 Interest on unfunded debt.
548 Amortization of discount on funded debt.
549 Maintenance of investment organization.
550 Income transferred to other companies.
551 Miscellaneous income charges.

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570 Extraordinary items (net).
580 Prior period items (net).
590 Federal income taxes on extraordinary and prior period items.
599 Form of income statement.

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Credit

601 Credit balance (at beginning of calendar year).
602 Credit balance transferred from income.
606 Other credits to retained income.

Debit

611 Debit balance (at beginning of calendar year).
612 Debit balance transferred from income.
616 Other debits to retained income.
620 Appropriations for sinking and other reserve funds.
621 Appropriations for other purposes.
622 Appropriations released.
623 Dividends.

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Debit

701 Cash.
702 Temporary cash investments.
703 Special deposits.
704 Loans and notes receivable.
705 Traffic and car-service balances—Dr.
706 Net balance receivable from agents and conductors.
707 Miscellaneous accounts receivable.
708 Interest and dividends receivable.
709 Accrued accounts receivable.
710 Working fund advances.
711 Prepayments.
712 Material and supplies.
713 Other current assets.
715 Sinking funds.
716 Capital and other reserve funds.
717 Insurance and other funds.
721 Investments in affiliated companies.
722 Other investments.
723 Reserve for adjustment of investment in securities—Cr.
731 Road and equipment property.
732 Improvements on leased property.
735 Accrued depreciation; road and equipment.
736 Amortization of defense projects; road and equipment.
737 Miscellaneous physical property.
738 Accrued depreciation; miscellaneous physical property.
741 Other assets.
742 Unamortized discount on long-term debt.
743 Other deferred charges.

Credit

751 Loans and notes payable.
752 Traffic and car-service balances—Cr.
753 Audited accounts and wages payable.
754 Miscellaneous accounts payable.
755 Interest matured unpaid.
756 Dividends matured unpaid.
757 Unmatured interest accrued.
758 Unmatured dividends declared.
759 Accrued accounts payable.
760 Federal income taxes accrued.
761 Other taxes accrued.
763 Other current liabilities.
764 Equipment obligations and other debt due within one year.
765 Funded debt unmatured.
766 Equipment obligations.
767 Receivers' and trustees' securities.
768 Debt in default.
769 Amounts payable to affiliated companies.
771 Pension and welfare reserves.
772 Insurance reserves.
773 Equalization reserves.
774 Casualty and other reserves.
781 Interest in default.
782 Other liabilities.
783 Unamortized premium on long-term debt.
784 Other deferred credits.
785 Accrued depreciation; leased property.
791 Capital stock issued.
792 Stock liability for conversion.
793 Discount on capital stock.
794 Premiums and assessments on capital stock.
795 Paid-in surplus.
796 Other capital surplus.
797 Retained income; appropriated.
798 Retained income; unappropriated.
799 Form of general balance sheet statement.

CLASSIFICATION OF MILEAGE ACCOUNTS

Train Miles

800 Rules and definitions.

Train-mile Accounts

TRANSPORTATION SERVICE

801 Freight-train miles.
802 Passenger-train miles.

WORK SERVICE

805 Work-train miles.

Locomotive Miles

810 Rules and definitions.

Locomotive-mile Accounts

TRANSPORTATION SERVICE; LINE

811 Freight locomotive-miles.
812 Passenger locomotive-miles.

TRANSPORTATION SERVICE; SWITCHING

815 Train switching locomotive-miles.
816 Yard switching locomotive-miles.

WORK SERVICE

817 Work service locomotive-miles.

Car Miles

820 Rules and definitions.

Car-mile Accounts

TRANSPORTATION SERVICE

821 Freight-train car-miles.
822 Passenger-train car-miles.

WORK SERVICE

825 Work service car-miles.

REGULATIONS PRESCRIBED

(i) *Regulations prescribed.* Carriers by railroad subject to provisions of the Interstate Commerce Act and not independently operated as electric lines, and each lessor of such a carrier, shall comply with regulations in this part as presented hereinafter.

(ii) *Definitions.*

1. "Accounts" means the accounts prescribed in this system of accounts.

2. "Actually issued" as applied to funded debt securities or capital stock issued or assumed by the company, means those which have been sold to bona fide purchasers or holders for a valuable consideration (including those issued in exchange for other securities or other property) and such purchasers or holders secured them free from control by the carriers. Also securities issued as dividends on stock.

3. "Actually outstanding" as applied to funded debt securities or capital stock issued or assumed by the carrier means those which have been actually issued and are neither retired and canceled nor reacquired and held by or for the accounting company.

4. "Affiliated companies" means companies or persons that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the accounting carrier.

5. "Amortization" means the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

6. "Carrier" as used herein and when not otherwise indicated in the context means any carrier to which this system of accounts is applicable.

7. "Commission" means the Interstate Commerce Commission.

8. "Control" (including the terms "controlling," "controlled by," and "under common control with") means the possession directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority of minority ownership or voting of securities, common directors, officers or stockholders, voting trusts, holding trusts, associated companies, contract or any other direct or indirect means.

9. "Cost of removal" means cost of demolishing, dismantling, tearing down or otherwise removing property.

10. "Debt expense" means all expenses in connection with the issuance and sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees for issuing or recording evidences of debt; cost of engraving and printing bonds and certificates of indebtedness; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.

11. "Discount" as applied to funded debt securities or capital stock issued or assumed by the carrier, means the excess of the par or face value of the securities plus interest or dividends accrued at the date of the sale over the cash value of the consideration received from their sale.

12. "Ledger value" of property means the value at which the property is carried in the property investment account in the general ledger of the carrier. In case the value of any item of property is not shown separately in the ledger the ledger value of that item shall be its proportionate share of the value of the entire group in which the particular property is included.

13. "Minor items of property" means the associated parts or items of which units of property are composed.

14. "Nominally issued" as applied to funded debt securities or capital stock issued or assumed by the carrier, means those which have been signed, certified by trustees, or otherwise executed, and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the accounting company.

15. "Nominally outstanding" as applied to funded debt securities or capital stock issued or assumed by the carrier, means those which, after being actually issued, have been reacquired by or for the accounting company under such circumstances which require them to be considered as held alive and not retired and canceled.

16. "Premium" as applied to funded debt securities or capital stock issued or assumed by the carrier, means the excess of the cash value of the consideration received from their sale over the sum of their par or face value and interest or dividends accrued at the date of sale.

17. "Property retired" means units of property which have been removed, sold, abandoned, destroyed, or which for any cause have been permanently withdrawn from service; also minor items of property not replaced.

18. "Salvage value" means the amount received for property retired or from the salvage therefrom if sold; or, if retained, the amount at which the material recoverable is chargeable to material and supplies account or other appropriate account. When such material is retained and again used by the carrier, the salvage value shall be determined by deducting a fair allowance from current prices of the material as new.

19. "Service life" means the period between the date when property is placed in service and the date of its retirement.

20. "Service value" means the ledger value less the salvage value recovered therefrom.

GENERAL INSTRUCTIONS

1–1 *Classification of carriers.* (a) For the purposes of applying this system of accounts, carriers are divided into two general classes, designated respectively Class I and Class II.

Class I. Carriers having annual railway operating revenues of $5,000,000 or more.

Class II. Carriers having annual railway operating revenues of less than $5,000,000.

(b) Both Class I and Class II carriers shall keep the accounts prescribed herein, except that a condensed grouping of primary operating expense accounts is provided for the use of Class II carriers. Class II carriers desiring to do so may maintain the primary accounts prescribed for Class I carriers but must be prepared to combine the accounts for the purpose of making entries in reports filed with the Commission.

(c) In applying the classification grouping to any switching or terminal company which is operated as a joint facility of owning or tenant railways the sum of the annual railway operating revenues, the joint facility rent income, and the totals of the joint facility credit accounts in operating expenses, shall be used in determining its class.

(d) This classification of carriers shall be based on the average annual railway operating revenues for the last three consecutive years; and, if at the close of any calendar year the average of the annual railway operating revenues for the latest 3-year period is greater or less than the amount applicable to the class in which the carrier has been, its class for the second succeeding year shall change accordingly and the carrier shall remain in such class for a period of not less than three consecutive years: *Provided*, That: (1) Carriers which have operated for a period less than three calendar years shall be classified upon the basis of the average of their annual railway operating revenues for the latest period of such operation; (2) newly organized carriers shall be assigned to classes, as above defined, on the basis of their railway operating revenue known or estimated for a year; and (3) carriers shall within 60 days after the close of a calendar year notify the Commission when a change in classification has taken place.

1–2 *Classification of accounts.* (a) Accounts are prescribed to cover cost of property used in transportation operations and operations incidental thereto and for revenues, expenses, taxes, rents, and other items of income for such operations. Separate accounts are prescribed for investment in property not used in transportation operations and for other investments and income therefrom; for extraordinary and prior period items, including applicable income taxes; and for assets, liabilities and capital includible in the balance sheet statement. Retained income accounts form the connecting link between the income account and the equity section of the balance sheet. They are provided to record the transfer of net income or loss for the year; certain capital transactions; and, when authorized by the Commission, other items.

(b) The cost of property, and the revenues, expenses, taxes and rents, for miscellaneous operations involving the use of such facilities as hotels, restaurants, grain elevators, storage warehouses, power plants, cold storage plants, etc., shall not be included in the accounts prescribed for transportation operations unless the operation of the facilities is conducted by the railway companies in connection with furnishing transportation services. Likewise, the cost of property, the revenues, expenses, taxes, and rents arising from the operation of stockyards shall not be included in accounts prescribed for transportation operations unless operation of the facilities is conducted in connection with transportation of livestock. It is not intended that cost of property and income arising from incidental public stockyards service rendered by stockyards primarily devoted to transportation services shall be excluded from transportation operation accounts.

(c) Joint facility accounts are provided for the joint users of tracks, bridges, yards, wharves, stations, and other facilities in which to record items in settlement for use of such facilities. When the compensation for the use of facilities is a fixed amount or is based upon a charge per passenger, ton, car or other unit, the amount shall be fairly apportioned by the operating company among the joint facility operating expense and income accounts. The creditor shall show the distribution of these charges upon its bills, and such distribution shall be adhered to by the debtor. Train service in connection with the line haul of traffic, including that operated under a joint arrange-

ment for the benefit of two or more carriers, is not considered a joint facility operation.

(d) All items of profit and loss recognized during the year are includible in ordinary income except nonrecurring items which in the aggregate for the same class are both material in relation to operating revenues and ordinary income for the year and are clearly not identified with or do not result from usual business operations of the year. Important items of the kind which occur from time to time and which, when material in amount, are to be excluded from ordinary income are those resulting from unusual sales of property and investment securities other than temporary cash investments, from company bonds reacquired, from change in application of accounting principles, and from prior period items (other than ordinary adjustments of a recurring nature). Material items are those which, unless excluded from ordinary income, would distort the accounts and impair the significance of ordinary income for the year. Items so excludible from ordinary income are to be entered directly in the income accounts provided for extraordinary and prior period items upon approval of the Commission.

Adjustments, constituting items of a character typical of customary business activities or representing corrections or refinements resulting from the natural use of estimates inherent in the accounting process, shall not be considered extraordinary or prior period items regardless of size.

In determining materiality, items of a similar nature should be considered in the aggregate; dissimilar items should be considered individually. As a general standard, an item to qualify for inclusion as an extraordinary or prior period item shall exceed 1 percent of total operating revenues and 10 percent of ordinary income for the year.

1-3 *Records.* (a) Each carrier shall keep its books of account, and all other books, records and memoranda which support the entries in such books of account so as to be able to furnish readily full information as to any item included in any account. Each entry shall be supported by such detailed information as will permit ready identification, analysis, and verification of all facts relevant thereto.

(b) The books and records referred to herein include not only accounting records in a limited technical sense, but all other records, such as minute books, stock books, reports, correspondence, memoranda, etc., which may be useful in developing the history of or facts regarding any transaction.

(c) No carrier shall destroy any such books or records unless the destruction thereof is permitted by the Regulations to Govern the Destruction of Records of Railroad Companies, Part 1220 of this chapter.

(d) In addition to prescribed accounts, clearing accounts, temporary accounts, and subdivisions of any accounts, may be kept, provided the integrity of the prescribed accounts is not impaired.

1-4 *Accounting period.* Each carrier shall keep its books on a monthly basis so that known transactions, as nearly as may be ascertained, shall be entered in the accounts not later than 60 days after the last day of the period for which the accounts are stated, except that the time within which the final entries for the year ending December 31 shall be made may be extended to such date in the following March as shall not interfere with the preparation and filing of annual report.

1-5 *Accrual method of accounting.* The accounting for operating revenues, operating expenses, income and other items each month and year shall be, as nearly as practicable, upon the basis of accruals consistently applied. Any change in practice of accounting for accruals or any unusual accruals involving material amounts shall be reported promptly to the Commission.

1-6 *Unaudited items.* When it is known that a transaction has occurred which affects operating revenues, operating expenses, income and other accounts but the amount involved and its effect upon the accounts cannot be determined with absolute accuracy, the amount thereof shall be estimated and included in the appropriate income and balance sheet accounts. Such estimate shall be adjusted in the following month or as soon thereafter as the actual amount can be determined. If the estimate is not adjusted in the following month, the amount shall be revised whenever and at the time a substantial change is indicated and the amounts in the balance sheet accounts with respect to such items shall be kept separately in the records until settled and adjusted. The carrier is not required to anticipate items which do not appreciably affect the accounts.

1-7 *Delayed items.* Ordinary delayed items and adjustments arising during the current year which are applicable to prior years shall be included in the same account which would have been charged or credited if the item had been taken up or the adjustment made in the year to which it pertained. When the amount of a delayed item or adjustment is relatively so large that its inclusion in net income for a single month would seriously distort the accounts for the month (but not for the year), such amount may be distributed in equal monthly charges or credits, as the case may be, to the remaining months of the calendar year. See instruction 1-2(d) for instructions covering delayed items of a nonrecurring nature.

1-8 *Operating reserves.* Accretions to reserve accounts made by charges to operating expenses, operating revenues, or income shall not exceed a reasonable provision for expenses or other costs incurred during the accounting period. Balances for each year in each reserve account shall be kept separately until the items have been settled and adjusted and amounts shall not be diverted from the purpose for which provided unless permission of the Commission is first obtained.

1-9 *Employees health and welfare benefits.* (a) A primary account is prescribed in each of the general accounts in operating expenses in which to record premiums on group insurance policies for the benefit of officers and employees and other costs of employees health and welfare benefits whether under contract arrangements with labor organizations or otherwise. The total amount payable to trustees under pension plans and directly to retired employees for pensions is includible in account 457, Pensions.

(b) The insurance premiums and other expenses that are directly or naturally assignable to primary accounts prescribed under each general account shall be distributed to such accounts. Premiums on policies and expenses incurred for the benefit of officers or employees who work in more than one department or perform more than one class of service shall be apportioned to the appropriate primary accounts in the same ratio as their pay is distributed to primary accounts, or may be distributed on some other equitable basis. Small amounts applicable to time spent on incidental or occasional duties may be included in the primary account appropriate according to the regular duty or predominant work assignment of the employees.

1-20 *Items in texts of accounts.* The items appearing in the texts of the accounts or elsewhere herein are for the purpose of more clearly indicating the application of the prescribed accounting. The items are intended to be representative, but not exhaustive. The appearance of an item in the text of a primary account warrants the inclusion of the item in the account mentioned only when the whole text also indicates inclusion inasmuch as the same item frequently appears in more than one primary account. The proper entry in each instance must be determined by the whole text of each primary account.

1-21 *Submission of questions.* To maintain uniformity of accounting, carriers shall submit questions of doubtful interpretation to the Commission for consideration and decision.

INSTRUCTIONS FOR PROPERTY ACCOUNTS

2-1 *Items to be charged.* (a) To the road and equipment property accounts shall be charged the cost of purchasing land, the cost of purchasing and constructing buildings, facilities and equipment, and the cost of additions and betterments to property. "Cost" means the amount of money actually paid for property or services. When the consideration given for the property is other than cash in a purchase and sale transaction, as distinguished from a transaction involving the issuance of capital stock in reorganization or a merger and pooling of interest, the value of the consideration shall be determined on a cash equivalent basis. The carrier shall be prepared to furnish the Commission the particulars of its determination of the

cash value of the consideration if other than money.

(b) Suitable records shall be maintained showing expenditures during the year for original road and equipment and road extensions; for merger and purchase of existing lines and reorganizations; for additions and betterments; and credits for property retired.

2–2 *Minimum rule applicable to additions to property.* An exception to the rule in instruction 2–1 is that when the cost of acquisition of units of road property and of additions and betterments to existing units of road property (other than land or tracks) is less than $500.00, such cost shall be charged to operating expenses. The carrier shall not parcel expenditures under a general plan for the purpose of bringing the accounting for such expenditures within this minimum rule. An amount of less than $500.00 may be adopted for purposes of this rule provided the carrier first notifies the Commission of the amount it proposes to adopt and thereafter makes no change in the amount unless authorized to do so by the Commission. An amount so adopted shall be adhered to in reporting property changes for valuation purposes.

2–3 *Land.* Accounts are provided for the cost of land used in transportation operations and also for land used in other than transportation operations. When land is retired from transportation operations but is retained by the carrier the original cost (estimated, if not known) shall be transferred to the account prescribed for property used in other than transportation operations. It is not contemplated that irregular parcels of land acquired in connection with acquisition of right of way which have no value as commercial property shall be thus transferred, either for the purpose of making right of way boundaries run more or less regular or for the purpose of eliminating from transportation property account the cost of unoccupied lands between tracks in yards and terminals. When any land, the cost of which is included in the accounts, is sold or otherwise retired, the ledger value shall be credited to the appropriate property investment account. The profit or loss from sale or loss from retirement of land shall be included in the accounts prescribed for such amounts.

2–4 *Structures.* Accounts are provided for the cost of several classes of buildings and facilities, including fixtures permanently attached to and made a part thereof. When a building or other structure is used or held primarily for transportation operations and is an integral part of the carrier's transportation plant, but a part thereof is used or held for commercial purposes such as for rental to others or for use in other than transportation operations by the carrier, the entire cost of the building or other structure is includible in the accounts for transportation property. When a building or other structure is used or held primarily for commercial purposes or for use in other than transportation operations by the carrier, the entire cost of the building or structure is includible in account 737, "Miscellaneous physical property". Reclassification of property from its primary classification as transportation or other than transportation property, as the case may be, to the other classification is not required where changes in use are of a temporary nature or for a short period of time. The accounting for costs of maintenance, taxes, other operating costs, and for revenues and rentals shall be consistent with the classification of the building or other structure.

2–5 *Equipment.* Accounts are provided for several classes of equipment, such as locomotives, passenger-train cars, freight-train cars, work equipment, floating equipment, and the necessary appurtenances, furniture, and fixtures first to equip for service, including the cost of inspection, setting up, and trying out, and transportation over foreign lines; also the cost of additions and betterments, such as improved appliances, parts, or appurtenances. In case retired equipment is held without being torn down, the estimated value of the salvage therefrom shall be included in account 741, "Other assets", until the salvage is recovered, except that the estimated scrap value of retired equipment held for sale in the ordinary course of business, and on which sale and realization of the proceeds within one year is assured, is includible under current assets.

2–6 *Components of construction cost.* The cost of constructing property includible in the property accounts shall include the direct and other costs as described hereunder.

(a) *Cost of labor.* This includes the amount paid for labor expended by the carrier's own employees, including the cost of labor expended for preliminary work, such as sinking test holes or making soundings for tunnels, grading, buildings, and other structures; and cost of labor expended in laying and taking up tracks for temporary use in construction, except the cost of labor expended on tracks provided for the protection of traffic during the progress of addition and betterment work. Office expenses and traveling and other personal expenses of employees, when borne by the carrier, shall be considered a part of the cost of the labor, as shall also the cost of fidelity bonds and employers' liability insurance premiums. When officers or employees are especially assigned to construction work their pay and their traveling and incidental expenses while thus engaged shall be included in the cost of the work. No charge shall be made against road and equipment accounts for the pay of officers and employees who merely render services incidentally in connection with extensions, additions, or betterments, although traveling and incidental expenses incurred by such officers and employees solely on account of such work shall be included in the account to which the cost of the work is chargeable.

(b) *Cost of materials and supplies.* This includes the purchase price of materials and supplies, including small tools, at the point of free delivery plus the cost of inspection and loading assumed by the carrier; also a suitable proportion of store expenses. In calculating the cost of materials used, proper allowance shall be made for the value of unused portions and of cuttings, turnings, borings, etc.; for the value of the material recovered from temporary tracks, scaffolding, cofferdams, and other temporary structures used in construction; and for the value of small tools recovered and used for other purposes.

(c) *Cost of work-train service.* This includes amounts paid to others for rent and maintenance of equipment used; cost of labor of enginemen, trainmen, and enginehousemen, including wages of engine crews and train crews held in readiness for such service; and cost of fuel and other supplies consumed in connection with the operation of work trains. It shall also include the cost of maintaining the carrier's own equipment used in construction service. Amounts representing constructive rent or return upon the investment in owned equipment shall not be included as a part of the cost of work-train service.

(d) *Cost of special machine service.* This includes the cost of labor expended and of materials and supplies consumed in maintaining and operating power shovels, scrapers, rail unloaders, ballast unloaders, pile drivers, dredges, ditchers, weed burners, and other labor-saving machines; also rents paid for use of such machines.

(e) *Cost of transportation.* This includes the amounts paid to other companies or individuals for the transportation of men, materials and supplies, special machine outfits, appliances, and tools in connection with construction. Freight charges paid foreign lines for the transportation of construction material to the carrier's line shall be included, so far as practicable, as a part of the cost of the material.

(f) *Cost of contract work.* This includes amounts paid for work performed under contract by other companies, firms, or individuals, and costs incident to the award of the contract.

(g) *Cost of protection from casualties.* This includes expenditures for protection against fire, such as payments for discovery or extinguishment of fires, cost of detecting and prosecuting incendiaries, witness fees in relation thereto, amounts paid to municipal corporations and others for fire protection, and other analogous items of expenditure incurred directly in connection with construction work.

(h) *Cost of injuries and damages.* This includes expenditures on account of injuries to persons or damage to property when incurred directly as a result of construction projects, and shall be included in the cost of the work in connection with which the injury or damage occurs. It also includes that portion of premiums paid for insuring property applicable to the period prior to the completion or coming into service of the property insured. Insurance recovered on account of compensation paid for injuries to persons incident to construction shall be credited to the accounts to which such compensation is charged, and insur-

ance recovered on account of damages to property incident to construction shall be credited to the accounts chargeable with the expenditures necessary for restoring the damaged property. The cost of injuries and damages incident to the removal of old structures, or parts thereof, shall be charged to operating expenses, except that such costs in connection with the removal of old structures which are incumberances on newly acquired lands shall be included in account 2, "Land for transportation purposes," or 3, "Grading", as may be appropriate.

(i) *Cost of privileges.* This includes compensation for temporary privileges, such as the use of public property or streets, in connection with the construction of the property of the carrier.

(j) *Material excavated.* The cost of disposing of material excavated in connection with construction shall be considered as a part of the cost of the work, except that when such material is used for filling, the cost of removal and dumping shall be equitably apportioned between the work in connection with which the removal occurs and the work in connection with which the material is used.

2–7 *Additions to and retirements of property—General.* (a) In accounting for additions to and retirements and replacements of road and equipment property (excluding land) used in transportation operations, such property changes shall be considered as consisting of (1) units of property and (2) other than units of property (minor items). A list of units of property to be used for this purpose is prescribed in instruction 2–18.

(b) The cost of removal of retired property, both depreciable and other than depreciable, when borne by the carrier, shall be charged, as may be appropriate, to account 270, "Dismantling retired road property", account 306, "Dismantling retired shop and power plant machinery"; or account 329, "Dismantling retired equipment."

(c) An equitable proportion of a balance in primary accounts 1, "Engineering," 76, "Interest during construction," 77, "Other expenditures; General," and 80, "Other elements of investment," applicable to retired property, shall be cleared from those accounts concurrently with the retirement accounting.

2–8 *Additions to and retirements of units of property.* (a) When a unit of road or equipment property is added to the plant, the cost thereof shall be included in the appropriate primary account. When a unit of property is retired, with or without replacement, the cost thereof shall be written out of the property account at time of retirement.

(b) When a unit of road or equipment property (or a minor item not replaced) classified as depreciable and included in the accounts prescribed for depreciable property is retired the service value shall be charged to account 735, "Accrued depreciation—Road and equipment."

(c) When property (other than a minor item constituting repairs) classified as other than depreciable property is retired, the cost thereof shall be cleared from the property account and the service value shall be charged to account 267 "Retirements—Road", except that the service value, when material in amount, in connection with the retirement of a branch line, segment of track, or other important facility constituting a permanent reduction in plant may be recorded in account 570 "Extraordinary items", when authorized by the Commission. See instruction 1–2(d).

(d) When property included in the depreciable accounts but excluded from the depreciation base is retired, the service value (including engineering expenditures assignable to the retired property but not included in the depreciation base) shall be charged to operating expense.

2–9 *Additions and retirements of other than units of property.* (a) When an item of road or equipment property, other than a complete unit, is added to the plant and the addition is not a replacement, the cost thereof shall be accounted for in the same manner as an addition of a complete unit of property, subject to the $500 minimum rule applicable to road property. When an item of property other than a complete unit (minor item) is replaced, independent of the complete unit of which it is a part, the cost of replacement shall be treated as maintenance and charged to operating expenses; except that, when the replacement effects a substantial betterment through the application of superior parts, the primary aim of which is to make the property affected more useful, more efficient, of greater durability, or of greater capacity, the excess cost of new parts over the current cost of new parts of the kind replaced shall be charged to the appropriate primary property account. The cost of removing the old appliances and applying the improved parts shall be charged to operating expenses. (See instruction 2–8(b) covering retirement of a minor item not replaced.)

(b) The term "current cost of new parts of the kind replaced" shall not be construed as requiring an estimate based on the current price of parts or material identical with the parts or material replaced when such parts or material are no longer obtainable at reasonable price or would not be used if replacement without betterment were undertaken. In such cases the current cost shall be based on the fair and reasonable cost of parts or material comparable to those being replaced.

(c) When second-hand equipment acquired is in such physical condition that it is necessary to make extensive repairs to bring it up to the standard required by the carrier, the cost of such repairs shall be included in the account appropriate for the cost of the equipment.

2–10 *Expenses in connection with additions and betterments.* The cost of removing old material from equipment and from buildings, bridges, wharves, tracks, and other fixed improvements, shall be charged to the appropriate operating expense accounts. Such charges shall include the cost of removing old foundations and filling old excavations, and restoring condition of grounds after addition and betterment work; and maintaining or protecting traffic during the progress of addition and betterment work, including the cost of constructing, maintaining, and removing temporary tracks required for maintaining traffic during the progress of the work.

2–11 *Units of property rebuilt or converted.* (a) A unit of road property or equipment shall be treated as rebuilt or as converted in the circumstances described in the following paragraphs (b) and (c) of this instruction and such unit shall be accounted for as an addition and the old unit accounted for as retired from service.

(b) When the cost of renewals of a unit of road property or equipment, exclusive of the expense of dismantling and of repairs of old parts reused, exceeds fifty percent of the cost of a new unit of the same kind and class at that time. This rule does not apply to renewal of a unit of roadway property when the replacement cost new does not exceed $35,000.

(c) When a unit of road property or equipment is transferred from one class of service to another, with or without physical conversion, and becomes includible in a prescribed primary investment account other than that in which the unit previously has been carried.

(d) The charge to the appropriate road and equipment account for rebuilt or converted units shall be the sum of (1) the cost (estimated if necessary) less a fair allowance for depreciation or the salvage value, whichever is lower, of the parts reused and (2) the cost of labor expended in rebuilding or in the conversion process and the cost of additional material applied. In no case shall the total amount charged to the property accounts for such units exceed the estimated cost of units of the same kind and class with a fair allowance for depreciation.

2–12 *Changes in line of road.* When changes are made in a line of road for the purpose of reducing curves or grades, or to eliminate bridges, tunnels, or other physical features, the part of the line so changed shall be considered property retired and its ledger value credited to the property accounts. The new line of road, including land, grading, ballast, track elements, and other transportation facilities serving the road shall be considered an addition and the cost thereof to the carrier charged to the property accounts. The cost of such track changes which do not involve change in the existing roadbed shall be charged to operating expenses, even though the tracks may be dismantled in the process, but the resulting track extensions or reductions shall be accounted for as additions or retirements, as appropriate, and the betterment cost of improved parts applied shall be charged to property account.

2–13 *Relocation of yard tracks.* The cost of shifting or rearranging tracks within a yard shall be charged to operating expenses, even though the tracks may be dismantled in the process, but resulting increases or decreases in grading, ballast, or track length shall be ac-

counted for as additions or retirements, as appropriate, and the betterment cost of improved parts applied shall be charged to the property accounts. Where tracks in whole or in part within a yard are determined to be no longer permanently used the ledger value of such tracks shall be eliminated from the property account. In case yard tracks and facilities are constructed in another location to take the place of tracks retired, such tracks and facilities shall be accounted for as additions and the cost thereof shall be included in the property account.

2–14 *Merger, consolidation, and purchase of a railway operating entity or system.* (a) When a railway or portion thereof constituting an operating unit or system is acquired by merger or consolidation in a pooling of interests or by purchase the cost of acquisition represented by cash, capital stock or other securities issued or assumed, liabilities assumed, and other consideration, shall be recorded in the accounts in the manner stated hereunder. Separate instructions are provided for a merger of subsidiaries.

(b) Pooling of interests:

(1) When the acquisition results from a merger or consolidation constituting a pooling of interests, in which all or substantially all of the equity interests in predecessor companies continue, as such, in a surviving company or a new company created for the purpose, the road and equipment, the other assets, and the liabilities of the predecessor companies, together with the balances in the amortization and depreciation reserves and the retained income accounts shall be recorded in the appropriate balance sheet accounts at the amounts shown in the accounts of predecessor companies, adjusted as may be necessary to conform with the accounting rules of the Commission. Such adjustments shall be included in retained income or the other accounts that would have been appropriate had the adjustments been made in the books of account of the predecessor company. In connection with such adjustments suitable provision may be made out of retained income, to the extent available, to provide reserves for any deficiency in past accrued depreciation on property classified as depreciable.

(2) When the total par or the stated value of no par capital stock issued or outstanding pursuant to the pooling of interests is *more* than the aggregate amount of the capital stock of the separate companies before such pooling of interests, the excess shall be charged to capital surplus, if unrestricted capital surplus is available for such purpose; otherwise, the excess shall be charged to retained income.

(3) When the total par or stated value of no par capital stock issued or outstanding pursuant to the pooling of interests is *less* than the aggregate amount of the capital stock of the separate companies before such pooling of interests, the difference for reduction in capital stock shall be credited to account 795, "Paid-in surplus."

(4) Where the equities of the stockholders of one of the constituent corporations (except subsidiaries controlled through ownership of the majority of shares of voting stock) are clearly dominant and such stockholders obtain approximately 90 percent or more of the voting interests in the combined enterprise, the transaction, as a practical matter may, when specifically authorized by the Commission, be treated as a purchase (rather than a pooling of interests) and so accounted for in accordance with paragraph (c) of this instruction.

(c) Purchase:

(1) When the acquisition results from a purchase (except from subsidiaries controlled through ownership of the majority share of voting stock) including mergers or consolidations other than pooling of interests, the amount includible in account 731, "Road and equipment property", shall be the cost at the date of acquisition to the purchaser of the transportation property acquired. Other assets acquired or liabilities assumed shall be recorded in the appropriate balance sheet accounts in conformity with the accounting rules of the Commission, and shall include provision for liabilities awaiting settlement and for such reserves as may be necessary.

(2) When the costs of individual units or classes of transportation property are not specified in the agreement the total purchase price shall be apportioned equitably among the appropriate primary accounts using, as far as practicable for purpose of such apportionment, the percentage relationship between such purchase price and original cost of property shown in valuation records prepared in accordance with the orders of the Commission. In the distribution of the purchase price to primary accounts, on the basis of such apportionment the cost figures used for land shall be the cost reported in basic valuation reports under valuation order No. 7. Land reported without cost in order No. 7, except land donated, shall be computed at its estimated original cost; and to such sum shall be added the original cost at time of dedication to transportation purposes of land subsequently acquired and now so used.

(d) Merger of subsidiaries:

The acquisition and merger of property of subsidiaries controlled through ownership of the majority shares of voting stock is to be accounted for as a pooling of interests or as a purchase depending on the circumstances in each case. Where control was initially acquired through issuance of capital stock to stockholders of the subsidiary the rule applicable to pooling of interests ordinarily is applicable. Where control was initially acquired through *purchase* of stock the rule applicable to purchase of property may be appropriate even though the shares were purchased gradually from time to time over a period of years, in which event recognition of surplus since date of acquisition assignable to such shares may be proper. Journal entry pertaining to acquisition of property of subsidiaries shall be submitted to the Commission for consideration based on the principles herein and procedures for which there is authoritative support, and the accounting for the merger shall become final only after approval by the Commission.

NOTE: See Account 80.

2–15 *Reorganization of railway.* (a) When a railway reorganization or receivership has been consummated the assets acquired, liabilities assumed, and the capital stock or other securities issued, or assumed and other consideration, shall be recorded in the accounts in the manner stated hereunder. An adjustment of capitalization resulting in modification and reformation of classes of securities pursuant to voluntary action of the holders of securities but not resulting in a formal reorganization following a bankruptcy or other receivership proceedings (sometimes called a quasi-reorganization) is not covered by this instruction 2–15. Reduction of capital stock and other contributions to capital by stockholders shall be recorded in accordance with the instructions in the text of account 795, "Paid-in surplus."

(b) The amounts includible in primary road and equipment property accounts, except land, shall be recorded at original cost (estimated in part) as shown in the Commission's valuation records. Land shall be recorded at cost reported in basic valuation reports under valuation order No. 7. Land reported without cost in order No. 7, except land donated, shall be computed at its estimated original cost; and to such sum shall be added the original cost at time of dedication to transportation purposes of land subsequently acquired and now so used. The cost of land so computed and the remaining assets and the liabilities of the predecessor companies, adjusted as may be necessary to conform with the accounting rules of the Commission, together with the balances in the amortization and depreciation reserves, shall be recorded in the appropriate balance sheet accounts.

(c) When the amount recorded for assets acquired is *more* than the par or stated value of no par capital stock issued and other consideration paid, including liabilities assumed, the difference shall be applied to such extent as may be necessary and is available to provide reserves, first, for any deficiency in past accrued depreciation on property classified as depreciable; and, second, for any estimated loss from retirement of a branch line, segment of track or other important facility indicated by supporting records to be imminent. The remaining amount of the difference, if any, shall be credited to account 80, "Other elements of investment". The amount so credited to account 80 shall be cleared thereafter as property is retired and otherwise as may be authorized in accordance with the provisions in the text of that account.

(d) When the amount recorded for assets acquired is *less* than the par or stated value of no par capital stock issued and other consideration paid, in-

cluding liabilities assumed, the difference shall be charged to account 80, "Other elements of investment," and shall thereafter be cleared in accordance with the provisions in the text of that account.

(e) Amounts carried temporarily in former account 733, "Acquisition adjustment", attributable to a past reorganization shall be included in account 80, "Other elements of investment," or otherwise disposed of in conformity with the principles set forth in paragraphs (a) to (d) of this instruction 2–15. Any amount attributable to past reorganizations which cannot be disposed of pursuant to these provisions shall be submitted to the Commission for consideration and decision.

2–16 *Construction projects in which governmental agencies, individuals, or others, and the carrier participate.* (a) The amount includible in the property account for construction projects in which the carrier and governmental agencies, individuals, or others participate shall be (1) the payment made by the carrier for its share of the cost of construction plus (2) the recorded cost (estimated if unknown) of property relinquished as a direct result of the arrangement and retired from service less the value of salvage recovered therefrom by the carrier and less depreciation accrued on depreciable property, which is part of the carrier's cost of the project. The amount so includible in the property account shall be distributed equitably among the primary accounts applicable to railway property constructed. This amount shall first be applied to railway facilities includible in accounts *other than* 2½, "Other right-of-way expenditures", or 39, "Public improvements—Construction", then any remaining balance shall be included in account 2½ or 39, as appropriate. In no case shall the amount included in the primary accounts for the railway facilities acquired exceed the actual cost of constructing such facilities. The property account shall not include any cost or value for facilities or land contributed or paid for by governmental agencies, individuals or others. Property acquired as a specific contribution to capital by stockholders does not come under this rule. (See text of account 795, "Paid-in surplus.")

(b) Construction projects as used in this section means widening of highways, construction of spillways, drainage canals, farm and other private passes, pipelines, drains or other facilities across the right-of-way; construction of overhead highway bridges, and railroad bridges over public highways and across streams, which provide a railroad use in the operation of trains and a public use in the uninterrupted passage of highway and river traffic; installation of warning signals to protect highway traffic; and industrial side tracks. Also, reconstruction and relocation of tracks and appurtenant facilities such as occur in connection with carrying out flood control, reclamation, and other public improvement projects where it becomes necessary to abandon part of the line of railroad and relocate the tracks.

NOTE: See Instruction 2–19.

2–17 *Leased property improvements and retirements.* The cost to lessee of structures, facilities, additions and betterments on leased property and for retirement of property the cost of which is included in account 732, "Improvements on leased property", shall be accounted for in conformity with the principles in the instructions for property *owned*. When property taken over in the lease is retired and replaced and lessee is not obligated to reimburse the lessor for the retired property other than through the replacement, the lessee shall credit the ledger value of the retired property to account 732, "Improvements on leased property", as an offset to the cost of the replacement borne by lessee and charged to that account. When lessee is obligated to reimburse the lessor currently or at the termination of the lease for property retired other than through replacement, the lessee shall include the amount of the obligation in the appropriate liability account. The lessee shall furnish the lessor such information as is required to enable the lessor to perform necessary accounting. The accounting by the lessee and the lessor shall be consistent with contractual arrangements.

2–19 *Distribution of cost of property to primary accounts.* (Added by order of April 17, 1963.) (a) The amounts carried in accounts for road and equipment property shall be distributed to the appropriate primary road and equipment accounts based on the cost of property in the valuation records for each carrier and summarized in the Bureau of Accounts of the Commission; except that, amounts to be included in account 2, "Land for transportation purposes," account 9, "Rails," account 10, "Other track material," and account 11, "Ballast," shall be determined and entered in those primary accounts in accordance with the rules in paragraphs (b) and (c) of this instruction, unless otherwise directed or authorized by the Commission. Reorganized carriers that previously have entered valuation cost figures in the primary accounts at time of reorganization in amounts approved by the Commission, including amounts for accounts 2, 9, 10 and 11, are exempt from this instruction 2–19 in respect to the period prior to reorganization.

(b) Account 2. The amount to be entered in account 2, "Land for transportation purposes," for land now used in transportation service shall be the cost reported in Valuation Order No. 7 dated November 21, 1914 and included in the Commission's basic valuation reports. The cost of land reported without cost (except land donated) shall be estimated by the carrier, when practicable, subject to verification by the Commission; when not practicable, an estimate for the land so reported may be omitted from the account. To the amount entered in account 2, as indicated above, shall be added the cost of land acquired since basic valuation date and now used in transportation service.

(c) Accounts 9, 10 and 11. The amounts to be entered in primary account 9, "Rails," account 10, "Other track material," and account 11, "Ballast," shall be the aggregate of (1) the amounts for each of those accounts in the Commission's basic valuation; plus (2) the amounts recorded in each of those accounts during the period since date of basic valuation for additions and betterments in accordance with the accounting rules prescribed for each account during that period of time; and minus (3) the credit amounts recorded in (or otherwise applicable to) each of those accounts during the same period of time for retirements of branch lines and other segments of property sold, abandoned, or otherwise permanently retired from service and not covered by the betterment rule.

(d) When the aggregate amount distributed to the primary accounts in accordance with paragraphs (a), (b) and (c) of these instructions is less than the total of the amounts now carried in the accounts for road and equipment property the excess shall be charged to account 80, "Other elements of investment." The amount so included in account 80 shall be cleared subsequently in accordance with provisions in the text of that account.

(e) When the aggregate amount distributed to primary accounts is more than the total of the amounts in the accounts for road and equipment, the difference shall be credited to such extent as may be necessary to provide reserves: first, for any deficiency in past accrued depreciation on property classified as depreciable; and second, for any estimated losses from retirement of a branch line, segment of track, or other important facilities indicated by supporting records to be imminent. The remaining difference, if any, shall be credited to account 80, "Other elements of investment," and cleared subsequently in accordance with provisions in that account.

(f) Journal entries distributing the amounts to primary accounts pursuant to the foregoing instructions in this section shall be submitted to the Commission for consideration as soon as practicable and not later than December 31, 1963. The distribution to the accounts shall become final only after approval thereof by the Commission. Questions pertaining to the application of these instructions shall be submitted to the Commission for decision. Any amount which cannot be disposed of pursuant to the provisions of these instructions shall be disposed of as directed or authorized by the Commission after consultation with the carrier involved and full consideration of the merits in each case.

2–25 *Lists of units of property.* (a) This list of units is established for the purpose of designating the units of property to be used in accounting for additions to and retirements and replacements of property. Detailed information is included in instructions 2–7 and 2–8. Items listed under road property accounts are subject to the minimum rule

applicable to additions to property. See instruction 2–2 pertaining to the minimum rule.

(b) This list of units will be revised from time to time as may be necessary to meet conditions. A carrier desiring to include in any account an appropriate unit not now specified therein may, upon approval of the Commission, make such authorized addition to this list of units.

(c) Rules applicable to units of property rebuilt or converted and to changes in line of road or tracks which involve accounting for units of property retired are set forth in instructions 2–11, 2–12, and 2–13.

Account 3, Grading

A retaining wall, riprap (hand placed), a protecting dyke, a protecting crib, a wing dam, a revetment, mattress, pipe or other structures to provide drainage. Each entire installation.

Account 5, Tunnels and Subways

The entire masonry, entire timber, and entire metal lining of a tunnel or subway, including portals and wing walls.
Drainage. Each entire installation.
Lighting. Each entire installation.
Ventilation. Each entire installation.

Account 6, Bridges, Trestles and Culverts

A steel superstructure.
A concrete or stone substructure.
A concrete trestle, a complete bridge or approach.
A timber trestle, a complete bridge or approach.
Complete machinery for operating a movable span.
A protecting dyke, a protecting crib (a fender), a wing dam, a complete culvert. Each entire installation.

Account 7, Elevated Structures

Any applicable units listed under account 6, "Bridges, trestles, and culverts".

Account 13, Fences, Snowsheds, and Signs

A complete snowshed.
One continuous mile of right-of-way fence.
One continuous mile of permanent sand or snow fence.

Account 16, Station and Office Buildings

A complete building, including attached platform.
A complete platform structurally detached from a building.
Each retaining wall installation.
Each timber trestle installation.
Each coal pocket installation.
Each outside steam, water, air, etc., pipe line installation.
Each storm or sanitary sewer installation.
A complete fence.
Paving. Each complete installation.
A station stockyard. Each complete installation.
A track scale.
A track scale pit.
An outside crane or conveying system for handling freight.
A motor truck.
A motor tractor.
Any applicable units listed under other accounts.

Account 17, Roadway Buildings

Any applicable units listed under account 16, "Station and office buildings", and 44, "Shop machinery".

Account 18, Water Stations

A complete water supply piping system.
A dam or reservoir.
A pump house.
Pumping machinery. Each complete installation.
A water tank. Each complete installation.
A complete track trough at one location.
A water crane. Complete with pit.
A water treating plant.

Account 19, Fuel Stations

A trestle-type coaling station.
Mechanical coaling station. Each complete installation.
A complete fuel supply system, including appurtenances.
A pump house.
A fuel oil storage tank (large).

Account 20, Shops and Engine Houses

A complete building, including attached platform.
A complete platform structurally detached from a building.
A turntable.
A turntable pit.
A transfer table with machinery.
A transfer table pit.
A cinder pit. Each complete installation.
A sand storage and handling and drying apparatus.
Outdoor bins. Each complete installation.
A smoke stack not mounted on boiler.
A lorry track system (outside).
A boiler washing plant. Each complete installation.
An overhead crane, outside.
Each outside pipe installation, steam, air, water, etc.
Each sewer installation, storm or sanitary.
Paving. Each complete installation.
Each shop fence or wall installation.
Any applicable unit under account 16, "Station and office buildings".

Account 21, Grain Elevators

A complete building, including attached platform.
A complete platform structurally detached from a building.
A conveyor system complete.
An elevator system complete.
A blowing system complete.
For additional items see accounts 16, "Station and office buildings", and 44, "Shop machinery".

Account 22, Storage Warehouses

A complete building, including attached platform.
A complete platform structurally detached from a building.
For additional items, see accounts 16, "Station and office buildings", and 44, "Shop machinery".

Account 23, Wharves and Docks

A timber float bridge.
A steel float bridge.
A wharf (including pile clusters).
A timber incline.
A bulkhead.
Jetties or breakwater.
Ferry racks (including pile clusters).
Float racks.
Each complete machinery installation.
For additional items, see accounts 3, "Grading", 6, "Bridges, trestles, and culverts", and 44, "Shop machinery".

Account 24, Coal and Ore Wharves

Car dumper complete.
Timber bridges.
Steel bridges.
Each complete machinery installation.
A loading or unloading machine complete.
Each coal or ore pocket installation.
For additional items, see accounts 6, "Bridges, trestles, and culverts", 16, "Station and office buildings", 20, "Shops and engine houses", 23, "Wharves and docks", and 44, "Shop machinery".

Account 26, Communication Systems

A complete mile section or complete installation if less than a mile of pole line including cross arms, wires and appurtenances.
Each mile or complete installation of cable with associated parts.
Each mile or complete installation of conduit with associated parts.
A complete tower.
A complete installation at each location constituting a separate means of communication, such as radio, radar, carrier telephone, teletype, or other communication systems.
For additional items see account 16, "Station and office buildings".

Account 27, Signals and Interlockers

A signal system installation complete, or section thereof, with associated parts, including masts, batteries, relays, ladder, etc.
A complete mile section or complete installation if less than a mile, or pole line including cross arms, wires and appurtenances.
Each mile or complete installation if less than one mile of cable with associated parts.
Each mile or complete installation if less than one mile of conduit with associated parts.
Switch movement with associated parts.
A complete building.
An interlocking plant complete (excluding machine).
An interlocking machine.
Signal bridge complete.
Each highway crossing protection installation complete.
Each car retarder installation complete.
A traffic control or C.T.C. system installation complete.

Account 29, Power Plants

Any applicable units listed under accounts 16, "Station and office buildings", and 20, "Shops and enginehouses".

Account 31, Power Transmission Systems

A continuous mile, or a separate installation if less than a mile, of catenary complete including catenary hangers, trolley wire and appurtenances.
A continuous mile, or a separate installation if less than a mile, of transmission line, including poles, wires, transformers, switches, and other appurtenances.
Each outside steam, air, etc., pipe line installation.
A manhole.
Substation or switching station complete.
Each mile, or installation if less than a mile, of third rail.
A catenary bridge or support.
A high-tension transmission tower.
Any applicable units listed under accounts 26, "Communication systems", and 27, "Signals and interlockers".

Account 35, Miscellaneous Structures

Any applicable units listed under other accounts.

Account 37, Roadway Machines

Each roadway machine complete including accessories.

Account 39, Public Improvements—Construction

Any applicable units listed under other accounts.

Account 44, Shop Machinery

A machine (including foundation and motor, if any), such as lathes, shapers, slotters, boring machines.
Equipment, such as ash handling.
A furnace.

A boiler installation complete.
A motor vehicle used in shops only.
Testing equipment.
Overhead crane, complete.

Account 45, Power Plant Machinery

A power plant machine, including foundation, such as a turbine, rectifier, dynamo, generator.
Any applicable unit listed under account 44, "Shop machinery".

Account 51, Steam Locomotives

A complete locomotive.
A locomotive, exclusive of tender.
A tender.
A locomotive booster.

Account 52, Other Locomotives

Diesel electric, lead or booster, i.e., "A" or "B" units.
Diesel electric. Extra or spare motors.
Electric locomotive.
Gasoline locomotive.
Gas turbine locomotive.

Account 53, Freight-Train Cars

A complete car.
Motor equipment of a motor driven car.
A propulsion motor including generator.
A freight container, complete.

Account 54, Passenger-Train Cars

A complete car, including interior furnishings.
Motor equipment of a motor driven car.
A propulsion motor, including generator.

Account 56, Floating Equipment

A complete vessel or boat, exclusive of machinery.
Machinery: a boiler, a motor, an engine.

Account 57, Work Equipment

(a) Rail equipment:
(1) A complete car or machine.
(2) A boiler.
(3) An engine.
(4) A motor.
(5) Machinery equipment (with or without tractive machinery) such as concrete mixer, snow plow, derrick, steam shovel, or pile driver.
(6) A complete motor equipment.
(b) Floating equipment—Work:
(1) A complete vessel or boat.
(2) A boiler.
(3) An engine.
(4) A motor.
Any applicable units listed under other accounts.

Account 58, Miscellaneous Equipment

A complete vehicle.

INSTRUCTIONS FOR MAINTENANCE EXPENSES

3-1 *Items to be charged.* (a) The accounts provided for maintenance of road property and of equipment are designed to show the cost of repairs and also the loss through depreciation of the property used in transportation operations, including expenses resulting from ordinary wear and tear of service, exposure to the elements, inadequacy, obsolescence, or other depreciation, or from accident, fire, flood, or other casualty.

(b) These accounts shall include the cost of labor, materials and supplies, work-train service, floating equipment work service, special machine service, contract work, privileges, protection from casualties, and other analogous items of expense in connection with the maintenance of the plant used in railway service. The cost of materials and supplies, which shall include small tools, shall include the cost at the point of free delivery plus freight charges of foreign lines, and the costs of inspection and loading assumed by the carrier; also a proportion of store expenses. Such cost shall not include expenses of transportation over the carrier's line. Royalties for patent rights on mechanical appliances used in repairs of equipment shall be included in the cost of the repairs. The cost of boarding, traveling, and other incidental expenses of employees shall be included in the accounts to which the pay of the employees is chargeable, except where otherwise specified in the text of the accounts. In calculating the cost of materials used proper allowance shall be made for the value of unused portions and of cuttings, turnings, borings, etc., and for the value of the material recovered from property repaired and from temporary tracks, scaffolding, cofferdams, and other temporary structures used in repair work.

(c) The cost of repairs shall include the cost of inspecting to determine the repairs necessary, and of adjusting or repairing parts, both of road property and of equipment, such as the repairing of locomotives, cars, frogs, switches, rails, etc.; the cost of inspecting and testing after repairs have been made such as the testing of locomotives after repairs to determine whether the repairs have been properly made, and the running of repaired locomotives light in order to break them in for regular service; incidental costs of repairs, such as the construction or removal of false work in connection with maintenance, cost of demolishing retired road property and disposing of the wreckage therefrom when the property is dismantled by or for the carrier; cost of maintaining or protecting traffic during the progress of construction work, including the cost of constructing, maintaining and removing temporary tracks required for maintaining traffic during the progress of the work; cost of mowing and beautifying grounds around buildings; repairing fences, sidewalks, driveways, and streets within or adjacent to such grounds; cost of removing snow from roofs of buildings (when not removed by those employed in the buildings); cost of periodical restoration of seasonal features, such as gardens, shrubbery, and lawns; cost of operating hothouses in connection with the work of beautifying grounds; and cost of clearing and removing casual incumbrances, such as ice, snow, and fallen timber.

(d) Distinct maintenance accounts have been provided for expenses of a general character, such as superintendence, stationery and printing, and injuries to persons, which, on account of established practice, it is deemed advisable to segregate.

3-2 *Equalization of maintenance expenses.* (a) The cost of maintaining way and structures and equipment shall be included in the appropriate primary accounts in the month in which the expense is incurred. In case the carrier adopts a budget or estimate for all or a part of the calendar year of expenses includible in one or more primary maintenance accounts or for the general accounts 200, "Maintenance of way and structures", and 300, "Maintenance of equipment", an equitable monthly proportion of the difference between the budgeted or estimated expenses and the actual expenses chargeable each month may be debited or credited as appropriate to account 280, "Equalization—Way and structures", or account 338, "Equalization—Equipment", with contra entries in account 773, "Equalization reserves". If certain primary accounts only are budgeted the carrier's records shall show for amounts included in the equalization accounts the amount of the equalization assignable to each such primary account.

(b) Amounts included in account 773, "Equalization reserves", in accordance with the foregoing paragraph, shall be cleared therefrom at the close of each calendar year through the equalization accounts originally charged or credited.

INSTRUCTIONS FOR CLEARING ACCOUNTS

4-1 *Items to be charged.* In recognition of the fact that certain expenditures incident to the construction and the operation of property are not chargeable directly to any particular property investment or expense account, clearing accounts have been provided for the purpose of securing an equitable distribution of such items to the proper primary accounts, as hereinafter set forth.

4-2 *Material and stationery store expenses.* (a) To clearing accounts called "Material store expenses" and "Stationery store expenses" shall be charged expenses in connection with purchasing, handling and storing material and stationery in and distributing it from the company's storehouses, including the pay of officers and employees in the purchasing and store departments and their traveling, office, and other expenses; also expenses, including wages, fuel, and supplies, of operating switching locomotives when exclusively assigned to the service of switching at material storehouses. (Expenses of incidental switching at material yards by locomotives in regular switching service shall be charged to the appropriate transportation accounts.) The pay and expenses of men employed in purchasing or inspecting a single class of material, such as ties, shall be added as store expenses to the cost of that particular material.

(b) The total amount of storehouse expenses charged to these accounts shall be so distributed among the accounts to which material and stationery has been charged that the amounts thus distributed will be, for each account, in proportion to the value of the items issued chargeable thereto, except that the amount representing the purchasing department expenses shall be apportioned on the value of the items issued which were purchased by that department. To avoid monthly fluctuations in the ratio of store expenses to the value of material and stationery purchased or issued, car-

riers may make a monthly apportionment on the basis of fair percentage rates, provided the store expense accounts are adjusted and closed out at the end of each year.

4–3 *Shop expenses.* (a) A clearing account entitled "Shop expenses" shall be kept to which shall be charged items of expense at shops, enginehouses, repair tracks, and other places at which mechanical work is done, not assignable directly to specific accounts. Such expenses shall be apportioned among the various accounts affected. The basis of distribution shall be the relative proportion which the total amount of charges to "Shop expenses" bears to the total of the directly distributed labor. To avoid monthly fluctuations in the ratio of shop expenses to the total of distributed labor, carriers are permitted to make the monthly apportionment on the basis of a percentage of the distributed labor, provided the shop expense account is adjusted and closed out at the end of the year.

(b) The expenses assignable to this account shall include the pay of foremen (who exercise supervision over all departments), their clerks, and other employees engaged in general work in and about shops, cost of heat, light and power; cost of small tools and supplies and water and power purchased; also cost of removal of snow and ice from transfer tables and shop yards, and other incidental shop expenses. To this account shall be charged expenses, including wages, fuel and supplies, of operating switching locomotives when exclusively assigned to switching service at shops (the expenses of incidental switching at shops by locomotives in transportation switching service shall be charged to appropriate transportation accounts).

4–4 *Gravel and sand pits and quarries.* (a) When a gravel or sand pit or quarry is opened for operations likely to extend over a long period, an account shall be set up designated, "Operations of gravel pit at _____," or "Operations of quarry at _____," as the case may be. To this account shall be charged cost of the land in excess of its estimated value after the gravel, sand, or stone has been removed (credit to the property account in which the cost of the land is included); payments for right to enter upon and remove ballast from land not owned by the carrier; cost of sinking test holes; and costs preparatory to opening the pit or quarry. To this account shall be charged also the cost, in excess of the estimated salvage value, of rails and fastenings, ties, other material and labor used in constructing tracks to and in the gravel pit or quarry (the estimated salvage being carried in an appropriate suspense account); cost of labor and train service employed in producing, quarrying, and loading ballast, including the cost of operation, repairs, and depreciation of power shovels and other machines and machinery; pay and expenses of watchmen; cost of explosives and hand tools, and miscellaneous expenses; and cost of installing, operating and maintaining signals and interlockers at gravel pits.

(b) Credit to the clearing account shall be made each month to cover the cost of ballast material produced during the month. The cost of production shall include the expenses directly assignable to the monthly output plus a proportion of the expenses not directly assignable, such as cost of land, tracks, machinery, and interlockers. This latter amount shall be computed upon the basis of the ratio which the monthly output bears to the total estimated yardage to be taken from the pit. When any portion of the product of such pits or quarries is sold, the cost thereof shall be credited to this clearing account and the profit thereon, if any, shall be credited to revenue account 143, Miscellaneous.

4–5 *Power plant operations.* (a) The accounting for the expenses of maintaining and operating an electric, steam, or other power plant (both building and machinery) shall be determined by the purpose for which the power produced is used. When a power plant is intended and used for producing power solely for the carrier's own operations and the cost of operating the plant is chargeable to clearing account "Shop expenses," or to any one specific account for operating expenses, the expenses of maintenance shall be charged to the appropriate maintenance accounts, and the cost of operation to the account appropriate according to the use of the power.

(b) When the power from such a plant is properly chargeable to more than one account, the expenses of maintaining and operating the plant shall be included in clearing account designated "Power plant operations." The expense of maintenance shall be cleared from that account to the appropriate maintenance accounts. The expenses of operation shall be apportioned to the appropriate accounts upon the basis of quantity of power used for the various purposes.

(c) When a part of the power produced by a power plant is sold and the remainder is used in the carrier's own operations, the cost of maintaining and operating the plant shall be charged to a clearing account. The expense of maintenance shall be cleared from that account to the appropriate maintenance accounts. The proportion of the expenses of operation assignable to the power sold, on the basis of ratio of quantity of power sold to total quantity of power produced, shall be credited to this clearing account and charged to account 445, "Producing power sold". The remainder of the cost of operation shall be distributed to the appropriate expense accounts for the carrier's own operations.

(d) When power plants are intended and used solely for furnishing power to others, the investment therein shall be included in balance sheet account 737, "Miscellaneous physical property", and the revenues and operating expenses shall be included in the accounts provided for operations of such property.

(e) The accounting for the maintenance of transmission systems and distribution systems shall be in accordance with instructions pertaining to power plant operations.

INSTRUCTIONS FOR DEPRECIATION ACCOUNTS

5–1 *Method.* (a) There shall be charged monthly to operating expenses or other appropriate accounts and credited to account 735, "Accrued depreciation—Road and equipment", during the service life of depreciable road and equipment property, includible in accounts classed as depreciable, amounts which will approximate the loss in service value not restored by current repairs or covered by insurance. The charges for accruing depreciation currently shall be computed in conformity with the group plan by applying to the cost of property such percentage rates as will distribute the service value by the straight-line method in equal annual charges to operating expenses or other accounts during the estimated life of the property. For road property, the cost shall be original cost or estimated original cost, as used in the valuation records, adjusted to current date. If a carrier submits proof that the actual cost of depreciable property is substantially different from cost figures in the valuation records, the carrier may, with the approval of the Commission, use such cost figures as the depreciation base.

(b) The term group plan means the plan under which depreciation charges are accrued upon the basis of the cost of depreciable property includible in accounts classed as depreciable using the service lives of the individual depreciable units in the accounts and properly weighting to determine the composite annual rate of depreciation.

(c) For the purpose of the group plan of depreciation accounting the following primary accounts are classed as depreciable accounts:

Road accounts:
1. Engineering (as appropriately assigned, but not distributed, to the other depreciable accounts in arriving at the amounts used as the depreciation base).
2½. Other right-of-way expenditures.
3. Grading (depreciable property recorded in this account).
5. Tunnels and subways.
6. Bridges, trestles and culverts.
7. Elevated structures.
13. Fences, snowsheds, and signs.
16. Station and office buildings.
17. Roadway buildings.
18. Water stations.
19. Fuel stations.
20. Shops and enginehouses.
21. Grain elevators.
22. Storage warehouses.
23. Wharves and docks.
24. Coal and ore wharves.
26. Communication systems.
27. Signals and interlockers.
29. Power plants.
31. Power-transmission systems.
35. Miscellaneous structures.
37. Roadway machines.
39. Public improvements—construction.
44. Shop machinery.
45. Power-plant machinery.

NOTE: With respect to accounts 2½, 3, 5, and 39, carriers may confine the accruals to the depreciable property recorded therein by

applying the percentage rates to the aggregate cost of such property (omitting nondepreciable property), in computing depreciation charges, or they may request composite percentage rates to be applied to the total amount recorded in each of the accounts in computing depreciation charges.

Equipment accounts:
51. Steam locomotives.
52. Other locomotives.
53. Freight-train cars.
54. Passenger-train cars.
56. Floating equipment.
57. Work equipment.
58. Miscellaneous equipment.

(d) When abandonment of a branch line or other important segment of the track structure or other part of the plant for which depreciation charges are not includible in the accounts is foreseeable within a reasonable period of time due to exhaustion of traffic, obsolescence or other causes, application may be made to the Commission for authority to create a suitable reserve in anticipation of probable loss.

5-2 *Rates of depreciation.* (a) A separate composite annual percentage rate for each account covering depreciable property shall be used in computing depreciation charges. Such composite rates shall be those which are from time to time prescribed or otherwise authorized by the Commission. Where property is acquired for which no rates have been prescribed or otherwise authorized and also in the event annual percentage rates prescribed for any class or type of property become no longer currently applicable because of material changes in property, premature obsolescence, exhaustion of traffic or other causes not given effect in the existing rates, carriers shall so inform the Commission promptly and, at that time, shall submit revised annual percentage rates and supporting details developed in accordance with the method indicated in instruction 5-1.

(b) In computing monthly charges the annual percentage rates shall be applied to the depreciation base as of the first of each month and the result divided by twelve.

5-3 *Depreciation records to be kept.* (a) The carrier shall maintain for each class of property in convenient and accessible form engineering and other data bearing on prospective service lives; and shall be prepared at any time upon direction of this Commission to compute and submit for approval, new percentage rates to take the place of those based on service lives or value of salvage deemed to be inaccurate.

(b) The carrier also shall keep such records of depreciable property and property retirements as will reflect the service life of each class of property which has been retired, or will permit the determination of service life indications by past experience of useful life tenure of comparable property, turnover, or other appropriate methods; also such records as will reflect the percentage of value of the salvage for property retired from each class of depreciable property.

(c) For purposes of analysis the carrier shall maintain subsidiary records in which the reserve is broken down into component parts corresponding to each primary account showing in these records in complete detail by each primary account the current credits and debits to the reserve. Such detailed information shall be reported annually to this Commission. For balance sheet purposes, the depreciation reserve shall be treated as a single composite reserve for property.

5-4 *Leased property—depreciation.* (a) The carrier shall include in operating expenses charges for depreciation on road property and equipment used but not owned, the rent for which is includible in rent for leased roads and equipment, and shall maintain the same records of service lives, salvage values, etc., as provided for owned road property and equipment. The excess of the total compensation paid over the amount chargeable for depreciation shall be included in the rent account. If settlement between the carrier and the lessor is not currently made, the amount of the depreciation accrued during the period of the lease shall be credited by the carrier to account 785, "Accrued depreciation—Leased property". The necessary adjustments of the difference between the balance thus accrued in that account and the actual amount of settlement shall be made appropriately through accounts 519 "Miscellaneous income", or 551 "Miscellaneous income charges", at the time settlement for depreciation on the property is made with the lessor.

(b) The carrier shall not include in the depreciation account in operating expenses any charges for depreciation of equipment used but not owned when the rents therefor are included in the rent for equipment and joint facility rent accounts.

5-5 *Jointly used property—depreciation.* The owning carrier shall include in the depreciation accounts in operating expenses the charges for depreciation on units of depreciable property jointly used with one or more other carriers. The owning carrier shall credit and each using carrier shall charge the appropriate joint facility accounts in operating expenses with the amounts billed by the owning carrier against each using carrier for its proportion of the service loss on property retired from service whether billed currently as depreciation or when retirements occur as the loss in service value. The using carriers shall be required to account for depreciation or retirement of units of road property jointly used but not owned only to the extent of their contract liability. The same principle shall apply to terminal companies and their nonowner tenants in accounting for depreciation accruals or retirement charges recorded in the accounts of the terminal companies.

INSTRUCTIONS FOR INCOME AND BALANCE SHEET ACCOUNTS

6-1 *Current assets.* In the group of accounts designated as current assets shall be included cash, those assets which are readily convertible into cash or are held for current use in operations, current claims against others and amounts accruing to the carrier which are subject to settlement in the ordinary course of business within one year. There shall not be included in this group of accounts any amount the collection of which is not reasonably assured within one year because of the known financial condition of the debtor or otherwise. Such items shall be included in account 741, "Other assets", at an amount not in excess of a reasonable estimate of realizable value. Items of current character but of doubtful value previously credited to operating revenue, operating expense or other income accounts shall be written down or written off by charging those accounts, as appropriate. Adjustment of these items of doubtful value shall be made by direct reduction of the asset account in which such doubtful items are carried or by a separate reserve for the uncollectible amount, which reserve shall be applied as a reduction of the current asset account in the balance sheet statement. Provision likewise shall be made for any significant loss due to obsolescence in material and supplies. If it is desired to retain a record of assets written off they shall be recorded at a nominal value in account 741, "Other assets."

6-2 *Recorded value of securities owned.* The investment in securities other than those issued or assumed by the accounting company shall be recorded in these accounts at the money value, at the time of acquisition, of the consideration given therefor by the accounting company, but excluding amounts paid for accrued interest and accrued dividends. The accounting company shall write down the ledger value of any securities to the extent of impairment in their value or write off entirely if there is no reasonable prospect of realizing any value therefrom, but fluctuations in market value are not to be recorded. Adjustments in the ledger values of securities shall not be delayed beyond the year in which a loss is claimed for income tax purposes. The amount of the adjustment for loss in value written off may be recorded in the accounts by creating a reserve for such loss through concurrent credits to account 723, "Reserve for adjustment of investment in securities". Losses in value of securities written off shall be charged to account 551 "Miscellaneous income charges" or to account 570 "Extraordinary items," as appropriate. Under no circumstances shall securities be stated in these accounts at an amount in excess of their cost to the accounting company.

6-3 *Discount, expense, and premium on debt.* (a) Ledger accounts shall be provided to cover the discounts, expense, and premiums at the sale or resale of each subclass of funded debt and of receivers' and trustees' securities issued for the benefit of or assumed by the company. (For explanation of "subclass" see account 765, "Funded debt unmatured".) The net debit balances remaining in these ledger accounts shall be included in account 742, "Unamortized discount on long-term debt", and the total of the net credit balances in account 783, "Unamortized premium on long-term debt".

(b) Each fiscal period there shall be charged to income account 548, "Amortization of discount on funded debt", a proportion on a consistent basis of each of the debit balances in these accounts, and correspondingly there shall be credited to income account 517, "Release of premiums on funded debt", a similar proportion of each of the credit balances in these accounts. When the total discount and expense applicable to any particular issue of securities does not exceed $25,000, carriers may charge the entire amount to account 548, "Amortization of discount on funded debt", at time of issue.

(c) When any funded debt which has been actually issued to bona fide holders for value is reacquired by the accounting company, that proportion of the balance remaining in accounts containing discount, expense and premium on funded debt for the subclass of the security reacquired applicable to the portion reacquired shall be credited or charged thereto, as may be appropriate, and concurrently charged or credited to account 519 "Miscellaneous income", account 551, "Miscellaneous income charges"; or to account 570 "Extraordinary items", as may be appropriate, in accordance with the text of these accounts. Such proportion shall be based upon the ratio of the par value of the security reacquired to the par value of all the securities of the subclass actually outstanding immediately before such reacquirement.

6–4 *Discount, premium, and assessment on capital stock.* (a) Separate ledger accounts shall be provided for each subclass of capital stock issued or assumed by the accounting company to cover discount suffered and premium realized at the time of sale of capital stock. General levies or assessments against stockholders shall be credited to the appropriate ledger accounts for the subclass of capital stock against which the levy or assessment is made.

(b) The total of net debit balances in these ledger accounts shall be included in account 793, "Discount on capital stock", and the total of net credit balances in account 794, "Premiums and assessments on capital stock".

(c) Discount on each subclass of capital stock may be offset or reduced by charges to account 794, "Premiums and assessments on capital stock", to the extent that net gains from premiums or assessments have been included therein or to account 795, "Paid-in surplus", to the extent that net gains from reacquisition and resale or retirement of capital stock applicable to such subclass have been included therein. Any remaining discount may be amortized by charge to account 616, "Other debits to retained income", or may be retained and carried in account 793, "Discount on capital stock", until the stock to which the discount applies is retired.

(d) In case the accounting company is permitted and elects with the approval of the Commission, to distribute all or any part of the net balance of paid-in surplus to its stockholders, the amount thus distributed shall be charged to account 795, "Paid-in surplus".

(e) When an issue of capital stock, or any part thereof, is reacquired either by purchase or through donations by shareholders and is not canceled, but is held as treasury stock or in sinking or other funds, such stock shall be included in a subdivision of account 791, "Capital stock issued", if treasury stock, and in accounts 715, "Sinking funds", 716, "Capital and other reserve funds", or 717, "Insurance and other funds", as may be appropriate, if the stock is held alive in a fund of the character described in the respective accounts. The reacquired stock shall be included in such accounts at par value or if stock without par value at the proportionate amount at which the particular class of stock is carried in account 791.

(f) The difference between the amount at which such reacquired stock was recorded in account 791, "Capital stock issued", and the amount paid by the accounting company for such stock, including any premium or discount applicable to such subclass carried in account 794, "Premiums and assessments on capital stock", or in account 793, "Discount on capital stock", and the commissions and expense in connection with its reacquisition shall be included in account 795, "Paid-in surplus"; *Provided, however,* That the excess of a debit over the amount of accumulated net gains applicable to such subclass included in paid-in surplus shall be charged to account 616, "Other debits to retained income."

(g) When reacquired capital stock is resold the difference between the net sale price and the amount at which carried as treasury stock shall be included in account 795, "Paid-in surplus"; *Provided, however,* That the excess of a debit over the amount of accumulated net gains applicable to each subclass of capital stock resold included in paid-in surplus shall be charged to account 616, "Other debits to retained income".

6–5 *Joint liabilities.* The accounting company shall state as a liability in its balance sheet the difference between the total par value of securities jointly or severally issued by it and others and the portion of such liability which, under the joint arrangement, it is expected will be liquidated by the other party or parties to the joint arrangement. The amount of the jointly or severally issued securities it is expected will be liquidated by the other party or parties shall be shown as a contingent liability in accordance with instruction 6–6 pertaining to contingent assets and liabilities.

6–6 *Contingent assets and liabilities.* Contingent assets and liabilities shall not be included in the body of the balance-sheet statement, but items of material amount shall be shown in a supplementary statement to the balance-sheet. Contingent assets are those without value to the accounting company until the fulfillment of conditions regarded as uncertain. Contingent liabilities include items which may, under certain conditions, become obligations of the company, but are neither direct nor assumed obligations on the date of the balance sheet. Examples of contingent liabilities are items which may become obligations as a result of pending or threatened litigation, assessments or possible assessments of additional taxes, guarantees of indebtedness of others, and agreements or obligations to repurchase securities or property. Where the outcome is reasonably foreseeable, such as probable tax assessment which the carrier may not reasonably expect to contest successfully, such liabilities are to be reflected in the accounts and are not to be treated as contingent liabilities.

PROPERTY ACCOUNTS

Road

0 Road.

The several primary accounts included in this general account are designed to show the cost of land and road property owned by the carrier and devoted to transportation service.

1 Engineering.

This account shall include the pay and expenses of engineers, assistants, and clerks engaged in the survey and construction of new lines and extensions, or in making additions to and betterments of the carrier's road, including wharves and docks.

LIST OF OFFICERS AND EMPLOYEES

- Chief engineer.
- Assistant engineers.
- Bridge and signal engineer.
- Architects and draftsmen.
- Chief clerk and other clerks.
- Transitmen and levelmen.
- Rodmen and chainmen.
- Cooks and porters on business cars.

ITEMS OF EXPENSE AND SUPPLIES

- Atlases and maps.
- Barometers.
- Books for office use.
- Business car service.
- Cameras; compasses.
- Camp equipage.
- Chains for surveyors.
- Drawing boards.
- Drawing instruments.
- Field glasses.
- Furniture repairs and renewals.
- Heating and lighting.
- Magnets and magnifiers.
- Official train service.
- Paper, blue-print.
- Periodicals and newspapers.
- Photographic supplies.
- Printing and stationery.
- Provisions for business cars.
- Rent and repairs of offices.
- Rods for surveyors.
- Sextants and slide rules.
- Telegraph and telephone service.
- Traveling expenses.
- Triangles and tripods.

NOTE A: When employees designated above are engaged in the maintenance of the road, their pay and expenses while thus employed shall be charged to operating expenses.

NOTE B: Expenditures for tentative or preliminary surveys shall be carried in a suspense account until it is determined whether or not to continue the work. If the project is continued, expenditures for all surveys in connection therewith shall then be transferred to this account, and, if abandoned, to appropriate income accounts.

NOTE C: The cost of designing, making plans and specifications, and supervising the construction of equipment shall be included in the cost of the equipment.

NOTE D: The cost of stationery and printing supplies used for accounting purposes in connection with engineering work shall be

included in account 74, "Stationery and printing," when not directly assignable to specific road or equipment accounts.

NOTE E: Fees and expenses of architects specially employed for designing or supervising the construction of buildings shall be included in the accounts appropriate for the cost of the buildings constructed.

2 Land for Transportation Purposes.

This account shall include the cost of land of necessary width acquired for roadway; the cost of land for station, office, shop, and other grounds; for ingress to or egress from such grounds; for borrow pits, waste banks, snow fences, sand fences, and other railway appurtenances; and for storage of material adjoining the right of way; the cost of land for wharves and docks and the cost of riparian or water rights necessary therefor; the cost of removing from the right of way and locating elsewhere the property of others, and the cost of the necessary land for relocation of the property, when such costs are assumed by the accounting carrier.

The carrier's records shall be kept in such manner as to show separately the cost of land purchased. Proceeds from the sale of timber or of improvements purchased with right of way, less any cost of removal, shall be credited to this account.

ITEMS OF EXPENSE

Abstracts.
Appraisals.
Arbitrators in condemnation cases.
Commissions paid to others.
Condemnation expenses, including court costs and special counsel fees.
Damages to property of others.
Deferred payments for right-of-way.
Ditches for waterways when part of consideration.
Judgments and decreed costs to clear or defend titles.
Notarial fees.
Plats.
Premiums on condemnation bonds.
Recording deeds.
Payments for relinquishment of cattle passes and other rights.
Removal and relocation of buildings and other structures not purchased.
Rent of land when part of consideration for purchase.
Right-of-way agents' compensation (engaged solely in acquiring right of way).
Taxes accrued and assumed at time of purchase.

NOTE: The cost of land acquired in excess of that necessary for transportation operations shall be included in balance-sheet account 737, "Miscellaneous physical property." When the purchase of land acquired for transportation operations involves the purchase of land not used for such purposes the charges to this account shall be based upon the estimated cost of only that portion which is used for such purposes, and the cost of the remaining land shall be included in account 737, "Miscellaneous physical property." Only the actual cost borne by the carrier for right-of-way and other lands acquired through vacation of streets and highways shall be included in this account. No donations should be considered as involved in the acquisition of such property.

2½ Other Right-of-way Expenditures.

This account shall include the cost (in excess of cost of railway facilities installed, if any) actually borne by the carrier of improvement projects (other than public improvement projects), such as the construction of canals, farm and other private passes, pipe lines, drains, and other facilities across the carrier's right-of-way.

3 Grading.

(a) This account shall include the cost of clearing and grading the roadway, and of constructing protection for the roadway, tracks, embankments and cuts.

(b) When a part of a bridge or trestle, or the entire structure, is converted by filling into an earth embankment, and the bridge is used in lieu of a temporary trestle for the purpose of filling, the estimated cost of such temporary trestle shall be included in the cost of the filling, and charged to this account. (See Note A, under account 6, "Bridges, trestles, and culverts.")

(c) When a tunnel is converted into an open cut, the cost of clearing, grubbing, and excavating shall be included in this account.

DETAILS OF ROADBED AND ITEMS OF EXPENSE

Advertising for contractors' bids.
Berm ditches.
Blasting.
Breakwaters.
Bulkheading.
Clearing land.
Cribbing.
Dikes (including those of earthern construction which are intended to function indefinitely).
Ditches (not required by right-of-way agreement).
Dressing slopes.
Excavation for conversion of tunnels into open cuts.
Filling bridges, trestles, and culverts.
Grading outfits.
Grubbing land.
Material taken from borrow pits.
New channels for streams.
Operation of steam shovels.
Payments for privilege of wasting material on the property of others.
Payments for waste banks off the right-of-way.
Retaining walls.
Revetments.
Riprap.
Spoil banks.
Temporary trestling for fills.
Tools for grading.
Wing dams.

5 Tunnels and Subways.

This account shall include the cost of tunnels and subways for the passage of trains, including apparatus for ventilating and lighting and safety devices therein, other than signals.

NOTE A: The cost of tracks, including guard rails, in tunnels shall not be charged to this account.

NOTE B: Station subways not highway crossings are includible in account 16, "Station and office buildings."

NOTE C: If a tunnel be converted into an open cut the accounting shall be in accordance with the instructions prescribed for converted property.

6 Bridges, Trestles, and Culverts.

This account shall include the cost of the substructure and superstructure of bridges, trestles, and culverts which carry the tracks of the carrier over water-courses, ravines, public and private highways, and other railways.

DETAILS OF BRIDGE STRUCTURES

Abutments.
Bridge signs.
Cofferdams.
Concrete and masonry ends for culverts.
Cribs.
Decking, including gravel for fire protection.
Dike protection.
Drainage systems.
Draw protection.
Drawbridge engines and machinery.
False work.
Guard timbers.
Ice breakers.
Painting (except repainting).
Pier protection.
Piers and foundations.
Pipe culverts.
Retaining walls.
Riprap around abutments.
Riprap at culvert ends.
Supports.
Water channels.
Waterproofing.
Wing dams.
Wing walls.

NOTE A: When a part of the entire structure of a bridge or trestle is converted, by filling, into an earth embankment, the ledger value of the structure, or of the portion thereof filled, shall be credited to this account. In case the bridge or trestle is used in lieu of a temporary trestle for the purpose of filling, the estimated cost of such temporary trestle shall be charged to account 3, "Grading." The ledger value of the structure or portion thereof, filled, less the value of the salvage and the estimated cost of trestle charged to account 3, shall be charged to account 735, "Accrued depreciation—Road and equipment."

NOTE B: The cost of bridges to carry the carrier's tracks over undergrade crossings, including the necessary piers and abutments to sustain them shall be included in this account.

7 Elevated Structures.

This account shall include the cost of elevated structures and foundations of elevated railway sytems. This account is applicable to structures other than earthwork, which are for the purpose of elevating tracks above the grade of streets, and which are not properly classable as bridges or trestles.

NOTE: The cost of stations and other structures built on elevated structures shall be accounted for according to the class of the structure thus superimposed and not in this account.

8 Ties.

(a) This account shall include the cost of cross, switch, bridge and other track ties used in the construction of tracks for the movement or storage of locomotives and cars (including tracks in shops, fuel stations, supply yards, etc.), and the cost of additional ties subsequently laid in such tracks; also the excess of cost of metal ties used in repairs of track over the cost to replace in kind wooden ties removed.

(b) The cost of handling ties in general supply and storage yards shall be included as store expenses apportioned to this account when the ties are used for construction purposes.

NOTE A: The cost of labor for unloading, distributing and placing the ties in tracks and the cost of train service in connection with the distribution of ties laid shall be charged to account 12, "Track laying and surfacing."

NOTE B: The cost of ties used in the construction of car floats shall be included in the cost of such floating equipment, and the cost of ties used in the construction of temporary

tracks, such as gravel-pit and quarry tracks, shall be included in the appropriate clearing accounts.

9 Rails.

(a) This account shall include the cost of rails used in the construction of tracks for the movement or storage of locomotives and cars (including tracks in shops, fuel stations, supply yards, etc.), and the cost of the excess in weight of heavier rails laid in replacement of lighter rails.

(b) The cost of handling rails in general supply and storage yards shall be included as store expenses apportioned to this account when the rails are used for construction purposes.

(c) To this account shall be credited the cost (estimated if actual is not known) of the excess weight of heavier rails replaced with lighter rails.

NOTE A: The cost of labor for unloading, distributing and placing the rails in tracks, and of train service in connection with the distribution of the rails shall be charged to account 12, "Track laying and surfacing."

NOTE B: The cost of rails used in the construction of car floats shall be included in the cost of such floating equipment, and the cost of rails used in the construction of temporary tracks, such as gravel-pit and quarry tracks, shall be included in the appropriate clearing accounts.

10 Other Track Material.

(a) This account shall include the cost of material used in the construction of tracks for the movement or storage of locomotives and cars (including tracks in shops, fuel stations, supply yards, etc.), except ballast and material chargeable to foregoing accounts; also the excess cost of heavier or improved "other track material" used in repairs of tracks over the cost of replacing in kind such material removed.

(b) The cost of handling "other track material" in general supply and storage yards shall be included as store expenses apportioned to this account when such material is used in the construction of new tracks.

ITEMS OF OTHER TRACK MATERIAL

Angle bars.	Rail chairs.
Anticreepers.	Rail clips.
Bumping posts.	Rail joints.
Compromise joints.	Rail rests.
Connecting rods.	Rail shims.
Crossings, including foundations or bases.	Splice bars.
	Step chairs.
Derails.	Switch chairs.
Frog blocking.	Switch crossings.
Frogs.	Switch lamps.
Guard-rail blocking.	Switch locks and keys.
Guard-rail clamps.	Switch points.
Guard-rail fasteners.	Switch stands.
Guard rails, switch and other.	Switch targets.
	Switches.
Main rods.	Tie plates.
Nut locks.	Tie plugs.
Nuts.	Tie rods.
Offset bars.	Track bolts.
Rail braces.	Track insulators.
Rail splices.	Track spikes.

NOTE A: The cost of labor and train service for distributing, unloading, and applying "other track material" shall be charged to account 12, "Track laying and surfacing".

NOTE B: No entry is required in this account with respect to improved "other track material" unless installed under a definite plan of changing standards, such as increasing the weight of rail.

NOTE C: The cost of "other track material" used in the construction of car floats shall be included in the cost of such floating equipment, and the cost of such track material used in the construction of temporary tracks, such as gravel-pit and quarry tracks, shall be included in the appropriate clearing accounts.

11 Ballast.

(a) This account shall include the cost of gravel, stone, slag, cinders, sand, and like material used in ballasting tracks (including tracks in shops, fuel stations, supply yards, etc.) not previously ballasted, including cost of work-train service and of unloading; cost of ballast applied in excess of ballast required to restore to its maximum height and width the ballast previously put on the roadbed; and the excess cost of improved ballast used in renewals over the cost to replace in kind to the original height and width the ballast removed. Charges to this account shall not exceed the cost of ballast applied to a depth of 24 inches beneath the tie, unless otherwise authorized by the Commission.

(b) The instructions prescribed for gravel and sand pits and quarries applies to the accounting for pits from which ballast material is obtained either for construction work or for maintenance, or for both.

NOTE A: The cost of ballast used in the construction of temporary tracks, such as gravel-pit and quarry tracks, shall be included in the appropriate clearing accounts.

NOTE B: Earth placed to form a crown in the middle of the track is not to be considered as ballast.

NOTE C: The cost of ballast material placed on the decking of bridges solely for fire-protected purposes shall be included in account 6, "Bridges, trestles and culverts."

NOTE D: No charge shall be made to the accounts of this classification representing the value of cinders accumulated by the carrier.

12 Track Laying and Surfacing.

This account shall include the cost of distributing (including train service), laying, and adjusting ties, rails, and other track material used in the construction of tracks for the movement or storage of locomotives or cars, including repair tracks, but not tracks on car floats or temporary tracks the cost of which is chargeable to clearing accounts. It shall also include the cost of the labor expended in placing ballast in tracks not previously ballasted.

NOTE A: The cost of distributing and adjusting ties, rails, ballast, and other track material for repairs shall be charged to operating expenses, both when such materials are replaced in kind and when replaced with improved and heavier material.

NOTE B: The cost of work-train service in delivering ballast and of unloading such material is provided for in account 11 "Ballast."

13 Fences, Snowsheds and Signs.

This account shall include:

(a) *Fences.* The cost of right-of-way fences and snow and sand fences, farm gates, cattle guards, wing fences, aprons, and hedges, on property not previously fenced, excluding those around stockyards, fuel stations, station and shop grounds, and building sites.

(b) *Snowsheds.* The cost of snowsheds, including initial cost of planting trees for protecting tracks from snow.

(c) *Signs.* The initial cost of signs other than those for identification of bridges, signals, stations, and other structures.

SIGN ITEMS

Boundary signs.	Section-limit signs.
Bridge-caution signs	Slow or stop signs.
Crossing signs.	Tunnel—caution signs.
Curve and elevation markers.	Water-station signs.
Division-limit signs.	Water-trough signs.
Mileposts.	Whistle signs.
Monuments.	Yard-limit signs.
Safety-first signs at crossings.	

NOTE A: The cost of fences (other than right-of-way boundary fences) around stock yards, fuel and water stations, and other building sites, shall be charged to the accounts appropriate for the cost of the structures.

NOTE B: The cost of signs for identifying bridges, signals, stations, and other structures shall be included in the account appropriate for the cost of the structures.

NOTE C: The cost of crossing signals, including crossing gates, shall be included in account 27, "Signals and interlockers."

NOTE D: This account shall also include the cost of replacing units of such property or substantial parts of fences or snowsheds the original cost of which were charged to this account.

16 Station and Office Buildings.

This account shall include the cost of station and office structures, their fixtures, appurtenances, and furniture necessary first to equip the buildings for use.

STATION AND OFFICE STRUCTURES AND DETAILS

Breakwaters for protection of buildings.
Buildings and rooms for trainmen.
Buildings on piers.
Coal transferring machinery (not on coal and ore wharves).
Coal trestles (not at fuel stations).
Drainage and sewerage systems.
Elevators and machinery.
Fences.
Freight cranes and derricks.
Freight handling machinery.
Gas-supply systems.
General office buildings
Grain elevators and warehouses.
Heating plants.
Hoisting engines, for handling freight.
Lighting plants.
Ore-transferring machinery.
Pavement within ground limits.
Platforms, passenger, including planking between tracks.
Power distribution systems, interior.
Sidewalks.
Station footbridges (not highway crossings).
Station intertrack fences.
Telegraph offices.
Track scales.
Water-supply systems.
Yard offices.

NOTE A: Office buildings used exclusively in connection with maintenance of way shall be included in account 17, "Roadway buildings." Those used exclusively in connection with maintenance of equipment shall be included in account 20, "Shops and enginehouses."

NOTE B: The cost of grading and preparing grounds, both before and after the construction of station and office buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

17 Roadway Buildings.

This account shall include the cost of roadway shops and other roadway buildings, including drainage, water, gas, and sewer pipes and connections; and all machinery, fixtures, and furniture to equip the building ready for use.

LIST OF ROADWAY BUILDINGS

Blacksmith shops.
Breakwaters for protection of buildings.
Carpenter shops.
Fire-engine houses.
Frog shops for repair of track material.
Hand-car houses.
Lighting plants.
Lumber sheds.
Planing mills.
Rail shops for repair of track material.
Repair shops.
Scrap bins.
Section dwelling houses.
Tool houses.

NOTE: The cost of grading and preparing grounds both before and after the construction of roadway buildings, and the cost of constructing sidewalks, driveways, and fences thereon shall be included in the cost of the buildings, as shall also the fees and expenses of architects, specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

18 Water Stations.

This account shall include the cost of structures, facilities, and appliances necessary to equip for service, stations for supplying water. The cost of analyses of water preliminary to the establishment of water stations shall be included in this account.

WATER STATION STRUCTURES AND DETAILS

Boilers.
Breakwaters for protection of buildings.
Buildings on piers.
Cisterns and dams.
Fences.
Pump houses.
Purifying plants.
Reservoirs and wells.
Settling basins.
Stationary engines.
Steam pipes.
Tanks and foundations.
Water pipe lines.
Water-treating plants.

NOTE A: The cost of water stations used solely for supplying water to shops, power plants, stations, hotels, tenement houses, or section houses shall be charged to the appropriate accounts relating to the property so supplied.

NOTE B: The cost of a temporary water station established only for use during the construction period shall be included in the primary accounts to which is charged the cost of the work in connection with which the water station is used.

NOTE C: The cost of grading and preparing grounds both before and after the construction of water station buildings, and the cost of constructing sidewalks, driveways, and fences thereon shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

19 Fuel Stations.

This account shall include the cost of structures, facilities other than tracks, and appliances necessary to equip for service, stations for supplying fuel to locomotives and floating equipment.

FUEL STATION STRUCTURES AND DETAILS

Breakwaters for protection of buildings.
Buildings on piers.
Coal buckets and hoists.
Coal pockets and chutes.
Dumping machinery.
Elevating machinery.
Fences.
Fuel houses or stations.
Fuel-oil plants, pumps and tanks.
Fuel platforms and wharves.
Stationary engines.
Tipple cars.
Weighing apparatus.

NOTE A: The cost of fuel stations, coal houses, etc., used solely for supplying fuel to shops, power plants, stations, hotels, tenement houses, or section houses shall be charged to the appropriate accounts relating to the property so supplied.

NOTE B: The cost of a temporary fuel station established only for use during the construction period shall be included in the primary accounts to which is charged the cost of the work in connection with which the fuel station is used.

NOTE C: The cost of grading and preparing grounds both before and after the construction of fuel station buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

20 Shops and Enginehouses.

This account shall include the cost of buildings to be used as shops, enginehouses, and storehouses for material for maintenance of equipment; foundations, except those special to particular machines and other apparatus; furniture and fixtures other than equipment chargeable to account 44, "Shop machinery"; drainage, sewerage, and water-supply systems; and plants for heat and light.

SHOP AND ENGINEHOUSE STRUCTURE AND DETAILS

Air-compressor houses.
Bins for material.
Blacksmith shops.
Breakwaters for protection of buildings.
Buildings on piers.
Car sheds and shops.
Carpenter shops.
Cinder pits and pockets.
Electric-power distribution systems within buildings.
Enginehouses.
Fire-engine houses.
Footbridges (not public highways).
Foundries and machine shops.
Gas-compressor houses.
Heating and lighting plants.
Laboratories.
Lumber sheds.
Material and supply truck tracks.
Motor-crane tracks.
Offices, shop.
Paint shops.
Pipe lines, air, and heat.
Pipe lines, gas, interior.
Planing mills and repair shops.
Platforms, shop and yard.
Scale houses and scales.
Scrap bins.
Sidewalks.
Steam-distribution systems, interior.
Storehouses.
Tanks, gas, and oil.
Test rooms.
Turntables.
Upholstering shops.
Warehouses.

NOTE A: The cost of distinct power plant buildings for shop purposes shall be included in account 29, "Power plants." The cost of distribution systems leading from such power plants to shops and enginehouses shall be included in account 31, "Power-transmission systems."

NOTE B: The cost of grading and preparing grounds both before and after the construction of shop and enginehouse buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

NOTE C: The cost of shop buildings devoted solely to the maintenance of way and structures shall be included in account 17, "Roadway buildings."

21 Grain Elevators.

This account shall include the cost of structures, including the cost of conveyors, machinery, and the fixtures which the railway companies operate for the transfer, treatment, and storage of grain. The buildings referred to in this account are not small storage elevators at stations where grain is received for shipment, etc., but large elevators in which grain is stored for various owners.

NOTE A: Small storage elevators at way stations are classed as station buildings.

NOTE B: The cost of grading and preparing grounds both before and after the construction of grain-elevator buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

NOTE C: The cost of grain elevators leased to noncarriers shall be included in account 737, "Miscellaneous physical property."

22 Storage Warehouses.

This account shall include the cost of storage warehouses, including machinery and fixtures therein. The buildings herein referred to are not the ordinary freight warehouses or stations where freight is received for shipment, etc., but warehouses in which merchandise is stored and which the railway companies operate as storage warehouses.

NOTE A: The cost of grading and preparing grounds both before and after the construction of storage warehouse buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the

cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

NOTE B: The cost of warehouses leased to noncarriers shall be charged to account 737, "Miscellaneous physical property."

23 Wharves and Docks.

This account shall include the cost of wharves, docks, dry docks, slips, float bridges, and other landings for vessels, including the cost of necessary dredging, and the cost of float-bridge machinery; also the cost of piling, pile protection, cribs, coffer-dams, walls, and other necessary devices and apparatus for the operation or protection of wharves and docks.

DETAILS OF WHARVES AND DOCKS

- Bridge pontoons.
- Bulkheads.
- Caissons and crib-work.
- Dry docks.
- Ferry-bridge machinery.
- Ferry bridges.
- Ferry slips.
- Jetties and inclines.
- Transfer-bridge machinery.
- Transfer bridges.

NOTE A: The cost of coal and ore wharves and docks shall be included in account 24, "Coal and ore wharves."

NOTE B: The cost of the land on which wharves are built and cost of riparian or water rights for wharves and docks shall be charged to account 2, "Land for transportation purposes."

NOTE C: The cost of buildings located on wharves shall be included in the accounts appropriate for the class of buildings.

NOTE D: The cost of grading and preparing grounds both before and after the construction of wharves (other than coal and ore wharves) and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the wharves, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the wharves.

24 Coal and Ore Wharves.

This account shall include the cost of wharves and docks for the transfer, treatment, blending, or storage of coal or ore, including the cost of necessary dredging and of conveyors, machinery, and fixtures.

NOTE A: The structures referred to in the account do not include small transfer or storage trestles or wharves at stations where coal is stored or delivered, such trestles being classed as station buildings.

NOTE B: The cost of grading and preparing grounds both before and after the construction of coal and ore wharves, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the wharves, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the wharves, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the wharves.

26 Communication Systems.

This account shall include the cost of telegraph, telephone, radio, radar, inductive train communication, and other communication systems, including terminal equipment.

DETAILS OF TELEGRAPH AND TELEPHONE TERMINAL EQUIPMENT

- Batteries.
- Cables and wires, interior.
- Carrier terminating equipment.
- Conduits, interior.
- Connecting wires.
- Current-controlling instruments.
- Electric generators and motors.
- Electric meters.
- Engines, stationary.
- Fuses and mechanical protectors.
- Rectifiers.
- Rheostats.
- Sending and receiving instruments.
- Switchboards.
- Telegraph repeaters.
- Telephone repeaters.
- Teletypewriters.
- Testing outfits.
- Transformers.

DETAILS OF TELEGRAPH AND TELEPHONE OUTSIDE PLANT

- Aerial attachments.
- Braces.
- Brackets.
- Cable boxes and appurtenances.
- Cables and wires, aerial.
- Conduits and appurtenances.
- Cross arms.
- Gas and associated facilities for cables.
- Guy stubs.
- Guy wires.
- Insulators.
- Load coils.
- Poles.
- Submarine cables and connections.
- Telephone pole boxes.
- Towers.
- Underground cables and connections.

DETAILS OF RADIO, RADAR, AND INDUCTIVE TRAIN COMMUNICATION EQUIPMENT

- Aerials or antenna, and attachments.
- Buildings or towers used exclusively for wireless.
- Control units.
- Power generating, converting, or supply equipment.
- Radar console and associated equipment.
- Roadside or office equipment for all wireless systems operated on special channels between train and train, train and tower or office, or between ship and shore.
- Specialized testing and repair equipment.
- Transmitters and receivers, including mobile units.

NOTE A: Radio, radar or trainphone equipment (except portable apparatus) which is permanently attached to locomotives, cars, work equipment, or other rolling stock or floating equipment shall be included in the same accounts as the equipment on which installed. Wireless sets for instruction, advertising, or entertainment shall be included in the same accounts as the building in which located.

NOTE B: Communication systems of limited extent, not connected with other systems, used for special purposes and usually installed within a single building, group of buildings, or within the limits of a station or shop layout or yard, shall be included in the same account as the building in which located or in the account appropriate for the service with which associated.

ITEMS

- Buzzers, bells, dictaphones or other interoffice communication systems in an office or group of buildings.
- Loud speakers, bells, or whistles in shop and other yards.
- Loud speakers, public address devices, press button control lights, telautograph or other systems in stations or on platforms.
- Whistles, klaxons, or horns operated from signal towers.

NOTE C: Test sets shall be classified as tools and included in the account appropriate for their use.

27 Signals and Interlockers.

This account shall include the cost of interlocking and other signal apparatus for governing the movements of locomotives, cars, and trains, and for the protection of traffic at crossings, including towers and other buildings, furniture, fixtures, and machinery in connection therewith; roadway installations for train control and remote control including the cost of the initial tests of such installation; also the cost of buildings and machinery of power plants used primarily for the production of power for the operation of signals and interlockers.

ITEMS

- Automatic-train control devices other than on equipment.
- Call-bell systems along track to call in flagmen.
- Call boxes, electric.
- Car-retarder systems.
- Centralized traffic control.
- Crossing flasher-light signals.
- Crossing gates, highway and railway.
- Crossing signal bells.
- Crossing warning signals.
- Interlocker buildings and machinery.
- Power apparatus primarily for the operation of signals and interlockers.
- Power-distribution lines primarily for the operation of signals and interlockers.
- Signal buildings.
- Signal machinery, poles and foundations.
- Train-order signals.

NOTE A: When signal or interlocking apparatus is located in a station building, only the cost of the signal or interlocking apparatus shall be charged to this account. The entire cost of the building shall be included in account 16, "Station and office buildings."

NOTE B: The cost of track material, such as switches, special rail braces, special rods, special track fastenings, split rails, derails, derail stands, and frogs, used in connection with interlockers, shall be included in account 10, "Other track material."

NOTE C: When derails are arranged so as to be thrown from switch stands, the cost of labor expended in the installation of the connections between the switch stand and derail and the devices for throwing the derail shall be included in account 12, "Track laying and surfacing." The cost of the material shall be included in account 10, "Other track material."

NOTE D: The cost of grading and preparing grounds both before and after the construction of signal and interlocker buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

29 Power Plants.

This account shall include the cost of power-plant and substation buildings (housing machinery provided for in account 45, "Power-plant machinery"); all foundations other than those special to particular machines and apparatus;

and also dams, canals, pipe lines, and accessories devoted to the utilization of water for power. Gas and sewer pipes and their connections, fixtures (including wiring) for lighting and heating, and furniture and miscellaneous fixtures shall be considered as a part of the power-plant buildings.

POWER-PLANT STRUCTURE ITEMS

Buildings.
Coal bunkers, pockets and trestles.
Fences (other than right-of-way boundary fences).
Fixtures for lighting (including wiring) and heating power-plant buildings.
Foundations (except special foundations for machines and other apparatus).
Fuel-oil tanks.
Furniture.
Hose and appliances for protecting buildings against fire.
Pavement within ground limits.
Permanent rights in water supply.
Platforms.
Smoke stacks and chimneys and their foundations when distinct from and not resting on boilers.
Water, sewer, gas, and drainage pipes and connections.
Wells (but not pumps).

DAM, CANAL, AND PIPE-LINE ITEMS

Aqueducts.
Bridges.
Fences (other than right-of-way boundary fences).
Footbridges.
Reservoirs.
Roadways.
Sluices.
Valves.
Water rights.

NOTE A: The cost of power-plant machinery, including stacks resting on boilers, and special foundations for machines, shall be included in account 45, "Power-plant machinery."

NOTE B: The cost of the buildings and of the power machinery and other apparatus of plants used primarily for operating signals and interlockers shall be included in account 27, "Signals and interlockers."

NOTE C: Investment in buildings and machinery of detached plants for furnishing power both for operating purposes and for sale shall be included in this account and in account 45, "Power-plant machinery," respectively. When plants are intended and used primarily for generating power for sale to other than common carriers, the investment shall be included in account 737, "Miscellaneous physical property."

31 Power-transmission Systems.

This account shall include the cost of systems for conveying electricity, steam, and compressed air from producing plants to place or building where used; also the cost of conduits and of poles, cross arms, insulator pins, brackets, and other pole fixtures, and of other structures for power-transmission and distribution systems, including those for electric railway operation, and lighting systems for general lighting purposes.

POWER-TRANSMISSION SYSTEM ITEMS

Air pipe-lines in car yards.
Compressed air pipe-lines.
Compressed air storage tanks (not at power houses or shops).
Cut-outs (not at power houses and substations).
Overhead trolley wires.
Rail-insulating devices.
Steam-heating pipe-lines in car yards.
Switchboards (not at power houses and substations).
Third-rail insulation and protection.
Transformers (not at power houses and substations).
Underground power tubes.

POLE-LINE AND CONDUIT ITEMS

Braces and other supports for holding poles in position.
Brackets, cross arms, and other pole fixtures.
Conduits for wires and cables.
Cutting and trimming trees.
Guy stubs and wires.
Manholes.
Poles and towers.
Sewer traps.
Stenciling or painting letters or numbers on poles.

NOTE A: The cost of wire and pipe-distribution systems located within shop buildings and in stations and office buildings shall be included in the cost of the buildings, except that lateral service lines to equipment-shop machines shall be included in account 44, "Shop machinery." The cost of distribution systems used primarily for operating signals and interlockers shall be included in account 27, "Signals and interlockers."

NOTE B: The cost of conduits and of poles and fixtures for telegraph and telephone, or signal lines shall be included in account 26, "Communication systems," or account 27, "Signals and interlockers," as appropriate. The cost of poles and conduits used for telegraph and telephone or signal lines and for power-distribution lines shall be included in the account appropriate according to their predominant use.

35 Miscellaneous Structures.

This account shall include the cost of all permanent structures not provided for elsewhere, including all fixtures and furniture to equip them for use.

37 Roadway Machines.

This account shall include the cost of the initial outfit of roadway machines provided for the maintenance of roadway and structures at the time the road is opened for commercial traffic, and the cost of additional roadway machines acquired subsequently.

LIST OF ROADWAY MACHINES

Boilers, portable.
Cars, hand.
Cars, lever.
Cars, motor inspection.
Cars, push.
Cars, (small), crane, for supply yards and general use.
Concrete mixers.
Ditching machines.
Dredging machines.
Engines, portable.
Grading outfits.
Hydraulic outfits.
Jacks, hydraulic.
Log loaders.
Pile drivers.
Plows, unloading.
Rail unloaders.
Rock crushers.
Steam rollers.
Timber trucks.
Velocipedes.

NOTE A: When an important addition and betterment project or the construction of a new line necessitates the purchase of roadway machines to be used exclusively thereon, the cost shall be included in the accounts to which the cost of the work is charged. The amount realized from any subsequent sale, or the appraised value of the machines retained after the completion of the special work for which they were purchased, shall be credited to the accounts charged with the cost thereof. The appraised value of such machines retained shall be debited to this account and thereafter considered as the cost of such property.

NOTE B: The cost of machines for the equipment of roadway shops shall be included in account 17, "Roadway buildings," as provided for therein.

NOTE C: The cost of roadway machines, such as pile drivers, log loaders, hoist engines, and concrete mixers, when permanently mounted for movement on the carrier's tracks, shall be included in account 57, "Work equipment."

38 Roadway Small Tools.

This account shall include the cost of the initial outfit of roadway and track small tools provided for the maintenance of way and structures at the time the road is opened for commercial traffic; also the initial outfit of such tools provided for the maintenance of extensions of such road.

NOTE: The cost of roadway and track small tools of which no specific record is kept shall be charged when acquired to an appropriate materials and supplies account, from which they shall be charged as issued to the appropriate road and equipment, operating expense, or other accounts. When such tools are used both for construction and maintenance work the cost shall be equitably apportioned among the accounts provided for the two classes of work.

39 Public Improvements; Construction.

This account shall include amounts assessed on carrier property by governmental authority (by mutual agreement or otherwise) to cover the cost of constructing public improvements, when such assessments are made against property within defined areas of taxing districts. The account also shall include carrier's portion of the cost of public improvements constructed under governmental requirements. See Instruction 16. The entire amount of each assessment and other liabilities for public improvements shall be included in this account as soon as the amounts are determined.

ITEMS

Cost of land outside carrier's right-of-way to provide for the relocation of streets or highways or providing slopes therefor.
Cost of removal and relocation of buildings and other structures in connection with the construction of streets and highways.
Curbing streets and highways.
Damage to property of others when incidental to highway construction.
Drainage systems.
Engineering—When such costs apply to items chargeable to this account.
Flood protection.
Grading streets and highways.
Guttering streets and highways.
Irrigation systems.
Levees.
Overhead highway bridges, including approaches.
Paving streets and highways, including such pavings at crossings.
Planking, highway crossings.
Sewer systems.
Sidewalks.
Street-lighting systems.
Water works.

NOTE A: The cost of railway facilities installed in connection with joint public improvement projects if not in excess of total costs borne by the carrier shall be included in accounts other than account 39, "Public improvements—Construction," appropriate for the class of property installed. Any costs borne by the carrier in excess of the cost of railway facilities shall be charged to this account.

NOTE B: The cost to the carrier of maintaining public improvements shall be included in Operating Expenses.

NOTE C: Any portion of the cost of public improvements which is included in the general tax levy for a regular taxing district shall be included in the account appropriate for taxes.

NOTE D: The amount of the deferred payments of assessments for public improvements if payments are to be made within one year, shall be included in account 763, "Other current liabilities." If the payments are spread over a longer period they shall be credited to account 782, "Other liabilities." The interest paid on such assessments shall be included in account 547, "Interest on unfunded debt."

NOTE E: Interest and penalties imposed, on basis of monthly or annual percentage rates, for failure to pay assessments within the allotted time shall be charged to account 547, "Interest on unfunded debt."

NOTE F: Assessments on noncarrier property for the cost of constructing public improvements shall be charged to account 737, "Miscellaneous physical property."

43 Other Expenditures; Road.

This account shall include items which can not properly be included in any of the foregoing accounts as a part of the cost of any specific work, amounts paid for rent and repairs of equipment and for injuries to persons incident to and in connection with original road, road extensions, or additions and betterments; and analogous items. When assignable, such expenditures shall be included in the cost of the property in connection with which the expenditure occurs.

NOTE: Rents paid for and repairs made to equipment used in commerical operations during the period before the regular operation of revenue trains shall be charged to account 40, "Revenue and operating expenses during construction."

44 Shop Machinery.

This account shall include the cost of machinery and other apparatus in shops and engine houses, including the cost of special foundations and installation and cost of small hand tools necessary first to equip a shop.

LIST OF SHOP MACHINERY

Ash conveyors.	Metal chimneys.
Air compressors.	Milling machines.
Belting.	Motors.
Blowers.	Pipe cutting and threading machines.
Boilers for furnishing power.	Planers.
Boring machines.	Pneumatic hammers.
Cars, motor.	Power equipment.
Cars, push.	Punches.
Cranes.	Riveters.
Drilling machines.	Saws.
Drop tables.	Shafting.
Forges.	Shapers.
Framing machines.	Slotters.
Furnaces.	Stationary engines.
Grinding and polishing machines.	Steam hammers.
Hoists.	Vices.
Hydraulic jacks.	Welding machines.
Lathes.	Woodworking machines.
Lifting magnets.	

NOTE A: The cost of powerplant machinery and other apparatus for shop purposes, when located in distinct buildings, shall be included in account 45, "Power-plant machinery."

NOTE B: The cost of foundations other than those special to particular machines and other apparatus shall be included in the cost of the building and not in this account.

45 Power-plant Machinery.

This account shall include the cost of machinery and other apparatus in power plants and substations for generating and transforming power used for the operation of trains and cars or to furnish power, heat, and light for stations, shops, and general purposes, and also the cost of foundations special to particular machines or other apparatus including the cost of installation.

ITEMS

Air compressors.	Metal stacks on boilers.
Ash-conveying machinery.	Refrigerating - machinery and apparatus.
Battery-charging apparatus.	Rotary converters.
Boiler-room appliances and tools.	Sewer connections for machinery.
Boilers and fittings.	Special foundations for machines.
Circuit breakers.	Steam - distribution systems within the plant.
Coal-conveying machinery.	Switchboards.
Condensers.	Tanks.
Cranes.	Tractors, trailers, and trucks, permanently assigned to power plants.
Draft machinery.	Transformers.
Dynamos.	Turbines.
Engine-room appliances and tools.	Water meters.
Feed water heaters.	Well pumps.
Furnaces.	
Ice-manufacturing machinery and apparatus.	
Lubricating devices.	
Mechanical stokers.	

NOTE A: The cost of power machinery and other apparatus installed in a shop as part of the shop equipment shall be included in account 44, "Shop machinery."

NOTE B: The cost of power machinery and other apparatus installed in station and office buildings shall be included in account 16, "Station and office buildings."

NOTE C: The cost of the buildings and the power machinery and other apparatus of plants used primarily for operating signals and interlockers shall be included in account 27, "Signals and interlockers."

NOTE D: The cost of foundations other than those special to particular machines and other apparatus shall be included in the cost of the building and not in this account.

NOTE E: The cost of machinery and buildings of detached plants for producing power both for operating purposes and for sale shall be included in this account and in account 29, "Power plants," respectively. When plants are intended and used primarily for generating power for sale to non carriers the investment shall be included in account 737, "Miscellaneous physical property."

Equipment

50 Equipment.

The several primary accounts included in this general account are designed to show the cost of the several classes of equipment owned by the carrier, or held under equipment trust agreements or other contractual obligations for purchase of the property.

51 Steam Locomotives.

This account shall include the cost of steam locomotives and tenders, purchased or built by the carrier, and of appurtenances, furniture, and fixtures necessary to equip them for service, including the cost of inspection, setting up, and trying out after receipt from builders, and transportation charges to the carrier's line.

LIST OF APPURTENANCES TO LOCOMOTIVES

Air-brake equipment and hose.	Metallic packing.
Arm rests.	Pneumatic sanding equipment.
Awnings.	Seat boxes.
Brake fixtures.	Signal lamps.
Cab cushions.	Speed recorders.
Cab lamps.	Steam-gauge lamps
Clocks.	Steam-heat equipment and hose.
Coal boards.	Storm doors.
Fire-extinguishing apparatus.	Tool boxes.
Gongs.	Train-signal equipment and hose.
Head lamps.	

52 Other Locomotives.

This account shall include the cost of locomotives other than steam, purchased or built by the carrier, and of appurtenances, furniture, and fixtures necessary to equip them for service, including inspection, setting up, and trying out after receipt from builders, and transportation charges to the carrier's line.

NOTE: Cars with motor equipment are not to be classed as locomotives.

53 Freight-train Cars.

This account shall include the cost of freight-train cars of all classes, including motor-driven cars, purchased or built by the carrier, including all appurtenances, furniture, and fixtures necessary to equip them for service, and the cost of inspection and transportation charges to the carrier's line.

LIST OF FREIGHT-TRAIN CARS

Ballast (commercial).	Gun truck.
Beer.	Hay.
Box.	Lime.
Cabin.	Logging.
Caboose.	Oil tank.
Charcoal.	Ore.
Coal.	Platform.
Coke.	Poling.
Dump (commercial).	Poultry.
Flat.	Produce.
Fruit.	Rack.
Furniture.	Refrigerator.
Gondola.	Stock.
Gondola (hopper).	Tank and water (when used as commercial cars).
Gondola (long).	

LIST OF APPURTENANCES TO FREIGHT-TRAIN CARS

Air-brake equipment, including hose.	Lamps and fixtures.
Cooking equipment and utensils.	Seats.
Heating equipment.	Speed recorders.
Ice boxes.	Train-signal equipment, including hose.
	Water tanks.

54 Passenger-train Cars.

This account shall include the cost of passenger-train cars of all classes, including motor-driven cars, purchased or built by the carrier, including all appurtenances, furniture, and fixtures necessary to equip them for service, and cost of inspection and transportation charges to the carrier's line.

LIST OF PASSENGER-TRAIN CARS

Baggage.
Baggage-express.
Baggage-mail.
Baggage-mail-express.
Buffet.
Café, chair and club.
Dining.
Express.
Library.
Mail.
Milk.
Observation.
Parlor.
Parlor-baggage.
Passenger.
Passenger-baggage.
Passenger-baggage-mail.
Postal.
Refrigerator-express.
Sleeping.
Smoking.
Tourist.

LIST OF APPURTENANCES TO PASSENGER-TRAIN CARS

Air-brake equipment, including hose.
Bedding.
Chairs.
Coat hooks.
Curtains and fixtures.
Cushions.
Electric bells.
Floor coverings.
Heating equipment.
Ice boxes.
Ice tanks.
Kitchen equipment and utensils.
Lighting equipment.
Mail catchers.
Parcel racks.
Ranges and boilers.
Seats.
Speed recorders.
Steam-heat hose.
Table china.
Table glassware.
Table linen.
Table silver.
Toilet equipment.
Train-signal equipment, including hose.
Water tanks.

56 Floating Equipment.

This account shall include the cost of marine or floating equipment of all kinds except work equipment, purchased or built by the carrier, including all appurtenances, furniture, and fixtures necessary to equip it for service, and cost of inspection and transportation charges to the carrier's line.

LIST OF FLOATING EQUIPMENT

Barges.
Canal boats.
Car and other floats.
Ferryboats.
Lighters.
Power launches.
Power lighters.
Scows.
Steamboats.
Steamships.
Transfer boats.
Tugboats.

LIST OF APPURTENANCES TO FLOATING EQUIPMENT

Anchors.
Barometers.
Beds and bedding.
Binnacle lamps.
Blocks and tackle.
Boilers and foundations.
Cables.
Capstan bars.
Charts.
China, crockery, and glassware.
Chronometers.
Compasses.
Desks and furniture.
Engines and foundations.
Fire buckets and extinguishers.
Floor coverings.
Gangplanks.
Heating equipment.
Hoisting equipment.
Kitchen equipment.
Life preservers.
Lighting equipment.
Linen.
Logs.
Machinery and foundations.
Masts.
Pianos and other musical instruments.
Pumps.
Railings.
Rigging.
Sails.
Scales.
Seats, chairs, and cushions.
Spyglasses and telescopes.
Steam distribution systems.
Steering equipment.
Ticket cases.
Tool boxes and tools.
Tracks on car floats.
Ventilating equipment.

57 Work Equipment.

This account shall include the cost of work equipment, including motor-driven equipment, purchased or built by the carrier; cost of appurtenances, furniture, and fixtures necessary to equip it for service, and cost of inspection and transportation charges to the carrier's line.

LIST OF RAIL WORK EQUIPMENT

Air-brake instruction cars.
Ballast cars.
Ballast unloader cars.
Boarding cars.
Bridge cars.
Business cars.
Camp cars.
Cinder cars.
Concrete mixers (mounted).
Derrick cars.
Dirt spreaders (mounted).
Ditching cars.
Dump cars.
Dynamometer cars.
Gas tank cars.
Grading cars.
Gravel cars.
Indicator cars.
Locomotive tanks used permanently as water cars.
Locomotives.
Officers' cars.
Outfit cars.
Painters' cars.
Pay cars.
Pile drivers (mounted).
Rail saws (mounted).
Salt cars.
Sanding cars.
Scale test cars.
Scraper cars.
Snow dozers.
Snow drags.
Snow plows (moved by but not attached to locomotives).
Sprinkling cars.
Steam shovels.
Steam wrecking derricks.
Supply cars.
Sweeper cars.
Tool cars.
Tool and block cars.
Water cars.
Weed burners (mounted).
Wrecking cars.

LIST OF FLOATING WORK EQUIPMENT

Derricks.
Dredges.
Pile drivers.

58 Miscellaneous Equipment.

This account shall include the cost of automobiles, and other highway vehicles.

General Expenditures

70 General Expenditures.

The primary accounts of this general account are designed to include expenditures made in connection with the acquisition and construction of original road and equipment, and with extension, additions, and betterments to road and equipment property, when such expenditures cannot properly be included in any of the foregoing accounts as a part of the cost of any specific work. When assignable, such expenditures shall be included in the cost of the property in connection with which the expenditures occur.

71 Organization Expenses.

This account shall include all fees paid to governments for the privilege of incorporation, and office and other expenditures incident to organizing the corporation and putting it in readiness to do business; cost of preparing and distributing prospectuses; special counsel fees; cost of preparing and issuing certificates of stock; cost of procuring the necessary certificates from State authorities; and other like costs necessary and proper in organizing the enterprise.

NOTE: Cost of soliciting for loans or for the sale of bonds or other evidences of indebtedness shall be charged to balance-sheet account 742, "Unamortized discount on long-term debt."

76 Interest During Construction.

(a) When any bonds, notes, or other evidences of indebtedness are sold, or any interest-bearing debt is incurred for acquisition and construction of original road and equipment, extensions, additions, and betterments, the interest accruing on the part of the debt representing the cost of property chargeable to road and equipment accounts (less interest, if any, allowed by depositaries on unexpended balances) after such funds become available for use and before the receipt or the completion or coming into service of the property so acquired shall be charged to this account.

(b) When such securities are sold at a premium the proportion of such premium assignable to the time between the date of the actual issuance of the securities and the time when the property acquired or the improvement made becomes available for service shall be credited to this account.

(c) This account shall also include such proportion of the discount and expense on funded debt issued for the acquisition of original road, original equipment, road extensions, additions, and betterments, as is equitably assignable to the period between the date of the actual issuance of securities and the time when the property acquired or the improvement made becomes available for the service for which it is intended. The proportion of discount and expense thus chargeable shall be determined by the ratio between the period prior to the completion or coming into service of the facilities or improvements acquired and the period of the entire life of the securities issued.

NOTE A: Interest on bonds, notes, or other evidences of indebtedness accruing before the proceeds from the sale of the securities become available for use shall not be included in this account, nor shall there be included any interest accruing after the property with respect to which the proceeds are expended is received or becomes available for use in connection with commercial service.

NOTE B: If any securities which have been issued or assumed by the carrier are sold or exchanged by or for the carrier for a consideration the actual money value of which at the time of such sale or exchange is less than the value of the securities at par and the accrued interest thereon, if any, the difference between the money value of the consideration received and the par value of the securities plus the accrued interest shall be deemed a discount. In no case (except as provided in the third paragraph of this account) shall discounts be included as part of the cost of anything charged to any account prescribed in this classification.

NOTE C: Whenever interest, premium, or discount assignable to the construction period is incurred in connection with an expenditure covered by some specific roads and equipment account or accounts, such interest, premium, or discount shall be charged directly to the specific accounts to which it is related.

NOTE D: This account shall not include interest during the construction period on the carrier's own funds expended in connection with the acquisition or construction of original road and equipment, extensions, additions, and betterments.

77 Other expenditures; general.

(a) This account shall include expenditures of a general nature which are attributable to original construction or important expansion of road but which cannot be assigned directly as part of the

cost of specific units or segments of property, and are not provided for in other primary accounts of this classification, such as pay and expenses of executive and general officers and their assistants engaged exclusively in connection with such construction, law expenses (other than organization expenses), stationery and printing, and taxes before property is used in transportation operations.

(b) An equitable portion of the amounts in this account applicable to retired property shall be cleared concurrently with the retirement accounting in accordance with Instruction 2-7(c); or the entire amount in this account may be charged off immediately when authorized by the Commission.

NOTE: Expenditures of the character described in account 71, "Organization expenses," which were incurred directly in organizing the corporation and can be identified as such in the corporate records of the company, are includible in that account.

Other Property Accounts

80 Other Elements of Investment.

(a) This account shall include amounts resulting from adjustment of the primary property accounts to conform with cost of property in the valuation records pursuant to instruction 2-19 of these rules; also similar adjustments attributable to reorganizations pursuant to instruction 2-15. The amount in this account shall be cleared on a consistent basis as property is retired from service or otherwise in accordance with the rules in paragraphs (b), (c), and (d) of this account. Any material amount in this account assignable to property previously retired from service shall be cleared immediately.

(b) When property is retired from service, an equitable portion of the balance in this account assignable to such property shall be cleared when the retirement entry is made. The amount so cleared, when a debit, shall be charged to account 551 "Miscellaneous income charges", or, when a credit, shall be recorded in account 519 "Miscellaneous income"; or such amount shall be included in account 570 "Extraordinary items", provided such amount, when combined with the related retirement loss, is sufficiently large to constitute an extraordinary item, pursuant to instruction 1-2 (d). The exception to this general rule with respect to a credit balance assignable to property retired is that when property classified as depreciable is retired from service and the balance in the depreciation reserve for such property is materially deficient, because of sudden retirement or other unusual cause, the portion of a credit balance cleared for the retirement, equal to the deficiency in the reserve, shall be applied to reduce the amount of loss otherwise chargeable to the depreciation reserve.

(c) A carrier may apply to the Commission for authority to clear the entire balance from this account immediately or amortize the balance over a short period of time by appropriate inclusion in account 616 "Other Debits to Retained Income", or account 606 "Other Credits to Retained Income". Any amount so authorized or directed by the Commission to be cleared and written off to retained income shall be in lieu of amounts includible in accounts indicated in paragraph (b).

(d) Other plans for clearance, disposition, or classification of a balance in this account in conformity with sound accounting principles may be submitted to the Commission with suitable details for consideration. This includes application for disposition of a balance in this account attributable to reduction of capitalization in a reorganization. An accounting procedure so applied for shall become effective only after Commission approval. Each carrier shall maintain a record of items initially included in and cleared later from this account and the basis used in computing such items.

NOTE: The amounts attributable to past mergers, consolidations and purchases of property included in this account 80 shall be merged with the adjustment made pursuant to paragraph (a) of this text.

90 Construction Work in Progress.

This account shall include expenditures incurred by the carrier in the process of constructing road and equipment with its own forces or under contract during the period prior to time property is placed in transportation operations, including cost of materials and supplies located at point of use and of necessary land acquired for such projects. When a project is completed or when a segment of a large project is completed and placed in service, the cost of the completed project or the completed segment thereof shall be transferred to the appropriate road and equipment primary accounts. Separate subaccounts may be maintained for road and for equipment or for other classes of expenditures. Expenditures for relatively unimportant projects may be included directly in primary accounts.

RAILWAY OPERATING REVENUE ACCOUNTS

Transportation Revenue Accounts

100 Transportation; Rail Line.

The primary accounts included in this general account are designed to show amounts of money which the carrier becomes entitled to receive or which accrue to its benefit from service rendered in transporting property or persons by rail line.

101 Freight.

(a) This account shall include revenue from the transportation of freight and from transit, stop, and reconsigning privileges, upon the basis of lawful tariff rates.

(b) This account shall include collections in excess of tariff charges, except where such amounts are segregated and held subject to refund. Charges found to be uncollectible on shipments for which service has been rendered shall be charged to this account.

(c) Proceeds derived from the sale of unclaimed and refused freight which has been transported in accordance with the contract of shipment shall be credited to this account in cases where such items can be readily identified. Uncollected tariff charges on such shipments shall be charged to this account.

ITEMS TO BE CREDITED

(a) Revenue upon the basis of local freight tariff rates, regardless of class of train in which the freight is transported.
(b) The carrier's proportion of revenue upon the basis of through freight tariff rates, regardless of class of train on which the freight is transported.
(c) Revenue from transportation of mail matter, and empty mail pouches, at freight tariff rates.
(d) Revenue from transportation of freight on special trains at rates based on weights of shipments.
(e) Revenue on basis of classifications and freight tariffs from transportation of caretakers of freight shipments.
(f) Revenue from reconsigning privileges.
(g) Revenue from stop privileges.
(h) Revenue from transit privileges.
(i) Revenue upon the basis of arbitraries out of freight rates for water transfers (ferriage, lighterage, and floatage).

ITEMS TO BE CHARGED

(a) Amounts paid as bridge and ferry arbitraries on freight.
(b) Amounts paid for completing a haul.
(c) Amounts paid for elevation of freight.
(d) Amounts paid for switching services, in connection with the transportation of freight, on the basis of switching tariffs, and allowances out of through rates, including amounts paid for switching empty cars in connection with a freight revenue movement.
(e) Amounts paid for transferring freight between stations.
(f) Arbitraries and allowances to others for lighterage and wharfage.
(g) The carrier's proportion of overcharges resulting from the use of erroneous rates, weights, classifications or computations.
(h) The carrier's proportion of refunds on account of errors in routing and billing.
(i) The carrier's proportion of uncollected revenue on freight lost or destroyed in transit.
(j) The carrier's proportion of uncollected tariff charges on damaged shipments for which charges neither shipper nor consignee is liable.
(k) Amounts paid on basis of tariff rates for loading and unloading livestock.

NOTE A: Amounts paid for switching empty cars otherwise than in connection with loaded movements shall be charged to operating expense account 411, "Other expenses," except that amounts paid for switching equipment for repairs shall be included in the appropriate equipment repair accounts.

NOTE B: Other carriers' proportion of revenue and of uncollectible undercharges paid by the carrier on account of its errors in routing and billing shall be charged to operating expense account 411, "Other expenses."

NOTE C: Other carriers' proportion of revenue paid by the carrier on freight lost, destroyed, or damaged in transit, for which neither consignees nor consignors are liable shall be charged to operating expense account 418, "Loss and damage—Freight."

NOTE D: When a lessee company transports freight over the tracks of another carrier on the basis of a proportion of revenues under a joint arrangement, it shall include the entire compensation in its revenues and statistics, charging the appropriate joint facility ex-

pense and rental accounts with the amounts paid the lessor company, and the lessor company shall credit the corresponding accounts.

NOTE E: The accrued revenue derived from the transportation of cream, sweet milk, etc., on a basis of lawful tariffs at rates per package, regardless of weights, shall be included in account 109, "Milk."

NOTE F: Revenue from the transportation of caretakers of freight shipments, when not included as a part of the freight charges on the waybill covering the freight shipments, shall be credited to account 102, "Passenger."

NOTE G: This account shall be maintained so as to show separately payments and allowances (a) to railway express agencies, (b) to motor truck companies and others, and (c) to shippers and consignees, for terminal collection and delivery services when performed in connection with line haul transportation of freight on the basis of freight tariff rates; also (d) payments for switching services when performed in connection with line haul transportation of freight on the basis of switching tariffs and allowances out of freight rates, including the switching of empty cars in connection with a revenue movement, and (e) payments on basis of tariff rates for loading and unloading livestock.

102 Passenger.

This account shall include the revenue from transportation of passengers at passenger tariff fares; from the transportation of passengers at special fares as provided by law, and from incidental charges in connection therewith.

ITEMS TO BE CREDITED

(a) Revenue from local passenger fares.
(b) The carriers' proportion of revenue from interline passenger fares.
(c) Revenue from extra fares.
(d) Revenue from additional fares or charges for exclusive use of a passenger car, drawing room, compartment, bedroom, etc.
(e) Revenue from mileage and scrip coupons honored for all services covered by this account.
(f) Revenue from transportation of passengers in special cars or on special trains when charge is based on passenger fare per capita, regardless of the number of passengers actually transported.
(g) Revenue from a guaranteed minimum amount not based on per capita fare, for transportation of passengers on special or chartered trains.
(h) Cash fare penalty collections.
(i) Unclaimed collections and deposits for transportation of passengers.
(j) Passenger fare overcharges.
(k) Revenue from transportation of corpses, based on passenger fares.
(l) Revenue from water transfers (ferriage), bridge tolls, and transfers between railway stations or between railway stations and docks, received as arbitraries in division of passenger fares.

ITEMS TO BE CHARGED

(a) Amounts paid as bridge tolls, and also for ferry, depot to depot and depot to dock passenger transfer service.
(b) Amounts paid for switching in completing a passenger transportation movement.
(c) Amounts paid for switching empty passenger-train cars in connection with transportation of passengers. (See Note C.)
(d) Redemptions of unused and partially unused local tickets and redemptions of carrier's proportions of unused and partially unused interline tickets.
(e) Refund of extra fares, cash fare penalty collections, and overcharges in excess of tariff fares.
(f) Uncollectible undercharges.

NOTE A: Gross receipts from the sale of mileage tickets, and scrip books shall be credited to a suspense account. The suspense account shall be charged and this account credited with the value of coupons as honored, in connection with any of the services provided for in "Items To Be Credited."

NOTE B: When a lessee company transports passengers over the tracks of another company under a joint arrangement upon the basis of a proportion of the passenger revenue, it shall include the entire compensation in its passenger revenue and statistics, charging the appropriate joint facility expense and rental accounts with the amounts paid the lessor company and the lessor company shall credit the corresponding joint facility accounts.

NOTE C: Amounts paid for switching empty passenger-train cars otherwise than in connection with loaded movements, shall be charged to account 411, "Other expenses," except that when switched for repairs, the amounts paid shall be included in account 317, "Passenger-train cars—Repairs."

NOTE D: Revenue from the transportation of automobiles, with or without trailers, in freight service, in connection with the transportation of passengers, also revenue from loading and unloading automobiles at point of origin, destination, or enroute, shall be credited to account 101, "Freight."

103 Baggage.

This account shall include the revenue from the transportation of baggage, packages, baby carriages, bicycles, household pets, dogs, etc., on passenger trains at other than freight or express tariff rates.

LIST OF ITEMS

(a) Revenue from transportation of baggage in excess of free allowances.
(b) Revenue from transportation of packages, baby carriages, bicycles, household pets, dogs, etc., at baggage tariff rates.
(c) Revenue from transportation of baggage or other articles based upon excess value.
(d) Revenue from transportation of baggage when passenger does not make corresponding trip.
(e) Revenue from excess weight of corpses based on baggage tariff charges and from special charges for transferring corpses between depots.
(f) Revenue from scrip coupons honored for any of the above-mentioned service. (See Note B.)
(g) Overcharges on baggage transactions.
(h) Revenue from transportation of emergency shipments and articles based on double gross weight, etc.
(i) Amounts received specifically to cover movement of special or chartered baggage cars including transportation of attendants regardless of whether the charge is based upon passenger tariff fares, a stated minimum, or any other basis. This includes box cars when used for baggage service.
(j) Revenue from issuing duplicate baggage checks.

NOTE A: Revenue derived from transportation of shipments of silk, fish, etc., in passenger trains at freight rates, shall be included in account 101, "Freight."

NOTE B: Amounts of refunds, uncollectible undercharges, etc., involved in these credits, shall be charged to this account.

NOTE C: Gross receipts from the sale of baggage scrip books shall be credited to a suspense account. The suspense account shall be charged and this account credited with the value of the coupons as honored for any of the services covered by this account.

104 Sleeping Car.

This account shall include the revenue from berth and seat accommodations furnished in sleeping cars on the basis of berth or seat rates for the space occupied.

105 Parlor and Chair Car.

This account shall include the revenue from seat accommodations furnished in parlor, observation, chair, and other special passenger cars when operated in passenger-train service or in special-train service at seat rates for space occupied.

106 Mail.

This account shall include the revenue from the transportation of mail at established rates for specified routes; from the use of railway post-office cars when in carrier's service transporting mails; from the use of special mail facilities; and from bonuses for special mail transportation. To this account shall be charged fines and penalties imposed by the Government when not collected from agents or employees.

NOTE: The revenue from the transportation of mail matter and empty mail pouches on freight trains at freight tariff rates shall be included in account 101, "Freight."

107 Express.

This account shall include the revenue from transportation of express matters and from use of facilities on trains and at stations incident to such transportation. When a railway company transacts an express business through its regular railway organization, the revenue therefrom shall be credited to this account.

NOTE: When contracts for express privileges provide specific amounts for the rent of facilities at stations, such amounts shall be included in revenue account 142, "Rents of buildings and other property."

108 Other Passenger-train.

This account shall include the revenue derived from the operation of passenger trains not provided for elsewhere.

LIST OF ITEMS

(a) The carrier's proportion of contract revenue derived from the operation over its line of sleeping, parlor, chair, observation, and other special passenger-train cars, owned and operated by companies other than The Pullman Company.
(b) Value of portions of mileage tickets or coupons, scrip books or coupons, including baggage, circus and show scrip, unpresented and unredeemed.
(c) Revenue from transportation of newspapers at local tariff rates or at proportions of interline tariff rates.

(d) Revenues receivable from States, cities, and other governmental agencies as direct grants or aid for providing passenger commuter or other passenger-train service. The amounts recorded in this account shall not include aid in the form of abatement or forgiveness of taxes, assumption by local governments of station maintenance costs, and other similar special indirect benefits, contributed by governmental agencies.

109 Milk.

This account shall include the revenue from the transportation of cream, sweet milk, skim milk, sour milk, buttermilk, condensed milk, butterfat, and smearcase or pot cheese, upon the basis of lawful tariffs at rates per package, regardless of weights.

NOTE: The revenue from the transportation of milk upon the basis of lawful tariffs at rates per specified weights shall be included in revenue account 101, "Freight."

110 Switching.

(a) This account shall include the revenue from switching service upon the basis of lawful tariff rates. To this account shall be credited the carrier's revenue upon the basis of tariff rates, or the carrier's allowance out of through rates, from the switching of cars of all kinds, loaded or empty, either locally at a station or within a switching district, between connecting lines, between local industries, or between connecting lines and local industries; revenue upon the basis of distinct tariff rates for "trap-car" and "ferry-car" service and for spotting cars; also the revenue from interwork switching at industrial plants, and the revenue from "penalty switching" incident to the improper delivery of cars by other carriers.

(b) To this account shall be charged amounts paid others for switching when such switching service is provided for in the switching rate charged by the carrier.

NOTE: "Penalty switching" charges paid by the carrier shall be included in expense account 411, "Other expenses."

113 Water Transfers.

(a) This account shall include the revenue, from the transfer by water (ferriage, lighterage, and floatage) of passenger, freight, vehicles and livestock, upon the basis of lawful local tariff rates.

(b) This account also shall include revenue from water transfers of other traffic, such as the revenue from towing beyond lighterage limits and all other towing for which an extra charge is made; insurance of freight afloat when billed out at other than cost; storage of freight afloat; grain overage in boats; pumping performed for outside parties; and from other similar sources.

(c) To this account shall be charged amounts payable to other companies or individuals for extra lighterage, extra towing, and for all other service when such payments represent revenue collected and credited to this account and not a direct expense.

NOTE: No revenue shall be included in this account for water transfers of passengers or shipments upon the basis of arbitraries out of rates for transportation involving rail line haul.

Incidental Revenue Accounts

130 Incidental.

The primary accounts included in this general account are designed to show the amounts which the carrier becomes entitled to receive from services rendered incidentally with rail-line and water-line transportation, for the use of facilities of which the expenses for operation and maintenance are not separable from railway expenses, and from incidental sources not provided for elsewhere.

131 Dining and Buffet.

This account shall include the revenue from dining and buffet service on trains and transfer boats.

ITEMS TO BE CREDITED

(a) Revenue from lunches furnished.
(b) Revenue from meals furnished.
(c) Revenue from liquors furnished.
(d) Revenue from tobacco furnished.
(e) Revenue from cigars and cigarettes furnished.

132 Hotel and Restaurant.

This account shall include the revenue from hotels, restaurants, and station lunch counters.

ITEMS TO BE CREDITED

(a) Revenue from the rent of rooms.
(b) Revenue from the use of baths.
(c) Revenue from the use of billiard tables.
(d) Revenue from the use of bowling alleys.
(e) Revenue from lunches furnished.
(f) Revenue from meals furnished.
(g) Revenue from liquors furnished.
(h) Revenue from tobacco furnished.
(i) Revenue from cigars furnished.
(j) Revenue from cigarettes furnished.
(k) Revenue from newspapers furnished.
(l) Revenue from periodicals furnished.
(m) Revenue from tonsorial service.
(n) Revenue from laundry work.

NOTE: This account shall not include the revenues from hotels and restaurants which are entirely distinct from the carrier's transportation plant and the cost of which is included in balance-sheet account 737, "Miscellaneous physical property."

133 Station, Train, and Boat Privileges.

This account shall include revenue from weighing, vending, and other automatic machines located at stations; from advertising at stations and on trains and on transfer boats; from the privilege of operating news stands at stations and selling papers, periodicals, fruit, etc., on trains and on transfer boats; from telephone companies for the privilege of installing and operating commercial telephones at stations; from the operation of eating houses and dining and buffet service on trains and transfer boats when such operation is conducted by individuals or companies other than railway companies and when the expenses incurred by the carrier in connection therewith are not separable from its regular operating expenses; and from similar sources.

135 Storage; Freight.

This account shall include the revenue from the storage of freight.

137 Demurrage.

This account shall include the revenue from the detention of cars incident to loading, unloading, reconsigning, and stops in transit upon the basis of lawful tariffs for demurrage.

138 Communication.

This account shall include the revenue from commercial operation of telegraph, telephone, radio, and all other forms of communication systems. It shall also include amounts received from commercial operators of such systems, whether as a proportion of earnings or otherwise, for the privilege of transacting business in offices along the carrier's lines, but only when the carrier furnishes some service of employees whose pay is included in its operating expenses.

139 Grain Elevator.

This account shall include the revenue from the operation of grain elevators.

ITEMS TO BE CREDITED

(a) Revenue from the elevation of grain.
(b) Revenue from the storage of grain.
(c) Revenue from bagging grain.
(d) Revenue from screening grain.
(e) Revenue from blowing grain.
(f) Revenue from cooling grain.
(g) Revenue from clipping grain.
(h) Revenue from cleaning grain.
(i) Revenue from mixing grain.
(j) Revenue from transferring grain in elevators.
(k) Revenue from loading grain into and unloading grain from boats not covered by elevation charges.
(l) Revenue from trimming grain in boats when performed by elevator employees.
(m) Revenue from the sale of screenings and sweepings.
(n) Revenue from inspecting grain in elevators.

141 Power.

This account shall include the revenue from the sale of electric current and other power.

142 Rents of Buildings and Other Property.

This account shall include the revenue from the exclusive use of buildings and other property or portions thereof, such as depot and station grounds and buildings, general and other offices, wharves, ferry landings, elevators, stockyards, fuel yards, enginehouses, repair shops, and section and other houses, when the property is operated and maintained in connection with the property used in the carrier's transportation operations and the expenses of maintaining and operating the rented portion cannot be separated from the expenses of that portion used by the carrier.

NOTE: When the expenses of maintaining and those of operating property rented to others are separable, the rents received shall be credited and the expenses of maintenance and operation shall be charged to appropriate income accounts.

143 Miscellaneous.

This account shall include the revenue from railway operations not provided for elsewhere.

LIST OF ITEMS

(a) Amounts received for privilege of cutting hay along the right of way.
(b) Commissions received for collecting premiums on insurance policies from employees and installment payments for books, watches, etc., sold by dealers to employees.
(c) Profit from jobbing and installing electric power lines for others.
(d) Revenue from boat demurrage.
(e) Revenue from freight and passenger privileges over a carrier's wharves and docks.
(f) Revenue from garnishee fees.
(g) Revenue from operation of coal and ore wharves, cold-storage plants, coal-storage plants, cotton-compress plants, and wood-preserving plants.
(h) Revenue from privilege of mooring and anchoring boats at wharves and docks.
(i) Revenue from the sale of cinders produced by carrier.
(j) Revenue from use of carrier's bridges by pedestrians, streetcar lines, vehicles, etc.
(k) Revenue from temporary use of carrier's tracks for detouring trains, etc.
(l) Revenue from use of tracks incident to delays in loading or removing freight.
(m) Revenue from water furnished boats from water stations operated by the carrier.
(n) Revenue from weighing cars.
(o) The carrier's proportion of gross revenue from operation of clergy bureaus.
(p) The carrier's proportion of gross revenue from operation of ticket validation agencies.
(q) Collections made by station ushers (Red Caps) for the handling of passenger baggage.
(r) Revenue from loading and unloading livestock in transit by railroad, and from feeding, watering, bedding, shearing, dipping, inspecting, and otherwise caring for such stock.
(s) Revenue from operation of parcel rooms, and from storage of baggage.

NOTE: When a bridge of one carrier is jointly used by itself and another carrier and such use is paid for on the basis of flat rent or charge per train-mile or toll per passenger, per ton, or per car, the compensation therefor shall be credited to the appropriate joint facility, operating expense, and income accounts.

JOINT FACILITY REVENUE ACCOUNTS

150 Joint Facility.

The primary accounts included in this general account are designed to show the carrier's proportion of revenues collected by others in connection with operation of joint facilities and the amount payable by the carrier to other companies from operation of joint facilities.

151 Joint Facility—Cr.

This account shall include the carrier's proportion of revenue collected by others in connection with the operation of joint tracks, yards, terminals, and other facilities, including revenue from hotels, restaurants, grain elevators, sale of power, and other miscellaneous operations.

NOTE A: The purpose of this account is to show the amounts of revenue from the operation of joint tracks, yards, terminals and other facilities operated by other companies, which under existing contracts or agreements are credited by the operating company to the tenant companies which participate therein. The bill rendered by any creditor company against a debtor company for the latter's proportion of the expense of maintenance and operation of joint facilities, which includes also a credit covering a proportion of the revenue to be paid over, shall show the distribution of the credit for such proportion of the revenue separately from the distribution of the expense of operation.

NOTE B: No credits shall be made to this account representing amounts creditable by the operating company to primary accounts 101 to 109, 113 and 131.

152 Joint Facility—Dr.

This account shall include that proportion of revenue from the operation of joint tracks, yards, terminals, and other facilities, which is creditable to other companies, including revenue from hotels, restaurants, grain elevators, sale of power, and other miscellaneous operations.

NOTE A: The purpose of this account is to show the amount of revenue from operation of a terminal company or other carrier which, under the terms of existing contracts or agreements covering the joint use of tracks, yards, and other facilities, is credited to other carriers that participate in the benefits from such joint use. The bill rendered by a creditor company against a debtor company for the latter's proportion of expense of maintaining and operating joint facilities, which includes a credit covering the debtor company's proportion of the revenues from operation of such joint facilities, shall indicate separately the proper distribution of both the revenues and the expenses included in the bill, and such distribution shall be adhered to by the debtor.

NOTE B: No debits shall be made to this account representing amounts creditable by the operating company to primary accounts 101 to 109, 113 and 131.

RAILWAY OPERATING EXPENSE ACCOUNTS

Maintenance of Roadway and Structures

200 Maintenance of Way and Structures.

The primary accounts included in this general account are designed to show the expenses of maintaining road property devoted to railway operations, with the exception of shop machinery, power plant machinery, and power plant apparatus, the expenses of maintaining which are includible in general account 300, "Maintenance of equipment." The accounts for maintenance of way and structures shall be kept in such manner as to show separately, by primary accounts, the expenses directly assignable to sleeping car operations, dining and buffet service, hotels and restaurants, grain elevators, stockyards, producing power sold, and other miscellaneous operations.

201 Superintendence.

This account shall include:

(a) *Pay of officers.* The pay of officers directly in charge of or engaged in the maintenance of roadway and structures.

LIST OF OFFICERS

Vice president.
Assistant vice president.
General manager; Assistant.
General superintendent; Assistant.
Chief engineer.
Engineer.
Division engineer.
Bridge engineer.
Chief signal engineer.
Assistant engineers.
Architect.
Roadmaster; Assistant.
Master carpenter; Assistant.
Master mason.
Superintendent of roadway structures.
Superintendent of scales.
Inspector of maintenance.
Building inspector.
Inspector of roadway stores.
Supervisor; Assistant.
Fire Chief.
Fire inspector.
Sanitary inspector.

(b) *Pay of clerks and attendants.* The pay of clerks and other employees in the offices and on the business cars of officers whose pay is chargeable to this account.

LIST OF EMPLOYEES

Chief clerk and other clerks and stenographers.
Draftsmen, transitmen, levelmen, rodmen and chainmen.
Janitors, messengers, cooks, and porters.

(c) *Office and other expenses.* Office expenses and other expenses of officers and employees whose pay is chargeable to this account; also amounts paid detective agencies; and others for investigations in connection with maintenance of way and structures.

GENERAL EXPENSE AND SUPPLIES

Atlases, maps, and books for office use.
Business car service.
Fees and dues in associations.
Furniture repairs and renewals.
Heating, lighting and power.
Official train service.
Periodicals and newspapers.
Provisions for business cars.
Rent and repairs of offices.
Telegraph and telephone service.
Traveling expenses.
Water and ice.

SUPPLIES FOR TECHNICAL ASSISTANTS

Barometers.
Cameras, and compasses.
Camp equipage.
Chains for surveyors.
Drafting boards and instruments.
Field glasses, magnets, and magnifiers.
Marking chalk.
Papers, blue-print.
Planimeters.
Plummets.
Protractors.
Ranging poles.
Reading glasses.
Rods for surveyors.
Sextants.
Slide rules.
Telescopes, and thermometers.
Transits, traverse tables, triangles, and tripods.
Other supplies.

NOTE A: When employees designated above are specifically assigned to construction work, their pay and expenses while thus employed shall be charged to the work upon which engaged.

NOTE B: When officers designated above have supervision over more than one department, their salaries, the pay of their clerks and attendants and their office and other expenses shall be apportioned equitably among the departments over which they have jurisdiction.

NOTE C: No part of the pay and expenses of the officers and employees designated above shall be charged to other primary accounts under account 200, "Maintenance of way and structures."

NOTE D: The cost of stationery for maintenance of way and structures offices is chargeable to account 276, "Stationery and printing."

202 Roadway Maintenance.

This account shall include:

(a) *Care of roadbed.* The cost of repairing roadbed.

ITEMS OF EXPENSE

Blasting rocks.
Building temporary tracks around slides and washouts.
Repairing and cleaning tile ditches, open ditches, and drains.
Crowning track ties with retaining earth.
Filling borrow and cattle pits.
Keeping tracks clear and repairing sub-grade in case of washouts.
Landscape gardening along roadway.
Oiling roadbed.
Post driving and pressure grouting to promote stability of roadbed.
Removing temporary tracks around slides and washouts.
Removing dangerous rocks.
Removing slides.
Repairing roadbed damaged by washouts.
Restoring roadbed, cuts, fills, and embankments to standard width.
Sloping cuts.
Sodding roadway.

NOTE A: The cost of drains or sewers laid under tracks shall be included in account 208, "Bridges, trestles, and culverts." The cost of landscape gardening within the limits of the grounds around buildings shall be included in the appropriate repair accounts for buildings.

(b) *General cleaning.* The cost of cutting, removing, and disposing of brush, grass, and weeds from the right of way; plowing and digging fireguards; dressing ballast and cutting sod lines; removing miscellaneous scrap, drift, cinders, dirt, and other material from right of way and from road and terminal tracks (including tracks at stations, engine yards, and car yards); and cleaning streets used as roadways.

NOTE B: Loading ashes at engine-yard tracks shall be charged to the engine-house expense accounts.

(c) *Watching roadway.* The cost of extinguishing fires on right of way and adjacent thereto, and of walking, watching, and patrolling tracks and right of way.

NOTE C: The cost of watching and patrolling bridges, buildings, and miscellaneous property is provided for in accounts specifically relating to such property.

(d) *Bank protection.* The cost of repairs to riprap, piling, dikes, piers, breakwaters, revetments and retaining walls, which were placed or constructed for bank protection.

(e) *Train service.* The cost of work-train service in connection with work pertaining to roadway maintenance.

(f) *Track changes.* The cost of roadway work in connection with taking up and relocating tracks.

(g) *Other expenses.* The cost of roadway work not provided for elsewhere, such as official roadway inspection train service and premiums in connection with roadway maintenance.

NOTE D: Tools and supplies used by repairmen and watchmen in roadway maintenance service shall be charged to account 271, "Small tools and supplies."

206 Tunnels and Subways.

This account shall include the cost of repairing, ventilating, lighting, and watching tunnels and subways for the passage of trains, and the cost of special tools and supplies furnished in connection with the work.

NOTE: The cost of repairs to signals and to roadway and tracks in tunnels shall be charged to the appropriate maintenance of way accounts and not to this account.

208 Bridges, Trestles, and Culverts.

This account shall include the cost of repairing (including fuel and supplies used) and watching bridges, trestles, and culverts, including altering and bracing during process of filling, dredging and cleaning water channels for protection, and cleaning culverts. The bridges, trestles, and culverts referred to in this account include only structures which carry the carrier's own tracks.

DETAILS OF BRIDGE STRUCTURES

Abutments.
Bridge signs.
Cofferdams.
Concrete and masonry ends for culverts.
Cribs.
Decking, including gravel for fire protection.
Dike protection.
Drainage systems.
Draw protection.
Drawbridge engines and machinery.
False work.
Guard timbers.
Ice breakers.
Painting.
Pier protection.
Piers and foundations.
Pipe culverts.
Retaining walls.
Riprap around abutments.
Riprap at culvert ends.
Supports.
Water channels.
Waterproofing.
Wing dams.
Wing walls.

NOTE: When a part of the entire structure of a bridge or trestle is converted, by filling into an earth embankment, the ledger value of the structure, or of the portion thereof filled, shall be credited to road and equipment account 6, "Bridges, trestles, and culverts." In case the bridge is used in lieu of a temporary trestle for the purpose of filling, the estimated cost of such a temporary trestle shall be charged to road and equipment account 3, "Grading." The ledger value of the structure, or portion thereof, filled, less the value of the salvage and the estimated cost of trestle charged to road and equipment account 3, "Grading," shall be charged to account 735, "Accrued depreciation—Road and equipment."

210 Elevated Structures.

This account shall include the cost of repairing elevated structures and foundations of elevated railway systems.

212 Ties.

This account shall include the cost of cross, switch, bridge, and other track ties used in repairs of tracks.

NOTE A: The cost of labor for unloading, distributing, and putting ties in tracks, the cost of work-train service in connection with the distribution of the ties laid, and the cost of picking up and concentrating or disposing of the ties released shall be charged to account 220, "Track laying and surfacing."

NOTE B: The excess cost of metal ties applied in place of wooden ties over the cost at current prices of replacing in kind the wooden ties removed shall be charged to road and equipment account 8, "Ties."

NOTE C: The cost of ties used for repairs of tracks in quarries and ballast pits shall be included in the appropriate clearing accounts, and of ties used for repairs of tracks on car floats in account 323, "Floating equipment—Repairs."

214 Rails.

This account shall include the cost, less salvage, of rails used in the repairs of tracks; also the cost (estimated if actual is not known) of the excess in weight of heavy rails removed and lighter rails applied in repairs of tracks.

NOTE A: The cost of labor for unloading, distributing and putting rails in tracks, the cost of work-train service in connection with the distribution of the rails laid, and the cost of picking up and concentrating the rails released shall be charged to account 220, "Track laying and surfacing."

NOTE B: The cost of the excess weight of heavier rails applied in repairs of tracks in replacement of lighter rails shall be included in account 9, "Rails."

NOTE C: The cost of rails used for repairs of tracks in quarries and ballast pits shall be included in the appropriate clearing accounts and of rails used for repairs of tracks on car floats to account 323, "Floating equipment—Repairs."

216 Other Track Material.

This account shall include the cost (less salvage) of all track material used in the repairs of tracks, other than ballast, ties, and rails.

ITEMS OF EXPENSE

Angle bars.
Anticreepers.
Connecting rods.
Derails.
Frog and guard-rail blocking.
Frogs.
Guard-rail clamps.
Guard-rail fasteners.
Guard rails.
Main rods.
Nut locks.
Nuts.
Offset bars.
Rail braces.
Rail chairs.
Rail clips.
Rail joints.
Rail rests.
Rail shims.
Rail splices.
Splice bars.
Step chairs.
Switch chairs.
Switch crossings.
Switch lamps.
Switch locks and keys.
Switch points.
Switch stands.
Switch-stand bolts.
Switch targets.
Switches.
Tie plates.
Tie plugs.
Tie-rods.
Track bolts.
Track insulators.
Track spikes.

NOTE A: The cost of labor and train service for distributing, unloading, and applying "other track material" used, and the cost of picking up and concentrating the material released shall be charged to account 220, "Track laying and surfacing."

NOTE B: The excess cost of improved or heavier track material applied for repairs of tracks, under a definite plan of changing standards, over the cost, at current prices, of material of the same weight and quality as that released, shall be charged to road and equipment account 10, "Other track material."

NOTE C: The cost of "other track material" used for repairs of tracks in quarries and ballast pits shall be included in the appropriate clearing accounts, and of such track materials used for repairs of tracks on car floats in account 323, "Floating equipment—Repairs."

218 Ballast.

This account shall include the cost of gravel, stone, slag, cinders, sand, and like ballast material used in the repairs of tracks, including the cost of work-

train service and of unloading the material. When the ballast taken from a pit is not sufficient to justify the opening of a clearing account, the cost of gravel and quarry rights and cost of sinking test holes shall be included in this account.

NOTE A: The cost of loading cinders at ash pits shall be charged to account 388, "Enginehouse expenses—Yard," or to account 400, "Enginehouse expense—Train." No charge to cover the value of cinders accumulated by the carrier shall be included in this account.

NOTE B: The cost of labor putting ballast in tracks shall be included in account 220, "Track laying and surfacing."

NOTE C: The excess cost of ballasting tracks over the cost of replacing in kind to its maximum height and width the ballast previously put in the roadbed shall be charged to road and equipment account 11, "Ballast."

NOTE D: Earth placed to form a crown in the middle of the track is not to be considered as ballast.

NOTE E: The cost of ballast used for repairs of temporary tracks, such as gravel pit or quarry tracks, shall be included in the appropriate clearing accounts.

220 Track Laying and Surfacing.

This account shall include:

(a) *Applying ballast.* The cost of labor expended in preparing the roadbed, and applying ballast for repairs of tracks.

(b) *Applying ties.* The cost of labor expended in unloading, distributing and applying ties for repairs of tracks; in gathering up and disposing of the ties released; and in respacing ties.

(c) *Applying rails.* The cost of labor expended in unloading, distributing, cutting, slotting, drilling, adzing for, and laying rails for repairs of tracks; in gathering up and loading rails released; and in adjusting for expansion and contraction of rails.

(d) *Applying other track material.* The cost of labor expended in unloading, distributing, and applying other track material for repairs of tracks; and the cost of gathering up and loading the material released.

(e) *Track maintenance.* The cost of labor expended in alining, surfacing, gauging, and shimming tracks; in tightening track bolts and track spikes; in restoring rails, ties, and ballast in case of washouts, derailments, and wrecks; and in taking up tracks.

(f) *Train service.* The cost of work-train service (except work trains distributing ballast material) in connection with work pertaining to track laying and surfacing.

(g) *Track changes.* The cost of track work (exclusive of the cost of track material) in taking up and relocating tracks.

(h) *Other expenses.* The cost of track laying and surfacing work not provided for elsewhere, and expenses, such as repairing and replacing rail rests, official track inspection train service, and premiums in connection with track repairs.

NOTE: Tools and supplies used by track repairmen and watchmen shall be charged to account 271, "Small tools and supplies."

221 Fences, Snowsheds, and Signs.

This account shall include:

(a) *Fences.* The cost of repairing right-of-way fences and snow and sand fences, farm gates, cattle guards, wing fences, aprons, and hedges, excluding those around stockyards, fuel stations, station and shop grounds, and building sites.

(b) *Snowsheds.* The cost of repairing snowsheds, including cost of replacing trees for protecting tracks from snow.

(c) *Signs.* The cost of repairing signs other than those for identification of bridges, signals, stations, and other structures. (For items of signs see account 13, "Fences, snowsheds, and signs.")

NOTE A. The cost of repairing fences (other than right-of-way boundary fences) around stockyards, fuel and water stations, and other building sites, shall be charged to the accounts appropriate for the cost of repairs of the structures.

NOTE B: The cost of repairing signs for identifying bridges, signals, stations, and other structures shall be included in the account appropriate for the cost of repairs of the structures.

NOTE C: The cost of repairing crossing signals, including crossing gates, shall be included in account 249, "Signals and interlockers."

227 Station and Office Buildings.

(a) This account shall include the cost of repairing station and office buildings, fixtures, and appurtenances (including those for heating and lighting), used by the carrier in its operations; also the cost of maintaining grounds appurtenant to such buildings.

(b) A list of stations and office structures and appurtenances appears in property account 16, "Station and office buildings."

NOTE: Incidental cleaning, including the cost of cleaning snow from roofs, when done by station or office employees, shall not be included in this account.

229 Roadway Buildings.

(a) This account shall include the cost of repairing roadway shops and other roadway buildings, including drainage, water, gas, and sewer pipes and their connections, machinery and other apparatus, fixtures, and furniture in the buildings; also the cost of maintaining the grounds appurtenant to such buildings.

(b) A list of roadway structures appears in property account 17, "Roadway buildings."

NOTE A: The cost of repairing signal and interlocker buildings and their appurtenances shall be included in account 249, "Signals and interlockers."

NOTE B: Incidental cleaning, including the cost of cleaning snow from roofs, when done by employees regularly working in the buildings, shall not be included in this account.

231 Water Stations.

(a) This account shall include the cost of repairing water stations, fixtures, and appurtenances used by the carrier in its operations, and the cost of maintaining the grounds appurtenant to such stations.

(b) A list of water stations and appurtenances appears in property account 18, "Water stations."

NOTE: Incidental cleaning, including the cost of cleaning snow from roofs, when done by water station employees, shall not be included in this account.

233 Fuel Stations.

(a) This account shall include the cost of repairing fuel stations, fixtures, and appurtenances used by the carrier in its operations, and the cost of maintaining the grounds appurtenant to such stations.

(b) A list of fuel station structures and details appears in property account 19, "Fuel stations."

NOTE: Incidental cleaning, including the cost of cleaning snow from roofs, when done by fuel station employees, shall not be included in this account.

235 Shops and Enginehouses.

(a) This account shall include the cost of repairing shop and enginehouse buildings, fixtures, and appurtenances used by the carrier in repairing and preparing equipment, and the cost of maintaining the grounds appurtenant to such buildings.

(b) A list of shop and enginehouse structures and details appears in property account 20, "Shops and Enginehouses."

NOTE A: The cost of repairing machinery and other apparatus, including special foundations in shops for maintenance of equipment shall be included in account 302, "Shop machinery."

NOTE B: Incidental cleaning, including the cost of cleaning snow from roofs, when done by shop employees, shall not be included in this account.

237 Grain Elevators.

(a) This account shall include the cost of repairing structures for the transfer, treatment, and storage of grain, including conveyors, machinery and fixtures; also the cost of maintaining the grounds appurtenant to such buildings.

(b) The buildings referred to in this account are large elevators in which a regular grain business is handled or grain is stored for various owners.

NOTE A: Small storage elevators at way stations, where the freight is received for shipment, etc., are classed as station buildings.

NOTE B: Incidental cleaning, including the cost of cleaning snow from roofs, when done by grain elevator employees shall not be included in this account.

239 Storage Warehouses.

This account shall include the cost of repairing storage warehouses, including machinery and fixtures therein; also the cost of maintaining the grounds appurtenant to such warehouses. The buildings referred to in this section are not the ordinary freight warehouses or stations where freight is received for shipment, etc., but are warehouses in which merchandise is stored and which the carrier operates as storage warehouses.

NOTE: Incidental cleaning, including the cost of cleaning snow from roofs, when done

by storage warehouse employees, shall not be included in this account.

241 Wharves and Docks.

(a) This account shall include the cost of repairing wharves located at marine, lake, or river docks; dredging waterways to approaches and around such structures, including removal of dredged-out material; and cutting ice in and around docks and wharves to prevent damage; also cost of repairs of cribwork, racks, or caissons for preserving the depth of water in docks; and cost of repairs of guards, piling, and other protection against damage by drift or ice.

(b) A list of details of wharves and docks appears in property account 23, "Wharves and docks."

NOTE A: The cost of repairing buildings, tracks, and machinery (not bridge machinery) on wharves and piers shall be charged to the appropriate expense accounts.

NOTE B: The cost of repairing coal and ore wharves shall be charged to account 243, "Coal and ore wharves."

NOTE C: Incidental cleaning, when done by regular wharf employees, shall not be included in this account.

243 Coal and Ore Wharves.

This account shall include the cost of repairing wharves and docks, including the cost of repairing conveyors, machinery, and fixtures for the transfer, treatment, blending, or storage of coal or ore.

NOTE A: The structures referred to in this account do not include small transfer or storage trestles at stations where coal is stored or delivered, such trestles being classed as station buildings.

NOTE B: Incidental cleaning, including the cost of cleaning snow from roofs, when done by coal and ore wharf employees, shall not be included in this account.

247 Communication Systems.

(a) This account shall include the cost of repairing telegraph, telephone, radio, radar, inductive train communication, and other communication systems, including terminal equipment.

(b) Details of telegraph and telephone terminal equipment; telegraph and telephone outside plant; radio, radar, and inductive train communication equipment, and other items appear in property account 26, "Communications systems."

NOTE A: Repairs of radio, radar, or trainphone equipment (except portable apparatus) which is permanently attached to locomotives, cars, work equipment, or other rolling stock or floating equipment shall be included in the same account as repairs of the equipment on which installed. Repairs of wireless sets for instructions, advertising, or entertainment shall be included in the same account as repairs of the buildings in which located.

NOTE B: Repairs of communications systems of limited extent, not connected with other systems, used for special purposes and usually installed within a single building, group of buildings, or within the limits of a station or shop layout or yards, shall be included in the same account as repairs of the building in which located or in the account appropriate for the service with which associated.

NOTE C: The pay, rent, other office expenses, and traveling expenses of officers, their clerks and attendants, who supervise, or are engaged both in maintenance and operation, shall be apportioned equally between this account and account 407, "Communication system operation."

249 Signals and Interlockers.

This account shall include the cost of repairing signals and interlockers governing the movements of locomotives and trains, and for the protection of traffic at crossings, including towers and other buildings, furniture, fixtures, and machinery in connection therewith; also the cost of repairing buildings and machinery of power plants used primarily for the production of power for the operation of signals and interlockers. For list of items see account 27, "Signals and interlockers."

NOTE A: The pay and expenses of employees engaged both in maintaining and operating signals and interlockers shall be apportioned equitably between this account and account 404, "Signal and interlocker operation."

NOTE B: When signal or interlocking apparatus is located in station buildings, only the cost of repairing the signal or interlocking apparatus shall be charged to this account. The cost of repairing the building shall be included in account 227, "Station and office buildings."

NOTE C: The cost of repairs of track material such as special rail braces, special rods, switches, special track fastenings, split rails, derails, derail stands, and frogs, used in connection with interlockers shall be included in account 216, "Other track material."

NOTE D: When derails are arranged so as to be thrown from switch stands, the cost of labor expended for repairs of the connections between the switch stands and the derail and devices for throwing the derail, shall be included in account 220, "Track laying and surfacing."

NOTE E: The salaries, office expenses, and traveling expenses of supervisors or inspectors when engaged in maintaining both telegraph and telephone lines and signals and interlockers shall be equitably apportioned between this account and account 247, "Communication systems."

253 Power Plants.

This account shall include the cost of repairing power-plant and substation buildings, including all foundations other than those special to particular machines and apparatus; and also dams, canals, pipe lines, and accessories devoted to the utilization of water for power. Gas and sewer pipes and their connections, fixtures (including wiring) for lighting and heating, and miscellaneous fixtures, shall be considered as a part of the power-plant buildings. The power-plant buildings here referred to are those in which power is produced for the operation of trains and cars and for general purposes. For list of items see road and equipment account 29, "Power plants."

NOTE A: The cost of repairing power-plant machinery, including small stacks resting on boilers, and special foundations for machines, shall be included in account 304, "Power-plant machinery."

NOTE B: The cost of repairing the buildings and the power machinery and other apparatus of plants used primarily for operating signals and interlockers shall be included in account 249, "Signals and interlockers."

257 Power-transmission Systems.

This account shall include the cost of repairing systems for conveying electricity, steam, and compressed air from producing plants to place or building where used; including the cost of conduits and poles, cross arms, insulator pins, brackets and other pole fixtures, used in repairs, and of repairing other structures for power-transmission and distribution systems, including those for electric railway operation, and lighting systems for general lighting purposes. For a list of items see account 31, "Power-transmission systems."

NOTE A: The cost of repairing the portions of distribution systems located within shop buildings and station and office buildings shall be included in the accounts provided for the cost of maintaining the buildings. The cost of repairing distribution systems in plants used primarily for operating signals and interlockers shall be included in account 249, "Signals and interlockers."

NOTE B: The cost of repairing conduits and poles and fixtures for telegraph and telephone lines shall be included in account 247, "Communication systems." If poles and conduits are used both for telegraph and telephone lines, and for power-distribution lines, the cost of repairs thereof shall be included in the account appropriate according to their predominant use.

265 Miscellaneous Structures.

This account shall include the cost of repairing permanent structures, not provided for elsewhere, including the cost of repairing all furniture and fixtures to equip them for use. It shall also include the cost of maintenance of the grounds appurtenant to such structures.

NOTE A: When separable the cost of maintaining structures which are rented to other companies or individuals shall be charged to income account in which is included the rent received for use of the structures.

NOTE B: Incidental cleaning, including the cost of cleaning snow from roofs, when done by employees regularly working in miscellaneous buildings, shall not be included in this account.

266 Road Property; Depreciation.

This account shall include the amount of depreciation charges applicable to the accounting period for all classes of depreciable road property with the exception of shop machinery and power-plant machinery.

NOTE: Depreciation charges applicable to shop machinery and power-plant machinery shall be included in account 305, "Shop and power-plant machinery—Depreciation."

267 Retirements; Road.

(a) This account shall include charges for the service value (ledger value less value of salvage) of nondepreciable road property retired, excluding rail, ties, and other track material, and ballast used in repairs, as defined in this classification. When rails, ties, and other track material are removed and replaced in the process of repairing tracks such work shall be classified as maintenance and the items of material so replaced are not to be recorded as nondepreciable road property retired.

(b) When road property previously subject to amortization accounting (pur-

suant to rules in effect during the period 1941–1951 consistent with section 124, "Amortization deductions," of the Internal Revenue Code) is retired the difference between (1) the service value (ledger value less salvage value and insurance recovered) thereof, and (2) the balance in account 736, "Amortization of defense projects—Road and equipment," after appropriate adjustment for any depreciation accrued thereon, shall be included in this account, except for a difference, material in amount, as covered by paragraph (c) of this account.

(c) When the difference referred to in paragraph (b) of this account or the aggregate of all such differences for retirements is of an amount sufficiently large to constitute an extraordinary item, pursuant to instruction 1–2(d), the amount shall be credited to account 570 "Extraordinary items."

(d) This account shall also be charged with such amounts as are concurrently credited to accounts 72 to 80, inclusive, in accounting for the retirement of road property.

NOTE: The cost of dismantling or demolishing the property if borne by the carrier, shall be charged to account 270, "Dismantling retired road property," or account 306, "Dismantling retired shop and power-plant machinery," as may be appropriate.

269 Roadway Machines.

(a) This account shall include the cost of repairing roadway machines which are used for the repairs of roadway and structures.

(b) A list of roadway machines appears in property account 37, "Roadway machines".

NOTE A: The cost of repairing machines in the maintenance of equipment shops shall be included in account 302, "Shop machinery," as provided for therein.

NOTE B: The cost of repairing roadway machines, such as pile drivers, log loaders, hoisting engines, and concrete mixers, when permanently mounted for movement on carrier's tracks, shall be included in account 326, "Work equipment—Repairs."

270 Dismantling Retired Road Property.

This account shall include the cost of dismantling retired road property and recovering the salvage therefrom with the exception of material recovered in connection with repairs of tracks and of dismantling retired shop and power-plant machinery. The cost of removing, gathering up, and disposing of track material in connection with repairs of tracks is includible in account 220, "Track laying and surfacing," and the cost of dismantling retired shop and power-plant machinery and recovering the salvage therefrom is includible in account 306, "Dismantling retired shop and power-plant machinery."

271 Small Tools and Supplies.

This account shall include:

(a) *Roadway and track tools.* The cost of roadway tools (except special tools provided for elsewhere), including the cost of repairing such tools.

LIST OF ROADWAY AND TRACK TOOLS

Adzes.
Anvils.
Augers.
Axes.
Ballast forks.
Bars, claw.
Bars, crow.
Bars, lining.
Bars, pinch.
Bars, raising.
Bars, tamping.
Braces and bits.
Brooms.
Brush hooks.
Cable stretchers.
Cables.
Cans, oil.
Cans, water.
Cant hooks.
Chains.
Chisels, track.
Chisels, wood.
Curbing hooks.
Dippers.
Drawing knives.
Drill bits.
Drills (portable).
Flags, signal.
Furnaces (portable).
Grindstones.
Hammers, napping.
Hammers, paving.
Hammers, spiking.
Handles for tools.
Hatchets.
Hose.
Jack levers.
Jacks, ratchet.
Jacks, screw.
Jacks, track.
Kegs, water.
Ladders.
Lanterns and fixtures.
Lawn mowers.
Levels.
Lines for ditching.
Nippers.
Oilstones.
Padlocks.
Pails, water.
Paint brushes.
Picks, clay.
Picks, tamping.
Pike poles.
Post-hole diggers.
Post-hole tampers.
Punches.
Rail benders.
Rail tongs.
Rakes.
Rope.
Saws, Crosscut.
Saws, hand.
Scrap boxes.
Scythes.
Shovels.
Sickles.
Sledges.
Spades.
Spike mauls.
Spike pullers.
Spot boards.
Squares.
Straightening machines.
Tape lines.
Thermometers for laying rail.
Tongs.
Tool boxes.
Torches.
Track gauges.
Track levels.
Vises.
Weed spuds.
Wheelbarrows.
Whetstones.
Wood mallets.
Wrenches, monkey.
Wrenches, track.

(b) *Roadway and track supplies.* The cost of supplies consumed in connection with the operation of roadway machines while used in repairs of roadway and tracks; and cost of supplies used by trackwalkers, track watchmen, and roadway and track repair men.

ITEMS OF ROADWAY SUPPLIES

Alcohol for hydraulic jacks.
Fuel for heating tool and other section houses.
Fuel for portable forges used in roadway and track work.
Gasoline for motor cars.
Oatmeal and ice for drinking water used by roadway and track repair men.
Oil and waste for hand cars, lever cars, motor inspection cars, and push cars.
Oil and wicks for lanterns used by trackwalkers, track watchmen, and roadway and track repair men.
Oil and wicks for lighting tool and other section houses.
Torpedoes used by trackwalkers, track watchmen, and roadway and track repair men.
Water for section houses.

272 Removing Snow, Ice, and Sand.

(a) This account shall include the cost of keeping track and roadway clear of snow, ice, and sand. The amount shall include cost of preventing accumulation, such as the cost of distributing, setting up, inspecting, taking down, and regathering portable snow and sand fences; and cost of tools furnished for the purpose; also cost of storing fences.

(b) The account also shall include cost of removing accumulations of snow, ice, and sand, cost of snow-plow and flanger service, and of work-train service; cost of applying and removing flangers from locomotives and cars, and of slatting pilots; cost of salt to keep switches clear; and cost of meals and lodging for men employed in removal service.

273 Public Improvements; Maintenance.

(a) This account shall include the portion borne by the carrier of the expense of maintenance of public improvements, whether done by public authority or by the carrier's employees under governmental requirement.

(b) By public improvements are meant improvements for public benefit such as curbing, grading, guttering, and paving of streets, overhead highway bridges, including approaches; drainage, sewer, irrigation, and water systems; flood protection, parks, sidewalks, etc. For list of items see account 39, "Public improvements—Construction."

NOTE A: The expense of repairing paving within the grounds of buildings or other structures shall be charged to the accounts provided for repairs of the structures.

NOTE B: Assessments for maintaining public improvements included in the general tax levy for a regular taxing district shall be charged to the appropriate tax account in income.

NOTE C: Interest and penalties, based on monthly or annual percentage rates, for failure to pay assessments within the allotted time shall be included in account 547, "Interest on unfunded debt."

274 Injuries to Persons.

(a) This account shall include expenses on account of injuries to persons which occur directly in connection with the maintenance of way and structures, including injuries occurring in connection with the operation of work trains in such service, and injuries caused by defective highways within the right of way.

(b) The account shall also include expenses on account of injuries to employees incurred while demolishing structures, the maintenance of which would be chargeable to maintenance of way and structures; services of employees and others called in consulation in connection with claim adjustments; and pay and expenses of employees while engaged as witnesses at inquests and lawsuits.

(c) This account shall also include amounts estimated to be sufficient to meet the probable liability of the carrier for unaudited expenses applicable thereto, except that it is not required to anticipate items which would not appreciably affect the account.

ITEMS OF EXPENSE

Artificial limbs.
Carriage fees.
Claim adjusters' and clerks' services.
Claim adjusters' office expenses.
Compensation for injuries or death.
Final judgments, including plaintiffs' court costs.
Funeral expenses.
Hospital attendance.

Medical and surgical services.
Medical and surgical supplies.
Notarial fees.
Nursing.
Railway transportation.
Undertakers' services.
Undertakers' supplies.
Witnesses' fees and expenses at inquests and lawsuits.

NOTE A: Expenses incident to personal injury suits, not otherwise provided for, shall be included in account 454, "Law expenses."

NOTE B: The pay, office rent, office expenses, and other expenses of claim adjusters, claim clerks and others in charge of or engaged in connection with claim cases, when not assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged.

275 Insurance.

This account shall include premiums, except reinsurance premiums, for insuring the carrier against loss through injuries to persons or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, when such loss to the carrier would be chargeable to maintenance of way and structures; also premiums on fidelity bonds of employees whose pay is chargeable to maintenance of way and structures.

NOTE: The premiums paid by the carrier to its insurance fund shall be credited to an insurance reserve account, to which account shall be charged the amounts of all claims for injuries to persons and damages to the property covered by its insurance. To such account shall also be charged all reinsurance premiums paid to insurance companies, and to it shall be credited all amounts recovered from insurance companies in reimbursement for losses under such reinsurance.

276 Stationery and Printing.

This account shall include the cost of stationery and printing used in connection with maintenance of way and structures. The account shall include the cost of adding machines, typewriters, and other office appliances which replace comparable items worn out, consumed or for other cause are no longer in use.

NOTE: The cost of dictionaries, periodicals, technical books, etc., shall be included in the appropriate superintendence accounts.

277 Employees Health and Welfare Benefits.

This account shall include premiums on group and other insurance policies covering annuities and other benefits for employees or their beneficiaries, contributions, directly to employees health and welfare funds, and salaries and other expenses incurred directly in conducting relief, benefit, and medical departments for the benefit of officers and employees engaged in maintenance of roadway and structures.

NOTE: The total amount payable to trustees under pension plans and directly to retired employees for pensions is includible in account 457, "Pensions."

278 Maintaining Joint Tracks, Yards, and Other Facilities—Dr.

This account shall include the carrier's proportion of the costs incurred by others in maintaining joint tracks, yards, terminals, and other facilities.

NOTE: The purpose of this account is to show the amounts accruing against the carrier for its proportion of the cost of maintaining tracks, yards, and other roadway and structure facilities maintained by others and in the joint use of which the carrier participates.

279 Maintaining Joint Tracks, Yards, and Other Facilities—Cr.

This account shall include amounts chargeable to others as their proportions of the cost incurred by the carrier in maintaining joint tracks, yards, terminals, and other facilities.

NOTE: The purpose of this account is to show the amounts accruing in favor of the carrier and against others for their proportions of the cost of maintaining tracks, yards, and other roadway and structure facilities maintained by the carrier and in the joint use of which others participate.

280 Equalization; Way and Structures.

This account shall include adjustments of the differences between the actual and the budgeted or authorized maintenance of way and structures expenses. The amounts included in this account shall concurrently be debited or credited to account 773, "Equalization reserves."

281 Right-of-way Expenses.

This account shall include the cost to the carrier of maintaining structures owned by or exclusively used by others, such costs having been assumed by the carrier in order to acquire or to secure a less restricted use of its right of way. The structures here referred to are those such as bridges above the carrier's tracks, tunnels, and roadways under the carrier's tracks.

NOTE: The cost of maintaining public improvements is includible in account 273, "Public improvements—Maintenance."

282 Other Expenses.

This account shall include all expenses in connection with maintenance of way and structures not provided for elsewhere.

ITEMS OF EXPENSE

Pay and expenses of maintenance of way employees attending conferences with officers in connection with wage disputes.
Fees paid arbitrators in wage disputes with maintenance of way employees.
Payments to maintenance of way employees for time absent on account of sickness, when not compensation for personal injuries.
Gratuities paid to persons for discovering defective rails, etc.

Maintenance of Equipment

300 Maintenance of Equipment.

The primary accounts included in this general account are designed to show the expenses of maintaining the carrier's equipment and the carrier's expense for the repairs of other equipment used in its operations, also the cost of maintaining road property classified as shop and power plant machinery. The repair accounts shall include foreign roads' freight charges for transporting the carrier's equipment to shops for repairs and for transporting such equipment to the carrier's line after repairs have been made. No charge shall be made to these accounts for transporting equipment in the carrier's transportation service trains to shops for repairs or from shops after repairs have been made. The accounts for maintenance of equipment shall be kept in such manner as to show separately, by primary accounts, the expenses directly assignable to sleeping car operations, dining and buffet service, producing power sold, and other miscellaneous operations.

301 Superintendence.

This account shall include:

(a) *Pay of officers.* The pay of officers directly in charge of or engaged in the maintenance of equipment.

LIST OF OFFICERS

Vice president.
Assistant vice president.
General superintendent of motive power; Assistant.
Mechanical superintendent.
Superintendent of motive power; Assistant.
Mechanical engineer; Assistant.
Chief chemist.
General equipment inspector.
Engineer of tests.
Supervisor of car department.
Electrical engineer; Assistant.
Chemist and assistant chemist.
Master car builder.
Master mechanic.
General foreman.
Chief car inspector.
Inspector of passenger-train cars.
General car inspector.
Traveling boiler inspector.

(b) *Pay of clerks and attendants.* The pay of clerks and other employees in the offices and on business cars of officers whose pay is chargeable to this account.

LIST OF EMPLOYEES

Chief motive power clerks, other clerks and stenographers.
Draftsmen.
Messengers, cooks and porters.

(c) *Office and other expenses.* Office expenses and other expenses of officers and employees whose pay is chargeable to this account, and amounts paid to detective agencies and others for investigations in connection with repairs of equipment.

ITEMS OF EXPENSES AND SUPPLIES

Atlases, maps, and books for office use.
Barometers.
Business car service.
Drafting instruments and supplies.
Engineering supplies.
Fees and dues in technical associations.
Furniture repairs and renewals.
Heating, lighting, and power.
Official train service.
Periodicals and newspapers.
Provisions for business cars.
Rent and repairs of offices.
Telegraph and telephone service.
Traveling expenses.
Water and ice.

NOTE A: When employees designated above are specifically assigned to construction work, their pay and expenses while thus employed, shall be charged to the work upon which engaged.

NOTE B: When officers designated above have supervision over more than one department, their salaries, the pay of their clerks and attendants and their office and other expenses shall be apportioned equitably among the departments over which they have jurisdiction.

NOTE C: The cost of stationery purchased for maintenance of equipment offices is chargeable to account 334, "Stationery and printing."

NOTE D: The pay of general foremen in small shops, who exercise direct supervision over all departments, unassisted by departmental foremen, shall be apportioned through clearing account "Shop expenses."

302 Shop Machinery.

(a) This account shall include the cost of repairing machinery and other apparatus, including special foundations, in shops and enginehouses.

(b) A list of shop machinery appears in property account 44, "Shop machinery."

NOTE A: The cost of repairing power plant machinery for shop power when located in distinct buildings shall be included in account 304, "Power plant machinery."

NOTE B: The cost of repairing boilers used exclusively for heating shall be included in the appropriate repair accounts for buildings.

NOTE C: The cost of small tools which are soon worn out, when used by mechanics on miscellaneous work, shall be included in clearing account "Shop expenses," and when used on repairs of equipment shall be included in the appropriate accounts for repairs of equipment.

NOTE D: The cost of repairing machinery and tools in shops used exclusively for maintenance of way and structures shall be included in account 229, "Roadway buildings."

304 Power-plant Machinery.

This account shall include the cost of repairing machinery and other apparatus including special foundations in power plants and substations for generating and transforming power used for the operation of trains and cars or to furnish power, heat, and light for general purposes. For list of items see account 45, "Power-plant machinery."

NOTE A: The cost of repairing power-machinery and apparatus in shop power plants shall be included in account 302, "Shop machinery."

NOTE B: The cost of repairing power-machinery and apparatus in stations and offices used primarily for station and office purposes shall be included in account 227, "Station and office buildings."

NOTE C: The cost of repairing power-machinery and apparatus in plants used primarily for operating signals and interlockers shall be included in account 249, "Signals and interlockers."

NOTE D: The cost of repairing foundations, other than those special to particular machines and other apparatus, shall be included in cost of repairing the building and not in this account.

NOTE E: The cost of repairing machinery in distinct plants for furnishing power both for carrier purposes and for sale shall be included in this account. When plants are used solely for generating power for sale the cost of repairs shall be included in account 534, "Expenses of miscellaneous operations."

305 Shop and Power-plant Machinery; Depreciation.

This account shall include the amount of depreciation charges applicable to the accounting period for all classes of property the cost of which is includible in accounts 44, "Shop machinery" and 45, "Power-plant machinery."

306 Dismantling Retired Shop and Power-plant Machinery.

This account shall include the cost of dismantling retired shop and power-plant machinery and recovering the salvage therefrom.

308 Steam Locomotives; Repairs.

(a) This account shall include the cost of repairing transportation service steam locomotives and tenders, including all appurtenances, and the cost of small hand tools used in repair work. This account shall also include the cost of work-train service for the transportation of locomotives without steam to shops for repairs, including the pay and expenses of caretakers, and the pay and expenses of caretakers of locomotives without steam which are hauled in transportation service trains to shops for repairs; also notarial fees in connection with reports on conditions of locomotives.

(b) A list of appurtenances to locomotives appears in property account 51, "Steam locomotives".

NOTE A: The cost of inspecting smokestacks and ash pans of locomotives in service shall be included in the appropriate enginehouse expense accounts.

NOTE B: The cost of repairing steam locomotives and tenders of foreign lines, waybilled as freight, and damaged in transit shall be charged to account 418, "Loss and damage—Freight"; and the cost of repairing steam locomotives and tenders of foreign lines having trackage rights over the carrier's line, damaged by collision, wreck, or other cause, for which the carrier is liable, shall be charged to account 416, "Damage to property."

NOTE C: The cost of running locomotives under steam to shops for repairs in connection with transportation service shall be included in the cost of the service in connection with which the movement occurs.

NOTE D: The cost of repairing steam locomotives used solely in work service in connection with operations shall be included in account 326, "Work equipment—Repairs." The cost of repairing locomotives on account of construction work shall be included in the cost of the work.

311 Other Locomotives; Repairs.

This account shall include the cost of repairs of transportation service locomotives other than steam locomotives, analogous to those set forth for steam locomotives in account 308, "Steam locomotives—Repairs."

314 Freight-train Cars; Repairs.

(a) This account shall include the cost of repairing freight-train cars and appurtenances, and the cost of repairing motor equipment affixed to freight-train cars engaged in transportation service; also cost of small hand tools used in repairs. This account shall also include the net loss sustained on account of the destruction of foreign freight cars in the carrier's transportation service and amounts paid to others for repairs of freight cars for which the carrier is liable.

(b) A list of freight-train cars and appurtenances to such cars appears in property account 53, "Freight-train cars."

NOTE A: The cost of candles, wicks, lamp chimneys, globes, and shades for oil or other lamps in freight-train cars shall be charged to account 402, "Train supplies and expenses."

NOTE B: The cost of repairing freight-train cars of foreign lines waybilled as freight and damaged in transit shall be charged to account 418, "Loss and damage—Freight"; and the cost of repairing freight-train cars of foreign lines having trackage rights over the carrier's line, when damaged by collision, wreck, or other cause, for which the carrier is liable, shall be charged to account 416, "Damage to property."

317 Passenger-train Cars; Repairs.

(a) This account shall include the cost of repairing passenger-train cars and appurtenances and the cost of repairing motor equipment affixed to passenger-train cars used in transportation service; small hand tools used in repairs; the net loss sustained on account of the destruction of foreign passenger-train cars in the carrier's transportation service, and amounts paid others for repairs of passenger-train cars for which the carrier is liable.

(b) A list of passenger-train cars and appurtenances to such cars appears in property account 54, "Passenger-train cars."

NOTE A: The cost of candles, wicks, and lamp chimneys and of globes and shades for electric and other lights in passenger-train cars shall be charged to account 402, "Train supplies and expenses."

NOTE B: The cost of repairing passenger-train cars of foreign lines, which are waybilled as freight and have been damaged in transit, shall be charged to account 418, "Loss and damage—Freight," and the cost of repairing passenger-train cars of foreign lines having trackage rights over the carrier's line, when damaged by collision, wreck, or otherwise, for which the carrier is liable, shall be charged to account 416, "Damage to property."

323 Floating Equipment; Repairs.

(a) This account shall include the cost of repairing floating equipment (other than work equipment), including appurtenances, and cost of small hand tools used in repairs. The pay and expenses of captains and engineers and of boat employees, while engaged on maintenance of floating equipment, shall be included in this account.

(b) A list of floating equipment and appurtenances to such equipment appears in property account 56, "Floating equipment."

326 Work Equipment; Repairs.

(a) This account shall include the cost of repairing rail and floating work equipment, including appurtenances, and cost of small hand tools used in repairs.

(b) The cost of fitting up commercial cars for work service in connection with maintenance and operation; the cost of refitting them for commercial service; the cost of repairs to locomotives while in service for repairs of road and equipment; and the cost of repairs to foreign

cars damaged while in such service shall be included in this account; also amounts paid in settlement for such cars destroyed in such service.

(c) A list of work equipment and appurtenances to such equipment appears in property account 57, "Work equipment."

NOTE: The cost of repairs to work equipment on account of construction work shall be included in the cost of the construction work on which it is used.

328 Miscellaneous Equipment; Repairs.

This account shall include the cost of repairing miscellaneous equipment, such as automobiles and other highway vehicles.

329 Dismantling Retired Equipment.

This account shall include the cost of tearing down retired equipment and recovering the salvage therefrom.

330 Retirements; Equipment.

(a) When equipment previously subject to amortization accounting (pursuant to rules in effect during the period 1941–1951 consistent with section 124, "Amortization deductions," of the Internal Revenue Code) is retired the difference between (1) the service value (ledger value less value of salvage and insurance recovered) thereof, and (2) the balance in account 736, "Amortization of defense projects—Road and equipment," after appropriate adjustment for any depreciation accrued thereon, shall be included in this account, except for a difference, material in amount, as covered by paragraph (b) of this account.

(b) When the difference referred to in paragraph (a) of this account or the aggregate of all such differences for retirements is of an amount sufficiently large to constitute an extraordinary item, pursuant to instruction 1–2(d), the amount shall be credited to account 570 "Extraordinary items."

(c) This account shall also be charged with such amounts as are concurrently credited to accounts 72 to 80, inclusive, in accounting for the retirement of equipment.

331 Equipment; Depreciation.

This account shall include the amount of depreciation charges applicable to the accounting period for all classes of equipment the ledger value of which is includible in accounts 51 to 54 and 56 to 58, all inclusive.

332 Injuries to Persons.

This account shall include expenses on account of injuries to persons which occur directly in connection with repairs of equipment. Services of employees and others called in consultation in relation to claim adjustments, pay and expenses of employees while engaged as witnesses at inquests and lawsuits shall be included in this account. This account shall also include amounts estimated to be sufficient to meet the probable liability of the carrier for unaudited expenses applicable thereto, except that it is not required to anticipate items which would not appreciably affect the account.

ITEMS OF EXPENSE

Artificial limbs.
Carriage fees.
Claim adjusters' and clerks' services.
Claim adjusters' office expenses.
Compensation for injuries or death.
Final judgments, including plaintiffs' court costs.
Funeral expenses.
Hospital attendance.
Medical and surgical services.
Medical and surgical supplies.
Notarial fees.
Nursing.
Railway transportation.
Undertakers' services.
Undertakers' supplies.
Witnesses' fees and expenses at inquests and lawsuits.

NOTE A: Expenses incident to personal injury suits, not otherwise provided for, shall be included in account 454, "Law expenses."

NOTE B: The pay, office rent, and office and other expenses of claim adjusters, claim clerks, and others in charge of or engaged in connection with claim cases, when not assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged.

333 Insurance.

This account shall include premiums, except reinsurance premiums, for insuring the carrier against loss, through injuries to persons or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, when such loss to the carrier would be chargeable to maintenance of equipment; also premiums on fidelity bonds of employees whose pay is chargeable to maintenance of equipment.

NOTE: The premiums paid by the carrier to its insurance fund shall be credited to an insurance reserve account, to which account shall be charged the amount of all claims for injuries to persons and damages to the property covered by its insurance. To such account shall also be charged all reinsurance premiums paid to insurance companies, and to it shall be credited all amounts recovered from insurance companies for damage to the property reinsured by them.

334 Stationery and Printing.

This account shall include the cost of stationery and printing used in connection with maintenance of equipment. The account shall include the cost of adding machines, typewriters and other office appliances which replace comparable items worn out, consumed or for other cause are no longer in use.

NOTE: The cost of dictionaries, periodicals, technical books, etc., shall be included in the appropriate superintendence accounts.

335 Employees Health and Welfare Benefits.

This account shall include premiums on group and other insurance policies covering annuities and other benefits for employees or their beneficiaries, contributions directly to employees health and welfare funds, and salaries and other expenses incurred directly in conducting relief, benefit, and medical departments for the benefit of officers and employees engaged in maintenance of equipment.

NOTE: The total amount payable to trustees under pension plans and directly to retired employees for pensions is includible in account 457, "Pensions."

336 Joint Maintenance of Equipment Expenses—Dr.

This account shall include the carrier's proportion of expenses incurred by others in maintaining equipment used in the operation of joint facilities, including the carrier's proportion of the expenses of repairing such equipment damaged by accidents when such expenses are participated in by more than one carrier. It shall also include the carrier's proportion of expenses incurred by others in maintaining joint shop machinery and power-plant machinery.

NOTE: The purpose of this account is to show the amount accruing against the carrier for its proportion of the expense of maintaining equipment, shop machinery, and power-plant machinery, which is maintained by others and in the joint use of which the carrier participates.

337 Joint Maintenance of Equipment Expenses—Cr.

This account shall include the amount chargeable to others as their proportion of expenses incurred by the carrier in maintaining equipment used in the operation of joint facilities, and for expenses of repairing equipment damaged by accidents, when such expenses are participated in by more than one carrier. It shall also include amounts chargeable to others as their proportions of the expenses incurred by the carrier in maintaining joint shop machinery and power-plant machinery.

NOTE: The purpose of this account is to show the amounts accruing in favor of the carrier due from others for their proportions of the expense of maintaining equipment, shop machinery, and power-plant machinery, which is maintained by the carrier and in the joint use of which others participate.

338 Equalization; Equipment.

This account shall include adjustments of the differences between the actual and the budgeted or authorized maintenance of equipment expenses. The amounts included in this account shall concurrently be debited or credited to account 773, "Equalization reserves."

339 Other Expenses.

This account shall include expenses in connection with the maintenance of equipment not properly chargeable to other accounts for maintenance of equipment or to clearing accounts such as "Material store expenses" and "Shop expenses."

ITEMS OF EXPENSE

Pay and expenses of mechanical department employees attending conferences with officers in connection with mechanical department wage disputes.
Fees paid arbitrators in connection with mechanical department wage disputes.
Payments to mechanical department employees for time absent on account of sickness when not in compensation for personal injuries.

Traffic Expense Accounts

350 Traffic.

The primary accounts included in this general account are designed to show the expenses incurred for advertising, soliciting, and securing traffic for the carrier's lines and for preparing and distributing tariffs governing such traffic.

351 Superintendence.

This account shall include:

(a) *Pay of officers.* The pay of officers directly in charge of or engaged in supervising the procurement of traffic, and the preparation and distribution of tariffs, division sheets, and classifications.

LIST OF OFFICERS

- Vice president.
- Assistant to vice president.
- Traffic director; Assistant.
- General freight agent; Assistant.
- Chief of tariff bureau.
- Traveling tariff inspector.
- Live stock agent.
- General passenger agent; Assistant.
- Division passenger agent.
- Division freight agent.
- General baggage agent.
- General express agent.
- General express manager.
- Coal traffic agent.

(b) *Pay of clerks and attendants.* The pay of clerks and other employees in the offices and on business cars of officers whose pay is chargeable to this account. This includes chief clerk, other clerks, and stenographers; messengers, cooks, porters and other attendants.

(c) *Office and other expenses.* Office expenses and other expenses of officers and employees whose pay is chargeable to this account.

ITEMS OF EXPENSE

- Atlases, maps, and books for office use.
- Barometers.
- Business car service.
- Express charges.
- Fees and dues in commercial and other clubs.
- Furniture repairs and renewals.
- Heating, lighting, and power.
- Official train service.
- Periodicals and newspapers.
- Provisions for business cars.
- Rent and repairs of offices.
- Telegraph and telephone service.
- Traveling expenses.
- Water and ice.

NOTE A: When officers designated above have supervision over more than one department, their salaries, the pay of their clerks and attendants, and their office and other expenses shall be apportioned equitably among the departments over which they have jurisdiction.

NOTE B: The pay and expenses of officers engaged exclusively in soliciting traffic are chargeable to account 352, "Outside agencies."

NOTE C: The cost of stationery for traffic offices is chargeable to account 358, "Stationery and printing," except stationery chargeable to accounts 354, 355, and 356.

352 Outside Agencies.

(a) This account shall include the pay, and the office, traveling, and other expenses of general, commercial, city, and district agents and others soliciting traffic, the employees of their offices, and traveling agents and solicitors located on or off the line of the carrier's road.

(b) City ticket and freight offices, separate from regular station ticket and freight offices, shall be treated as outside agencies; the pay and expenses of the employees therein and the expenses of such offices shall be charged to this account.

(c) Commissions for services pertaining to either freight or passenger business, except commissions paid in lieu of salaries to carrier's agents located upon the carrier's own line (which shall be charged to account 373, "Station employees"), shall be included in this account.

ITEMS OF EXPENSE

- Books for office use.
- Express charges.
- Furniture repairs and renewals.
- Heating, lighting, and power.
- Membership fees and dues in agency associations.
- Membership fees and dues in commercial clubs.
- Office supplies.
- Periodicals and newspapers.
- Rent and repairs of offices.
- Telegraph and telephone service.
- Traveling expenses.
- Water and ice.

353 Advertising.

This account shall include the cost of advertising for the purpose of securing traffic; pay of advertising agents, their clerks and attendants; rent of offices, and the office, traveling, and other expenses of such employees.

ITEMS OF EXPENSE

- Advertisements in newspapers.
- Advertisements in periodicals.
- Bulletin boards and cards.
- Customs charges on advertising matter.
- Distributing timetables.
- Display and other advertising cards.
- Distributing folders.
- Distributing general notices to shippers.
- Express charges.
- Frames, handbills, and posters.
- Maps used for advertising.
- Pamphlets, photographs and views.
- Publishing timetables.
- Postage.
- Publishing folders and advertising matter.
- Publishing notices to shippers.

NOTE: Advertising expenses of industrial and immigration bureaus shall be included in account 356, "Industrial and immigration bureaus."

354 Traffic Associations.

This account shall include the cost to the carrier of participation in traffic associations, including its proportion of the pay of officers and employees of such associations and of their office, stationery and printing, traveling, and other expenses.

LIST OF TRAFFIC ASSOCIATIONS

- Boards of trade.
- Classification bureaus.
- Clergy bureaus.
- Commercial associations.
- Freight associations.
- Mileage ticket bureaus.
- Passenger associations.
- Tariff bureaus.
- Ticket validating agencies.

355 Fast Freight Lines.

This account shall include the cost to the carrier of participation in fast freight or dispatch organizations, including its proportion of the pay of officers, soliciting agents, and employees of such organizations, and their office, stationery and printing, traveling, and other expenses.

356 Industrial and Immigration Bureaus.

This account shall include the cost to the carrier of industrial and immigration bureaus, including the pay of industrial and immigration agents, and exhibit agents, their clerks and attendants and their office, stationery and printing, traveling, and other expenses.

357 Insurance.

This account shall include premiums, except reinsurance premiums, for insuring the carrier against loss through injuries to persons or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, when such loss to the carrier would be chargeable to Traffic, also premiums on fidelity bonds of employees whose pay is chargeable to Traffic.

NOTE: The premiums paid by the carrier to its insurance fund shall be credited to an insurance reserve account, to which account the amount of all claims for injuries to persons and damages to the property covered by its insurance shall be charged. To such account shall also be charged all reinsurance premiums paid to insurance companies, and to it shall be credited all amounts recovered from insurance companies for damage to the property reinsured by them.

358 Stationery and Printing.

This account shall include the cost of stationery and printing used in connection with securing traffic, including the cost of tariffs governing such traffic, division sheets, freight classifications, and rate sheets. This account also shall include the cost of calculating machines, typewriters and other office appliances which replace comparable items worn out, consumed or for other cause are no longer in use.

NOTE A: The cost of dictionaries, periodicals, technical books, etc., shall be included in the appropriate superintendence accounts.

NOTE B: The cost of stationery and printing used by traffic associations, fast freight lines, and industrial and immigration bureaus shall be included in the accounts provided for the expenses of such organizations.

359 Employees Health and Welfare Benefits.

This account shall include premiums on group and other insurance policies covering annuities and other benefits for employees or their beneficiaries, contributions directly to employees health and welfare funds, and salaries and other expenses incurred directly in conducting relief, benefit, and medical departments for the benefit of officers and employees engaged in procurement of traffic and other work in the traffic department.

NOTE: The total amount payable to trustees under pension plans and directly to retired employees for pensions is includible in account 457, Pensions.

360 Other Expenses.

This account shall include all expenses in connection with traffic not properly chargeable to other traffic accounts.

Transportation Expense Accounts

370 Transportation; Rail Line.

The primary accounts included in this general account are designed to show expenses incurred for transporting persons and the property of others, including the expenses of station, train, yard, and terminal service; also the expense of transporting company material in transportation service trains.

371 Superintendence.

This account shall include:

(a) *Pay of officers.* The pay of officers directly in charge of or engaged in conducting transportation.

LIST OF OFFICERS

Vice president.
Assistant to the vice president.
General manager; Assistant.
General superintendent of transportation.
Superintendent of transportation; Assistant.
Division superintendent; Assistant.
Superintendent of car service.
Chief special agent.
Members of examining boards.
Superintendent of mail service.
Traveling train and station inspectors.
Air-brake instructor.
Superintendent of agencies.
Superintendent of transfer stations.
Trainmaster; Assistant.
Road foreman of locomotives.
Traveling locomotive engineer; Fireman.

(b) *Pay of clerks and attendants.* The pay of clerks and others employed in the offices and on business cars of officers whose pay is chargeable to this account.

LIST OF EMPLOYEES

Division clerk, other clerks and stenographers.
Special agents and detectives.
Messengers, cooks, and porters.

(c) *Office and other expenses.* Office expenses and other expenses of officers and employees whose pay is chargeable to this account; also the pay and expenses of employees attending investigations concerning the cause of or responsibility for accidents and amounts paid detective agencies and others for work in connection with such investigations.

ITEMS OF EXPENSE

Atlases and maps.
Barometers.
Books for office use.
Business car service.
Express charges.
Fees and dues in associations.
Furniture repairs and renewals.
Heating, lighting, and power.
Official train service.
Periodicals and newspapers.
Provisions for business cars.
Rent of air-brake instruction cars.
Rent and repairs of offices.
Telegraph and telephone service.
Traveling expenses.
Water and ice.

NOTE A: When officers designated above have supervision over more than one department, their salaries, the pay of their clerks and attendants, and their office and other expenses shall be apportioned equitably among the departments over which they have jurisdiction.

NOTE B: The cost of stationery purchased for transportation offices is chargeable to account 410, "Stationery and printing."

372 Dispatching Trains.

This account shall include the pay of chief and other train dispatchers, their clerks, copying operators, and attendants, and pay of operators on the line whose duties are confined to directing train movements; also the office, traveling, and other expenses of such employees.

NOTE: Pay of operators who also perform station work shall be charged to account 373, "Station employees."

373 Station Employees.

This account shall include:

(a) *Agents, clerks, and attendants.* The pay of agents, assistant agents, clerks, and attendants in charge of, or engaged in, the operation of stations, stockyards, wharves, and piers located on the carrier's line; also payments to such station or ticket agents in lieu of salaries. This account shall also include special payments to customs inspectors on account of opening and reseal'ng cars under unusual conditions, and payments to produce-exchange inspectors for inspecting, measuring, and weighing grain.

LIST OF GENERAL EMPLOYEES

Accountants.
Baggage agents and baggagemen at stations.
Car and other clerks.
Cashiers.
Customs inspectors.
Depot masters; Assistant.
Detectives and policemen.
Express agents.
Information bureau employees.
Janitors, porters, maids, and matrons.
Package and parcel room employees.
Station agents; Assistants.
Station foremen.
Station masters; Assistants.
Stockyard superihtendents and foremen.
Telegraph and telephone operators.
Ticket agents.

(b) *Labor at Stations.* Station and other labor expended in handling freight, mail, baggage, and express at stations, wharves, and piers; in loading, unloading, feeding, watering, bedding, shearing, dipping, inspecting, and otherwise caring for stock; in disinfecting stations, stockyards, and stock pens; in transferring, picking up, straightening, and reloading freight in the ordinary course of transportation; in miscellaneous station work, including (when done by station employees) cleaning station grounds, station platforms, walks, stockyards, and stock pens, and removing snow and ice therefrom; and in tending switch lamps not in yards and terminals. This account shall also include payments to elevator companies (when not made as division of rate) for transferring grain en route, and payments to other companies and individuals for loading and unloading commercial freight under contract or otherwise.

LIST OF EMPLOYEES

Car sealers and checkmen.
Freight callers and handlers.
Freight house foremen.
Freight loaders and unloaders.
Longshoremen and stevedores.
Mail carriers and weighers.
Stationary engineers and firemen.
Stockyard laborers.
Teamsters and weighmasters.
Truckmen.
Warehousemen.

NOTE A: The cost of transferring freight, mail, baggage, and express on account of wrecks shall be included in account 415, "Clearing wrecks."

NOTE B: This account shall not include the pay of telegraph and telephone operators provided for under accounts 372, "Dispatching trains," and 407, "Communication system operation," or pay of employees provided for under account 375, "Coal and ore wharves."

374 Weighing, Inspection, and Demurrage Bureaus.

This account shall include the cost to the carrier of its participation in joint weighing inspection, demurrage, and car distribution bureaus and associations.

375 Coal and Ore Wharves.

This account shall include cost of operating docks, and wharves, piers, and other marine, lake, or river landings, and the machinery located thereon, used in connection with the transportation of coal and ore.

(a) *Labor and expenses.* The pay and the office, traveling, and other expenses of employees engaged in operating coal and ore wharves.

(b) *Tools and supplies.* The cost of all tools and supplies used in the operation of coal and ore wharves.

ITEMS OF TOOLS AND SUPPLIES

Cylinder and lubricating oil.
Fuel for stationary boilers.
Illuminating oil.
Lanterns and parts.
Picks, shovels, and slice bars.
Waste; wicks.

NOTE: The cost of switching service in connection with coal and ore wharves shall not be included in this account.

376 Station Supplies and Expenses.

This account shall include:

(a) *Heating.* The cost of fuel (including cost of unloading), water, steam, and miscellaneous supplies used for heating stations, waiting rooms, freight and passenger offices, stockyards and other station buildings.

(b) *Lighting.* The cost of fuel, water, gas, oil, electricity, lamp globes, lamp chimneys, wicks, lamp carbons, incandescent lamps, and miscellaneous supplies used in lighting stations, waiting rooms, freight and passenger offices, stockyards, other station buildings, street approaches thereto, and passenger footbridges and subways at stations.

(c) *Other expenses.* The cost of miscellaneous station supplies and station expenses, including those for stockyards.

ITEMS OF EXPENSE

Cleaning privy vaults.
Furniture repairs and renewals.
Garage expenses.
Licenses for ticket agents.
Mail transfer by others than employees.
Membership fees and dues in agents' associations.
Power for station machinery.
Rent of automatic weighing and recording devices.
Rent of scales.
Rent of station buildings (not jointly used).
Reports to agents of commercial standing.
Sprinkling station grounds.
Station employees' expenses.
Supplies used in feeding, watering, bedding, shearing, dipping, inspecting, and otherwise caring for livestock.

Tools and station supplies such as baggage checks, car seals, cooperage material and packing material, and mail bags; also, station trucks, rolling chairs for invalids, medical supplies, electric fans; uniforms, punches for baggagemen and gatemen, brooms, brushes, shovels and other supplies and tools for general station use.
Telephone and telegraph service.
Warehouse charges for storage of freight.

377 Yardmasters and Yard Clerks.

This account shall include the pay of general yardmaster, yardmaster, assistant yardmaster, general yard foreman, and yard clerks and attendants in yards where regular switching service is maintained and in terminal switching and transfer service, including employees engaged in calling yardmen and trainmen; also pay of policemen, watchmen, and detectives in yard service. (See account 389, "Yard supplies and expenses.")

378 Yard Conductors and Brakemen.

This account shall include the pay of yard conductors or foremen and yard brakemen or switchmen handling cars in passenger and freight yards where regular switching service is maintained and in terminal switching and transfer service, including pay while deadheading in connection with such service. (See account 389, "Yard supplies and expenses.")

NOTE: When conductors and brakemen are engaged in both train and yard service their pay shall be apportioned between the train and yard accounts on the basis of service rendered. This does not apply to train switching service performed by train crews, the entire pay of whom shall be charged to account 401, "Trainmen."

379 Yard Switch and Signal Tenders.

This account shall include the pay of employees in yards where regular switching service is maintained, who are engaged in the operation of yard switches and signals, including interlockers used solely or principally for the government of all movements of locomotives and trains between main and yard tracks, movements of locomotives between yard tracks and enginehouses, and yard-switching movements. (See account 389, "Yard supplies and expenses.")

LIST OF EMPLOYEES

Battery men.
Interlocker oilers.
Lampcleaners and lighters.
Switch oilers and tenders.
Levermen, signal men, and tower men.

380 Yard Enginemen.

This account shall include the pay of yard enginemen while engaged in yards where regular switching service is maintained and terminal switching and transfer service, including pay of such employees while deadheading in connection with yard service. For purposes of this account enginemen shall be understood to include the operators and their assistants regardless of the type of self-propelled motive power being operated.

NOTE: The pay of enginemen on locomotives engaged in more than one class of service shall be apportioned on the basis of service rendered. Pay of enginemen on train locomotives while engaged in train switching service shall be included in account 392, "Train enginemen." The pay of enginemen on locomotives engaged in work service shall be included in the cost of the work to which the service pertains.

382 Yard Switching Fuel.

This account shall include the cost, delivered on locomotives or motor cars, of coal, coke, oil, wood, and other fuels consumed in switching service in yards where regular switching service is maintained, and in terminal switching and transfer service, including a suitable proportion of the pay of fuel agents, fuel inspectors, fuel weighers, and clerks engaged in accounting for fuel at fuel stations; pay of foremen and other fuel station employees; also a suitable proportion of the cost of tools, such as wheelbarrows, shovels, scoops, and picks, used for handling fuel at such stations and the cost of operating machinery at fuel stations.

NOTE A: The cost of repairs and renewals of coal chutes, buggies, pockets, air hoists, mechanical hoists, and mechanical conveyors at fuel stations shall be charged to account 233, "Fuel stations."

NOTE B: The cost of supplies consumed by locomotives and motor cars engaged in more than one class of service shall be apportioned upon the basis of service rendered. The cost of supplies consumed by train locomotives and motor cars in train switching service shall be included in accounts provided for train service. The cost of supplies consumed by locomotives and motor cars in work service shall be included in the cost of the work to which the service pertains.

383 Yard Switching Power Produced.

This account shall include the cost of the production and distribution of electric power used in operating locomotives and cars in switching service in yards where regular switching service is maintained, and in terminal switching and transfer service.

(a) *Employees.* The pay of employees engaged in operating electric-power stations and substations, such as engineers, firemen, electricians, dynamo men, oilers, cleaners, and coal passers.

(b) *Fuel.* The cost of coal, oil, gas, and other fuel, including the cost of labor unloading or stocking fuel.

(c) *Water.* The cost of water used to produce steam or to operate water plants, including pumping, rent of ponds, streams, and pipe lines; also water tests, boiler compounds, and other like supplies and expenses.

(d) *Other supplies and expenses.* The cost of lubricants, such as oil and grease used in lubricating engines, shafting, dynamos, and pumps; cost of waste, carbon brushes, fuses, lamps, and other supplies; also the cost of heating and lighting power plants, and other expenses not elsewhere specified in connection with operation of electric-power plants.

NOTE: The cost of supplies consumed by locomotives engaged in more than one class of service shall be apportioned upon the basis of service rendered. The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

384 Yard Switching Power Purchased.

This account shall include the cost of electric power purchased for the propulsion of engines and cars in switching service in yards where regular switching service is maintained, and in terminal switching and transfer service.

NOTE: The cost of supplies consumed by locomotives engaged in more than one class of service shall be apportioned upon the basis of service rendered. The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

385 Water for Yard Locomotives.

(a) This account shall include the cost of water supplied to locomotives in switching service in yards where regular switching service is maintained, and in terminal switching and transfer service, including rent of ponds, lakes, other sources of water supply, and right of way for pipe lines; cost of water purchased, expenses of work trains while engaged in hauling water for locomotive supply, and cost of testing water; also cost of labor expended and cost of materials and supplies used in the operation of water stations and purifying plants.

(b) The cost of operating boilers, engines, and pumps at water stations; heating and lighting water stations, breaking ice in water tanks, thawing out tank spouts and water cars, keeping fires in tanks and water cars to prevent freezing, shoveling snow into locomotive tanks; also temporary connections between water cars and locomotive tenders, compounds injected into locomotive boilers to decrease scale formation, and other expenses directly incident to the supplying of water to such locomotives, shall be included in this account.

(c) An equitable proportion of the pay and the office, traveling, and other expenses of superintendent of water service engaged in connection with water supply for locomotives shall be included in this account.

NOTE: The cost of supplies consumed by locomotives engaged in more than one class of service shall be apportioned upon the basis of service rendered. The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

386 Lubricants for Yard Locomotives.

This account shall include the cost of valve, engine, car and other lubricating oils, grease, compounds, and waste used for lubrication of locomotives in switching service in yards where regular switching service is maintained and in terminal switching and transfer service.

NOTE: The cost of suplies consumed by locomotives engaged in more than one class of service shall be apportioned upon the basis of service rendered. The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

387 Other Supplies for Yard Locomotives.

This account shall include the cost of supplies, other than fuel, water, and lubricants, used on locomotives in switching service in yards where regular switching service is maintained and in terminal switching and transfer service, including the cost of repairs and renewals of furniture, tools, and other movable articles required for use on locomotives in yard service. The account shall include the cost of sand and of material and supplies used in preparing and drying the sand for use, such as the cost of fuel, wheelbarrows, shovels, and sand screens.

NOTE A: Where the quantity of sand used on locomotives engaged in yard service is relatively small as compared with the quantity used by locomotives engaged in train service, the entire cost of such material shall be included in account 399, "Other supplies for train locomotives." Where the quantity used in yard service is relatively large, the entire cost shall be included in this account.

NOTE B: The cost of other supplies consumed by locomotives engaged in more than one class of service shall be apportioned upon the basis of service rendered. The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

388 Enginehouse Expenses; Yard.

This account shall include the expense of caring for and preparing locomotives for switching service in yards where regular switching service is maintained and in terminal switching and transfer service, including a proportion of such expenses as are common to train, yard switching, and work service.

(a) *Enginehouse men.* The pay of enginehouse employees engaged in wiping, cleaning, watching, and dispatching locomotives; keeping and preparing fires, dumping ashes, washing boilers, cleaning fire boxes, packing driving boxes and truck boxes; cleaning smokestacks, air brake equipment, and front ends of locomotives; checking locomotive tool equipment, cleaning ash and cinder pits; operating turntables, drying sand, inspecting smokestacks and ash pans; calling enginemen, and moving locomotives around engine yards when operated by hostlers; also a proportion of the pay of enginehouse foremen and their clerks.

(b) *Miscellaneous expenses.* The cost of tools, supplies, and sundry expenses on account of caring for and preparing locomotives at enginehouse.

ITEMS OF MISCELLANEOUS EXPENSES

Compounds for cleaning and polishing.
Enginehouse cupboards.
Gas, oil, and electricity for lighting.
Heating enginehouses, including offices.
Lanterns used by enginehouse men.
Lighting enginehouses, including offices.
Lubricating oil for enginehouse, ash pit, transfer table, and turntable machinery.
Packing tools.
Paint for front ends of locomotives.
Power for operation of turntables and transfer tables.
Rent of roundhouse stalls.
Signal lights on transfer tables and turntables.
Waste.
Water for cinder pits.
Water for washing boilers.

NOTE A: Enginehouse expenses of locomotives in work service shall be included in the cost of the work to which the service pertains.

NOTE B: The pay of mechanics and laborers engaged in locomotive repair work in enginehouses shall be charged to the appropriate accounts for locomotive repairs.

389 Yard Supplies and Expenses.

This account shall include the cost of supplies (except locomotive supplies) used in yard service, yard signal and interlocker supplies, and miscellaneous yard expenses for yards where regular switching service is maintained; also office and other expenses of employees whose pay is chargeable to accounts 377, 378, and 379.

ITEMS OF EXPENSE

Electricity purchased for lighting yards and yard buildings.
Furniture repairs and renewals.
Gas purchased for lighting yards and yard buildings.
Power produced for operating switches and signals.
Power purchased for operating switches and signals.
Rent of telephones.
Rent of yard buildings (not jointly used).
Yard supplies such as lubricants for machinery and switches, fuel for heating and power, and waste.

390 Operating Joint Yards and Terminals—Dr.

This account shall include the carrier's proportion of the costs incurred by others in their operation of joint yards and terminals, including signals, interlockers, and other facilities at such joint yards and terminals.

NOTE A: The purpose of this account is to show the amounts accruing against the carrier for its proportion of the cost of operating yards and terminals operated by others, and in the joint use of which the carrier participates.

NOTE B: No portion of expenses chargeable by the operating carrier to accounts 392 to 403, inclusive, shall be included in this account.

391 Operating Joint Yards and Terminals—Cr.

This account shall include amounts chargeable to others as their proportions of the costs incurred by the carrier in the operation of joint yards and terminals, including signals, interlockers, and other facilities at such joint yards and terminals.

NOTE A: The purpose of this account is to show the amounts accruing in favor of the carrier and against others for their proportions of the cost of operating yards and terminals operated by the carrier and in the joint use of which others participate.

NOTE B: No portions of expenses chargeable by the operating carrier to accounts 392 to 403, inclusive, shall be included in this account.

392 Train Enginemen.

This account shall include the pay of enginemen while engaged in transportation train service or while deadheading in connection therewith and pay of such enginemen engaged in piloting trains over home lines; also the pay of employees while regularly engaged in shoveling coal forward on locomotive tenders. For purposes of this account enginemen shall be understood to include the operators and their assistants, regardless of the type of self-propelled motive power being operated.

NOTE: The pay of enginemen on locomotives engaged in more than one class of service shall be apportioned on the basis of service rendered. Pay of enginemen on train locomotives while engaged in train switching service shall be included in this account. The pay of enginemen on locomotives engaged in work service shall be included in the cost of the work to which the service pertains.

394 Train Fuel.

This account shall include the cost, delivered on locomotives or motor cars, of coal, coke, oil, wood, and other fuel for propulsion of trains in transportation train service, including a suitable proportion of the pay of fuel agents, fuel inspectors, fuel weighers, and clerks engaged in accounting for fuel at fuel stations; pay of foremen and other fuel station employees; also a suitable proportion of the cost of tools, such as wheelbarrows, shovels, scoops, and picks, used for handling fuel at such stations, and the cost of operating machinery at fuel stations.

NOTE A: The cost of repairs and renewals of coal chutes, buggies, pockets, air hoists, mechanical hoists, and mechanical conveyors at fuel stations shall be charged to account 233, "Fuel stations."

NOTE B: The entire cost of supplies consumed by train locomotives and motor cars in train-switching service shall be included in the accounts provided for train service. The cost of supplies consumed by locomotives and motor cars in work service shall be included in the cost of the work to which the service pertains.

395 Train Power Produced.

This account shall include the cost of producing and distributing electric power for the propulsion of electric locomotives and cars in transportation train service.

(a) *Employees.* The pay of employees engaged in operating electric-power stations and substations, such as engineers, firemen, electricians, dynamo men, oilers, cleaners, and coal passers.

(b) *Fuel.* The cost of the coal, oil, gas, and other fuel, including the cost of labor unloading or stocking fuel.

(c) *Water.* The cost of water used to produce steam or to operate water plants, including pumping, rent of ponds, streams, and pipe lines; also water tests, boiler compounds, and other like supplies and expenses.

(d) *Other supplies and expenses.* The cost of lubricants, such as oil and grease, used in lubricating engines, shafting,

dynamos, and pumps; cost of waste, carbon brushes, fuses, lamps, and other supplies; also cost of heating and lighting power plants, and other expenses not elsewhere specified in connection with operation of electric-power plants.

NOTE: The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

396 Train Power Purchased.

This account shall include the cost of electric power purchased for the propulsion of locomotives and cars in transportation train service.

NOTE: The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

397 Water for Train Locomotives.

(a) This account shall include the cost of water supplied to locomotives in transportation train service, including rent of ponds, lakes, other sources of water supply, and right of way for pipe lines; cost of water purchased, expenses of supply trains while engaged in hauling water for locomotive supply, and cost of testing water; also cost of labor expended and cost of material and supplies used in the operation of water stations and purifying plants.

(b) The cost of operating boilers, engines, and pumps at water stations, heating and lighting water stations, breaking ice in water tanks, thawing out tank spouts and water cars, keeping fires in tanks and water cars to prevent freezing, shoveling snow into locomotive tanks; also temporary connections between water cars and locomotive tenders, compounds injected into locomotive boilers to decrease scale formation, and other expenses directly incident to the supplying of water to such locomotives, shall be included in this account.

(c) An equitable proportion of the pay and the office, traveling, and other expenses of superintendent of water service, engaged in connection with water supply for locomotives, shall be included in this account.

NOTE: The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

398 Lubricants for Train Locomotives.

This account shall include the cost of valve, engine, car, and other lubricating oils, grease, compounds, and waste used for lubrication of locomotives in transportation train service.

NOTE: The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

399 Other Supplies for Train Locomotives.

This account shall include the cost of supplies other than fuel, water, and lubricants, including the cost of repairs and renewals of furniture, tools, and other movable articles required for use on locomotives in transportation train service. The account shall include the cost of sand and of material and supplies used in preparing and drying the sand for use, such as the cost of fuel, wheelbarrows, shovels, and sand screens.

NOTE A: Where the quantity of sand used on locomotives engaged in train service is relatively small as compared with the quantity used by locomotives engaged in yard service, the entire cost of such material shall be included in account 387, "Other supplies for yard locomotives." Where the quantity used in train service is relatively large, the entire cost shall be included in this account.

NOTE B: The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

400 Enginehouse Expenses; Train.

This account shall include the expense of caring for and preparing locomotives for transportation train service, including a proportion of such expenses as are common to train, yard switching, and work service.

(a) *Enginehouse men.* The pay of enginehouse employees engaged in wiping, cleaning, watching, and dispatching locomotives; preparing and keeping fires, dumping ashes, washing boilers, cleaning fire boxes, packing driving boxes and truck boxes; cleaning smokestacks, air brake equipment, and front ends of locomotives; checking locomotive tool equipment, cleaning ash and cinder pits; operating turntables, drying sand, inspecting smokestacks and ash pans; and moving locomotives around engine yards when operated by hostlers; also a proportion of the pay of enginehouse foremen and their clerks.

(b) *Miscellaneous expenses.* The cost of tools and supplies and sundry expenses on account of caring for and preparing locomotives at enginehouses.

ITEMS OF MISCELLANEOUS EXPENSES

Compounds for cleaning and polishing.
Gas, oil, and electricity for lighting.
Heating enginehouses, including offices.
Lanterns used by enginehouse men.
Lighting enginehouses, including offices.
Lubricating oil.
Packing tools.
Paint for front ends of locomotives.
Power for operation of turntables and transfer tables.
Rent of roundhouse stalls.
Signal lights on transfer tables and turntables.
Waste.
Water for cinder pits.
Water for washing boilers.

NOTE A: Enginehouse expenses of locomotives in work service shall be included in the cost of the work to which the service pertains.

NOTE B: The pay of mechanics and laborers engaged in locomotive repair work in enginehouses shall be charged to the appropriate accounts for locomotive repairs.

401 Trainmen.

This account shall include the pay of conductors; of train auditors, ticket collectors, and others engaged in lifting or examining authorities for transportation; and of baggagemen, brakemen, flagmen, train porters, train guards, train stenographers, maids, and other train employees while engaged in transportation train service or while deadheading in connection therewith; also the pay of trainmen while engaged in piloting trains over home lines.

NOTE: The pay of trainmen while engaged in work-train service shall be included in the cost of the work to which the service pertains.

402 Train Supplies and Expenses.

This account shall include miscellaneous expenses of transportation service trains and the cost of all supplies other than locomotive supplies.

(a) *Cleaning cars.* The cost of cleaning and disinfecting passenger and freight cars in transportation train service, including cost of removing from freight-train cars such refuse material as sawdust, hay, and straw; also items of expense, such as brooms and brushes, cleaning and polishing compounds, disinfecting machines, fuel for heating water, and labor of employees.

(b) *Heating cars.* The cost of heating cars in transportation train service, including cost of operating steam heating plants for car heating at stations and yards. Credits shall be made to this account for charges for heater service collected from other companies and individuals. The account shall also include items of expense such as connections between steam heating lines and cars, fuel, labor of employees, removal of ashes from car stoves, and stoves temporarily in freight cars.

(c) *Lighting cars.* The cost of lighting cars in transportation train service, including the cost of operating plants for supplying gas or electricity for lighting purposes; also items of expense such as battery renewals, electricity and gas, lamp bulbs, and labor of employees.

NOTE: Repairs of gas lighting and electric lighting plants shall be included in the proper maintenance accounts. Repairs and renewals of electric lighting equipment of cars, except supplies as above provided, shall be included in the appropriate car-repair account.

(d) *Lubricating cars.* The cost of lubricating cars in transportation train service, including cost of inspecting, repacking, and oiling car journal boxes and air brake equipment; also items of expense such as labor of employees and oil, grease, other lubricants, and supplies.

(e) *Icing and watering cars.* The cost of icing and watering cars in transportation train service, including icing cars for refrigeration purposes. Credits shall be made to this account for refrigeration charges collected from other companies

and individuals. The account shall include items of expense such as hose and fixtures, ice, ice tools, labor of employees, salt and water.

(f) *Detouring trains.* The compensation for temporary use of tracks of other carriers, including the cost of pilot service, on account of wrecks, washouts, landslides, snow blockades, and other defects of the tracks, bridges, or tunnels on the carrier's line.

(g) *Train supplies.* The cost of supplies furnished for use on cars in transportation train service, such as brooms and brushes, chairs for cabooses (not permanently attached), conductors punches, drinking cups and glasses, fuses, lanterns, medical boxes, oil for lanterns, shovels, signal boxes, torpedoes, towels, train tool boxes, uniforms, and waste.

(h) *Other expenses.* The cost of miscellaneous supplies required to equip trains for transportation service and miscellaneous expenses incident to operation of such trains.

ITEMS OF SERVICE AND SUPPLIES

Apparatus for testing the sight and hearing of enginemen and trainmen.
Employees' reading and bunk room expense, including pay of attendants and supplies furnished.
Laundry work.
Physicians' fees for examination of train employees.
Wages paid to superintendents and secretaries of reading rooms.

OTHER ITEMS OF EXPENSE

Bedding for stock cars.
Boarding and slatting box and stock cars for carrying coal, coke, and other freight.
Boards for flooring fruit cars.
Chains for securing loads.
Cleaning, trimming, and filling trainmen's lanterns and rear signal lamps.
Coupling and uncoupling cars at terminals.
Disinfecting cars.
Dunnage used in loading cars or fitting cars for freight shipments.
Feed for livestock in snowbound or otherwise delayed trains.
Flowers and plants for cars.
Laundry for revenue srevice cars other than for dining and buffet service and sleeping car service.
Occasional turning of engines on Y of other carriers.
Oil and other supplies for locomotives hauled as freight.
Periodicals for use of passengers on trains.
Planking cars for billet shipments and other material.
Provisions, supplies, or board for passengers in delayed trains.
Removing advertisements from cars.
Rent of fare registers in cars.
Safety chains for use between twin and triple cars.
Supplies for parlor and chair cars.
Supplies furnished cars for the purpose of protection against accidents and fires.
Temporary grain doors.
Temporary lining of cars for freight shipments and stoves and heaters to prevent freezing.
Temporary openings in cars for freight shipments.
Temporary racking of cars for handling sugarcane, corn, bark, or cordwood.
Transferring passengers, express matter, baggage, mail, and freight on account of defective tracks, bridges, or tunnels.

NOTE: The expenses of operating sleeping, dining, and buffet car features of train service shall be included in account 403, "Operating sleeping cars," or in account 441, "Dining and buffet service," as may be appropriate.

403 Operating Sleeping Cars.

(a) This account shall include the cost of operating sleeping car service on trains.

(1) *Superintendence.* The pay of officers directly in charge of operating sleeping car service; the pay of their clerks and office attendants; also the office, traveling, and other expenses of such officers and employees.

(2) *Station employees.* The pay and expenses of local agents, ticket agents, cashiers, clerks, and attendants; also the office and other expenses of such employees.

(3) *Station expenses.* The expenses of fuel, water, steam, and supplies used in heating station offices; gas, oil, electric current, and other supplies for lighting; repairs and renewals of station furniture, and all other station expenses connected with sleeping car service when separable from the station expenses chargeable to account 376, "Station supplies and expenses."

(4) *Conductors.* The pay of conductors employed on sleeping cars.

(5) *Porters and maids.* The pay of porters and maids employed on sleeping cars.

(6) *Car supplies.* The cost of miscellaneous supplies used on sleeping cars, such as combs, brushes, brooms, and toilet paper; also uniforms, caps, and service stripes for employees.

(7) *Laundry.* Expenses for laundry work, such as laundering sheets, pillowcases, towels, blankets, etc.

(8) *Other expenses.* The cost of flowers and plants, heating cars, cleaning the interior of cars, and of supplies used in interior cleaning, rent and cost of supplies for rooms furnished for sleeping car service employees, and such other expenses in connection with the operation of sleeping cars as are not provided for elsewhere.

(b) This account shall be charged with the deficits assumed by the carrier under a uniform service contract with The Pullman Company, and shall be credited with the carrier's proportion of profits realized under that contract. It is intended that such charges and credits to this account shall include the entire settlement made by the lessee, except allowances for interest rental and depreciation, and that the results of incidental operation of cars other than sleeping cars will not be excluded from the settlements to be recorded herein.

NOTE: When officers have immediate supervision over sleeping car service and other operations their pay, office, and other expenses, as also the pay, office, and other expenses of their assistants, clerks, and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

404 Signal and Interlocker Operation.

This account shall include the cost of operating signals and interlockers other than those solely or principally used for governing all movements of locomotives and trains between main and yard tracks, movements of locomotives between yard tracks and enginehouses, and yard switching movements.

(a) *Labor.* The wages of employees engaged in operating signals and interlockers or power producing plants in connection therewith, such as switch tenders, signalmen other than telegraph operators, lever men, switch and signal oilers, battery men, lamp men, lamp cleaners, and lamplighters; gatemen at crossings of other railroads, engineers and others operating plants furnishing compressed air for signals and interlockers; engineers, electricians, and others operating plants furnishing electric power for signals and interlockers.

(b) *Supplies.* The cost of supplies used in operating signals and interlockers or in signal offices, such as gasoline, vitriol, battery zincs, battery coppers, lubricating oils, fuel for heating, fuel for power purposes, produced and purchased power used in operating switches and signals, furniture repairs and renewals, water, and light.

NOTE: The cost of operating signals and interlockers solely or principally used for governing the movement of yard locomotives and trains shall be included in the appropriate yard expense accounts.

405 Crossing Protection.

This account shall include the pay of street and highway crossing gatekeepers and flagmen, the cost of supplies used by them, the cost of lights at street and highway crossings not a part of the lighting outfit at stations or in yards, and the cost of compressed air for operating gates.

406 Drawbridge Operation.

This account shall include the cost of operating drawbridges.

(a) *Labor.* The wages of employees engaged in operating drawbridges, such as bridge engineers, tenders, and watchmen.

(b) *Supplies.* The cost of produced and purchased power and of supplies, such as fuel, oil, lantern, water, waste, boats, stoves, chairs, brooms, and pails used in drawbridge operation.

407 Communication System Operation.

This account shall include the cost of operating communication systems not provided for elsewhere.

TELEGRAPH

Superintendence. The pay of superintendents, censors, their clerks, and attendants.

Operators and messengers. The pay of operators, block inspectors, and messengers in telegraph and relay offices other than those employed in dispatching trains and those located in general offices or at stations.

Other expenses. Office, traveling, and incidental expenses, including office rent, of employees whose pay is chargeable to this account; rent of telegraph conduits, lines, and poles; cost of battery renewals and supplies, bicycles for messengers, and electric current for telegraph purposes; also excess payments to telegraph companies when in connection with telegraph service and not provided for elsewhere.

NOTE A: The pay, rent, other office expenses, and traveling expenses of officers,

their clerks and attendants, who supervise or are engaged both in maintenance and operation, shall be apportioned equally between this account and account 247, "Communication systems."

TELEPHONE

Superintendence. The pay of superintendents, their clerks, and attendants.

Operators and messengers. The pay of operators and messengers in telephone offices other than those employed in dispatching trains and those located in general offices or at stations.

Other expenses. Office, traveling, and incidental expenses, including office rent, of employees whose pay is chargeable to this account; rent of telephone conduits, lines, and poles; cost of battery renewals and supplies, bicycles for messengers, and electric current for telephone purposes; also excess payments to telephone companies when in connection with telephone service and not provided for elsewhere.

NOTE B: The pay, rent, other office expenses, and traveling expenses of officers, their clerks and attendants, who supervise or are engaged both in maintenance and operation, shall be apportioned equally between this account and account 247, "Communication systems."

RADIO, RADAR, AND INDUCTIVE TRAIN COMMUNICATION

Superintendence. The pay of superintendents or others who supervise operation, and their clerks or attendants.

Operators. The pay of operators other than those employed in dispatching trains and those located in general offices or at stations.

Other expenses. Office, traveling, and incidental expenses, including office rent, of employees whose pay is chargeable to this account; rent of space or facilities occupied by radio, radar, or inductive train equipment; cost of battery and tube renewals; cost of electric current purchased and all other costs incurred for operation and not provided for elsewhere.

NOTE C: The pay, rent, other office expenses, and traveling expenses of officers, their clerks and attendants, who supervise, or are engaged both in maintenance and operation shall be apportioned equally between this account and account 247, "Communication systems."

408 Operating Floating Equipment.

This account shall include the cost of operating floating equipment in water transfer (ferriage, lighterage, and floatage).

(a) *Superintendence.* The pay of vice presidents and other officers directly in charge of or engaged in the operation of boats; the pay of their assistants, clerks, and attendants; also the office, traveling, and other expenses of such officers and their employees.

(b) *Wages of crews.* The pay of captains, pilots, chief officers, mates, sailors, wireless telegraph operators, and other employees of the deck department; engineers, assistant engineers, electricians, oilers, firemen, coal passers, and all other employees of the engineer's department; and pursers, porters, and all other employees in the steward's department, except when engaged in dining and buffet service.

(c) *Fuel.* The cost, on board boats (including the cost of trimming) of coal, oil, wood, and other fuel used for generating power, heat, or light.

(d) *Lubrication.* The cost of oil, grease, tallow, graphite, and other material furnished for lubricating purposes.

(e) *Other supplies and departmental expenses.* The cost of supplies furnished to deck department; the incidental expenses of deck department employees; supplies other than fuel and lubricants, furnished the engineer's department; water furnished to boats; incidental expenses of engineer's department employees; supplies (other than dining and buffet supplies) furnished to the steward's department; laundry for boats; and incidental expenses of steward's department employees.

(f) *Other expenses.* Expenses incident to the operation of floating equipment not otherwise provided for in this account.

ITEMS OF EXPENSE

Customhouse fees.
License fees.
Pumping out boats laid up.
Raising sunken boats.
Transferring passengers in case of accidents.
Wharfage.

(g) *Elevation and longshore labor.* The cost of shore labor in connection with loading and unloading lighterage freight at wharves and piers, such as labor of bridgemen at transfer bridges and of watchmen, longshoremen, stevedores, and other wharfmen.

(h) *Elevation and shore expenses.* Shore expenses in connection with loading and unloading lighterage freight, such as the cost of steam and electricity for power, heating, and lighting; power and supplies used for transfer or float bridges; supplies used in connection with operating wharves and piers and not chargeable to account 376, "Station supplies and expenses."

NOTE A: When the compensation for the use of floating equipment used in water transfer service includes rent, maintenance, and operation, the portion covering rent shall be charged to income account 539, "Rent for floating equipment," the portion covering maintenance shall be charged to the appropriate account for maintenance of equipment, and the portion covering operation shall be included in this account.

NOTE B: This account shall not include the pay of station employees or labor engaged in handling freight at stations, wharves, and piers provided for under account 373, "Station employees," or the pay of employees or labor provided for under account 375, "Coal and ore wharves."

409 Employees Health and Welfare Benefits.

This account shall include premiums on group and other insurance policies covering annuities and other benefits for employees or their beneficiaries, contributions directly to employees health and welfare funds, and salaries and other expenses incurred directly in conducting relief, benefit, and medical departments for the benefit of officers and employees engaged in conducting transportation operations.

NOTE: The total amount payable to trustees under pension plans and directly to retired employees for pensions is includible in account 457, Pensions.

410 Stationery and Printing.

This account shall include the cost of stationery and printing used in connection with rail line transportation, including operation of floating equipment. The account shall include cost of printed baggage and storage checks, bills of lading, waybills, postage, and other stationery supplies and printing. This account also shall include the cost of adding machines, typewriters, and other appliances which replace comparable items worn out, consumed or for other cause are no longer in use.

NOTE: The cost of dictionaries, periodicals, technical books, etc., shall be included in appropriate superintendence accounts, and city directories and books of reference used by station agents shall be charged to account 376, "Station supplies and expenses."

411 Other Expenses.

This account shall include all expenses in connection with rail line transportation not properly chargeable to other transportation accounts.

ITEMS OF EXPENSE

Amounts paid for switching empty cars otherwise than in connection with loaded movements or with the repairs to the equipment.
Amounts paid on account of bills of lading issued on fraudulent receipts.
Amounts paid to suspended transportation department employees covering periods of suspension.
Compensation for property loss incident to failure to stop at station to pick up passengers.
Demurrage accruing on a foreign line by reason of error of carrier's agent.
Extra drayage due to agent's error in routing interline shipment.
Fees paid arbitrators in wage disputes of transportation department employees.
Loss of station funds by burglary, when not covered by insurance.
Loss of train collections in holdup.
Overcharges paid foreign lines on account of error of the carrier's agent in routing and billing.
Pay and expenses of transportation department employees attending conferences with officers in connection with wage disputes.
Payments for switching on account of cars not passing inspection at junction points.
Penalties imposed under reciprocal demurrage laws for failure to furnish cars.
"Penalty switching" payments on account of improper delivery of cars to other carriers.

412 Operating Joint Tracks and Facilities—Dr.

This account shall include the carrier's proportion of the transportation expenses incurred by others in the operation of joint tracks, interlockers, and other facilities which are not provided for in account 390, "Operating joint yards and terminals—Dr."

NOTE A: The purpose of this account is to show the amount accruing against the carrier for its proportion of the cost of operating tracks and facilities (other than at joint yards and terminals) operated by others and in the joint use of which the carrier participates.

NOTE B: No portion of expenses chargeable by the operating carrier to accounts 392 to 403, inclusive, shall be included in this account.

413 Operating Joint Tracks and Facilities—Cr.

This account shall include amounts chargeable to others as their proportions of transportation expenses incurred by the carrier in the operation of joint tracks, interlockers, and other facilities which are not provided for in account 391, "Operating joint yards and terminals—Cr."

NOTE A: The purpose of this account is to show the amounts accruing in favor of the carrier and against others for their proportions of the cost of operating tracks and facilities (other than at joint yards and terminals) operated by the carrier and in the joint use of which others participate.

NOTE B: No portion of expenses chargeable by the operating carrier to accounts 392 to 403, inclusive, shall be included in this account.

414 Insurance.

This account shall include premiums, except reinsurance premiums, for insuring the carrier against loss through injuries to persons or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, when such loss to the carrier would be chargeable to rail line transportation; also premiums on fidelity bonds of employees whose pay is chargeable to rail line transportation.

NOTE: The premiums paid by the carrier to its insurance fund shall be credited to an insurance reserve account, to which account shall be charged the amount of all claims for injuries to persons and damages to the property covered by its insurance. To such account shall also be charged all reinsurance premiums paid to insurance companies, and to it shall be credited all amounts recovered from insurance companies for damage to property reinsured by them.

415 Clearing Wrecks.

This account shall include the cost of clearing wrecks other than wrecks of work trains.

(a) *Labor.* The wages of employees while engaged in connection with wrecking service, loading, and transferring contents of wrecked cars, building temporary tracks around wrecks, and removing such tracks.

(b) *Train service.* The cost of train service in connection with replacing wrecked equipment upon the tracks and transporting such equipment to shops for repairs, including amounts paid to other companies for service of locomotives, derricks, and other equipment and for wages of crews in wrecking service.

(c) *Other supplies and expenses.* Payments for reloading or transferring freight, express, baggage, and mail; transferring passengers and cost of provisions or board for men clearing up or watching at wrecks.

NOTE A: Expenses of clearing wrecks of work trains shall be included in the cost of the work in connection with which the wrecked train was engaged.

NOTE B: The cost of restoring roadbed and tracks to original condition after wrecks and the cost of repairing equipment damaged or destroyed by wrecks shall be charged to the appropriate accounts for maintenance of way and structures and maintenance of equipment.

NOTE C: That proportion of payments to other companies for use of locomotives, derricks, and other equipment in wrecking service which represents rent shall be included in the income accounts.

416 Damage to Property.

(a) This account shall include payments and expenses on account of damages to the property of others, whether by fire, collision, flood, or other cause, with the exception of payments and expenses on account of damage to property intrusted to the carrier for transportation, and for damage to stock on right of way. It shall include also fines or compensation paid for interference with the business of others, as by detention of vessels at drawbridges, or by blocking streets.

(b) This account shall include also the pay, office rent, and office, traveling, and other expenses of employees and others engaged as claim adjusters or as witnesses in lawsuits in connection with damage to property cases, or engaged in detection of thieves; notarial fees paid in connection with such cases; and payments for or repairs of damage to equipment of other carriers, or to property contained therein, such carriers having trackage rights upon or grade crossings over the carrier's tracks.

(c) This account shall also include amounts estimated to be sufficient to meet the probable liability of the carrier for unaudited expenses applicable thereto, except that it is not required to anticipate items which would not appreciably affect the account.

NOTE A: Damage to livestock on right of way, and damage to freight and baggage intrusted for transportation, are provided for under accounts 417, "Damage to livestock on right of way"; 418, "Loss and damage—Freight"; and 419, "Loss and damage—Baggage."

NOTE B: Expenses incident to suits growing out of damage to property claims, not otherwise provided for, shall be included in account 454, "Law expenses."

NOTE C: The pay, office rent, and the traveling, office, and other expenses of claim adjusters, claim clerks, and others engaged in claim matters when not accurately assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged. This provision does not apply to the pay and expenses of general officers or general office employees whose pay is includible in general account 450, "General."

417 Damage to Livestock on Right of Way.

(a) This account shall include payments on account of cattle and other livestock killed or injured while crossing or trespassing on the right of way, including cost of removing and burying the same.

(b) There shall be included in this account also the pay and the traveling, office, and other expenses of employees and others engaged as livestock claim adjusters or engaged as witnesses in law suits in connection with damage to livestock on right of way; also notarial fees in connection with claims for damage to livestock on right of way.

(c) This account shall also include amounts estimated to be sufficient to meet the probable liability of the carrier for unaudited expenses applicable thereto, except that it is not required to anticipate items which would not appreciably affect the account.

NOTE A: Expenses incident to suits growing out of livestock claims, not otherwise provided for, shall be included in account 454, "Law expenses."

NOTE B: The pay, office rent, and traveling, office, and other expenses of claim adjusters, claim clerks, and others engaged in claim matters when not accurately assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged. This provision does not apply to the pay and expenses of general officers or general office employees whose pay is includible in general account 450, "General."

418 Loss and Damage; Freight.

(a) This account shall include payments and expenses on account of loss, destruction, damage, or delays to revenue freight shipments, including locomotives and cars transported as freight, express matter, milk shipments, and livestock, and expenses incurred on account of such payments; also expenses on account of loss, destruction, or damage to shipments of company material.

(b) This account shall also include the cost of repacking and boxing damaged freight shipments; notarial fees in connection with freight claims; freight charges paid other carriers on lost, destroyed, or damaged shipments; pay, traveling, office, and other expenses of employees or others engaged as freight-claim adjusters, as witnesses in lawsuits in connection with freight-claim cases, in selling damaged and unclaimed shipments or in detecting thieves; rent of warehouses used for storage of damaged and astray freight shipments, payments for storage of such shipments in public warehouses, and interest and penalties assessed for nonpayment of freight claims.

(c) Amounts received from the sale of astray and damaged freight shall be credited to this account.

(d) This account shall also include amounts estimated to be sufficient to meet the probable liability of the carrier for unaudited expenses applicable thereto, except that it is not required to anticipate items which would not appreciably affect the account.

NOTE A: Expenses incident to suits growing out of loss and damage (freight) claims not otherwise provided for, shall be included in account 454, "Law expenses."

NOTE B: The pay, office rent, and traveling, office, and other expenses of claim adjusters, claim clerks, and others engaged in claim matters when not accurately assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged. This provision does not apply to the pay and expenses of general officers or general office employees whose pay is includible in general account 450, "General."

419 Loss and Damage; Baggage.

(a) This account shall include payments for loss, destruction, damage, or delays to baggage and other personal property carried as baggage, and damage to personal apparel; also expenses on account of such loss or damage.

(b) This account shall also include the cost of repacking and boxing damaged baggage; notarial fees in connection with baggage claims; baggage claim payments made to other carriers on lost, destroyed, damaged, or delayed shipments; pay, traveling, office, and other expenses of employees or others engaged as baggage claim adjusters, as witnesses in lawsuits in connection with baggage claim cases, in selling damaged and unclaimed baggage, or in detecting thieves; rent of warehouses used exclusively for storage of damaged and unclaimed baggage, payments for storage of such shipments in public warehouses, and interest and penalties assessed for nonpayment of claims.

(c) Amounts received from the sale of astray and damaged baggage shall be credited to this account.

(d) This account shall also include amounts estimated to be sufficient to meet the probable liability of the carrier for unaudited expenses applicable thereto, except that it is not required to anticipate items which would not appreciably affect the account.

NOTE A: Expenses incident to suits growing out of loss and damage (baggage) claims, not otherwise provided for, shall be included in account 454, "Law expenses."

NOTE B: The pay, office rent, and traveling, office, and other expenses of claim adjusters, claim clerks, and others engaged in claim matters when not accurately assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged. This provision does not apply to the pay and expenses of general officers or general office employees whose pay is includible in general account 450, "General."

NOTE C: When a payment on account of injuries to passengers includes allowance for damage to personal apparel the damage allowance shall be included in this account when separable; otherwise in the appropriate personal injury account.

420 Injuries to Persons.

(a) This account shall include expenses on account of injuries to persons which occur directly in connection with transportation service, including damages for ejectment of passengers.

(b) Services of employees and others called in consultation in relation to claim adjustments; and pay and expenses of employees while engaged as witnesses at inquests and lawsuits, shall be included in this account.

(c) This account shall also include amounts estimated to be sufficient to meet the probable liability of the carrier for unaudited expenses applicable thereto, except that it is not required to anticipate items which would not appreciably affect the account.

ITEMS OF EXPENSE

Artificial limbs.
Carriage fees.
Claim adjusters' and clerks' services.
Claim adjusters' office expenses.
Compensation for injuries or death.
Final judgments, including plaintiffs' court costs.
Funeral expenses.
Hospital attendance.
Medical and surgical services.
Medical and surgical supplies.
Notarial fees.
Nursing.
Railway transportation.
Undertakers' services.
Undertakers' supplies.
Witnesses' fees and expenses at inquests and lawsuits.

NOTE A: Expenses incident to personal injury suits, not otherwise provided for, shall be included in account 454, "Law expenses."

NOTE B: The pay, office rent, and traveling, office, and other expenses of claim adjusters, claim clerks, and others engaged in claim matters when not accurately assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged. This provision does not apply to the pay and expenses of general officers or general office employees whose pay is includible in general account 450, "General."

NOTE C: When a payment on account of injuries to persons includes allowances for damages to personal apparel, the damage allowance shall be included in account 419, "Loss and damage—Baggage," when separable; otherwise the entire payment shall be included in this account.

Miscellaneous Operations Expenses

440 Miscellaneous Operations.

The primary accounts included in this general account are designed to show the expenses incurred in miscellaneous operations.

441 Dining and Buffet Service.

This account shall include the cost of operating dining and buffet service on trains and transfer boats. It shall include:

(a) *Superintendence.* The pay of officers directly in charge of operating dining and buffet service; the pay of their assistants, clerks, and office attendants; also the office, traveling, and other expenses of such officers and their employees.

(b) *Commissarial employees.* The pay of storekeepers, assistant storekeepers, clerks, porters, and other employees in commissarial supply depots and storehouses.

(c) *Stewards.* The pay of stewards or conductors employed on dining and buffet cars and transfer boats.

(d) *Cooks and waiters.* The pay of cooks, waiters, and assistants on dining and buffet cars and transfer boats.

(e) *Fuel and supplies.* The cost of fuel for cooking purposes; of provisions, such as meats, groceries, vegetables, fish, table waters, ice, etc.; bar supplies, such as wines, liquors, beers, ales, etc.; cost of licenses; and cost of cigars, cigarettes, and tobacco.

(f) *Laundry.* Expenses for laundry work, such as laundering tablecloths, napkins, aprons, etc.

(g) *Stationery and printing.* The cost of stationery and printing used in connection with dining and buffet service.

(h) *Other expenses.* The cost of flowers and plants; cleaning the interior of cars; rent and cost of supplies for rooms furnished for dining and buffet service employees; and such other expenses in connection with the operation of dining and buffet service as are not provided for elsewhere.

NOTE: When officers have immediate supervision over dining and buffet service and other operations their pay, office, and other expenses, as also the pay, office, and other expenses of their assistants, clerks, and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

442 Hotels and Restaurants.

This account shall include the cost of operating hotels, restaurants, and lunch counters when the cost of the operated property is includible in the road and equipment accounts. It shall include:

(a) *Superintendence.* The pay of officers directly in charge of operating hotels, restaurants, and lunch counters; pay of their clerks and office attendants; also the office, traveling, and other expenses of such officers.

(b) *Employees.* The pay of stewards, hotelkeepers, storekeepers, checkers, linen clerks, butchers, chefs, cooks, kitchen help, maids, porters, elevator men, call boys, hat and cloak attendants, waiters, waitresses, laundresses, engineers, firemen, and other employees engaged in operating hotels, restaurants, and lunch counters.

(c) *Fuel and supplies.* The cost of fuel for cooking and heating purposes; provisions, such as meats, groceries, vegetables, fish, table waters, ice, etc.; bar supplies, such as wines, liquors, beers, ales, etc.; the cost of liquor licenses; the cost of tobacco, cigars, cigarettes, etc.; and miscellaneous supplies for operating the service.

(d) *Stationery and printing.* The cost of stationery and printing used in connection with the operation of hotels and restaurants.

(e) *Other expenses.* The cost of lighting, and other items of expense not otherwise provided for in this account.

NOTE: When officers have immediate supervision over hotels, restaurants, and lunch counters and other operations their pay, office, and other expenses, as also the pay, office, and other expenses of their assistants, clerks, and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

443 Grain Elevators.

This account shall include the cost of operating grain elevators other than small elevators which are classed as station facilities. It shall include:

(a) *Superintendence.* The pay of officers directly in charge of grain-elevator service; the pay of their assistants, clerks, and office attendants; also the office, traveling, and other expenses of such officers and their employees.

(b) *Employees.* The pay of engineers, firemen, foremen, machine men, oil-

ers, millwrights, carpenters, trimmers, weighers, spout men, sweepers, laborers, watchmen, and all other employees engaged in operating grain elevators.

(c) *Fuel and supplies.* The cost of fuel for power, heating, and lighting plants; power for heating, lighting, and operating machinery; and water, ice, oil, waste, and other supplies for operating such property.

(d) *Stationery and printing.* The cost of stationery and printing used in connection with the operation of grain elevators.

(e) *Other expenses.* The cost of grain used to make up shortage in elevators; rent for and repairs of rented offices; and other operating expenses not otherwise provided for in this account.

NOTE: When officers have immediate supervision over grain elevators and other operations their pay, office, and other expenses; also the pay, office, and other expenses of their assistants, clerks, and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

445 Producing Power Sold.

This account shall include the cost of operating power plants, substations, transmission systems and distribution systems, for the production of power sold. The proportion of the cost assignable to the production of the power sold only shall be included in this account. This account shall include:

(a) *Superintendence.* The pay of officers directly in charge of power plants, substations, transmission systems and distribution systems; pay of their clerks and office attendants; also the office, traveling, and other expenses of such officers and employees.

(b) *Employees.* The pay of foremen, subforemen, engineers, firemen, electricians, system operators or load dispatchers, dynamo tenders, foremen regulators, regulators and assistants, switchboard men, brush men, oilers, wipers, wiremen, and others engaged in the operation of power plants and substation apparatus and devices.

(c) *Fuel.* The cost of fuel used in the production of power and for heating power plants.

(d) *Other supplies.* The cost of water, lubricants, and other power plant and substation supplies.

(e) *Stationery and printing.* The cost of stationery and printing used in connection with producing power sold.

(f) *Other expenses.* The items of expense not otherwise provided for in this account.

NOTE: When officers have immediate supervision over producing power sold and other operations, their pay, office, and other expenses, as also the pay, office, and other expenses of their assistants, clerks and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

446 Other Miscellaneous Operations.

This account shall include the operations of facilities such as cold-storage plants; coal-storage plants; cotton-compress plants; wood-preserving plants; ice-supply plants, etc., when the cost of the facilities is includible in the road and equipment accounts and they are operated by the railway companies.

NOTE: When officers have immediate supervision over other miscellaneous service and other operations, their pay, office, and other expenses, as also the pay, office, and other expenses of their assistants, clerks, and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

447 Operating Joint Miscellaneous Facilities—Dr.

This account shall include the carrier's proportion of such costs as are incurred by others in their operation of joint facilities which are chargeable by them to accounts 442, "Hotels and restaurants," 443, "Grain elevators," 445, "Producing power sold," or 446, "Other miscellaneous operations."

448 Operating Joint Miscellaneous Facilities—Cr.

This account shall include amounts chargeable to others as their proportions of such costs as are incurred by the carrier in its operation of joint facilities which are chargeable by it to accounts 442, "Hotels and restaurants," 443, "Grain elevators," 445, "Producing power sold," or 446, "Other miscellaneous operations."

449 Employees Health and Welfare Benefits.

This account shall include premiums on group and other insurance policies covering annuities and other benefits for employees or their beneficiaries, contributions directly to employees health and welfare funds, and salaries and other expenses incurred directly in conducting relief, benefit, and medical departments for the benefit of officers and employees engaged in miscellaneous operations.

NOTE: The total amount payable to trustees under pension plans and directly to retired employees for pensions is includible in account 457, "Pensions."

General Operating Expenses

450 General.

The primary accounts included in this general account are designed to show the expenses incurred of a general character not chargeable to the preceding general accounts, such as those for general administration and accounting, and those of the financial, law, real estate, tax, valuation, and claim departments.

NOTE: Directly assignable administration expenses incident to investments in leased or nonoperating physical property, and in stocks, bonds, and other securities, are chargeable to income account 549, "Maintenance of investment organization."

451 Salaries and Expenses of General Officers.

This account shall include:

(a) *Salaries.* The pay of all general officers and assistant general officers not otherwise provided for, including salaries and fees of receivers and commissions paid to general officers in lieu of salaries.

LIST OF OFFICERS

Chairman of the board.
President.
Assistant to president.
Vice president.
Assistant to vice president.
Secretary; Assistant.
Transfer agent.
Treasurer; Assistant.
Local treasurer.
Comptroller; Assistant.
General auditor; Assistant.
General accountant.
Auditor of revenues.
Auditor of passenger accounts; Assistant.
Auditor of freight accounts; Assistant.
Auditor of station accounts.
Auditor of disbursements; Assistant.
Auditor of miscellaneous accounts; Assistant.
Auditor of coal and coke accounts.
Freight claim agent; Assistant.
Real-estate agent; Assistant.
Tax commissioner.

(b) *Expenses.* The traveling and other expenses of officers whose pay is included in this account, including supplies for business cars used by them, cost of running official trains for them, and cost of membership fees and dues in railway and other associations.

NOTE A: When officers' duties are restricted to a single department, their salaries and expenses shall be charged to that department in the accounts for superintendence or for law expenses, as may be appropriate. When officers have immediate supervision over more than one department, their salaries and expenses shall be apportioned equitably among the departments over which they have jurisdiction.

NOTE B: The pay and expenses of the purchasing agent, assistant purchasing agent, assistant to purchasing agent, general storekeeper, division storekeeper, their clerks and attendants, shall be charged through clearing accounts "Material store expenses" and "Stationery store expenses," or material account "Fuel," as may be appropriate.

452 Salaries and Expenses of Clerks and Attendants.

This account shall include the pay and expenses of clerks and attendants of the officers whose salaries are includible in account 451, "Salaries and expenses of general officers." The account shall include the traveling and other expenses of employees, the cost of supplies for business cars and cost of running official trains for them.

453 General Office Supplies and Expenses.

This account shall include the office expenses of officers designated in account 451, "Salaries and expenses of general officers."

ITEMS OF EXPENSE

Alterations of partitions and fixtures in general offices.
Atlases, maps, and books.
Cable tolls.
Cleaning.
Express charges.
Furniture repairs and renewals.
Heating and lighting.
Local messenger service.
Periodicals and newspapers.
Rent and repairs of general offices.
Rent of tabulating machines.
Reports of commercial standings.
Service of automobiles.
Telegraph and telephone service.
Watchmen service.

NOTE: The proportion of general office expenses occasioned by the law department shall be included in account 454, "Law expenses."

454 Law Expenses.

This account shall include the pay and the office and other expenses, when not provided for elsewhere, of officers and employees of the law department, the cost of suits, and the payments of special law fees.

LIST OF OFFICERS AND EMPLOYEES

General counsel.	Special counsel.
General solicitor.	Attorney.
Assistant counsel.	Counsel.
Solicitor.	Law agent.
Commerce counsel.	Clerks and office attendants.
Commerce agent.	

ITEMS OF EXPENSE

Arbitrators' services in settlement of disputed questions.
Cost of taking depositions and testimony.
Cost of suits.
Court bonds and court expenses.
Drawing and recording agreements as to trackage rights, etc.
Express charges.
Fees and retainers of attorneys (not regular employees).
Law books, forms, and reports.
Membership fees and dues in associations to protect carriers against litigation in respect to patents.
Membership fees and dues in law associations.
Notarial fees not provided for elsewhere.
Office expenses
Printing of briefs, testimony, and reports.
Proportion of general office expenses.
Rent of offices.
Special fees.
Telegraph and telephone service.
Traveling expenses.
Witness fees not provided for elsewhere.

455 Insurance.

This account shall include premiums, except reinsurance premiums, for insuring the carrier against loss, through injuries to persons or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, when such loss to the carrier would be chargeable to general account 450, "General"; also premiums on fidelity bonds of officers and employees whose pay is chargeable to general account 450, "General."

NOTE: The premiums paid by the carrier to its insurance fund shall be credited to an insurance account, to which account shall be charged the amount of all claims for injuries to persons and damages to the property covered by its insurance. To such account shall also be charged all reinsurance premiums paid to insurance companies, and to it shall be credited all amounts recovered from insurance companies for damage to the property reinsured by them.

456 Employees Health and Welfare Benefits.

This account shall include premiums on group and other insurance policies covering annuities and other benefits for employees or their beneficiaries, contributions directly to employees health and welfare funds, and salaries and other expenses incurred directly in conducting relief, benefit, and medical departments for the benefit of officers and employees engaged in accounting, law, and other general administration.

NOTE: The total amount payable to trustees under pension plans and directly to retired employees for pensions is includible in account 457, "Pensions."

457 Pensions.

(a) This account shall include amounts payable for the current year to trustees under pension plans for pension costs computed on basis of employees services in the year and for pension costs computed on basis of credits for past services. This includes retired employees and former employees covered in such plans, as well as employees now in service. The account shall also include the amount for which the carrier is liable to cover cost of pensions vested in employees who have qualified for pensions in advance of payment to trustees. This account shall include amounts payable for each year directly to retired employees or to their beneficiaries when no trust fund exists. Also, in the case of an unfunded pension plan, when an employee retires and is granted a pension the total present worth of the pension actuarially computed may be charged to this account, provided this method of accounting for such expense is consistently followed.

(b) If the amount payable to the trustees for pensions for the current year is not paid before the accounts are closed, the item (estimated if necessary) shall be charged to this account and concurrently credited to account 759, "Accrued accounts payable"; or account 753, "Audited accounts and wages payable", in case the amount is covered by audited voucher.

(c) The amounts to be charged to this account each year for costs of pensions, including credits based upon prior services, shall be in agreement, as nearly as practicable, with deductions includible in the Federal income tax return for the year under pension plan adopted by the carrier for making payments to the trustees. When payments attributable to prior services made to trustees at the time the pension plan is adopted or subsequently are materially in excess of deductions includible in the tax return for the year, such excess shall be included in account 743, "Other deferred charges", and cleared thereafter to account 457 in the years in which deductions are includible in tax returns. (See Note B).

(d) Carriers shall maintain a complete record of payments to trustees for pensions and shall be prepared to furnish to the Commission full information of the plan under which it has created a pension fund and a copy of the declaration of trust and resolution under which the pension plan is established.

NOTE A: Premiums on group and other insurance policies and also other costs of employees health and welfare benefits (but not including pensions) are includible in the separate primary accounts under the general accounts for maintenance, traffic, transportation, miscellaneous operations, and general expenses, as may be appropriate, according to distribution of the pay of the employees covered by the contracts. (See instruction 1-9.)

NOTE B: Reserves heretofore authorized and recorded in the accounts as of the effective date of this system of accounts for pension costs, not funded, may be retained unless otherwise directed by the Commission. Also, payments heretofore made to trustees and charged off against income or retained income are not to be reversed, unless otherwise directed or authorized by the Commission.

NOTE C: In the case of an existing pension plan, if the carrier should desire to conform its accounting to the *full accrual basis* of accounting, application to do so may be made to the Commission for consideration and such accounting shall not be performed unless approved by the Commission. *Full accrual basis* as used herein means recording in the accounts now and hereafter costs of employees pensions accrued, including credits for past services, upon the basis of actuarial computations, even though the sum has not been funded by payment to the trustees. Applications for such accounting shall show the method of computation, together with the carrier's proposal for recording in the accounts the related income tax credits to be realized in subsequent years.

458 Stationery and Printing.

This account shall include the cost of postage and of stationery and printing used in general offices and not chargeable to other accounts, including the cost of printing annual reports, contracts, leases, stock certificates, and passes. This account also shall include the cost of adding and calculating machines, typewriters and other office appliances which replace comparable items worn out, consumed or for other cause are no longer in use.

NOTE A: The cost of printing briefs, legal forms, testimony, reports, etc., for the law department is chargeable to account 454, "Law expenses."

NOTE B: The cost of printing bonds, etc., in connection with the carrier's funded debt shall be included in balance-sheet account 742, "Unamortized discount on long-term debt."

460 Other Expenses.

This account shall include incidental general expenses which are not properly chargeable to any of the foregoing accounts.

ITEMS OF EXPENSE

Cost of draping buildings.
Cost of publishing annual reports in newspapers, and other corporate and financial notices of general character.
Cost of publishing notices of stockholders' meetings and of election of directors.
Exchange (other than foreign exchange) on checks cashed or deposited and on drafts bought.
Fees and expenses paid to directors and trustees.
Loss through payment of wages to a wrong person.
Penalties assessed for nonpayment of claims for overcharges.

461 General Joint Facilities—Dr.

This account shall include the carrier's proportions of general expenses incurred by others incident to maintaining and operating tracks, yards, terminals, and other facilities used jointly.

NOTE: The purpose of this account is to show the amount accruing against the carrier for its proportion of the expense of general administration of tracks, yards, termi-

nals and other facilities administered by others, and in the joint use of which the carrier participates.

462 General Joint Facilities—Cr.

This account shall include amounts chargeable to others as their proportions of general expenses incurred by the carrier incident to maintaining and operating tracks, yards, terminals, and other facilities used jointly.

NOTE: The purpose of this account is to show the amounts accruing in favor of the carrier and against others for their proportions of the expense of general administration of tracks, yards, terminals, and other facilities administered by the carrier, and in the joint use of which others participate.

Condensed Classification of Operating Expenses

480 Accounts for Small Carriers, Class II.

See Instruction 1, Classification of Carriers. The condensed groupings of accounts for Class II small carriers are as follows:

CONDENSED CLASSIFICATION OF OPERATING EXPENSES

Accounts for Small Carriers—Class II	*Accounts for Large Carriers—Class I*
Maintenance of Way and Structures	200. Maintenance of Way and Structures.
2201. Superintendence	201. Superintendence
2202. Roadway maintenance	202. Roadway maintenance.
	206. Tunnels and subways.
	208. Bridges, trestles and culverts.
	210. Elevated structures.
	212. Ties.
	214. Rails.
	216. Other track material.
	218. Ballast.
	220. Track laying and surfacing.
	221. Fences, snowsheds and signs.
	247. Communication systems.
	249. Signals and interlockers.
	272. Removing snow, ice, and sand.
2203. Maintaining structures	227. Station and office buildings.
	229. Roadway buildings.
	231. Water stations.
	233. Fuel stations.
	235. Shops and enginehouses.
	237. Grain elevators.
	239. Storage warehouses.
	241. Wharves and docks.
	243. Coal and ore wharves.
	253. Power plants.
	257. Power-transmission systems.
	265. Miscellaneous structures.
2203½. Retirements—Road	267. Retirements—Road.
2204. Dismantling retired road property	270. Dismantling retired road property.
2205. Equalization—Way and structures	280. Equalization—Way and structures.
2208. Road property—Depreciation	266. Road property—Depreciation.
2209. Other maintenance of way expenses.	269. Roadway machines.
	271. Small tools and supplies.
	273. Public improvements—Maintenance.
	274. Injuries to persons.
	275. Insurance.
	276. Stationery and printing.
	277. Employees health and welfare benefits.
	281. Right-of-way expenses.
	282. Other expenses.
2210. Maintaining joint tracks, yards, and other facilities—Dr.	278. Maintaining joint tracks, yards, and other facilities—Dr.
2211. Maintaining joint tracks, yards, and other facilities—Cr.	279. Maintaining joint tracks, yards, and other facilities—Cr.

CONDENSED CLASSIFICATION OF OPERATING EXPENSES—Continued

Accounts for Small Carriers—Class II	*Accounts for Large Carriers—Class I*
Maintenance of Equipment	300. Maintenance of Equipment.
2221. Superintendence	301. Superintendence.
2222. Repairs to shop and power-plant machinery.	302. Shop machinery.
	304. Power-plant machinery.
2223. Shop and power-plant machinery—Depreciation.	305. Shop and power-plant machinery—Depreciation.
2224. Dismantling retired shop and power-plant machinery.	306. Dismantling retired shop and power-plant machinery.
2225. Locomotive repairs	308. Steam locomotives—Repairs.
	311. Other locomotives—Repairs.
2226. Car repairs	314. Freight-train cars—Repairs.
	317. Passenger-train cars—Repairs.
2227. Other equipment repairs	323. Floating equipment—Repairs.
	326. Work equipment—Repairs.
	328. Miscellaneous equipment—Repairs.
2228. Dismantling retired equipment	329. Dismantling retired equipment.
2229. Retirements—Equipment	330. Retirements—Equipment.
2231. Equalization—Equipment	338. Equalization—Equipment.
2234. Equipment—Depreciation	331. Equipment—Depreciation.
2235. Other equipment expenses	332. Injuries to persons.
	333. Insurance.
	334. Stationery and printing.
	335. Employees health and welfare benefits.
	339. Other expenses.
2236. Joint maintenance of equipment expenses—Dr.	336. Joint maintenance of equipment expenses—Dr.
2237. Joint maintenance of equipment expenses—Cr.	337. Joint maintenance of equipment expenses—Cr.
Traffic	350. Traffic.
2240. Traffic expenses	351. Superintendence.
	352. Outside agencies.
	353. Advertising.
	354. Traffic associations.
	355. Fast freight lines.
	356. Industrial and immigration bureaus.
	357. Insurance.
	358. Stationery and printing.
	359. Employees health and welfare benefits.
	360. Other expenses.
Transportation—Rail Line	370. Transportation—Rail Line.
2241. Superintendence and dispatching	371. Superintendence.
	372. Dispatching trains.
2242. Station service	373. Station employees.
	374. Weighing, inspection and demurrage bureaus.
	375. Coal and ore wharves.
	376. Station supplies and expenses.
2243. Yard employees	377. Yardmasters and yard clerks.
	378. Yard conductors and brakemen.
	379. Yard switch and signal tenders.
	380. Yard enginemen.
2244. Yard switching fuel	382. Yard switching fuel.
2245. Miscellaneous yard expenses	383. Yard switching power produced.
	384. Yard switching power purchased.
	385. Water for yard locomotives.
	386. Lubricants for yard locomotives.
	387. Other supplies for yard locomotives.
	388. Enginehouse expenses—Yard.
	389. Yard supplies and expenses.

CONDENSED CLASSIFICATION OF OPERATING EXPENSES—Continued

Accounts for Small Carriers—Class II	*Accounts for Large Carriers—Class I*
2246. Operating joint yards and terminals—Dr.	390. Operating joint yards and terminals—Dr.
2247. Operating joint yards and terminals—Cr.	391. Operating joint yards and terminals—Cr.
2248. Train employees	392. Train enginemen. 401. Trainmen.
2249. Train fuel	394. Train fuel.
2251. Other train expenses	395. Train power produced. 396. Train power purchased. 397. Water for train locomotives. 398. Lubricants for train locomotives. 399. Other supplies for train locomotives. 400. Enginehouse expenses—Train. 402. Train supplies and expenses. 403. Operating sleeping cars.
2252. Injuries to persons	420. Injuries to persons.
2253. Loss and damage	418. Loss and damage—Freight. 419. Loss and damage—Baggage.
2254. Other casualty expenses	414. Insurance. 415. Clearing wrecks. 416. Damage to property. 417. Damage to livestock on right of way.
2255. Other rail transportation expenses	404. Signal and interlocker operations. 405. Crossing protection. 406. Drawbridge operation. 407. Communication system operation. 408. Operating floating equipment. 409. Employees health and welfare benefits. 410. Stationery and printing. 411. Other expenses.
2256. Operating joint tracks and facilities—Dr.	412. Operating joint tracks and facilities—Dr.
2257. Operating joint tracks and facilities—Cr.	413. Operating joint tracks and facilities—Cr.
Miscellaneous Operations	440. Miscellaneous Operations.
2258. Miscellaneous operations	441. Dining and buffet service. 442. Hotels and restaurants. 443. Grain elevators. 445. Producing power sold. 446. Other miscellaneous operations. 449. Employees health and welfare benefits.
2259. Operating joint miscellaneous facilities—Dr.	447. Operating joint miscellaneous facilities—Dr.
2260. Operating joint miscellaneous facilities—Cr.	448. Operating joint miscellaneous facilities—Cr.
General	450. General.
2261. Administration	451. Salaries and expenses of general officers. 452. Salaries and expenses of clerks and attendants. 453. General office supplies and expenses. 454. Law expenses.
2262. Insurance	455. Insurance.
2264. Other general expenses	456. Employees health and welfare benefits. 457. Pensions. 458. Stationery and printing. 460. Other expenses.
2265. General joint facilities—Dr.	461. General joint facilities—Dr.
2266. General joint facilities—Cr.	462. General joint facilities—Cr.

INCOME ACCOUNTS

Ordinary Items

501 Railway Operating Revenues.

This account shall include the total revenues derived from operations as shown in the primary revenue accounts provided elsewhere in these regulations.

502 Revenues from Miscellaneous Operations.

This account shall include the total revenues derived from the operation of miscellaneous operating physical property, such as that the cost of which is includible in balance-sheet account 737, "Miscellaneous physical property."

NOTE: The income from miscellaneous nonoperating physical property shall be included in account 511, "Income from nonoperating property."

503 Hire of Freight Cars; Credit Balance.

This account shall include, except as provided in the texts of accounts 509, "Income from lease of road and equipment," and 542, "Rent for leased roads and equipment," the net credit balance of (a) amounts receivable accrued for the use of the accounting company's freight cars leased or interchanged, and (b) amounts payable accrued for the use of the freight cars of others, leased or interchanged.

NOTE A: If the net balance is a debit, it shall be included in account 536, "Hire of freight cars—Debit balance."

NOTE B: Rent for freight cars included in the lease of road to another company shall be included in account 509, "Income from lease of road and equipment."

NOTE C: Rents paid for freight cars used in construction work-train service are chargeable to the cost of the work.

504 Rent from Locomotives.

This account shall include, except as provided in the text of account 509, "Income from lease of road and equipment," amounts receivable accrued as rent for the use of the accounting company's locomotives leased or interchanged.

NOTE: Rent for locomotives included in lease of road to another company shall be included in account 509, "Income from lease of road and equipment."

505 Rent from Passenger-Train Cars.

This account shall include, except as provided in the text of account 509, "Income from lease of road and equipment," amounts receivable accrued as rent for the use of the accounting company's passenger-train cars leased or interchanged.

NOTE: Rent for passenger-train cars included in lease of road to another company shall be included in account 509, "Income from lease of road and equipment."

506 Rent from Floating Equipment.

This account shall include, except as provided in the text of account 509, "Income from lease of road and equipment," amounts receivable accrued as rent for the use of the accounting company's floating equipment leased or chartered.

NOTE: Rent from floating equipment included in lease of road to another company shall be included in account 509, "Income from lease of road and equipment."

507 Rent from Work Equipment.

This account shall include, except as provided in the text of account 509, "Income from lease of road and equipment," amounts receivable accrued as rent for the use of the accounting company's work equipment leased or interchanged.

NOTE: Rent for work equipment included in lease of road to another company shall be included in account 509, "Income from lease of road and equipment."

508 Joint Facility Rent Income.

(a) This account shall include amounts receivable accrued for rent of equipment, tracks, yards, terminals, and other facilities owned or controlled by the accounting company and used jointly with other companies or individuals.

(b) Amounts receivable from other companies in reimbursement for taxes on property jointly used shall be credited to this account.

NOTE: The portion of the cost of maintenance, operation, or administration of joint facilities recoverable from others shall be credited to the various joint facility accounts provided for operating expenses. When the compensation for the use of joint facilities is a fixed amount or is based upon a charge per passenger, ton, car, or other unit, it shall be fairly apportioned by the

creditor between this account and the appropriate joint facility operating expense accounts.

509 Income from Lease of Road and Equipment.

(a) This account shall include the entire amount receivable accrued for the exclusive use of road, tracks, or bridges (including equipment or other railway property covered by the contract), the rented property being owned or controlled by the accounting company, whether payable to the accounting company in cash or disbursed by the lessee on behalf of the accounting company as interest on funded debt, guaranteed dividends on stock, or otherwise.

(b) When the lessor company maintains the road and equipment leased, the cost of maintaining the property rented shall be charged to this account, except that when the rent thus receivable for the use of property other than equipment is relatively small and the expense of maintenance is not separable, the entire amount received may be credited to revenue account 142, "Rents of buildings and other property."

(c) If, under the terms of a lease, the deficit, or any portion of it, resulting from the lessee company's operations of the property leased is payable by the lessor company, the amount thus payable shall be charged to this account by the lessor.

NOTE A: When taxes on leased property are assumed by the lessor, the accruals of such taxes shall be included in the lessor's account 532, "Railway tax accruals."

NOTE B: If property the rent of which is chargeable to account 542, "Rent for leased roads and equipment," is sublet by the accounting company, the rent receivable therefor shall be credited to this account.

NOTE C: When specific charges against the lessee are made by the lessor for repairs of equipment which is actually maintained by it the amount of such charges shall be appropriately credited by the lessor to its equipment repair accounts and charged by the lessee to the corresponding accounts.

510 Miscellaneous Rent Income.

(a) This account shall include such rents of property owned and controlled by the accounting carrier as are not provided for in the foregoing accounts.

(b) This account shall be charged with the cost of maintenance of the property rented, also specific incidental expenses in connection with such property, such as the cost of negotiating contracts, advertising for tenants, fees paid conveyancers, collectors' commissions, and analogous items.

NOTE A: If property the rent of which is chargeable to account 543, "Miscellaneous rents," is sublet by the accounting company, the rent receivable therefor shall be credited to this account.

NOTE B: Taxes on property the rent of which is creditable to this account shall be charged to account 532, "Railway tax accruals."

NOTE C: The rent from property carried in balance-sheet account 737, "Miscellaneous physical property," shall not be included in this account, but in account 511, "Income from nonoperating property."

NOTE D: Rent and other income from real estate acquired for new lines or for additions and betterments shall be credited to the appropriate road and equipment accounts until the completion or coming into service of the property.

511 Income from Nonoperating Property.

This account shall include the net credit balance of the nonoperating revenues or income from, and the expenses including depreciation (but excluding taxes) of physical property the cost of which is carried in balance-sheet account 737, "Miscellaneous physical property."

NOTE A: Net debit balances in this account shall be so indicated.

NOTE B: The revenues from the operation of miscellaneous operating physical property shall be included in income account 502, "Revenues from miscellaneous operations," and the expenses of operation shall be included in account 534, "Expenses of miscellaneous operations."

512 Separately Operated Properties; Profit.

(a) This account shall include amounts receivable under the terms of agreements or contracts whereby the surplus resulting from the operation by others of properties of other companies having a separate corporate existence is to be paid, in whole or in part, to the accounting company.

(b) In determining the amount receivable by the accounting company, consideration shall be given not only to the operating revenues and operating expenses but also to other items of income or deduction which affect that amount.

NOTE A: The amount payable by the operating company shall be charged by it to account 550, "Income transferred to other companies."

NOTE B: Dividends or other returns upon securities issued by separately operated companies, and held or controlled by the accounting company, shall be included in accounts 513, "Dividend income," 514, "Interest income," or 516, "Income from sinking and other reserve funds," as may be appropriate.

513 Dividend Income.

(a) This account shall include dividends declared on railway and other stocks, the income from which is the property of the accounting company, whether such stocks are owned by the accounting company and held in its treasury or deposited in trust, or are controlled through lease or otherwise.

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

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

NOTE A: This account shall not include credits for dividends on stocks issued or assumed by the accounting company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other reserve funds.

NOTE B: Dividends on stocks of other companies held in sinking or other reserve funds shall be credited to account 516, "Income from sinking and other reserve funds."

514 Interest Income.

(a) This account shall include the interest on securities and debenture stock of other companies, the income from which is the property of the accounting company, whether such securities are owned by the accounting company and held in its treasury or deposited in trust, or are controlled through lease or otherwise.

(b) The account shall also include interest on notes and other evidences of indebtedness and interest on bank balances, open accounts, and other analogous items, including discount on short-term notes. Interest accrued shall not be credited prior to actual collection unless its payment is reasonably assured by past experience, guaranty, anticipated provision, or otherwise. (See Note C to account 708, "Interest and dividends receivable.")

(c) At the option of the accounting company there may be included each year in this account the portion, applicable to the fiscal period, of the amount requisite to extinguish, during the interval between the date of acquisition and the date of maturity, the discount or premium on securities of other companies owned (other than short-term notes). Amounts thus credited or charged shall be concurrently charged or credited to the account in which the cost of the securities is carried. The discount on short-term notes shall be distributed through equal monthly credits, over the terms of the notes.

NOTE A: This account shall not include interest on securities issued or assumed by the accounting company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other reserve funds.

NOTE B: Interest on securities other than those of the accounting company, and on other assets held in sinking or other reserve funds shall be included in account 516, "Income from sinking and other reserve funds."

NOTE C: Discount on bills for material purchased shall be credited to the accounts to which is charged the cost of the material with respect to which the discount is allowed.

516 Income from Sinking and Other Reserve Funds.

(a) This account shall include the income accrued on cash, securities, and other assets (not including securities issued or assumed by the accounting company) held in sinking and other reserve funds. (See Note C to account 708, "Interest and dividends receivable.")

(b) At the option of the accounting company there may be included each year in this account the portion, applicable to the fiscal period, of the amount requisite to extinguish, during the interval between the date of acquisition and the date of maturity, the discount or premium on funded securities held in sinking or other reserve funds. Amounts thus credited or charged shall be concurrently charged or credited to the account in which the cost of the securities is carried.

517 Release of Premiums on Funded Debt.

This account shall include, during each fiscal period, such proportion of the premiums on outstanding funded debt as may be applicable to the period. (See instruction 6-3.)

518 Contributions from Other Companies.

(a) This account shall include amounts received or receivable from other companies or individuals, representing the whole or a part of the net deficit of the accounting company when, under the terms of agreements or contract, no obligation for subsequent reimbursement is incurred.

(b) In determining the amount receivable by the accounting company, consideration shall be given not only to the operating revenues and operating expenses, but also to other items of income or deduction which affect that amount.

NOTE: The amount payable shall be charged by the contributing company to account 545, "Separately operated properties—Loss."

519 Miscellaneous Income.

(a) This account shall include all items, not provided for elsewhere, properly creditable to income accounts during the current year. Among the items which shall be included in this account are:

Cancellation of balance sheet accounts representing unclaimed wages and vouchered accounts written off because of carrier's inability to locate the creditor.

Profit from sale of securities carried as temporary cash investments.

Profit from sale of land used for transportation purposes, of noncarrier property, and of securities acquired for investment purposes.

Profit from company bonds reacquired.

(b) When the profit from sale of land, noncarrier property, or investment securities other than temporary cash investments, or from the reacquisition of the company's own bonds is of an amount sufficiently large to constitute an extraordinary item, pursuant to instruction 1-2(d), such profit shall be credited to account 570 "Extraordinary items".

531 Railway Operating Expenses.

This account shall include the total expenses caused by operations, as shown in the primary expense accounts provided in these regulations.

532 Railway Tax Accruals.

(a) This account shall include accruals for taxes of all kinds relating to railway property (including floating equipment, if any), operations, and privileges, whether based upon the valuation of the property, amount of stocks and bonds or other evidences of debt issued or outstanding; gross or net earnings, dividends declared, number of passengers carried, quantity of freight transported, length of line operated or owned, rolling stock operated or owned, or other basis; also taxes for issuing and recording mortgages and trust deeds and for issuing bonds or other evidences of long-term debt.

(b) The taxes on leased property shall be included in this account by the carrier obligated to assume such expenses under the terms of the lease.

(c) Accruals for Federal income taxes applicable to ordinary income shall be included in this account. See texts of account 590 "Federal income taxes on extraordinary and prior period items", account 606 "Other credits to retained income", and account 616 "Other debits to retained income", for recording other income tax consequences.

Details pertaining to the tax consequences of other unusual and significant items, and also cases where tax consequences are disproportionate to related amounts included in income accounts, shall be submitted to the Commission for consideration and decision as to proper accounting.

(d) Federal income taxes which are refundable or reduced as the result of carry-back or carry-forward of operating loss shall be credited to this account, if a carry-back, in the year in which the loss occurs or, if a carry-forward, in the year in which such loss is applied to reduce taxes. However, when the amount constitutes an extraordinary item, pursuant to instruction 1-2(d), it shall be included in account 580 "Prior period items".

NOTE A: Taxes on leased property paid by one party to the lease and chargeable to the other party to the lease shall be charged directly to the party bearing the expense and not included in the income account of the party first making payment.

NOTE B: Taxes on other than railway property, operations, and privileges shall be charged to account 535, "Taxes on miscellaneous operations property", or 544, "Miscellaneous tax accruals," as may be appropriate.

NOTE C: Special assessments for street and other improvements, and special benefit taxes, such as water taxes and the like, shall be included in operating expense accounts or investment accounts, as may be appropriate.

NOTE D: Amounts received in reimbursement of taxes on property jointly used shall be credited to account 508, "Joint facility rent income." Amounts paid in reimbursement of such taxes shall be charged to account 541, "Joint facility rents."

NOTE E: Taxes accruing on new lines under construction or on property acquired for the extension of existing lines or for addition or betterment purposes before the facilities are opened for commercial operation or the property acquired becomes available for service shall be charged to road and equipment accounts.

534 Expenses of Miscellaneous Operations.

This account shall include the total expenses caused by the operation of miscellaneous physical property the cost of which is includible in balance-sheet account 737, "Miscellaneous physical property."

NOTE: The expenses of miscellaneous nonoperating physical property shall be included in account 511, "Income from nonoperating property."

535 Taxes on Miscellaneous Operating Property.

This account shall include accruals of taxes paid or payable upon miscellaneous operating property, such as that the cost of which is includible in account 737, "Miscellaneous physical property."

NOTE: Taxes upon miscellaneous nonoperating physical property shall be included in account 544, "Miscellaneous tax accruals."

536 Hire of Freight Cars; Debit Balance.

This account shall include, except as provided for in the classification for investment in road and equipment and in the texts of accounts 509, "Income from lease of road and equipment," and 542, "Rent for leased roads and equipment," the net debit balance of (a) amounts receivable accrued for the use of the accounting company's freight cars leased or interchanged, and (b) amounts payable accrued for the use of the freight cars of others, leased or interchanged.

NOTE A: If the net balance is a credit, it shall be included in account 503, "Hire of freight cars—Credit balance."

NOTE B: Rent for freight cars included in the lease of road to the accounting company shall be included in account 542, "Rent for leased roads and equipment."

NOTE C: Interest accrued on equipment obligations shall be charged to account 546, "Interest on funded debt."

NOTE D: Rents paid for freight cars used in construction work-train service are chargeable to the cost of the work.

537 Rent for Locomotives.

This account shall include amounts payable accrued for the use of the locomotives of others, leased or interchanged, except as provided for in the classification for investment in road and equipment and in the text of account 542, "Rent for leased roads and equipment."

NOTE A: The rent for locomotives included in the lease of road to the accounting company shall be included in account 542, "Rent for leased roads and equipment."

NOTE B: Interest accrued on equipment obligations shall be charged to account 546, "Interest on funded debt."

NOTE C: Rent paid for locomotives used in construction work-train service is chargeable to the cost of the work.

538 Rent for Passenger-train Cars.

This account shall include amounts payable accrued for the use of the passenger-train cars of others, leased or interchanged, except as provided for in the classification for investment in road and equipment and in the text of account 542, "Rent for leased roads and equipment."

NOTE A: The rent for passenger-train cars included in the lease of road to the accounting company shall be included in account 542, "Rent for leased roads and equipment."

NOTE B: Interest accrued on equipment obligations shall be charged to account 546, "Interest on funded debt."

539 Rent for Floating Equipment.

This account shall include amounts payable accrued for the use of the floating equipment of others, leased or chartered, except as provided for in the classification for investment in road and

equipment and in the text of account 542, "Rent for leased roads and equipment."

NOTE A: The rent of floating equipment included in the lease of road to the accounting company shall be included in account 542, "Rent for leased roads and equipment."

NOTE B: Interest accrued on equipment obligations shall be charged to account 546, "Interest on funded debt."

540 Rent for Work Equipment.

This account shall include amounts payable accrued for the use of the work equipment of others, leased or interchanged, except as provided for in the classification for investment in road and equipment and in the text of account 542, "Rent for leased roads and equipment."

NOTE A: The rent for work equipment included in the lease of road to the accounting company shall be included in account 542, "Rent for leased roads and equipment."

NOTE B: Interest accrued on equipment obligations shall be charged to account 546, "Interest on funded debt."

NOTE C: Rent paid for work equipment when used in construction work-train service is chargeable to the cost of the work.

541 Joint Facility Rents.

(a) This account shall include amounts payable accrued as rent for equipment, tracks, yards, terminals, and other facilities owned or controlled by other carriers, companies, or individuals, and in the joint use of which the accounting company participates.

(b) Amounts paid or payable by the accounting company in reimbursement for taxes on property jointly used shall be charged to this account.

NOTE: The cost of maintenance, operation, or administration of joint facilities, chargeable to the accounting company, shall be charged to the various joint facility accounts provided for operating expenses. When the compensation for the use of joint facilities is a fixed amount or is based upon a charge per passenger, ton, car, or other unit, it shall be fairly apportioned between this account and the appropriate joint facility operating expense accounts. This apportionment shall be made by the operating company, and shall be followed by the accounting company.

542 Rent for Leased Roads and Equipment.

This account shall include amounts payable accrued as rent for roads, tracks, or bridges (including equipment or other railway property covered by the contract) the property being owned by other companies and held under lease or other agreement by the terms of which exclusive use and control for operating purposes are secured. The entire amount of rent payable by the lessee in accordance with the agreement shall be included in this account, whether paid to the lessor in cash or disbursed by the lessee, on behalf of the lessor, as interest on funded debt, guaranteed dividends on stock, or otherwise.

NOTE A: When taxes on leased property are assumed by the lessee the accruals of such taxes shall be included in the lessee's account 532, "Railway tax accruals."

NOTE B: If, under the terms of a lease, the deficit or any portion of it resulting from the lessee's operation of the property leased is payable by the lessor company, the amount shall be charged to account 509, "Income from lease of road and equipment," by the lessor and credited to this account by the lessee.

NOTE C: If property, the rent of which is chargeable to this account, is sublet by the accounting company to others, the rent from the sublease shall be credited to account 509, "Income from lease of road and equipment."

NOTE D: Payments for the exclusive use of road and equipment maintained by the lessor and used in the accounting company's operations (when considerable in amount and when not provided for in the classifications of operating expenses) shall be divided into two portions: One, representing the cost of maintenance shall be charged to the appropriate maintenance accounts and the other, representing rent (amount applicable to the investment in the property), shall be charged to this account.

NOTE E: When specific charges against the lessee are made by the lessor for repairs of equipment which is actually maintained by it, the amount of such charges shall be appropriately credited by the lessor to its equipment repair accounts and charged by the lessee to the corresponding accounts.

543 Miscellaneous Rents.

This account shall include rents payable accrued on property held by the accounting company under lease or other agreement and not properly chargeable to any of the foregoing accounts.

NOTE A: This account shall not include rents provided for in the operating expense accounts.

NOTE B: If property, the rent of which is chargeable to this account, is sublet to others the rent from the sublease shall be credited to the appropriate rent income account depending on the classification of the property as transportation or nontransportation in the same manner as property owned by the carrier.

NOTE C: Payments for the exclusive use of miscellaneous property maintained by the lessor and used by the accounting company shall be divided into two portions: One, representing the cost of maintenance, shall be charged to the appropriate operating accounts, and the other, representing rent (amount applicable to the investment in the property), shall be charged to this account. The bill rendered by the creditor shall show the distribution of the payments as between maintenance and rent, and such distribution shall be adhered to by the debtor.

544 Miscellaneous Tax Accruals.

This account shall include all accruals for taxes not provided for elsewhere, such as taxes on securities owned, taxes on income from securities owned, and taxes on miscellaneous nonoperating physical property the cost of which is includible in balance-sheet account 737, "Miscellaneous physical property."

NOTE: Taxes upon miscellaneous *operating* property shall be charged to account 535, "Taxes on miscellaneous operating property."

545 Separately Operated Properties; Loss.

(a) This account shall include amounts payable under the terms of agreements or contracts whereby the deficit resulting from the operation by others of properties of other companies having a separate corporate existence is to be paid, in whole or in part, by the accounting company.

(b) In determining the amount payable by the accounting company, consideration shall be given not only to the operating revenues and operating expenses, but also to other items of income or deductions which affect that amount.

NOTE A: The amount receivable by the operating company shall be credited by it to account 518, "Contributions from other companies."

NOTE B: Dividends or other returns upon securities issued by separately operated companies and held or controlled by the accounting company shall not be included in this account to offset a deficit payable, but in accounts 513, "Dividend income"; or 514, "Interest income," as may be appropriate.

546 Interest on Funded Debt.

This account shall include the current accruals of interest on all classes of long-term debt, the principal of which is includible in accounts 765, "Funded debt unmatured"; 766, "Equipment obligations"; 767, "Receivers' and trustees' securities"; 768, "Debt in default"; and 769 "Amounts payable to affiliated companies." This account shall be kept in such form that the interest on receivers' and trustees' securities, and on other classes of funded debt may be shown separately in the annual report to the Commission.

NOTE A: This account shall not include charges for interest on funded debt obligations issued or assumed by the accounting company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other reserve funds.

NOTE B: When funded debt is incurred for new lines or extensions, or for addition and betterment purposes, the accruals of interest on such funded debt (less interest received on unexpended balances), to the date of completion or coming into service of the property so acquired shall be included in the road and equipment accounts.

NOTE C: This account shall be maintained so as to show separately: (a) fixed interest which will be paid, or for which provision for payment will be made, when the interest matures; (b) interest in default; and (c) contingent interest determined to be payable.

547 Interest on Unfunded Debt.

This account shall include interest accrued on unfunded debt, such as short-term notes payable on demand or having dates of maturity one year or less from dates of issue, and open accounts including discount and expense on demand and short-term loans, interest on receipts outstanding for installments paid on capital stock, interest on deferred payments for public improvements, and other analogous items. The discount on short-term notes, if of a considerable amount shall be distributed through equal monthly charges, over the term of the notes.

NOTE: When short-term notes or other evidences of unfunded indebtedness are issued for new lines or extensions or for addition and betterment purposes the accrual of interest to the date of completion or coming into service of the property shall be included in the road and equipment accounts.

548 Amortization of Discount on Funded Debt.

(a) This account shall be charged during each fiscal period with the proportion

of the discount and expense on funded debt obligations applicable to that period. This proportion shall be determined according to a rule the uniform application of which through the interval between the date of sale and the date of maturity will extinguish the discount and expense on funded debt.

(b) The charge to this account for any period must not be either greater or less than the proportion of the balance remaining unamortized applicable to that period so long as any portion of the discount and expense remains unextinguished, except that if the total discount and expense applicable to any particular issue of securities does not exceed $25,000, the entire amount may be charged to this account at time of issue.

549 Maintenance of Investment Organization.

This account shall include the directly assignable administration expenses of the accounting company which are incident to its investments in leased or nonoperating physical property, and in stocks, bonds, or other securities.

ITEMS OF EXPENSE

Advertising annual reports (lessor companies only).
Calls for bonds in accordance with sinking fund provisions of mortgages.
Directors' fees.
Printing and mailing dividend checks.
Publishing and mailing annual reports and other corporate statements to shareholders.
Publishing notices of declaration of dividends.
Law expenses.
Office expenses.
Salaries of officers, clerks, and attendants.
Stationery and printing.

NOTE: Administration expenses incident to railway operation are includible in the primary accounts provided for in operating expense general account 450, "General."

550 Income Transferred to Other Companies.

(a) This account shall include the whole or any portion of the income of the accounting company payable to another company under the terms of agreements or contracts without obligation for reimbursement.

(b) In determining the amount payable by the accounting company, consideration shall be given not only to operating revenues and operating expenses, but also to other items of income or deduction which affect that amount.

NOTE A: The amount receivable by the other company shall be credited by it to account 512, "Separately operated properties—Profit."

NOTE B: Dividends or other payments upon securities issued or assumed by the accounting company shall not be included in this account.

551 Miscellaneous Income Charges.

(a) This account shall include items, not provided for elsewhere, properly chargeable to income account during the current year. Among the items which shall be included in this account are:

Interest on tax deficiencies, on overcharge claims, and on court awards.
Income tax upon the interest on the accounting company's funded debt when these taxes are assumed by the company.
Payments of old accounts previously written off.
Penalties and fines for violation of the Interstate Commerce Act or other Federal and State laws when not specifically provided for elsewhere.
Loss on sale of securities carried as temporary cash investments.
Loss on sale of land used for transportation purposes, and of noncarrier property.
Loss on sale of securities acquired for investment purposes, and charges to write down the ledger value of such securities because of impairment in their value.
Loss from company bonds reacquired.

(b) When the loss on the sale of land, noncarrier property, or investment securities other than temporary cash investments, or on the reacquisition of the company's own bonds is of an amount sufficiently large to constitute an extraordinary item, pursuant to instruction 1–2(d), such loss shall be included in account 570 "Extraordinary items".

Extraordinary and Prior Period Items

570 Extraordinary items (net).

(a) This account shall include extraordinary items accounted for during the current accounting year in accordance with the text of instruction 1–2(d), upon approval by the Commission. Among the items which shall be included in this account are:

Net gain or loss on sale of land used for transportation purposes, and of noncarrier property.
Net gain or loss on sale of securities acquired for investment purposes, and charges to write down the ledger value of such securities because of impairment of value.
Net gain or loss on reacquisition of company bonds.
Loss on sale or retirement of transportation property, for which depreciation reserve has not been provided.
Changes in application of accounting principles.

(b) This account shall be maintained in a manner sufficient to identify the nature and gross amount of each debit and credit.

(c) Federal income tax consequences of charges and credits to this account shall be recorded in account 590 "Federal income taxes on extraordinary and prior period items".

580 Prior period items (net).

(a) This account shall include unusual delayed items accounted for during the current accounting year in accordance with the text of instruction 1–2(d), upon approval of the Commission. Among the items which shall be included in this account are:

Unusual adjustments, refunds or assessments of Federal income taxes of prior years.
Unusual adjustments of reserves of prior years determined to be excessive or deficient.
Similar items representing transactions of prior years which are not identifiable with or do not result from business operations of the current year.

(b) This account shall be maintained in a manner sufficient to identify the nature and gross amount of each debit and credit.

(c) Federal income tax consequences of charges and credits to this account shall be recorded in account 590 "Federal income taxes on extraordinary and prior period items".

590 Federal income taxes on extraordinary and prior period items.

This account shall include the estimated Federal income tax consequences (debit or credit) assignable to the aggregate of items of both taxable income and deductions from taxable income which, for accounting purposes, are classified as unusual and extraordinary, and are recorded in accounts 570 "Extraordinary items" and 580 "Prior period items".

599 Form of Income Statement.

The classified form of income statement is designed to show the financial changes resulting from transportation operations and other business of the accounting company during any specified period.

ORDINARY ITEMS

Railway Operating Income

501. Railway operating revenues [1] ——
531. Railway operating expenses [1] ——
Net revenue from railway operations [2] ——
532. Railway tax accruals [1] ——
Railway operating income [2] ——

Rent Income

503. Hire of freight cars—Credit balance ——
504. Rent from locomotives ——
505. Rent from passenger-train cars ——
506. Rent from floating equipment ——
507. Rent from work equipment ——
508. Joint facility rent income ——
Total rent income ——

Rents Payable

536. Hire of freight cars—Debit balance ——
537. Rent for locomotives ——
538. Rent for passenger-train cars ——
539. Rent for floating equipment ——
540. Rent for work equipment ——
541. Joint facility rents ——
Total rents payable ——
Net rents [2] ——
Net railway operating income [2] ——

Other Income

502. Revenues from miscellaneous operations ——
509. Income from lease of road and equipment ——
510. Miscellaneous rent income ——
511. Income from nonoperating property ——
512 Separately operated properties—Profit ——
513. Dividend income ——
514. Interest income ——
516. Income from sinking and other reserve funds ——
517. Release of premiums on funded debt ——
518. Contributions from other companies ——
519. Miscellaneous income ——
Total other income ——
Total income [2] ——

[1] Includes operations of water lines, if any.
[2] If a loss the amount shall be so indicated.

Miscellaneous Deductions From Income

534. Expenses of miscellaneous operations			——
535. Taxes on miscellaneous operating property			——
543. Miscellaneous rents			——
544. Miscellaneous tax accruals			——
545. Separately operated properties—Loss			——
549. Maintenance of investment organization			——
550. Income transferred to other companies			——
551. Miscellaneous income charges			——
Total miscellaneous deductions			——
Income available for fixed charges [3]			——

Fixed Charges

542. Rent for leased roads and equipment			——
546. Interest on funded debt:			
(a) Fixed interest not in default			——
(b) Interest in default			——
547. Interest on unfunded debt			——
548. Amortization of discount on funded debt			——
Total fixed charges			——
Income after fixed charges [3]			——

Other Deductions

546. Interest on funded debt:			
(c) Contingent interest	——		——
Ordinary income	——		——

Extraordinary and Prior Period Items

570. Extraordinary items (net)	——		——
580. Prior period items (net)	——		——
590. Federal income taxes on extraordinary and prior period items	——		——
Total extraordinary and prior period items	——		——
Net income transferred to Retained Income — Unappropriated	——		——

RETAINED INCOME ACCOUNTS

Credit

601 Credit Balance (at Beginning of Calendar Year).

This account shall include the net credit balance in the retained income account at the beginning of the calendar year.

602 Credit Balance Transferred from Income.

This account shall show the net credit balance brought forward from the income account for the calendar year.

606 Other credits to retained income.

This account shall include other credit adjustments, net of assigned Federal income taxes, not provided for elsewhere in this system but only after such inclusion has been authorized by the Commission.

Debit

611 Debit Balance (at Beginning of Calendar Year).

This account shall include the net debit balance in the retained income account at the beginning of the calendar year.

612 Debit Balance Transferred from Income.

This account shall show the net debit balance brought forward from the income account for the calendar year.

616 Other Debits to Retained Income.

(a) This account shall include losses from resale of reacquired capital stock, and charges which reduce or writeoff discount on capital stock issued by the company, but only to the extent that such charges exceed credit balances in capital surplus for shares reacquired. See instruction 6-4.

(b) This account shall also include other debit adjustments, net of assigned Federal income taxes, not provided for elsewhere in this system but only after such inclusion has been authorized by the Commission.

620 Appropriations for Sinking and Other Reserve Funds.

This account shall be charged and account 797, "Retained income—Appropriated," shall be credited with amounts appropriated pursuant to provisions of reorganization plans, mortgages, deeds of trust, or other contracts requiring payments into sinking funds, capital funds, and other funds.

621 Appropriations for Other Purposes.

This account shall be charged and account 797, "Retained income—Appropriated," shall be credited with the amount of appropriations for general contingencies, indefinite possible future losses and other corporate purposes not provided for elsewhere. The appropriations shall be released when their respective purposes have been served.

622 Appropriations Released.

This account is provided to return to unappropriated retained income the amount of appropriations no longer required as segregations of retained income. The account shall be subdivided to show the nature of the appropriations being released and the circumstances of the release shall be fully described.

623 Dividends.

This account shall be charged with the amount of dividends declared on actually outstanding capital stock issued or assumed by the company. If the dividend is not payable in cash, the securities or other property to be distributed shall be described with sufficient particularity to identify the distribution. The account shall be subdivided to show separately the dividends declared on the various subclasses of capital stock.

NOTE: This account shall not include charges for dividends on capital stock issued or assumed by the company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other reserve funds.

GENERAL BALANCE SHEET ACCOUNTS

Debit

701 Cash.

(a) This account shall include money, checks, sight drafts, and sight bills of exchange in the hands of the accounting company's financial officers and agents, or in transit from its agents and conductors for which such agents and conductors have received credit. It shall include, also, deposits with banks and trust companies available for use on demand, and savings accounts subject to the usual clause reserving the right to defer payment for a specified number of days.

(b) The amount of checks and drafts, which have been transmitted to payees and which remain unpaid at the close of the accounting period, shall be credited to this account. When the amount of such checks and drafts cannot be determined with absolute accuracy, an estimate of the amount shall be used.

702 Temporary Cash Investments.

This account shall include the cost of securities and other collectible obligations acquired for the purpose of temporarily investing cash, such as United States Treasury certificates, marketable securities, time drafts receivable, demand loans, time loans, time deposits with banks and trust companies, and other similar investments of a temporary character.

703 Special Deposits.

This account shall include funds specifically deposited for the payment of dividends, interest, and other current liabilities; also other deposits subject to current withdrawal for specific purposes only.

NOTE: Deposits available for general company purposes shall be included in account 701, "Cash."

704 Loans and Notes Receivable.

This account shall include the book value of all collectible obligations in the form of demand or time loans and notes receivable, or other similar evidences (except interest coupons) of money receivable within a time not exceeding one year from date of issue.

NOTE A: Obligations held as investments which mature more than one year after date of issue shall be included in accounts 721, "Investments in affiliated companies"; or 722, "Other investments," as may be appropriate.

NOTE B: Loans and notes receivable acquired for the purpose of temporarily investing cash shall be included in account 702, "Temporary cash investments."

705 Traffic and Car-Service Balances—Dr.

This account shall include the net of the balances receivable from or payable to other companies in the accounts representing interline freight, passenger,

and baggage revenues, and charges for equipment interchanged on a per diem or a mileage basis, when such balances result in a net debit.

NOTE A: When the net of the balances is a credit, it shall be included in account 752, "Traffic and car-service balances—Cr."

NOTE B: The amount to be entered in this account in the carrier's annual report to the Commission shall be stated in accordance with the text of this account. For convenience in accounting the carrier may maintain currently separate subaccounts under the following captions:

705 and 752(a) Interline freight, balance.
705 and 752(b) Interline passenger, balance.
705 and 752(c) Interline baggage, balance.
705 and 752(d) Equipment interchange, balance.

706 Net Balance Receivable from Agents and Conductors.

This account shall include the net balance due in current accounts from agents, from train, sleeping car, and dining car conductors, and from train collectors, train auditors, porters and other employees and representatives charged with the collection or custody of current revenues.

NOTE: Amounts advanced to general and special agents as working funds shall not be included in this account, but in account 710, "Working fund advances."

707 Miscellaneous Accounts Receivable.

This account shall include amounts due in audited accounts considered good, such as those due from the United States or other Governments for the transportation of mails and Government property, and from express companies for express facilities furnished under contract; amounts due from other carriers on account of freight claims paid; miscellaneous bills against other railway companies, corporations, firms, and individuals; and other similar items.

NOTE: The amount to be entered in this account is not the net balance between this account and account 754, "Miscellaneous accounts payable."

708 Interest and Dividends Receivable.

This account shall include the amount of interest accrued to the date of the balance sheet on bonds owned and on loans made, the amount of dividends declared on stocks owned, and dividends accrued on such stocks when contracts require that the dividends be paid at stated times.

NOTE A: No amount representing interest or dividends receivable shall be included in this account unless its payment is reasonably assured by past experience, anticipated provision, or otherwise.

NOTE B: No dividends or other returns on securities issued or assumed by the accounting company shall be included in this account.

NOTE C: If settlement of amounts included in this account is not made when due either in cash or with other tangible assets of equal money value, such amounts shall be cleared from this account and charged to the income account originally credited. If notes are taken in settlement of amounts included in this account, the amounts thereof shall be charged to account 704, "Loans and notes receivable," or account 741, "Other assets," as may be appropriate, but such amounts shall not be credited to income (or if previously credited to income shall be cleared therefrom as provided in the first sentence of this note), unless inclusion therein is justified by the current asset position of the obligor. If such notes are of doubtful value, the amount at which they are charged to account 741, "Other assets," shall be credited to account 784, "Other deferred credits," and income shall not be credited until payment is received, and then only with the amount collected. If long-term notes are taken in settlement of current assets, the credit to income shall be cancelled and account 741, "Other assets," shall be charged with their true values, and a like sum shall be credited to account 784, "Other deferred credits."

709 Accrued Accounts Receivable.

This account shall include estimates of all unaudited current items receivable by the carrier to the date of the balance sheet, including those which are creditable to revenue, expense, or income accounts in accordance with the instruction relating to unaudited items. Among the items which shall be included in this account are:

Rents receivable which are not includible in account 707, "Miscellaneous accounts receivable."

Amounts receivable from others for unreported interline traffic.

Amounts receivable from others for use of facilities, including equipment, for which bills have not been rendered.

Amounts receivable from others for services for which bills have not been rendered.

710 Working Fund Advances.

This account shall include amounts advanced to general and special agents, and to other officers and employees, as working funds from which certain expenditures are to be made and accounted for. It also includes advances to fast freight lines and to demurrage and other bureaus.

NOTE: Advances to jointly owned or used terminal companies and other companies for permanent working funds or capital purposes shall be included in accounts 721, "Investments in affiliated companies," or 722, "Other investments," as may be appropriate.

711 Prepayments.

This account shall include the balances in the accounts representing short-term prepaid rents chargeable to the appropriate rent accounts as the term is consumed for which the rents are paid; also short-term interest and insurance premiums paid in advance of their accrual, which are to be apportioned and charged, as they accrue, to the appropriate accounts.

NOTE: Expenditures by a carrier for improvements to office buildings and other facilities rented for more than one year, title to which will pass to the lessor at the end of the rental period, shall be charged to account 743, "Other deferred charges," and amortized over the rental period as additional rent.

712 Material and Supplies.

(a) This account shall include the balances representing the cost, less depreciation, if any, of all unapplied material, such as road and shop material, articles in process of manufacture by the accounting company, fuel, stationery, and dining car and other supplies. In determining the cost of material and supplies suitable allowance shall be made for any discounts allowed in the purchase thereof.

(b) Material and supplies shall be credited to this account and charged to the appropriate operating expense or other account on the basis of actual costs, average cost, or other recognized pricing system, provided that such system is consistently applied and is based on the cost of such material and supplies.

(c) An inventory of material and supplies shall be taken during each calendar year and the necessary adjustments to bring this account into harmony with the actual inventory balances shall be made in the accounts of the year in which the inventories are taken. In effecting this adjustment determined differences in accounting for important classes of material shall be equitably assigned among the accounts to which the classes of material are ordinarily chargeable. Other differences shall be equitably apportioned among the primary accounts to which material has been charged since the last inventory.

NOTE: Balances representing the cost of unapplied construction material and supplies located at the point of use, which have been purchased for projected new roads and extensions, or for new railroad equipment, are provided for in road and equipment account 47, "Unapplied construction material and supplies," or account 59, "Unapplied material and supplies—Equipment."

713 Other Current Assets.

This account shall include items of current assets not covered by accounts 701 to 712, inclusive. The account shall include only items currently collectible and shall not include amounts the current collection of which is not reasonably assured and may be deferred. (See instruction 6–1.)

715 Sinking Funds.

(a) This account shall include the amount of cash, the ledger value of live securities of other companies, and other assets which are held by trustees of sinking and other funds for the purpose of redeeming outstanding obligations, including such assets so held in the hands of the accounting company's treasurer when the assets are segregated in a distinct fund.

(b) The account shall include amounts deposited with trustees on account of mortgaged property sold, the proceeds of which are to be held for the redemption of securities; and also the par value (or with respect to no par stock, the amounts recorded in account 791, "Capital stock issued," relating thereto) of live securities issued or assumed by the accounting company and held in such funds.

(c) A separate account shall be kept for each fund. The title of each such account shall designate the obligation in support of which the fund is created.

NOTE: In stating the balance sheet in the annual reports to the Commission the total amount of the funds and the par value (or with respect to no par stock the amounts

recorded in account 791, "Capital stock issued," relating thereto) of securities issued or assumed by the accounting company and held in the funds shall be shown in the short columns, and the net amount of the funds (total amount less securities issued or assumed) shall be shown in the long column.

716 Capital and Other Reserve Funds.

(a) This account shall include cash and the ledger value of other assets held by trustees or by the accounting company's treasurer when segregated in distinct funds that have been (1) realized from the sale of equipment obligations or other long-term obligations and not yet applied toward the specific purposes for which the obligations were incurred, and (2) set aside in accordance with governmental, mortgage, of contractual requirements in connection with reorganizations or otherwise. This account shall also include funds deposited with trustees to be held until mortgaged property sold is replaced.

(b) An appropriate record shall be maintained for securities issued or assumed by the accounting company and held in the funds, identifying those that are nominally issued or nominally outstanding.

NOTE A: Funds specifically set aside for sinking fund purposes shall be included in account 715, "Sinking funds." If one purpose of a capital fund is to provide contributions to a sinking fund under specified conditions, the entire amount of the fund shall be included in this account until the contributions to the sinking fund are made, at which time the amounts thereof shall be transferred to account 715.

NOTE B: The ledger value of assets of the character indicated in paragraph (a)(2) of this section, shall be transferred to the appropriate current asset account when the assets are definitely assigned in advance of expenditure to the payment of interest or other current liabilities payable within one year.

NOTE C: Bank deposits subject to current withdrawals for specific purposes only, shall be included in account 703, "Special deposits." Deposits available for general company purposes shall be included in account 701, "Cash."

717 Insurance and Other Funds.

This account shall include the amount of cash and the ledger value of securities of other companies and other assets which are in the hands of trustees or managers of insurance, employees' pension, savings, relief, hospital, and other funds which have been raised and specifically set aside or invested for specific purposes not provided for elsewhere; also the par value (or with respect to no par stock, the amounts recorded in account 791, "Capital stock issued," relating thereto) of securities issued or assumed by the accounting company and held in such funds. A separate account shall be kept for each fund.

NOTE A: Sinking funds and capital and other reserve funds are provided for in accounts 715 and 716, respectively.

NOTE B: In stating the balance sheet in the annual reports to the Commission the total amount of the funds and the par value (or with respect to no par stock, the amounts recorded in account 791, "Capital stock issued," relating thereto) of securities issued or assumed by the accounting company and held in the funds shall be shown in the short columns, and the net amount of the funds (total amount less securities issued or assumed) shall be shown in the long column.

NOTE C: This account shall not include funds held by the accounting company solely as trustee and in which it has no beneficial interest.

NOTE D: Bank deposits subject to current withdrawal for specific purposes only, shall be included in account 703, "Special deposits." Deposits available for general company purposes shall be included in account 701, "Cash."

721 Investments in Affiliated Companies.

(a) This account shall include the ledger value of the accounting company's investment in securities issued or assumed by affiliated companies other than securities held in special deposits or special funds, and also investment advances made to affiliated companies.

(b) This account shall be maintained in such manner as to show each of the following classes of investment in each affiliated company:

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

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

NOTE A: Accounts with affiliated companies which are subject to *current settlement*, if their collection is reasonably assured, shall be classed as current assets, and if settlement is deferred beyond one year such items shall be transferred to account 741 "Other assets."

NOTE B: The term affiliated companies (also see Definition 4) includes:

1. Controlled companies, including companies solely controlled by the accounting company, and also companies jointly controlled by the accounting company and others under a joint arrangement.

2. Controlling companies, including both companies solely controlling the accounting company, and companies which jointly control the accounting company under a joint arrangement.

3. Companies controlled by controlled companies.

4. Companies controlled by controlling companies.

By "control" (also see Definition 8) is meant the ability to determine the action of a corporation. For the purposes of this account, the following are to be considered forms of control:

(a) Right through title to securities issued or assumed to exercise the major part of the voting power in the controlled corporation.

(b) Right through agreement of some character or through some source other than title to securities, to name the majority of the board of directors, managers, or trustees of the controlled corporation.

(c) Right to foreclose a first lien upon all or a major part in value of the tangible property of the controlled corporation.

(d) Right to secure control in consequence of advances made for construction of the operating property of the controlled corporation.

(e) Right to control only in a specific respect the action of the controlled corporation.

A leasehold interest in the property of a corporation is not to be classed as a form of control over the lessor corporation.

"Sole control" is that which rests in one corporation.

"Joint control" is that which rests in two or more corporations and which is held under a joint arrangement.

NOTE C: The value of securities borrowed by the accounting company and pledged shall not be included in this account.

NOTE D: The value of securities pledged for purposes other than that of security for funded debt or short-term loans shall be included in accounts 715, "Sinking funds," 716, "Capital and other reserve funds," or 717, "Insurance and other funds," as may be appropriate.

722 Other Investments.

(a) This account should include the ledger value of the accounting company's investment in securities issued or assumed by nonaffiliated companies other than securities held in special deposits or special funds; also investment advances made to nonaffiliated companies and to individuals.

(b) This account shall be maintained in such manner as to show each of the following classes of investment in each nonaffiliated company:

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

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

NOTE A: Accounts with nonaffiliated companies which are subject to *current settlement*, if their collection is reasonably assured, shall be classed as current assets, and if settlement is deferred beyond one year such items shall be transferred to account 741, "Other assets."

NOTE B: The term "nonaffiliated companies" includes all companies other than those defined as affiliated in Note B of account 721, "Investments in affiliated companies."

NOTE C: The value of securities borrowed by the accounting company and pledged shall not be included in this account.

NOTE D: The value of securities pledged for purposes other than that of security for funded debt or short-term loans shall be included in accounts 715, "Sinking funds," 716, "Capital and other reserve funds," or 717, "Insurance and other funds," as may be appropriate.

723 Reserve for Adjustment of Investment in Securities—Cr.

(a) This account shall include the total of the balances in such reserves as are maintained by the accounting company for the purpose of providing for reductions in the value of securities owned and recorded in accounts 721 "Investments in affiliated companies", or 722 "Other investments". Corresponding charges shall be made to account 551 "Miscellaneous income charges", or account 570 "Extraordinary items", as appropriate.

(b) If reserves are maintained in provision for anticipated losses in specific securities, when the related assets are written down or written off, or are

sold or otherwise disposed of at a loss, the reduction in the book value or the losses sustained shall be charged to this account to the extent of the credit balance in the account applicable to the particular securities involved, and the remainder, if any, shall be charged to account 551 "Miscellaneous income charges", or to account 570 "Extraordinary items", as appropriate. In case a general reserve for losses in unspecified security values is maintained, all such losses resulting from write-downs, write-offs, etc., shall be charged to this account to the extent of the total credit balance in the account, and the remainder, if any, shall be charged to account 551 "Miscellaneous income charges", or to account 570 "Extraordinary items", as appropriate.

731 Road and Equipment Property.

This account shall include the accounting company's investment in road and equipment (including that held under contract for purchase), used or held for use as transportation property in existence at the date of the balance sheet. When property is retired from service this account shall be credited with the ledger value of the property retired.

NOTE A: This account shall not include any items representing titles to securities.

NOTE B: When any equipment is acquired under an agreement which provides that the cost shall be paid in installments, the cost (its money value at time of purchase) shall be charged to the appropriate road and equipment accounts at the time the equipment is delivered to the carrier, and included in this account in the same manner as the cost of equipment purchased outright. When the par value of notes or other securities issued in payment, or in part payment, for such equipment is more (or less) than the actual cash value of the equipment at the time of the purchase, or of the proportion to which the securities are applicable, the difference between the par value of the securities and the actual cash value of the equipment, or of the proportion paid for by the securities, shall be charged (or credited) to the proper discount and premium accounts.

NOTE C: Held for use, as referred to above, implies the ability of the carrier to substantiate by plans or policy its characterization of the probable future use which is to be made of the property within a reasonable period of time.

732 Improvements on Leased Property.

(a) This account shall include the cost of improvements made by the lessee to property which is held under lease from others or through control of the company owning the property, where such improvements are used by the lessee in transportation service, and the lessee is not to be reimbursed by the lessor for such improvements. (See instruction 2–17.)

(b) The carrier's records shall be kept in such manner as to show the debits and credits to this account in accordance with the provisions for road and equipment.

NOTE A: This account shall not include any items representing titles to securities.

NOTE B: When the lessor company includes in account 731, "Road and equipment property," the cost of improvements made by the lessee to property leased by it from the lessor and settlement is not made at the time for the cost thereof, the lessee, pending settlement with the lessor, shall include the cost thereof in account 721, "Investments in affiliated companies," or 722, "Other investments," as may be appropriate.

735 Accrued Depreciation; Road and Equipment.

(a) This account shall be credited with amounts concurrently charged to operating expenses or other authorized accounts to cover the loss in service value of depreciable road and equipment property. It shall also include adjustments which the Commission may authorize the accounting company to make with respect to past accruals of depreciation.

(b) The service value of each unit of property retired (and also of each minor item, less than a unit, retired and not replaced) for which depreciation reserve has been established shall be charged to this account.

(c) Comprehensive instructions pertaining to depreciation accounts, rates of depreciation, and records to be maintained, are contained in instruction 5.

736 Amortization of Defense Projects; Road and Equipment.

This account shall include the amounts of accumulated past provisions for amortization of road and equipment defense projects, the cost of which is included in account 731, "Road and equipment property," or account 732, "Improvements on leased property." This account shall be charged with the credit balance herein applicable to specific property at the time the property is retired. The accounting company shall maintain subaccounts separately for amortization of (1) road property and (2) equipment.

737 Miscellaneous Physical Property.

This account shall include the accounting company's investment in physical property other than property assignable to accounts 731 and 732, including hotels, restaurants, powerplants, etc., which are not operated by the accounting company or another carrier in connection with its transportation service.

ITEMS OF INVESTMENT

Coal and other mines.
Commercial power plants.
Hotels and restaurants.
Lands and buildings not used in transportation operations.
Lands and other property acquired and held in anticipation of future use.
Mineral and timber lands.
Rails and other track material leased to others.
Saw mills and other manufacturing plants not operated in connection with transportation service.

738 Accrued Depreciation; Miscellaneous Physical Property.

This account shall be credited with amounts charged to income or other authorized accounts to cover the depreciation of property the cost of which is included in account 737, "Miscellaneous physical property." When any miscellaneous physical property is destroyed, sold, or otherwise retired from service, the amount included in this account with respect to the property retired shall be charged hereto.

741 Other Assets.

This account shall include the estimated value of salvage recoverable from property retired when the recovery of the salvage is deferred for any reason. (See instruction 2–5.) This account also shall include other assets of doubtful value, collection of which within one year is not assured; also other deferred assets and miscellaneous assets not otherwise provided for in general balance sheet accounts. (See instruction 6–1.)

742 Unamortized Discount on Long-term Debt.

This account shall include the total of the net debit balances in the discount, expense, and premium accounts for the several subclasses of funded debt. (See instruction 6–3.)

743 Other Deferred Charges.

This account shall include the amount of debit balances in suspense accounts that cannot be cleared and disposed of until additional information is received, such as freight claims paid when found to be correct, but in advance of investigation with other carriers; debit balances in clearing accounts, such as "Shop expenses," "Store expenses," "Operations of gravel pits," and "Operation of quarries;" unextinguished discount on short-term notes; unadjusted debit items not otherwise provided for and similar items the proper disposition of which is uncertain.

Credit

751 Loans and Notes Payable.

(a) This account shall include the balances representing obligations outstanding in the form of loans and notes payable or other similar evidences (except interest coupons) of indebtedness payable on demand or within a time not exceeding one year from date of issue.

(b) This account shall be kept in such form so as to show separately the amounts of notes payable within one year from date of issue that are secured by collateral.

NOTE: This account shall not include obligations which mature more than one year after date of issue, or demand or short-term notes issued to affiliated companies and includible in account 769, "Amounts payable to affiliated companies."

752 Traffic and Car-service Balances—Cr.

This account shall include the net of the balances receivable from or payable to other companies in the accounts representing interline freight, passenger, and baggage revenues, and charges for equipment interchanged on a per diem or a mileage basis, when such balances result in a net credit.

NOTE A: When the net of the balances is a debit it shall be included in account 705, "Traffic and car-service balances—Dr."

NOTE B: The amount to be entered in this account in the carrier's annual report to the Commission shall be stated in accordance with the text of this account. For convenience in accounting the carrier may maintain currently separate subaccounts under the following captions:

705 and 752(a) Interline freight, balance.
705 and 752(b) Interline passenger, balance.
705 and 752(c) Interline baggage, balance.
705 and 752(d) Equipment interchanged, balance.

753 Audited Accounts and Wages Payable.

This account shall include the amount of audited vouchers or accounts and audited payrolls unpaid on the date of the balance sheet. It shall include balances representing unclaimed wages and outstanding pay and time or discharge checks issued in payment of wages and all other unpaid vouchered items.

NOTE: The amount of checks and drafts, which have been transmitted to payees and which remain unpaid at the close of the accounting period, shall be credited to account 701, "Cash".

754 Miscellaneous Accounts Payable.

This account shall include outstanding drafts drawn by station agents, outstanding drafts drawn on the company in settlement of freight claims, conductors' refund and extra-fare checks not presented for redemption, deposits of affiliated companies subject to current settlement, taxes collected from employees and others for the account of taxing agencies, and other items of the nature of demand liabilities not covered by accounts 751, 752, 753, 755 and 756.

NOTE A: The amount to be reported under this account is not the net balance between this account and account 707, "Miscellaneous accounts receivable."

NOTE B: The amount of checks and drafts, which have been transmitted to payees and which remain unpaid at the close of the accounting period, shall be credited to account 701, "Cash". When the amount of such checks and drafts cannot be determined with absolute accuracy an estimate of the amount shall be used.

755 Interest Matured Unpaid.

This account shall include the amount of matured and unpaid interest on funded debt, and other obligations of the accounting company for which provision has been made for current settlement. Interest which matures on the first day following that for which the balance sheet is made shall be included in this account.

NOTE: Interest matured unpaid on nonnegotiable debt to affiliated companies, if not subject to current settlement, shall be included in account 769, "Amounts payable to affiliated companies."

756 Dividends Matured Unpaid.

This account shall include the amount of dividends payable on capital stock but unpaid, uncalled for, or unclaimed at the date of the balance sheet. Dividends which become payable on the first day following that for which the balance sheet is made shall be included in this account.

757 Unmatured Interest Accrued.

This account shall include the amount of interest subject to current settlement accrued to the date as of which the balance sheet is made, but not payable until after the first day following that date, on funded securities or obligations, debt in default, receivers' and trustees' securities, amounts payable to affiliated companies, notes payable and other indebtedness issued or assumed by the accounting company.

NOTE A: Interest accrued which is not paid when it matures shall be included in account 781, "Interest in default", unless provision has been made for current settlement. Where interest is in default, subsequent accruals shall be credited direct to account 781, "Interest in default."

NOTE B: Interest accrued on amounts recorded in account 769, "Amounts payable to affiliated companies," and not subject to current settlement, shall be included in that account.

758 Unmatured Dividends Declared.

This account shall include dividends declared on capital stock, but not payable until after the first day following the date of the balance sheet.

759 Accrued Accounts Payable.

This account shall include estimates of unaudited items payable by the carrier to the date of the balance sheet, including those which are chargeable to revenue, expense, or income accounts in accordance with the instruction relating to unaudited items. Among the items which should be included in this account are:

Rents payable under leases due subsequent to the date of the balance sheet which are not includible in account 754, "Miscellaneous accounts payable."

Amounts payable to others for unreported interline traffic.

Amounts payable to others for use of facilities, including equipment, for which bills have not been rendered.

Amounts payable to others for services for which bills have not been rendered.

Estimated amounts payable within one year covering liability for claims for injuries to persons, loss and damage, and similar items.

Amounts payable (estimated if necessary) within one year pursuant to agreements with labor organizations or otherwise for employees vacations now earned.

760 Federal Income Taxes Accrued.

This account shall be credited with the estimated liability for Federal income taxes which has been concurrently charged to the appropriate income or other authorized accounts.

761 Other Taxes Accrued.

(a) This account shall be credited with the accruals of all taxes, other than Federal income taxes, which have been concurrently charged to the appropriate income or other accounts for taxes. Such accruals may be based upon estimates, provided such estimates shall be adjusted so as to reflect in this account at all times the carrier's estimate of its unpaid liability for each of the several classes of taxes which have not been finally settled.

(b) This account shall be charged with vouchers for the current payment of taxes, including taxes paid in advance and also taxes for which accruals have not been made previously, but are to be credited to this account.

(c) The records supporting the entries in this account shall be kept to show separately by classes of taxes the amount of the tax accruals for the current year and adjustments of accruals for prior years.

763 Other Current Liabilities.

There shall be included in this account the principal amount of unpresented bonds drawn for redemption through the operation of sinking and redemption fund agreements, also the principal amount of unpresented funded debt obligations, and receivers' and trustees' securities which have matured (for which provision has been made for current settlement), and other current liabilities not covered by accounts 751 to 761, inclusive.

764 Equipment Obligations and Other Debt Due Within One Year.

This account shall include the total amount of bonds, equipment obligations, and other long-term debt obligations, including obligations maturing serially or payable in installments, which are due and payable within one year, and for which arrangements for refunding have not been made or for which no sinking funds have been provided. This account shall be subdivided according to the different classes of debt so maturing.

765 Funded Debt Unmatured.

(a) This account shall include the total par value of unmatured debt (other than equipment obligations), maturing more than one year from the close of the accounting period, whether the securities were issued by the accounting company or the payment was assumed by the accounting company after being issued as the debt of other companies. (See account 764, "Equipment obligations and other debt due within one year".)

(b) The amounts included in this account shall be divided so as to show the par value of (1) certificates or other evidences of funded debt (pledged and unpledged) held in the company's treasury, by its agents or trustees, or otherwise subject to its control, including both those reacquired after actual issue and those nominally but never actually issued; and (2) certificates or other evidences of funded debt issued and actually outstanding, being those not held by the company, its agents or trustees, or subject to its control.

(c) The amounts included herein shall be further divided so as to show the amount of each class of funded debt, as follows:

(1) *Mortgage bonds.* Bonds secured by lien on physical property and not includible in the other subdivisions of this account.

(2) *Collateral trust bonds.* Bonds and notes secured by a lien on securities or other negotiable paper; and stock trust certificates that are similar in

character to collateral trust bonds.

(3) *Income bonds.* Bonds which are a lien on a carrier's revenue alone, or bonds which, while being a lien on its property and franchises, can claim payment of interest only in case interest is earned.

(4) *Miscellaneous obligations.* All funded obligations not provided for by the other subdivisions of this account, also notes, unsecured certificates of indebtedness, debenture bonds, plain bonds, real estate mortgages executed or assumed and other similar obligations maturing more than one year from date of issue, but excluding liabilities for assessments for public improvements and those evidenced by conditional or deferred equipment purchase contracts for which provision is made in account 782, "Other liabilities," and account 766, "Equipment obligations," respectively.

(5) *Receipts outstanding for funded debt.* Receipts for payments on account of funded debt. When certificates are issued for such payments, the par value shall be included in the account covering the class of funded debt for which the certificates are issued.

(d) Each of the above classes shall also be divided into subclasses according to differences in mortgage or other lien or security therefor, rate of interest, interest dates, or date of maturity. Parts of any issue agreeing in other characteristics but maturing serially may be treated as of the same subclass.

(e) Records shall be maintained in such manner as to show (1) securities the issuance or assumption of which has been authorized by the Commission under provisions of the Interstate Commerce Act, and similar securities issued or assumed prior to the effective date of such provisions of the Act, and (2) other obligations of a kind which may legally be issued or assumed without such authorization.

NOTE A: Securities (other than equipment obligations) maturing one year or less from date of issue shall be included in accounts 769, "Amounts payable to affiliated companies," or 751, "Loans and notes payable," except that where an issue of securities maturing serially over a period of years contains short-term obligations such obligations may be included as funded debt. Matured funded debt shall be included in account 763, "Other current liabilities," if provision has been made for current settlement. If no provision has been made for current settlement, matured funded debt shall be included in account 768, "Debt in default," except that when the collection of matured funded debt of affiliated companies is not enforced by controlling companies, the principal amount (to the extent held by a controlling company) shall be included in account 769, "Amounts payable to affiliated companies."

NOTE B: See definitions 2, actually issued; 3, actually outstanding; 14, nominally issued; and 15, nominally outstanding.

NOTE C: Nonnegotiable notes having a maturity of more than one year after date of issue, held by affiliated companies, shall be included in account 769, "Amounts payable to affiliated companies."

NOTE D: Securities nominally issued or reacquired and held in the company's treasury, except securities held by trustees in sinking or other funds, shall be included in a subdivision of this account. In the general balance-sheet statement the total unmatured funded debt included in the account shall be shown in the first short column. The amount nominally but not actually issued and the amount nominally outstanding shall be shown in the second short column, and in the long column shall be shown the amount actually outstanding.

766 Equipment Obligations.

(a) This account shall include the par value of equipment securities and the principal amount of contractual obligations for the purchase of equipment, excluding principal or obligations maturing serially or payable in installments within one year from the close of the accounting period. (See account 764, "Equipment obligations and other debt due within one year.") The amounts included herein shall be divided as follows:

(b) Principal amount of equipment securities including those maturing serially, issued or assumed by the accounting company or by receivers and trustees, which have been authorized by the Commission under provisions of the Interstate Commerce Act and similar securities issued or assumed prior to the effective date of such provisions of the Act.

(c) Principal sums of obligations for equipment purchased under conditional or deferred payment contracts, which may be legally entered into or assumed by the accounting company or by receivers and trustees, without authorization by the Commission.

767 Receivers' and Trustees' Securities.

When receivers or trustees acting under the orders of a court are in possession of the property of the company, and under the order of such court issue or assume evidences of indebtedness (other than equipment securities or obligations) the par value of such evidences shall be credited to this account.

NOTE: The par value of equipment securities or the principal amount of obligations incurred for the purchase of equipment under conditional or deferred payment contracts shall be included in account 766, "Equipment obligations."

768 Debt in Default.

This account shall include amounts transferred from other accounts representing matured funded securities or obligations, receivers' and trustees' securities, equipment obligations and short-term notes, when maturity dates of such obligations have not been extended.

NOTE A: The principal amount of matured funded debt of affiliated companies the collection of which is not enforced by the controlling company shall (to the extent of the principal amount held by the controlling company) be included in account 769, "Amounts payable to affiliated companies."

NOTE B: The principal amount of unpresented funded debt obligations which have matured, and for which provision has been made for payment shall be included in account 763, "Other current liabilities."

769 Amounts Payable to Affiliated Companies.

This account shall include the par value of *nonnegotiable* notes issued to affiliated companies; also matured funded debt of affiliated companies held by controlling companies where there is no agreement for an extension as to time of payment and collection of the principal is not enforced; credit balances in open accounts with such companies other than credit balances in current accounts classable as current liabilities, and interest accrued on notes, matured funded debt of affiliated companies and open accounts included in this account, when such interest is not subject to current settlements. The amounts included herein shall be divided as follows:

(a) Notes, including herein not only nonnegotiable notes that run longer than a term of one year, but also such notes payable on demand or within one year from the date of issue when it is mutually agreed that the notes shall not be enforced as current assets by the holder.

(b) Par value of matured funded debt of affiliated companies held by controlling companies where there is no agreement for an extension of time and collection is not enforced.

(c) Open accounts not subject to current settlement.

(d) Interest accrued on amounts included in this account when not subject to current settlements.

NOTE A: Accounts with affiliated companies which are subject to current settlements, such as traffic and car-service balances, charges for material and supplies currently furnished, charges for repairs to equipment, etc., shall be classed as current assets or current liabilities, as may be appropriate.

NOTE B: No item shall be included in this account which is not known to be the property of an affiliated company.

NOTE C: The term "affiliated companies" includes:

1. Controlled companies, including companies solely controlled by the accounting company, and also companies jointly controlled by the accounting company and others under a joint arrangement. (See Definition 4.)

2. Controlling companies, including both companies solely controlling the accounting company, and companies which jointly control the accounting company under a joint arrangement.

3. Companies controlled by controlled companies.

4. Companies controlled by controlling companies.

By "control" (See Definition 8) is meant the ability to determine the action of a corporation. For the purposes of this account, the following are to be considered forms of control:

(a) Right through title to securities issued or assumed to exercise the major part of the voting power in the controlled corporation.

(b) Right through agreement of some character or through some source other than title to securities, to name the majority of the board of directors, managers, or trustees of the controlled corporation.

(c) Right to foreclose a first lien upon all or a major part in value of the tangible property of the controlled corporation.

(d) Right to secure control in consequence of advances made for construction of the operating property of the controlled corporation.

(e) Right to control only in a specific respect the action of the controlled corporation.

A leasehold interest in the property of a corporation is not to be classed as a form of control over the lessor corporation.

"Sole control" is that which rests in one corporation.

"Joint control" is that which rests in two or more corporations and which is held under a joint arrangement.

771 Pension and Welfare Reserves.

(a) This account shall include the credit balances representing the liability of the carrier for amounts provided by charges to operating expenses, including amounts contributed by employees, irrespective of whether carried in special funds or in general funds of the carrier, for pensions, accident and death benefits, savings, relief, hospital, or other provident purposes.

(b) Separate subaccounts shall be kept for each kind of reserve created, and the appropriate reserve shall be charged when payments are made to retired employees, or disbursements are made for the purposes for which the reserves were created.

772 Insurance Reserves.

This account shall include the accumulated balance of amounts for self-carried insurance risks representing premiums which were charged to operating expenses for fire, fidelity, boiler, casualty, burglar and other insurance. Losses on items protected by such insurance shall be charged to this account.

773 Equalization Reserves.

This account shall include ledger balances representing reserves created by charges to operating expenses for maintenance of road and equipment under a program designed to equalize such expenses by months within a calendar year. The debit or credit balances in this account shall be closed at the end of each calendar year to the accounts through which they were created.

774 Casualty and Other Reserves.

(a) This account shall include reserves created by charges to operating expenses to provide for estimated liability for injuries to persons and loss and damage claims; estimated liability for revenue overcharges, such as those covered by reparation claims; and reserves not otherwise provided for in balance sheet accounts.

(b) Estimates of amounts payble within one year covering liability for claims for injuries to persons, loss and damage, and similar items, shall be transferred from this account to account 759, "Accrued accounts payable."

NOTE: With respect to injuries to persons and loss and damage claims, if the settlements when audited are charged to this account the balances for each year shall be kept separately until all items have been adjusted and cleared, but, if the settlements when audited are charged to the appropriate expense accounts the balance in this account shall be adjusted through the appropriate expense accounts so as to reflect the probable liability at the close of each year.

781 Interest in Default.

This account shall include the amount of matured and unpaid interest (for which no provision has been made for current settlement) on all indebtedness issued or assumed by the accounting company except interest which is added to the principal of the debt on which incurred. Where interest is in default, subsequent accruals shall be credited direct to this account.

782 Other Liabilities.

This account shall include assessments for public improvements; retained amounts due governmental agencies for construction work; percentages due contractors to be paid upon completion of contracts; deposits for construction of side tracks to be refunded on basis of an agreed portion of the earnings from the traffic handled over the tracks and similar liabilities not payable within one year. This account shall also include other deferred liabilities and liabilities not otherwise provided for in general balance sheet accounts. Assessments for public improvements and amounts due governmental agencies and others for payments to be made within one year, shall be included in account 763, "Other current liabilities," or other appropriate current liability account.

783 Unamortized Premium on Long-term Debt.

This account shall include the total of the net credit balances in the discount, expense, and premium accounts for the several subclasses of funded debt.

784 Other Deferred Credits.

This account shall include the amount of credit balances in suspense accounts that cannot be disposed of until services are performed or additional information is received, such as amounts received from sale of mileage tickets, to be disposed of as mileage is honored; amounts received from sales of excess baggage script, to be disposed of as coupons are honored; interchangeable mileage credential ticket redemption funds, amounts collected from the sale of damaged, unclaimed, and over freight held pending final disposition; credit balances in clearing accounts, such as "Shop expenses," "Store expenses," "Operating gravel pits," and "Operating quarries"; unadjusted credit items not otherwise provided for; and similar items, the proper disposition of which is uncertain.

NOTE: Estimated liability for claims and other accounts payable currently are includible in account 759, "Accrued accounts payable."

785 Accrued Depreciation; Leased Property.

(a) This account shall be credited with amounts concurrently charged to operating expenses or other accounts to cover the estimated accrued depreciation on leased road and equipment when settlements between the accounting company and the lessor are not made currently. It shall also be credited with depreciation accrued on property the cost of which is included in account 732, "Improvements on leased property."

(b) When leased property for which accruals have been included in this account is retired from service, the entire service value of property the cost of which has been charged to account 732 by the lessee shall be charged to this account. This account shall also be charged with the service value of property, the ledger value of which is carried in account 731, "Road and equipment property," by the lessor for which the lessee is liable to the lessor. See instruction 2-17.

791 Capital Stock Issued.

(a) This account shall include the total par value of par value stock, and the total amount paid in or the amount approved by the Commission for stock without par value, for all shares of capital stock or other form of proprietary interest in the accounting company which have been issued to bona fide purchasers and have not been reacquired and canceled, also shares of stock nominally issued, and reacquired shares which have not been canceled.

(b) This account also shall include amounts transferred from retained income for no par stock when approved by the Commission.

(c) The amount of the consideration received from the sale of par value stock in excess of the amount credited to this account shall be credited to account 794, "Premiums and assessments on capital stock".

(d) When capital stock is retired or canceled, this account shall be charged with the amount at which such stock is carried in this account. In the case of no par stock the amount to be charged hereto shall be the proportion, applicable to the reacquired shares immediately prior to reacquisition, of the total book liability included herein of actually outstanding shares of the particular class and series of stock of which the reacquired shares are a part.

(e) The amounts included in this account shall be recorded so as to show: (1) Par value of shares of par value stock and amount paid in or approved by the Commission of shares of no par stock (pledged or unpledged) held in the company's treasury, by its agents or trustees, or otherwise subject to its control, including shares nominally but never actually issued and (2) Par value of shares of par value stock and amount paid in or approved by the Commission of shares of no par stock issued and actually outstanding, being the shares not held by the company, its agents, or trustees, or subject to its control.

(f) The amounts included herein shall be further divided so as to show the amount of each class of stock issued, separated as between par value and no par value stock, as follows:

(1) *Common stock.* Stocks which have no preference over other issues of stock in distribution of dividends or of assets.

(2) *Preferred stock.* Stocks having preference over other issues of stock in distribution of dividends or of assets.

(3) *Debenture stock.* Stocks issued under a contract to pay a specified return at specified intervals.

(4) *Receipts outstanding for installments paid.* Receipts for payments on account of subscriptions to capital stock.

(g) When the subscriber has paid his subscription in full and is entitled to receive certificates representing the shares for which he has subscribed, the par value of stocks having par value or the agreed purchase price or the price authorized by the Commission of stock without par value shall be included in the division appropriate for the class for which the certificates are issued.

(h) Each of the above classes shall also be divided into subclasses according to differences in dividend or interest rights, voting rights, or conditions under which the securities may be retired.

NOTE A: When a general levy or assessment is made against the holders of capital stock, requiring the payment of any sum in addition to the consideration agreed upon at the time of sale, the amount collected upon such levy or assessment shall be credited to account 794, "Premiums and assessments on capital stock."

NOTE B: When capital stock having par value is exchanged for capital stock without par value any sums resting in account 794, "Premiums and assessments on capital stock," with respect thereto shall be cleared to account 791, "Capital stock issued," and any amounts resting in the discount account with respect thereto shall be cleared to account 795, "Paid-in surplus"; *Provided, however,* That any excess over the amount of accumulated net gains applicable to the subclass exchanged included in paid-in surplus shall be charged to account 616, "Other debits to retained income."

NOTE C: An appropriate record shall be maintained with respect to shares of capital stock showing the number of shares nominally issued, nominally outstanding, actually issued and actually outstanding.

NOTE D: See definitions 2, actually issued; 3, actually outstanding; 14, nominally issued; and 15, nominally outstanding.

NOTE E: Shares of stock nominally issued or reacquired and held in the company's treasury, except shares held by trustees in sinking or other funds, shall be included in a subdivision of this account. In the balance-sheet statement the balance in the subaccount shall be stated in the short column only.

792 Stock Liability for Conversion.

This account shall include the company's liability under agreements to exchange its capital stock for the outstanding securities of companies whose physical property has been acquired under such agreements, but whose securities have not yet been surrendered for exchange.

793 Discount on Capital Stock.

This account shall include discount suffered in the issuance and sale of capital stock. Record supporting the entries to this account shall be kept to show the discount suffered, if any, on each subclass of capital stock.

794 Premiums and Assessments on Capital Stock.

(a) This account shall include the excess of the actual cash value (at the time of the sale of the stock) of the consideration received over the amounts recorded in account 791, "Capital stock issued," for par value stock plus accrued dividends, if any, also subsequent assessments against stockholders representing payments required in excess of par or other amounts recorded in account 791, "Capital stock issued," in accordance with the text of that account.

(b) When capital stock is retired and canceled, the amount in this account with respect to the shares of such stock retired and canceled shall be charged hereto.

795 Paid-in Surplus.

(a) This account shall include such items as amount of consent dividends on the accounting company's capital stock; surplus arising from donations by stockholders of capital stock of the company or other contribution to capital; amounts representing reduction of the par or recorded value of the accounting company's capital stock including reductions arising in merger of a railroad and pooling of interest; (see instruction 2–14 (d)) and amounts of forfeited subscriptions to the accounting company's capital stock. This account shall also include gains from the acquisition, retirement, or resale of reacquired shares of the accounting company's capital stock; and forgiveness by stockholders as a contribution to capital of long-term debt owed to them.

(b) This account shall be charged with amounts included herein when capitalized by stock dividends or otherwise with the approval of the Commission, and losses from retirement or resale of reacquired shares up to an amount not in excess of credits included herein applicable to the reacquired shares; and may be charged with the amortization of discount on capital stock to the extent of credits herein.

796 Other Capital Surplus.

This account shall include all capital surplus not provided for in account 795, "Paid-in surplus."

797 Retained Income; Appropriated.

This account shall include the accumulated amount of retained income which has been appropriated and set aside pursuant to provisions of mortgages, deeds of trust, reorganization plans, or other agreements requiring payments into capital funds, sinking funds, or other funds; and also appropriations for general contingencies, possible future losses and other corporate purposes. The account is to be subdivided by classes of appropriations showing the purpose for which each is made.

798 Retained Income; Unappropriated.

(a) This account shall include the net balance (debit or credit) of the amounts included in accounts 601 to 623, inclusive. It shall not include transfers either to or from accounts 795, "Paid-in surplus," or 796, "Other capital surplus," unless so authorized upon application to the Commission.

(b) Any balance representing retained income not segregated at the date of the balance sheet shall be included in a subdivision of this account.

(c) The balance of accounts 601 to 623, inclusive, shall be closed into this account at the end of each calendar year.

799 Form of General Balance Sheet Statement.

The classified form of general balance sheet statement is designed to show the financial condition of the accounting company at any specified date.

ASSETS

Current assets:
- 701. Cash.
- 702. Temporary cash investments.
- 703. Special deposits.
- 704. Loans and notes receivable.
- 705. Traffic and car-service balances—Dr.
- 706. Net balance receivable from agents and conductors.
- 707. Miscellaneous accounts receivable.
- 708. Interest and dividends receivable.
- 709. Accrued accounts receivable.
- 710. Working fund advances.
- 711. Prepayments.
- 712. Material and supplies.
- 713. Other current assets.

Total current assets.

Special funds:
- 715. Sinking funds.
- 716. Capital and other reserve funds.
- 717. Insurance and other funds.

Total special funds.

Investments:
- 721. Investments in affiliated companies.
- 722. Other investments.
- 723. Reserve for adjustment of investment in securities—Cr.

Total investments.

Properties:
- 731. Road and equipment property.
- 732. Improvements on leased property.

Total transportation property.
- 735. Accrued depreciation—Road and equipment.
- 736. Amortization of defense projects—Road and equipment.

Total transportation property less recorded depreciation and amortization.
- 737. Miscellaneous physical property.
- 738. Accrued depreciation — Miscellaneous physical property.

Miscellaneous physical property less recorded depreciation.

Total properties less recorded depreciation and amortization.

Other assets and deferred charges:
- 741. Other assets.
- 742. Unamortized discount on long-term debt.
- 743. Other deferred charges.

Total other assets and deferred charges.

Total assets.

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:
- 751. Loans and notes payable.
- 752. Traffic and car-service balances—Cr.
- 753. Audited accounts and wages payable.
- 754. Miscellaneous accounts payable.
- 755. Interest matured unpaid.
- 756. Dividends matured unpaid.
- 757. Unmatured interest accrued.
- 758. Unmatured dividends declared.
- 759. Accrued accounts payable.
- 760. Federal income taxes accrued.
- 761. Other taxes accrued.
- 763. Other current liabilities.

Total current liabilities (exclusive of long-term debt due within one year).

Long-term debt due within one year:
764 Equipment obligations and other debt.
Long-term debt: [1]
765. Funded debt unmatured.
766. Equipment obligations.
767. Receivers' and trustees' securities.
768. Debt in default.
769. Amounts payable to affiliated companies.
Total long-term debt.
Reserves:
771. Pension and welfare reserves.
772 Insurance reserves.
773. Equalization reserves.
774. Casualty and other reserves.
Total reserves.
Other liabilities and deferred credits:
781. Interest in default.
782. Other liabilities.
783. Unamortized premium on long-term debt.
784. Other deferred credits.
785. Accrued depreciation—Leased property.
Total other liabilities and deferred credits.
Shareholders' equity:
Capital stock (par or stated value):
791. Capital stock issued.[1]
792. Stock liability for conversion.
793. Discount on capital stock.
Total capital stock.
Captial surplus:
794. Premiums and assessments on capital stock.
795. Paid-in surplus.
796. Other capital surplus.
Total capital surplus.
Retained income:
797. Retained income—Appropriated.
798. Retained income—Unappropriated.
Total retained income.
Total shareholders' equity.
Total liabilities and shareholders' equity.

CLASSIFICATION OF MILEAGE ACCOUNTS

Train Miles

800 Rules and Definitions.

(a) A train is a unit of equipment, or a combination of units of equipment (exclusive of light locomotives), in condition for movement over tracks by self-contained motor equipment. A locomotive is a self-propelled unit of equipment designed solely for moving other equipment. A light locomotive is a locomotive in condition for movement by its own motor equipment, uncoupled to cars, work equipment, or dead locomotives. A motor car is a self-propelled unit of equipment designed to carry freight or passenger traffic, and is not to be considered a locomotive.

(b) A train-mile is the movement of a train a distance of one mile.

(c) In computing train-miles, fractions representing less than one-half mile shall be disregarded and other fractions considered as one mile.

(d) Transportation service train-miles shall be based on the actual distance run between terminals, and stations, and shall be computed from the official time-tables or distance tables.

(e) Work service train-miles shall be based on the actual distance run between terminals. When work trains are run between terminals and not ordered to work at some specified point or within specified working limits, the actual miles run shall be allowed to them, the same as to any other class of trains. When ordered to run to a certain point to work at that point or within specified working limits, the actual miles made while under running orders shall be allowed, and in addition an arbitrary mileage of six miles per hour for the time working at the point or within the working limits named. In computing such arbitrary mileage, fractions representing less than one-half hour shall be disregarded and other fractions considered as one hour. Constructive miles on the basis of six miles per hour shall be allowed trains run for the purpose of removing snow when the actual miles of such trains are less than the constructive miles. No record is required of work-train miles on new roads, road extensions, or portions of such roads or extensions, before the commencement of the regular operation of revenue service trains.

(f) Each train and each section of a train run by a separate train crew shall be considered a separate train, whether hauled by one or more locomotives either the whole distance or a part of the distance between the train terminals. There shall be nothing added to this distance to cover running of locomotives from enginehouses to terminals, doubling hills, running for water, switching, or other work at way stations, or for the service of helper or pusher locomotives or of extra locomotives on double-head or triple-head trains.

(g) When the carrier's trains, hauled by its locomotives and handled by its crews, are detoured over foreign roads, the miles shall be computed on the basis of the miles actually run, and classified by it in its train-miles in accordance with the service performed.

(h) Separate accounts of train-miles shall be kept for trains hauled by locomotives and for trains moved by motor cars.

Train-Mile Accounts

TRANSPORTATION SERVICE [1]

801 Freight-train Miles.

(a) This account shall include miles run by all trains between terminals or stations for the transportation of revenue and company freight; also miles run by trains consisting of empty freight cars, and by trains consisting of a locomotive and caboose running light in connection with such service.

(b) Trains which contain passenger-train cars shall be classed as freight trains whenever the number of freight-train cars is in excess of the number of passenger-train cars in them.

(c) Freight-train miles shall be subdivided as follows:

(1) Ordinary freight-train miles: Miles run by trains consisting of a locomotive, with or without caboose, with other equipment.

(2) Light freight-train miles: Miles run by trains consisting of a locomotive and caboose, running light in connection with freight-train service.

802 Passenger-train Miles.

(a) This account shall include miles run by revenue service trains to transport passengers, baggage, mail, milk, express, or any combination of these; also miles run by trains consisting of deadhead passenger equipment.

(b) Trains which contain freight-train cars shall be classed as passenger trains whenever the number of passenger-train cars is in excess of the number of freight-train cars in them.

NOTE: This account does not apply to trains run for the transportation of mail or milk upon the basis of authorized tariffs at rates based upon weight. The miles of such trains shall be classed as freight-train miles.

WORK SERVICE

805 Work-train Miles.

This account shall include miles run by trains engaged in company service, such as official, inspection, and pay trains; inspection trains for railway commissioners for which no revenue is received; trains running special with fire apparatus to save the carrier's property from destruction; trains run for transporting the carrier's employees to and from work when no transportation charge is made; wrecking trains; trains run for the purpose of ditching, filling embankments, and widening cuts; trains run for the purpose of removing snow; trains distributing ties, rails, other track material, ballast, bridge material, and other material and supplies for maintenance or for additions and betterments; trains run for picking up and concentrating such material; and trains run for distributing material and supplies for use in connection with operation.

NOTE A: The accounting for expenses of work-train service shall be in accordance with paragraph (c) of Instruction 2-6, Components of construction cost, and Instruction 3-1, Items to be charged, and other requirements of the accounting regulations for operating expenses.

NOTE B: No record is required of the miles of construction trains on new roads or road extensions, or on portions of such roads or extensions, before the commencement of the regular operation of revenue service trains.

Locomotive Miles

810 Rules and Definitions.

(a) A locomotive is a self-propelled unit of equipment designed solely for moving other equipment. A locomotive-mile is a movement of a locomotive a distance of one mile, under its own power.

[1] To be divided as to "Total issued" and "Held by or for company."

[1] These accounts shall include the miles of all revenue service trains, including trains which incidentally carry employees or company freight. They shall also include the miles of trains which are operated between terminals or stations to transport company freight, when the service is similar to that connected with the transportation of commercial freight and statistics of ton-miles are kept.

The trains here referred to are those the locomotive and train expenses of operating which are includible in the locomotive and train expense accounts in the primary accounts under account 370, Transportation; rail line.

(b) In computing locomotive-miles fractions representing less than one-half mile shall be disregarded, and other fractions considered as one mile.

(c) All locomotive-miles made in hauling transportation service trains shall be based upon the actual distance run between terminals or stations, and shall be computed from the official time-tables or distance tables as prescribed for train-miles.

(d) Light-locomotive miles shall be based on the actual distance locomotives run, except that no light-locomotive miles shall be allowed for terminal service where the distance in one direction is less than one-half mile.

(e) Miles of locomotives in helper service shall be computed on the basis of actual distance run in such service.

(f) Train switching locomotive-miles shall be computed at the rate of six per hour for the time actually engaged in such service. In computing such arbitrary mileage fractions representing less than one-half hour shall be disregarded and other fractions considered as one hour.

(g) Yard switching locomotive-miles shall be computed at the rate of six miles per hour for the time actually engaged in such service. In computing yard switching locomotive-miles, fractions representing less than one-half hour shall be disregarded, and other fractions considered as one hour.

(h) Work-train locomotive-miles shall be computed according to the rules prescribed for work-train miles. Miles of work locomotives employed in switching at shops for shop purposes, spotting cars in gravel pits, working with pile drivers, etc., shall be computed upon the basis of six miles per hour for the actual time in the service. In computing the time engaged fractions representing less than one-half hour shall be disregarded and other fractions considered one hour.

(i) The miles of new or generally repaired locomotives running light in breaking-in service shall not be included in the locomotive-mile accounts.

(j) No record is required of the miles of locomotives in construction service on new roads or road extensions, or on portions of such roads or extensions, before the commencement of the regular operation of revenue service trains.

(k) A separate record shall be kept for miles of steam locomotives and for miles of other locomotives.

(l) Miles of motor cars shall not be classed as locomotive-miles.

Locomotive-Mile Accounts

TRANSPORTATION SERVICE; LINE[1]

811 Freight Locomotive-miles.

(a) This account shall include miles run by locomotives in freight-train service, the train-miles of which are includible in account 801, "Freight-train miles."

(b) Principal freight locomotive-miles: Miles run by locomotives principal to the train, between terminals or stations, with freight trains; also miles run by locomotives between terminals or stations, with cabooses, going to or returning from such service; and miles run in hauling the second cut of freight trains doubled over grades.

(c) Helper freight locomotive-miles: Miles run by locomotives as helpers over the division or that portion covered by the run, or on important grades, including double-headers, triple-headers, and pushers, regardless of whether on the head end, in the middle, or on the rear of the train.

(d) Light freight locomotive-miles: Miles run by locomotives light between terminals or stations in connection with freight-train service on account of unbalanced traffic; miles run light for hauling second cuts of trains doubled; miles run light between freight trains and next fuel station or water tank for fuel or water; miles run light to pick up or assist freight trains between terminals; miles run light by grade helpers in returning from assisting freight trains as pushers or double-headers; and miles run light by locomotives coming from or going to enginehouses or turntables from freight-train service.

NOTE: No miles shall be allowed for light movements at terminals if the distance between enginehouses or turntables and freight-train terminals is less than one-half mile.

812 Passenger Locomotive-miles.

(a) This account shall include miles run by locomotives in passenger-train service, the train-miles of which are includible in account 802, "Passenger-train miles."

(b) Principal passenger locomotive-miles: Miles run by locomotives principal to the train between terminals or stations, with passenger trains.

(c) Helper passenger locomotive-miles: Miles run by locomotives as helpers over the division, or that portion covered by the run, or on important grades.

(d) Light passenger locomotive-miles: Miles run by locomotives light between terminals or stations on account of unbalanced traffic, in connection with passenger-train service; miles run light between passenger trains and next fueling station or water tank for fuel or water; miles run light to pick up or assist a passenger train between terminals; miles run light by grade helpers in returning from assisting passenger trains as pushers or doubleheaders; and miles run light by locomotives coming from or going to enginehouses or turntables from passenger-train service.

NOTE: No miles shall be allowed for light movements at terminals if the distance between enginehouses or turntables and passenger-train terminals is less than one-half mile.

TRANSPORTATION SERVICE; SWITCHING

815 Train Switching Locomotive-miles.

This account shall include miles allowed train locomotives for performing switching service at terminals and way stations. Include such items as switching at industry tracks, team tracks, freight house tracks, and interchange tracks; picking up or leaving cars en route; switching out bad order cars, weighing cars, making up or breaking up train at points where no yard service is maintained. No time should be included representing delays that may occur after yard switching has been completed such as waiting for a train order, held up account of meeting with a train in opposite direction, waiting for waybills or other time lost due to conditions other than actual train switching.

816 Yard Switching Locomotive-miles.

This account shall include miles allowed yard locomotives while switching in yards where regular switching service is maintained; also miles of switching locomotives running light between terminals and yards where regular switching service is maintained in connection with switching service in such yards. This account shall be subdivided as follows:

(a) Yard switching locomotive-miles; freight: Miles allowed yard locomotives in yards where regular switching service is maintained and in terminal switching and transfer service while engaged in switching cars in connection with the transportation of revenue freight; also miles allowed locomotives in such service while engaged incidentally in switching cars in connection with the transportation of company freight.

(b) Yard switching locomotive-miles; passenger: Miles allowed yard locomotives while switching cars in connection with passenger-train service.

NOTE: Where yard switching is performed for both freight and passenger service by the same locomotive, or by locomotives assigned to one yard, a fair approximation of the mileage may be assigned to each service daily or monthly.

WORK SERVICE

817 Work Service Locomotive-miles.

This account shall include the actual miles run by locomotives in work-train service as defined in account 805, "Work-train miles;" also miles of locomotives engaged solely in shop or material yard switching service.

NOTE A: Miles run by locomotives while engaged incidentally (in connection with regular yard switching service) in switching company material in company shop or material yards, or in switching equipment for repairs between yards and shops, shall be included in account 816, "Yard switching locomotive-miles."

NOTE B: Miles run by locomotives engaged in shop and material yard switching service, if operated by shop employees, shall not be included in this account.

Car Miles

820 Rules and Definitions.

(a) A car-mile is a movement of a unit of car equipment a distance of one mile.

(b) In computing car-miles, fractions representing less than one-half mile

[1] This account shall include the miles run by locomotives moving transportation service trains, and also miles run light in connection with such service.

shall be disregarded, and other fractions considered as one mile.

(c) Separate accounts of car-miles shall be kept for the cars in trains hauled by locomotives and for the cars in trains moved by motor cars. The record of car-miles in trains moved by motor cars shall show separately the miles for motor cars and for cars not thus equipped.

Car-Mile Accounts

TRANSPORTATION SERVICE

821 Freight-train Car-miles.

(a) This account shall include the miles run by freight-train cars (including caboose cars) in transportation service. Such car-miles shall be subdivided as follows:

Loaded (run by loaded freight cars).
Empty (run by empty freight cars).
Caboose (run by caboose cars).

(b) This account shall be so kept as to show miles run in freight trains and in passenger trains separately.

(c) Miles run by flat cars loaded with empty railroad-owned or controlled highway trailers shall be classed as "empty" car-miles. Miles run by flat cars loaded with empty highway trailers, other than railroad-owned or controlled and moving on revenue billing, shall be classed as "loaded" car-miles.

822 Passenger-train Car-miles.

(a) This account shall include the actual miles run by passenger-train cars in transportation service. It shall include miles of loaded cars and also of empty cars deadheaded in connection with the service, and shall be subdivided as follows:

(1) *Coaches.* Miles run by coaches and chair cars in which passengers are carried at regular tariff fares without extra charge for space occupied.

(2) *Combination coach cars.* Miles run by combination passenger and baggage, passenger and mail, and passenger and express cars in which passengers are carried at regular tariff fares without extra charge for space occupied.

(3) *Sleeping and parlor cars.* Miles run by sleeping, parlor, and other cars for which an extra fare is charged for space occupied.

(4) *Dining, club, lounge, and observation cars.* Miles run by dining, cafe, and other cars devoted exclusively to the serving of meals and other refreshments and by club, lounge, and observation cars without charge in excess of sleeping or parlor car fares.

(5) *Business cars.* Miles run by all railway business cars operated for the transportation of the carrier's officers and employees.

(6) *Other passenger-train cars.* Miles run by baggage, express, mail, milk, and postal cars, and by cars in which such services are combined. (This class includes no cars intended for the transportation of revenue passengers.)

(b) This account shall be so kept as to show miles run in freight trains and in passenger trains separately.

WORK SERVICE

825 Work Service Car-miles.

This account shall include miles run by cars in work trains, except by equipment which is designed exclusively for work service, such as snow plows, flangers, derricks, pile drivers, wrecking cranes, tool cars, and camp outfits. (For description of work train see account 805, "Work-train miles.")

PART 1202—ELECTRIC RAILWAYS

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10 Paving.
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15 Bridges, trestles, and culverts.
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17 Signals and interlockers.
18 Communication systems.
19 Miscellaneous way expenses.
22 Distribution system.
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24 Buildings, fixtures, and grounds.
24–1 Maintenance steam railway road property.
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25 Depreciation of way and structures.
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31 Freight, express, and mail cars.
32 Service equipment.
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34 Locomotives.
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37 Shop expenses.
38 Maintenance of automotive and miscellaneous equipment.
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40 Depreciation of equipment.
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43 Other operations—Cr.
44 Equalization; equipment.
44–3 Dismantling retired equipment.
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46 Power plant buildings, fixtures, and grounds.
47 Power plant equipment.
49 Transmission system.
50 Depreciation of power plants.
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66 Miscellaneous car-service employees.
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433 Matured interest, dividends, and rents unpaid.
434 Matured funded debt unpaid.
435 Accrued interest, dividends, and rents payable.
435-1 Taxes accrued.
436 Other current liabilities.
437 Liability for provident funds.
438 Other deferred liabilities.
440 Premium on funded debt.
441 Insurance reserves.
441-1 Operating reserves.
442 Reserve for equalization of maintenance.
444 Reserve for amortization of franchises.
446 Other unadjusted credits.
448 Unearned surplus.
448-1 Paid-in surplus.
448-2 Other unearned surplus.
449 Earned surplus; appropriated.
450 Earned surplus; unappropriated.
451 Unsegregated surplus.

ROAD AND EQUIPMENT

06 General instructions.
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ROAD AND EQUIPMENT ACCOUNTS

500 General accounts.
500-1 Way and structures.
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501 Engineering.
502 Right of way.
503 Other land used in electric railway operations.
504 Grading.
505 Ballast.
506 Ties.
507 Rails, rail fastenings, and joints.
508 Special work.
509 Underground construction.
510 Track and roadway labor.
511 Paving.
512 Roadway machinery.
513 Tunnels and subways.
514 Elevated structures and foundations.
515 Bridges, trestles, and culverts.
516 Crossings, fences, and signs.
517 Signals and interlockers.
518 Communication systems.
521 Distribution system.
522 General office buildings.
523 Shops, carhouses, and garages.
524 Stations, miscellaneous buildings, and structures.
525 Wharves and docks.
526 Park and resort property.
528 Reconstruction of road property acquired.
529-1 Steam railway road property.
529-2 Water line terminal property.
529-3 Motor carrier property.
530 Passenger cars.
531 Freight, express, and mail cars.
532 Service equipment.
533 Electric equipment of cars.
534 Locomotives.
535 Floating equipment.
536 Shop equipment.

537	Furniture.
538	Automotive and miscellaneous equipment.
538-1	Steam railway equipment.
538-2	Water line equipment.
538-3	Motor carrier equipment.
539	Power plants.
542	Power plant equipment.
544	Transmission system.
545	Franchises.
546	Organization expenditures.
551	Construction work in progress.

AUTHORITY: The provisions of this Part 1202 issued under secs. 12, 20, 24 Stat. 383, as amended; 49 U.S.C. 12, 20.

00-1 Classification of carriers.

For the purpose of this system of accounts, electric railways are divided into three classes as follows:

Class I. Companies having average annual operating revenues exceeding $1,000,000.

Class II. Companies having average annual operating revenues exceeding $250,000 but not in excess of $1,000,000.

Class III. Companies having average annual operating revenues not exceeding $250,000.

Class I companies shall keep all of the accounts of this system of accounts which are applicable to their affairs.

Class II and III companies shall keep all of the accounts of this system of accounts which are applicable to their affairs, except that their accounts for operating expenses may be kept under the accounts of the respective condensed groupings provided for herein.

NOTE: Electric railways subject to the regulations in this part shall adopt the class of operating accounts indicated by the average of their annual operating revenues for the three calendar years immediately preceding the effective date of this order; if subsequently, at the close of any calendar year, the average of such annual revenues for the three latest calendar years is more or less than the amount applicable to the class in which the company has been accounting, the appropriate class of operating accounts based on such average shall be adopted. New companies shall estimate the amount of their annual operating revenues and adopt the class of operating accounts appropriate for the amount of such estimated revenues.

00-2 Definitions.

When used in this system of accounts:

"Accounts," means the accounts prescribed in this system of accounts.

"Actually issued," as applied to securities, means those which have been sold to bona fide purchasers for a valuable consideration (including those issued in exchange for other securities or property) so that the purchasers secured them free from control by the issuing carrier; also securities issued as dividends on stock, and those which have been issued in accordance with contractual requirements direct to trustees of sinking and other funds.

"Actually outstanding," as applied to securities issued or assumed by the carrier, means those which have been actually issued and are neither retired nor held by or for the carrier.

"Additions," means structures, facilities, or equipment added to those in service and not taking the place of anything previously existing.

"Amortization," means the gradual extinguishment of an amount in an account by prorating such amount over either a fixed period, dependent on the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

"Affiliated companies," means companies or persons that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the accounting carrier. "Control," (including the terms "controlling," "controlled by," and "under common control,") as used herein, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, firm, or corporation, whether through the ownership of voting securities, by contract, or otherwise. If in any instance the existence of control is or may be open to reasonable doubt, the carrier shall report to the Commission all the material facts pertinent to the possible existence of control.

"Betterments," means physical changes in roadway, structures, facilities, and equipment for the purpose of replacing property retired with property of a different type or design or constructed of a different grade of material effecting a substantial improvement and rendering the property more suitable or of greater capacity than that retired.

NOTE: The road and equipment accounts shall be charged only with the excess cost of the improved property over the book cost (estimated if not of record) of the property removed. The remainder of the cost shall be charged to the appropriate maintenance account in operating expenses.

"Book cost," means the amount at which assets are recorded on the books of the carrier without deduction of related reserves.

"Carrier," when not otherwise indicated in the context, means the accounting carrier.

"Commission," means the Interstate Commerce Commission.

"Contingent assets," means a possible source of value to the carrier dependent upon the fulfillment of conditions regarded as uncertain.

"Contingent liabilities," means items which may, under certain conditions, become obligations of the carrier but which are neither direct nor assumed liabilities at the date of the balance sheet.

"Cost," means the amount of money actually paid for property or services, or the cash value at the time of the transaction of any consideration other than money.

"Cost of removal," means the cost of demolishing or otherwise disposing of property and recovering the salvage.

"Current assets," means cash as well as those assets that are readily convertible into cash or held for current use in operations, and all amounts accruing to the carrier where collection is reasonably assured and which are subject to settlement within one year from date of balance sheet.

"Current liabilities," means those obligations the amount of which is determined or closely estimated and are matured or become due within one year from date of issuance or assumption or upon demand, except those classified as long-term obligations.

"Debt expense," means all expense in connection with the issuance and sale of evidences of long-term debt, such as fees for drafting mortgages and trust deeds; fees for issuing or recording evidences of debt; cost of engraving and printing bonds, certificates of indebtedness, and other evidences of debt; fees paid trustees; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing evidences of debt; fees and expenses of listing on exchanges; and other like costs.

"Delayed items," means items relating to transactions which occurred before the current calendar year. It includes adjustments of errors in the income, operating revenues, and operating expense accounts of prior years.

"Depreciation," means the loss in service value not restored by current maintenance, and incurred in connection with the consumption or prospective retirement of physical property in the course of service from causes against which the carrier is not protected by insurance which are known to be in current operation, and whose effect can be forecast with a reasonable approach to accuracy.

"Discount," as applied to securities issued or assumed by the carrier, means the excess of the par value of the securities, plus interest or dividends accrued to date of sale over the cash value of the consideration received from the sale.

"Group plan," as applied to depreciation accounting, means the plan under which depreciation charges continue to be accrued on the basis of book cost of all property recorded in each depreciable account, using the estimated average service lives thereof properly weighted, and upon the retirement of any depreciable property its total service value in excess of any insurance recoverable is charged to the depreciation reserve, regardless of the amount accrued with respect to each unit retired.

"Investment advances," means advances, represented by notes or book accounts, which it is mutually agreed or intended shall be settled by the issuance of capital stock or funded debt, or which are indefinitely deferred with no expectation of settlement.

"Minor items," means the associated parts of physical property which are not designated units of property.

"Nominally issued," as applied to securities issued or assumed by the carrier, means those which have been signed, certified, or otherwise executed and placed with the proper officer for sale or pledge or otherwise placed in some special fund of the carrier but which have not been sold.

"Nominally outstanding," as applied to securities issued or assumed by the carrier, means those which after being actually issued have been reacquired by or for the carrier under such circumstances as require them to be considered as held alive and not retired.

"Nonaffiliated companies," means all companies other than those defined as affiliated.

"Noncarrier property," means property neither used in nor held for transportation service.

"Original cost," means the actual money cost (or the fair money value of any consideration other than money) of transportation property when first acquired and used in the public service.

"Premiums," as applied to outstanding securities issued or assumed by the carrier, means the excess of the current money value of the consideration received at their sale over the sum of their par value and interest or dividends accrued to the date of sale.

"Property retired," means physical property which has been permanently withdrawn from service.

"Replacement," means the installation of physical property in substitution of property of like purpose retired.

"Salvage value," means the amount received for property retired or disposed of or if retained, the amount at which the material recovered will be charged if reused. If the property is sold before it has reached the end of its useful life, the amount received from its sale, less any expenses incurred in connection therewith, shall be the value of the salvage.

"Service life," means the period between the date when operating property is placed in service and the date of its retirement.

"Service value," means the difference between the book cost and the salvage value of operating property.

"Straight-line method," as applied to depreciation accounting, means the plan under which the annual depreciation charge is computed by applying such percentage rates to the book cost of depreciable property as will distribute the estimated service value in equal annual charges as nearly as may be to operating expenses and other accounts over the service lives.

"Time of installation," means the date at which property is completed and placed in transportation service.

"Time of retirement," means the date at which property is permanently withdrawn from service.

Operating Expenses

01 General instructions.

01–1 Accounts for operating expenses.

The accounts prescribed for operating expenses are designed to show the expenses of furnishing transportation services (including services incidental thereto), including the expenses of maintenance, depreciation, and operations of the property used in rendering the services. The accounting shall be, as nearly as practicable, upon the basis of accruals.

01–2 Auxiliary operations.

Electric railways operating facilites or rendering services other than those incident to transportation (the cost of the property used in such operations being included in the road and equipment accounts) shall treat such operations or services as auxiliary operations. Carriers shall keep separate revenue and expense accounts for each auxiliary operation conducted, and shall include the aggregate of the revenues and the aggregate of the expenses of auxiliary operations in the respective income accounts provided therefor.

If, for example, the carrier conducts a general power, light, heat, or other business not incident to transportation (the cost of the property used therein being included in the accounts for investment in road and equipment) the revenues and expenses of each such operation shall be reported in income accounts 202, "Auxiliary operations—Revenues," and 214, "Auxiliary operations—Expenses," respectively.

Revenues and expenses in connection with the maintenance and operation of properties provided for in general balance sheet account 404, "Miscellaneous physical property," shall be included in income account 205, "Net income from miscellaneous physical property," or 219, "Net loss on miscellaneous physical property," as may be appropriate.

01–3 Exclusion of auxiliary operations expenses.

Expenses in connection with maintenance and operation of plant and equipment used in auxiliary operations such as the electric power light, heat, or other departments, or the proportion of expenses chargeable thereto, shall be excluded from the railway expenses by the use of accounts designated "Other operations—Cr." Similarly, if expenses of the railway department, other than those for maintenance and operation of power plant buildings and equipment, are kept in the accounts of the power, light, or other department, the railway department's proportion of such expenses shall be charged to the various accounts provided for "Other operations—Dr." If, however, a carrier furnishes power, light, or heat only incidentally, such incidental revenues and expenses shall be included in the railway operating revenues and expenses.

01–4 General account for power.

For the purpose of bringing together, under one general account, the cost of maintaining and operating power plant buildings and equipment, the general account "Power," has been provided. All expenses for maintaining and operating power plant buildings and equipment necessary to the production of power and all expenses incident to the purchase of power shall be included in the appropriate primary accounts under this general account, irrespective of the manner in which the power is used. Carriers rendering other utility services, such as furnishing power for lighting, heating, or other commercial purpose, shall equitably apportion the cost of power, as shown by this general account, between the railway and other utility departments. The charges to the other departments shall be cleared through account 62, "Other operations—Cr." This segregation of the maintenance and operation expenses incident to the production of power permits a more accurate comparison of the expenses for maintenance of ways and structures, maintenance of equipment, and transportation expenses, between carriers which produce their own power and carriers which use purchased power; and it also affords a better comparison of the statistics of carriers which furnish only a transportation service and those which furnish other utility service, such as power, light, and heat.

01–5 Unaudited items affecting operating accounts.

When for any cause the amount of any item affecting operating revenues or operating expenses cannot be accurately determined in time for inclusion in the accounts of the month in which the transaction occurs, the amount of the item shall be estimated and in such form included in the appropriate operating revenue or operating expense account and credited or charged, as the case may be, to the appropriate balance sheet account. The necessary adjustment between the initial estimate and the actual amount of the item shall be included in the appropriate operating revenue or operating expense account when the item is audited. The amounts of such estimates shall be supported by records showing the details of the items which have thus been accrued and the clearance of the items when audited. The estimates shall be kept separately for each year. If between the date of inclusion and the date of audit a substantial difference from the initial estimate is determined, appropriate adjustment shall be made in the current accounts to cover such difference. The carrier is not required to anticipate items which would not appreciably affect the accounts.

01–6 Extraordinary and prior period items.

(a) All items of profit and loss recognized during the year are includible in ordinary income except nonrecurring items which in the aggregate for the same class are both material in relation to operating revenues and ordinary income, and are clearly not identified with or do not result from the usual business operations for the year. Important items of the kind which occur from time to time and which, when material in amount, are to be excluded from ordinary income are those resulting from unusual sales of property and investment securities other than temporary cash investments, from company bonds, reacquired, from change in the application of accounting principles, and from prior period items (other than ordinary adjustments of a recurring nature). Material items are those which, unless excluded from ordinary income, would distort the accounts and impair the significance of ordinary income for the year. Items so excludible from ordinary income are to be entered directly in the income accounts provided for extraordinary and prior period items upon approval of the Commission.

(b) Adjustments, constituting items of a character typical of customary business activities or representing corrections or refinements resulting from the nat-

ural use of estimates inherent in the accounting process, shall not be considered extraordinary or prior period items regardless of amount.

(c) In determining materiality, items of a similar nature should be considered in the aggregate; dissimilar items should be considered individually. As a general standard, an item to qualify for inclusion as an extraordinary or prior period item shall exceed one percent of total operating revenues and ten percent of ordinary income for the year.

(d) Ordinary delayed items and adjustments arising during the current year which are applicable to or related to transactions of prior years shall be included in the same accounts which would have been charged or credited if the item had been taken up or adjusted in the period to which it pertained. Ordinary delayed items excludes items of the character described in paragraph (a).

01–7 Subprimary accounts for steam railway operations, water line operations, and motor carrier operations.

If a carrier operates a steam division, or has both electric and steam operations, and desires to keep the expenses of such operations separate, it may set up as subprimary accounts the appropriate primary accounts of the uniform system of accounts for steam railroads. (See accounts 24–1, 35–1, and 75–1.) If the carrier operates a water line or ferries and desires to keep the expenses of such operations separate, it may set up as subprimary accounts the appropriate primary accounts of the uniform system of accounts for carriers by water. (See accounts 24–2, 35–2, and 75–2.) If a carrier operates partly by motor vehicles and desires to keep the expenses of such operations separate, it may set up as subprimary accounts the appropriate primary accounts of the uniform systems or accounts for motor carriers of property and motor carriers of passengers. (See accounts 24–3, 35–3, and 75–3.)

01–8 Salvage and value of material removed.

As used in this system of accounts, the terms "salvage" and "value of material removed" include the value to the carrier (not to exceed cost, estimated if not known), recovered or removed in the process of repairing, renewing, replacing or abandoning roadway, structures, and equipment. If the material recovered or removed is again used or expected to be used by the carrier, the salvage value shall be based upon fair prices for the particular kinds and grades of material. If the material is sold, the net amount received from the sale represents the salvage.

01–9 Insurance recovered.

Amounts of insurance recovered on account of losses sustained shall be credited to the accounts to which the losses are charged.

01–10 Property retired.

The service value of property retired shall be accounted for in accordance with the provisions of instruction 06–4 *Property retired*.

When the amount chargeable to operating expenses in connection with the retirement of nondepreciable property is so material that its inclusion would distort the ordinary income for the year, the service value shall be recorded in account 270, 'Extraordinary items', when authorized by the Commission. See instruction 01–6. On the other hand, if authorized by the Commission the carrier may create a reserve in anticipation of the retirement of nondepreciable property by charges to operating expenses.

01–11 Adjustment for converted property.

When road and equipment property, with or without physical conversion, is transferred from one primary account to another, the accounting shall be in accordance with the provisions of instruction 06–6 *Adjustments for converted property*.

01–12 Interpretation of item lists.

Lists of items appearing in the texts of the accounts are given for the purpose of clearly indicating the application of the accounting rules. The lists are to be considered as merely representative and not as excluding items which have been omitted. On the other hand, the appearance of an item in a list warrants the inclusion of such item in the account concerned only when the text of the account indicates inclusion, as the same item frequently appears in more than one list.

01–13 Cost of work.

The cost of work chargeable to the maintenance accounts includes other carriers' freight charges, inspection, contract work, assessments for maintenance, and cost of privileges in connection with the work specified in the text of the several accounts.

01–14 Depreciation.

After the effective date of this order there shall be charged monthly to operating expenses or other appropriate accounts and credited to account 401–3, "Reserve for depreciation—Road and equipment," during the service life of depreciable property, amounts which will approximate the loss in service value not restored by current maintenance or covered by insurance. The charges for currently accruing depreciation shall be computed in conformity with the group plan by applying to the book cost of the property such percentage rates as will distribute the service value of the property by the straight-line method in equal annual charges to operating expenses or other accounts during its estimated life.

The carrier shall compute and file with the Commission annual percentage rates estimated to be applicable to provide for the service value at the date of retirement of depreciable property that is owned or used by it as reflected in each depreciable road and equipment account. These percentage rates shall be based on the estimated service lives and service values of the property developed by a study of the carrier's history and experience and such engineering studies and other information as may be available with respect to future conditions. Such percentage rates shall, for each primary account comprised of more than one class of property, produce a charge for depreciation computed on the book cost of the depreciable property included in such account equal to the sum of the amounts that would otherwise be chargeable as depreciation for each of the various classes of property included in the account. The carrier may request, or the Commission may direct, that special accounting be applied in situations causing undue inflation or deflation of depreciation reserves, such as premature or unusual retirements or sales of depreciable property, or related insurance recoveries. A carrier's request for special accounting shall contain full particulars concerning the situation, including the basis for its proposal. Alternative accounting techniques shall be applied to the extent approved or directed by the Commission.

The carrier shall keep such records of depreciable property and property retirements as will reflect the service life of property which has been retired, or will permit the determination of service life indications by mortality, turnover, or other appropriate methods; also such records as will reflect the percentage of value of the salvage recovered from property retired. The carrier shall review the percentage rates from time to time and compute revised percentage rates in cases where existing rates are found inapplicable.

In computing monthly charges the annual percentage rates shall be applied to the book cost of property in each depreciable account as of the first of each month and the result divided by twelve.

For the purpose of the group plan of depreciation accounting for property, the following primary road and equipment accounts are classed as depreciable accounts:

501	Engineering. (Depreciable property in connection with which expenditures were incurred.)
504	Grading. (Depreciable property recorded in this account.)
511	Paving. (Depreciable property recorded in this account.)
512	Roadway machinery.
513	Tunnels and subways. (Depreciable property recorded in this account.)
514	Elevated structures and foundations.
515	Bridges, trestles, and culverts.
516	Crossings, fences, and signs.
517	Signals and interlockers.
518	Communication systems.
521	Distribution system.
522	General office buildings.
523	Shops, carhouses, and garages.
524	Stations, miscellaneous buildings, and structures.
525	Wharves and docks.
526	Park and resort property.
529–1	Steam railway road property.
529–2	Water line terminal property.
529–3	Motor carrier property.
530	Passenger cars.
531	Freight, express, and mail cars.
532	Service equipment.
533	Electric equipment of cars.
534	Locomotives.

535 Floating equipment.
536 Shop equipment.
537 Furniture.
538 Automotive and miscellaneous equipment.
538-1 Steam railway equipment.
538-2 Water line equipment.
538-3 Motor carrier equipment.
539 Power plants.
542 Power plant equipment.
544 Transmission system.

01-15 Equalization of maintenance expenses.

The cost of maintaining way and structures and equipment shall be included in the appropriate primary accounts in the month in which the expense is incurred.

If the carrier adopts a budget or estimate for all or part of the calendar year of expenses includible in one or more primary maintenance accounts or corresponding general accounts, an equitable monthly proportion of the difference between the budgeted or estimated expenses and the actual expenses chargeable each month may be debited or credited as appropriate to account 28, "Equalization—Way and structures," account 44, "Equalization—Equipment," or account 51, "Equalization—Power," with contra entries in account 442, "Reserve for equalization of maintenance."

If certain primary accounts only are budgeted, the carrier's records shall show for amounts included in the equalization accounts the amount of the equalization assignable to each such primary account.

Amounts included in account 442, "Reserve for equalization of maintenance," in accordance with the foregoing paragraph, shall be cleared thereform at the close of each calendar year through the equalization accounts originally charged or credited.

OPERATING EXPENSE ACCOUNTS

0 General accounts.

The general operating expense accounts represent grouping of related primary accounts.

0-1 Way and structures.

The general account for way and structures expenses embraces the following primary accounts:

1 Superintendence.

This account shall include salaries and office and other expenses of officers and their assistants when directly in charge of maintenance of way and structures, including chief engineer, engineer of maintenance of way, superintendent of electric line, superintendent of buildings, architect, division engineer, roadmasters, and office and field forces; cost of repairing drafting and engineering instruments; cost of supplies used by employees whose salaries are charged to this account; and office rent, cost of repairing rented offices, cost of repairing furniture and miscellaneous office expenses, when separate offices not in general office buildings are maintained for officers whose salaries are charged to this account.

ITEMS OF EXPENSE AND SUPPLIES

Books for office use.
Fees and dues of associations.
Furniture repairs and renewals.
Heating.
Lighting.
Official train service.
Periodicals and newspapers.
Power.
Repairs of rented offices.
Telegraph service.
Telephone service.
Travel expenses.
Water and ice.

TECHNICAL SUPPLIES

Barometers.
Books and maps.
Boxes for instruments.
Cameras.
Camp equipment.
Chains for surveyors.
Compasses.
Curves.
Drafting boards.
Drafting instruments.
Field glasses.
Field notebooks.
Hatchets.
Levels.
Magnets.
Magnifiers.
Marking chalk.
Oil stoves.
Paper, blueprint.
Parallel rules.
Photographic supplies.
Plane tables.
Planimeters.
Plummets.
Protractors.
Ranging poles.
Reading glasses.
Rods for surveyors.
Section liners.
Sextants.
Slide rules.
Stakes.
Straightedges.
Tally registers.
Tape lines.
Tee-squares.
Telescopes.
Thermometers.
Thumb tacks.
Tracing linens.
Transits.
Traverse tables.
Triangles.
Tripods.
Verniers.

Account No.		Revenue	Expense	Net
	Shipping operations.			
600-700	Terminated voyage results			
800	Inactive vessels expense			
640-860	Collections from and contributions to pools			
	Gross profit (or loss) from vessel operations before subsidy			
625	Operating-differential subsidy			
	Gross profit (or loss) from vessel operations after subsidy			
645-855	Terminal operations			
650-865	Cargo handling operations			
655-875	Tug and lighter operations			
660-885	Other shipping operations			
670	Agency fees, commissions and brokerage earned			
890	Interdepartmental credits for services and facilities		(.....)	
	Gross profit (or loss) from shipping operations before overhead, amortization, and depreciation			
	Overhead:			
900	Administrative and general expense			
945	Management and operating commissions			
950	Advertising			
955	Taxes-miscellaneous			
	Gross profit (or loss) from shipping operations before amortization and depreciation			
	Depreciation—Shipping property and equipment			
972	Amortization—Leaseholds			
981	Depreciation—Floating equipment—Vessels			
984	Depreciation—Other floating equipment			
987	Depreciation—Terminal property and equipment			
988	Depreciation—Other shipping property and equipment			
	Total water-line operating revenue and expense			
	Gross profit (or loss) from shipping operations			

NOTE A: When employees designated above are engaged in work not chargeable to Way and Structures, their salaries and expenses shall be charged to the specific work on which engaged.

NOTE B: When employees designated above have supervision over other departments also, their salaries and expenses shall be apportioned equitably among the departments over which they have jurisdiction.

NOTE C: It is not intended that any portion of the expenses of general offices shall be charged to this account. The office expenses of employees designated above who have offices in general office buildings shall be included in the appropriate primary accounts under 0-6 *General*.

2 Ballast.

This account shall include expenses incident to the purchase and production of ballast used for maintenance; purchase price of gravel, stone, slag, cinders, sand, and other material used for ballast, including freight charges, if any; payments for gravel and quarry rights and privileges; cost of tracks and electric line in gravel pits; expenses of sinking test holes, stripping, blasting, and loading; and other expenses in connection with production of ballast.

NOTE A: In case of ballast produced, a clearing account may be opened in order to determine the unit of cost which is to be used in arriving at the monthly charge to Operating Expenses on account of ballast used.

NOTE B: The cost of labor delivering, unloading, and putting ballast into track shall be charged to account 8, "Track and roadway labor."

3 Ties.

This account shall include the cost of cross, switch, bridge, and other ties used in repairing all tracks.

NOTE A: The cost of labor for unloading, distributing, and putting ties in track, and the cost of picking up and concentrating or disposing of the ties removed, shall be charged to account 8, "Track and roadway labor."

NOTE B: The excess of metal or concrete ties applied in place of wooden ties over the cost of replacing wooden ties shall be charged to road and equipment account 506, "Ties."

4 Rails.

This account shall include the cost of rails used in repairing main and repair tracks, sidings and spurs, and tracks in tunnels, station yards, shop and other yards; on piers, wharves, track scales, inclines, bridges, trestles, and culverts; in carhouses, shops, and storehouses; and on transfer tables and turntables. Rails in plain curves shall be charged to this

account and not to account 6, "Special work."

To this account shall be credited the value of material removed.

NOTE A: The cost of labor for unloading, distributing, and laying rails in track, and the cost of picking up and concentrating the rails removed, shall be charged to account 8, "Tracks and roadway labor."

NOTE B: The excess cost of heavier or improved rails applied for renewals over the original cost of rails removed shall be charged to road and equipment account 507, "Rails, rail fastenings, and joints."

NOTE C: Guard rails used in connection with the renewal of special work shall be charged to account 6, "Special work."

5 Rail fastenings and joints.

This account shall include the cost of rail fastenings and joints, such as fishplates, braces, tie plates, tie-rods, nuts, bolts, spikes, and welded joints, used for repairs of all tracks.

To this account shall be credited the value of material removed.

NOTE A: The cost of labor unloading, distributing, and applying rail fastenings and joints and the cost of picking up and concentrating rail fastenings and joints removed shall be charged to account 8, "Track and roadway labor."

NOTE B: The entire cost (exclusive of carrier's own labor) of welded joints installed under contract shall be charged to this account.

NOTE C: The excess cost of heavier or improved rail fastenings and joints used for renewals over the original cost of fastenings and joints removed shall be charged to road and equipment account 507, "Rails, rail fastenings, and joints."

6 Special work.

This account shall include the cost of material used in repairing special work, including steam and street railroad crossings, cross-overs, curves, frogs, run-offs, switches, contacts and wiring for automatic switches, switch stands and locks, switch mates, and turnouts.

To this account shall be credited the value of material removed.

NOTE: The cost of labor in connection with this work shall be charged to account 8, "Track and roadway labor."

7 Underground construction.

This account is to be used only by railways operated by underground electric contact system or by cable. It shall include the cost of material used in repairing yokes, concrete work, manhole frames and covers, slot rails, drain pipes, pulleys and sheaves, and other fixtures and appurtenances peculiar to underground electric or cable construction.

To this account shall be credited the value of material removed.

NOTE A: The cost of labor in connection with this work shall be charged to account 8, "Track and roadway labor."

NOTE B: The cost of repairing and renewing track rails, track-rail fastenings and joints, electric contact rails and insulators, and cables of cable railways shall not be charged to this account.

8 Track and roadway labor.

This account shall include the cost of labor used in unloading, distributing, and placing ballast; re-laying ties; repairing and re-laying rails, rail fastenings and joints, special work, and underground construction; also labor used in grading, aligning, surfacing, and gauging tracks; repairing sewer and drain tiles and drainage catch-basins; cleaning and repairing tile and open ditches; protecting banks by retaining walls, riprap, piling, piers, dikes, or other means; patrolling, inspecting, and watching track; clearing track of weeds; removing sand, debris, and flood water from tracks; trimming trees along tracks; and other miscellaneous track and roadway labor, including wages of blacksmiths and helpers in track shops.

9 Small tools and roadway expenses.

This account shall include the cost of roadway tools when chargeable to operating expenses; material used in repairing tools, velocipedes, hand and push cars, implements, flags, lanterns, etc., used when repairing track and roadway; materials used in weeding tracks and right-of-way; materials used in removing flood water from tracks; coal and supplies for track shops; materials used in repair of right-of-way ditches; material for repairing catch basins for drainage purposes; and material used in repairing retaining walls, riprap, piling, piers, dikes, or other means for protecting banks; also any other material, supplies, and incidental expenses that are not properly chargeable to any of the other accounts covering maintenance of track and roadway.

To this account shall be credited the value of material removed.

LIST OF ROADWAY AND TRACK TOOLS

Adzes.
Anvils.
Augers.
Axes.
Ballast forks.
Bars, claw.
Bars, crow.
Bars, lining.
Bars, pinch.
Bars, raising.
Bars, tamping.
Braces and bits.
Brooms.
Brush hooks.
Cable stretchers.
Cans.
Cant hooks.
Chains.
Chisels.
Curbing hooks.
Dippers.
Drawing knives.
Drill bits.
Drills (portable).
Flags.
Furnaces.
Grindstones.
Guard rail lubricators.
Hammer, napping.
Hammer, paving.
Hammer, spiking.
Handles for tools.
Hatches.
Hoes.
Jack levers.
Jacks.
Kegs, water.
Ladders.
Lanterns and fixtures.
Lawn mowers.
Levels.
Lines.
Nippers.
Oil stones.
Padlocks.
Pails.
Paint brushes.
Picks.
Pike poles.
Post-hole diggers.
Post-hole tampers.
Punches.
Rail benders.
Rail tongs.
Rakes.
Rope.
Saws, crosscut.
Saws, hand.
Scrap boxes.
Scythes.
Shovels.
Sickles.
Sledges.
Spades.
Spike mauls.
Spike pullers.
Spot boards.
Squares.
Tape lines.
Thermometers.
Tongs.
Tool boxes.
Torches.
Track gauges.
Track levels.
Wheelbarrows.
Wrenches.

10 Paving.

This account shall include the cost of labor and material used in repairing granite, wood, brick, macadam, asphaltum, and other paving; also cost of hauling and distributing material and of removing old material.

Repairs of street paving required by municipalities in connection with roadway and track, and assessments for maintenance of paving; also payments for permission to open pavement, and cost of tearing up and replacing paving in connection with repairs shall be charged to this account.

To this account shall be credited the value of material removed.

11 Cleaning and sanding track.

This account shall include the cost of labor and material used in watering, sprinkling, and oiling roadway; in cleaning, greasing, and sanding tracks; and in cleaning conduits of underground electric or cable systems; also cost of sand and of hauling, drying, and distributing same; cost of track brooms and other cleaning and sanding tools and apparatus; and cost of other supplies and expenses incident to the work.

NOTE A: Repairs of sprinkler and sand cars used in connection with this work shall be charged to account 32, "Service equipment." Repairs of harness and wagons used in connection with this work shall be charged to account 38, "Maintenance of automotive and miscellaneous equipment."

NOTE B: Cost of sprinkling rendered necessary by repairs or construction of track or paving shall be charged to the proper maintenance or construction account.

12 Removal of snow and ice.

This account shall include the cost of labor and material used in removal of snow and ice from tracks, whether done by the company or otherwise, including cost of tools, cost of salt and delivering same in carhouses or bins, wages of men engaged in salting track and in operating snow plows, sweepers, scrapers, etc., and other supplies and expenses incident to this work.

This account shall also include the wages of trainmen operating cars solely for the purpose of keeping line open, the cost of removing water caused by melting snow, cost of placing and removing portable snow fences, and rent of ground on which to place snow fences.

NOTE: Repairs of salt cars, snow plows, sweepers, scrapers, and miscellaneous snow equipment used in connection with this work shall be charged to account 32, "Service equipment." Repairs of harness and wagons used in connection with this work shall be charged to account 38, "Maintenance of automotive and miscellaneous equipment."

13 Tunnels and subways.

This account shall include the cost of labor and material used in repairing tunnels and subways; cost of cleaning, painting, and whitewashing; and cost of maintenance of lighting, ventilating, and drainage systems.

To this account shall be credited the value of material removed.

NOTE: This account shall not include repairs of roadway, tracks, or electric feeder and contact lines through tunnels.

14 Elevated structures and foundations.

This account is intended to be used only by companies operating an elevated railway system, and shall include the cost of labor and material used in repairing elevated structures and their foundations.

To this account shall be credited the value of material removed.

15 Bridges, trestles, and culverts.

This account shall include the cost of labor and material used in repairing bridges, trestles, and culverts (both substructure and superstructure), their piers, abutments, masonry, and drain pipes, and the retaining walls, riprapping, and dikes necessary to protect or strengthen them against ice, water, or drift; cost of altering and bracing bridges and trestles during progress of filling; cost of removing old bridges in connection with construction of new bridges; and cost of constructing and removing temporary or false work used in repairing bridges and culverts; also cost of guards on bridges, framing ties for bridges; bridge signs or number boards; cleaning of channel under bridges and cleaning of culverts; pay of bridge foremen, and cost of supplies used by them; pay of bridge inspectors and expenses incident to bridge inspection.

The cost of replacing bridges, trestles, and culverts destroyed by fire or washout shall be charged to this account; also repairs made necessary by washouts.

To this account shall be credited the value of material removed.

Any structure carrying the carrier's tracks over other tracks, or over a stream, highway, or canal should be considered a bridge or a culvert.

DETAILS OF BRIDGE STRUCTURES

Abutments.
Bridge signs.
Cofferdams.
Concrete ends for culverts.
Cribs.
Decking.
Dike protection.
Drainage systems.
Draw protection.
Drawbridge machinery.
False work.
Guard timbers.
Ice breakers.
Painting.
Pier protection.
Piers.
Pipe culverts.
Retaining walls.
Riprap.
Supports.
Water channels.
Waterproofing.
Wing dams.
Wing walls.

NOTE: The cost of maintaining structures carrying other tracks, canals, highways, etc., over the accounting carrier's tracks shall be charged to account 16, "Crossings, fences, and signs."

16 Crossings, fences, and signs.

This account shall include the cost of labor and material used in repairing street, road, and farm crossings at grade; overhead bridges and viaducts; roadways of undergrade foot, wagon, or cattle crossings; drainage and excavations for undergrade crossings; crossing gates and warning signals; and payments and assessments for street repairs or repairs of sewers at crossings.

This account shall also include cost of material used and labor expended in repairing right-of-way fences, snow and sand fences, cattle guards, wing fences, aprons, and hedges; and mile, section, warning, and other roadway signs.

To this account shall be credited the value of material removed.

NOTE: Street repairs or repairs of sewers within the limits of shop grounds or immediately adjacent to station buildings shall be charged to account 24, "Buildings, fixtures, and grounds."

17 Signals and interlockers.

This account shall include the cost of labor and material used in repairing buildings and apparatus of interlocking systems, semaphore, block, and other signal systems, including air compressors, levers, boilers, dynamos, engines, and other appliances used in connection therewith; also the cost of labor and material used in repairing targets and lamps, and switch lights at sidings.

To this account shall be credited the value of material removed.

NOTE A: This account shall not include the cost of track material proper required in connection with interlockers, such as switches, special track fastenings, split, rails, and frogs, the cost of which shall be charged to proper maintenance of way accounts.

NOTE B: Rent of appliances for signal and interlocking systems shall be charged to account 72, "Operation of signal and interlocking apparatus."

NOTE C: No charge shall be made to this account for setting and repairing poles and fixtures used primarily for telegraph, telephone, or transmission systems when such poles and fixtures incidentally support signal wires.

18 Communication systems.

This account shall include the cost of labor and material used in repairing telephone and telegraph systems owned by the company, or for which it is responsible, including conduits, poles, cross arms, insulators, wires, cables, cable boxes, booths, instruments, battery jars, switchboards, and other appurtenances of such telephone and telegraph systems.

To this account shall be credited the value of material removed:

LIST OF TERMINAL EQUIPMENT

Batteries.
Cables and wires, interior.
Connecting wires.
Current-controlling instruments.
Electric generators and motors.
Electric meters.
Engines, stationary.
Fuses and mechanical protectors.
Laboratory equipment.
Rectifiers.
Rheostats.
Sending and receiving instruments.
Switchboards.
Testing outfits.
Transformers.

LIST OF OUTSIDE PLANT

Antennas and supporting structures.
Aerial attachments.
Braces.
Brackets.
Cable boxes and fixtures.
Cables and wire aerial.
Conduits and fixtures.
Cross arms.
Guy stubs.
Guy wires.
Insulators.
Mobile auxiliaries.
Poles.
Submarine cables and connections.
Telephone pole boxes.
Towers.
Underground cables and connnections.

NOTE A: Rent of communication systems shall be charged to the accounts applicable according to the use made of the system rented.

NOTE B: No charge shall be made to this account for setting and repairing poles and fixtures used primarily for signals and interlockers or transmission systems when such poles incidentally support telegraph or telephone wires.

19 Miscellaneous way expenses.

This account shall include all expenses in connection with maintenance of way not properly chargeable to other accounts.

22 Distribution system.

This account shall include the cost of labor and material used in repairing the distribution system, as follows:

(a) Overhead feeders for transmitting low-tension power from power stations and substations, including insulators and connections.

(b) Underground feeders for transmitting low-tension power from power stations and substations, including insulators and connections.

(c) Track bonding, including track bonds, cost of punching and drilling rails for track bonds, and testing for defective bonding.

(d) Overhead trolley, including cost of trolley, guard, span, strain, supplementary, and other wires, and all catenary construction used in connection with the overhead trolley system.

(e) Trackless trolley overhead systems.

(f) Third rail, including cost of third rail, braces and supports for same, insulating devices, material used for covering and protecting same, and all fixtures and appliances connected with third-rail construction.

(g) Underground contact rails, including cost of contact rails and appliances in underground contact systems, and appurtenant braces, supports, and insulating devices.

(h) Poles and fixtures for supporting overhead electric construction.

(i) Conduits for underground wire and cables, including manholes, sewer connections, etc.

To this account shall be credited the value of material removed.

When a company does an incidental power, light, or heat business, the cost of repairing transformers, meters, and wiring used in connection with the delivery of power sold shall be included in this account.

NOTE: When the electric current generated or received is changed by means of rotary converters, motor generator sets, or static transformers (substation apparatus), that portion of the line or outside conductor system carrying current of other than the operating kind or voltage shall be classed as transmission system. When the electric current is generated or received and used substantially unchanged in voltage and kind, the line or outside conductor system, including feeders, trolley wire, booster circuits, and supplementary return, if any, shall be

classed wholly as distribution system. Tie lines between generating stations and substations shall follow the same rule as other lines.

23 Miscellaneous electric line expenses.

This account shall include all expenses in connection with maintenance of electric line not properly chargeable to other accounts.

NOTE: This account shall not include miscellaneous expenses in connection with the transmission system. Such expenses shall be charged to account 49, "Transmission system."

24 Buildings, fixtures, and grounds.

This account shall include the cost of labor and material used in repairing car houses, shops, general offices, stations, waiting rooms, platforms, docks, wharves, and all other buildings and structures (except power plant and substation buildings and towers or buildings used exclusively for signal and interlocking apparatus) used in the operation of the road.

This account shall also include the cost of repairing fixtures; maintaining walks, driveways (including those at unloading tracks), and grounds; cost of flowers and shrubs, and labor planting and caring for same; and the cost of mowing lawns about buildings and structures above named.

The term buildings, fixtures, and grounds, in addition to embracing the buildings proper, includes permanent fixtures; permanent foundations for machinery and apparatus; pipes for gas, water, sewerage, and drainage; apparatus for heating, lighting, and ventilating; freight and passenger elevators, with fixtures and appurtenances; platforms; hose and appliances for protecting buildings against fire; fences, walls, sidewalks, and pavements (except paving in tracks) within the limit of grounds or immediately adjacent to buildings or yards.

To this account shall be credited the value of material removed.

SHOPS AND CARHOUSES

Ash plants.
Bins.
Blacksmith shops.
Car sheds.
Carpenter shops.
Cinder pits.
Drop pits.
Foundries.
Gas houses.
Houses, oil.
Laboratories.
Lighting plants.
Lumber sheds.
Machine shops.
Motor cranes.
Paint shops.
Pipe lines.
Planing mills.
Platforms.
Repair shops.
Sand houses.
Sidewalks.
Storehouses.
Tanks.
Test rooms.
Tin shops.
Tool houses.
Transfer tables.
Turntables.
Upholstery shops.
Wash rooms.
Watch houses.

STATION AND OFFICE BUILDINGS

Buildings.
Call bells.
Coal bins.
Coal trestles.
Commissary buildings.
Drainage and sewer systems.
Dwellings.
Electric wiring.
Elevators.
Escalators.
Fences.
Fire houses.
Freight cranes and derricks.
Freight houses.
Garages.
Gas supply systems.
General office buildings.
Greenhouses.
Heating plants.
Hose houses.
Ice houses.
Lighting plants.
Machinery.
Passageways.
Pavement in grounds.
Platforms.
Power systems.
Reading rooms.
Scale houses.
Sidewalks.
Stables.
Station bridges.
Station signs.
Stairways.
Station buildings.
Stock pens.
Stockhouses.
Track scales.
Transfer houses.
Turnstiles.
Waiting rooms.
Warehouses.
Water supply systems.

WHARVES AND DOCKS

Bridge pontoons.
Bulkheads.
Caissons.
Crib work.
Dry docks.
Ferry bridge machinery.
Ferry racks.
Ferry slips.
Jetties and inclines.
Transfer-bridge machinery.
Transfer bridges.

OTHER STRUCTURES

Boarding houses.
Boilers.
Buckets.
Cisterns.
Dams.
Frog shops.
Fuel plants, pumps, tanks.
Hand-car houses.
Inclines.
Pen stocks.
Purifying plants.
Rail shops.
Reservoirs.
Scales, built in.
Sheds.
Tanks.
Tubs.
Wells.
Windmills.

NOTE A: Expenses incident to the maintenance of power plant and substation buildings and grounds shall be charged to account 46, "Power plant buildings, fixtures, and grounds." Expenses incident to the maintenance of towers or buildings used exclusively for signal or interlocking apparatus shall be charged to account 17, "Signals and interlockers."

NOTE B: The cost of repairs of track and electric line in buildings, yards, and grounds shall be charged to the foregoing accounts (1 to 23, inclusive) appropriate for such repairs.

NOTE C: This account is intended to include the cost of repairs of owned buildings or buildings held under long-term leases. The cost of repairs of buildings rented from month to month shall be charged to the account to which the rent is charged.

24–1 Maintenance steam railway road property.

This account may include the expenses of maintaining road property devoted to steam railway operations. If the carrier elects to make the segregation, its records shall be kept in such manner as to reflect by subprimary accounts the primary accounts prescribed for such expenses by the Commission in its system of accounts for steam roads.

24–2 Maintenance water line terminal property.

This account may include the expenses of maintaining terminal property devoted to water line operations. If the carrier elects to make the segregation, its records shall be kept in such manner as to reflect by subprimary accounts the primary accounts prescribed for such expenses by the Commission in its system of accounts for carriers by water.

24–3 Maintenance motor carrier property.

This account may include the expenses of maintaining all property except equipment devoted to motor carrier operations. If the carrier elects to make the segregation its records shall be kept in such manner as to reflect, by subprimary accounts, the primary accounts prescribed for such expenses by the Commission in its systems of accounts for motor carriers of property and for motor carriers of passengers.

25 Depreciation of way and structures.

This account shall include the amount of depreciation charges applicable to the accounting period for all classes of depreciable property included under road and equipment General Account 500-1.

26 Other operations—Dr.

This account shall include debits representing the proportion of operating expenses chargeable to maintenance of way and structures of the railway department, but the distributed charges for which have been made to the primary accounts of another coordinate department, such as electric power, light, or heat, within the same company.

27 Other operations—Cr.

This account shall include credits representing the proportion of operating expenses included under 0–1 *Way and structures* chargeable to the accounts of another coordinate department, such as an electric power, light, or heat department within the same company, the distributed charges for which have been made to the primary accounts of the railway department.

28 Equalization; way and structures.

This account shall include adjustments of the differences between the actual and the budgeted or authorized maintenance expenses for "way and structures" as provided in instruction 01–15 *Equalization of maintenance expenses.* The amounts included in this account shall concurrently be debited or credited to account 442, "Reserve for equalization of maintenance."

28–2 Retirements; way and structures.

(a) This account shall include the service value of nondepreciable way and structure retired and not replaced, the ledger value of which is credited to account 401, "Road and equipment". It shall also include the service value of nondepreciable property which the carrier has been authorized by the Commission to charge to operating expenses in anticipation of its ultimate retirement from service.

(b) When the amounts referred to in paragraph (a) of this account are sufficiently large to constitute an extraordinary item, pursuant to instruction 01–6, they shall be credited to account 270, "Extraordinary items".

28–3 Dismantling retired way and structures.

This account shall include the cost of dismantling way and structures retired from service and recovering the salvage therefrom, with the exception of the cost of removing track material in connection with the repairs of tracks, which is chargeable to account 8. "Track and roadway labor," and account 9, "Small tools and roadway expenses."

0-2 Equipment.

The general account for equipment expense embraces the following primary accounts:

29 Superintendence.

This account shall include the salaries and office and other expenses of officers and their assistants when directly in charge of equipment other than power plant and substation equipment, including superintendent of rolling stock, master car builder, master mechanic, and their office forces; cost of supplies used by employees whose salaries are charged to this account: office rent, cost of repairing rented offices, cost of repairing furniture, and miscellaneous office expenses, when separate offices not in general office buildings are maintained for officers whose salaries are charged to this account.

ITEMS OF EXPENSE AND SUPPLIES

Atlases and maps.
Barometers.
Books for office use.
Drafting instruments.
Drafting supplies.
Engineering supplies.
Fees and dues in associations.
Furniture repairs and renewals.
Heating.
Lighting.
Official train service.
Periodicals and newspapers.
Power.
Rent of offices.
Repairs of rented offices.
Telegraph service.
Telephone service.
Traveling expenses.
Water and ice.

NOTE A: When employees designated above are engaged in work not chargeable to Equipment, their salaries and expenses shall be charged to the specific work on which engaged.

NOTE B: When employees designated above have supervision over other departments also, their salaries and expenses shall be apportioned equitably among the departments over which they have jurisdiction.

NOTE C: It is not intended that any portion of the expenses of general offices shall be charged to this account. The office expenses of employees designed above, who have offices in general office buildings shall be included in the appropriate primary accounts under 0-6 *General*.

30 Passenger and combination cars.

This account shall include the cost of labor and material used in repairing passenger and combination cars, including parlor, chair, sleeping, and dining cars.

To this account shall be charged the cost of repairing the following fixtures and appliances: Fare registers and fare boxes, electric bells and wiring, electric car heaters and wiring, electric lighting and wiring, air-brake equipment and wiring, motors for air governors and pumps, trolley catchers, snow plows attached to cars, couplers, headlight parts, adjustable signs attached to cars; also the cost of shifting trucks from one car to another.

The term car includes body and trucks and all fixtures and appliances inside of or attached to the car body or trucks, except the electric motive equipment of the car. The term combination car includes all cars that are used in part for carrying passengers.

To this account shall be credited the value of material removed.

LIST OF CARS

Buffet.
Cafe.
Center entrance President's conference.
Chair.
Club.
Combination
Dining.
Observation.
Parlor.
Passenger and combination.
Rapid transit or elevated.
Smoking.
Surface, semiconvertible.
Trackless motor.
Trailer.

LIST OF APPURTENANCES

Air-brake equipment.
Air compressors.
Air conditioning equipment.
Bedding.
Car trucks.
Chairs.
Coat hooks.
Curtains and fixtures.
Cushions.
Electric bells.
Fare boxes and registers.
Fire extinguishers.
Floor covering.
Heating equipment.
Ice boxes.
Ice tanks.
Kitchen equipment.
Lighting equipment.
Parcel racks.
Ranges and boilers.
Seats.
Speed recorders.
Steam heat hose.
Table china.
Table glassware.
Table linen.
Table silver.
Toilet equipment.
Train-signal equipment.
Water tanks.
Windshield wipers.
Wheels and axles.

NOTE: Portable signs, incandescent lamps, and other supplies for cars shall be charged to account 67, "Miscellaneous car-service expenses."

31 Freight, express, and mail cars.

This account shall include the cost of labor and material used in repairing freight, express, and mail cars from the operation of which revenue is derived.

To this account shall be charged the cost of repairing the following fixtures and appliances: Electric bells and wiring, electric car heaters and wiring, electric lighting and wiring, air-brake equipment and wiring, motors for air governors and pumps, trolley catchers, snow plows attached to cars, couplers, headlight parts, adjustable signs attached to cars; also the cost of shifting trucks from one car to another.

The term car includes body and trucks and all fixtures and appliances inside of or attached to the car body or trucks, except the electric motive equipment of the car.

To this account shall be credited the value of material removed.

LIST OF CARS

Baggage.
Ballast.
Beer.
Box.
Cabin.
Caboose.
Coal.
Dump.
Express.
Flat.
Gondola.
Hopper.
Logging.
Mail.
Milk.
Ore.
Platform.
Postal.
Poultry.
Produce.
Rack.
Refrigerator.
Stock.
Tank.
Water.

LIST OF APPURTENANCES

Air-brake equipment.
Cushions.
Heating equipment.
Lighting fixtures.
Mail catchers.
Speed recorders.
Steam heat hose.
Toilet equipment.
Train-signal equipment.
Water tanks.

NOTE: Portable signs, incandescent lamps, and other supplies for cars shall be charged to account 67, "Miscellaneous car-service expenses."

32 Service equipment.

This account shall include the cost of labor and material used in repairing service cars, including sprinkler cars, sand cars, salt cars, supply cars, maintenance of way and line cars, snow plows, sweepers, scrapers, and other service equipment.

To this account shall be charged the cost of repairing fixtures and appliances on service cars, such as cranes, pile drivers, welding and bonding apparatus, electric bells and wiring, electric car heaters and wiring, electric lighting and wiring, air-brake equipment and wiring, motors for air governors and pumps, trolley catchers, snow plows attached to cars, couplers, headlight parts; also the cost of shifting trucks from one car to another.

The term car includes body and trucks and all fixtures and appliances attached to the car body or trucks, except the electric motive equipment of the car.

To this account shall be credited the value of material removed.

LIST OF SERVICE CARS

Ballast cars.
Boarding cars.
Bridge cars.
Business rail cars.
Camp cars.
Cinder cars.
Compressor cars.
Derrick cars.
Dirt spreaders.
Ditching cars.
Dump cars.
Grading cars.
Gravel cars.
Indicator cars.
Instruction cars.
Locomotives.
Miscellaneous flat cars.
Office cars.
Outfit cars.
Painters' cars.
Pay cars.
Pile driver cars.
Rail cars.
Sanding cars.
Scale test cars.
Scraper cars.
Snow dozers and drags.
Snow plows.
Steam shovels.
Supply cars.
Tank cars.
Tool cars.
Tower cars.
Unloaders.
Water cars.
Weed burners.
Wrecking cars.

LIST OF APPURTENANCES

Air-brake equipment.
Bedding.
Blocks and tackle.
Boilers.
Bunks, seats and chairs.
Chains.
China, crockery and glassware.
Engines.
Heating equipment.
Jacks.
Kitchen equipment.
Lighting equipment.
Machinery.
Ranges.
Tool boxes.
Tools.
Signal equipment.
Wrecking equipment.

NOTE: Portable signs, incandescent lamps, and other supplies for service cars shall be charged to account 67, "Miscellaneous car-service expenses."

33 Electric equipment of cars.

This account shall include the cost of labor and material used in repairing the electric motive equipment and electric motive wiring of all passenger, combination, freight, express, mail, and service cars.

The cost of shifting the electric equipment from one car to another shall be charged to this account.

To this account shall be credited the value of material removed.

NOTE A: Incandescent lamps and other supplies for cars shall be charged to account 67, "Miscellaneous car-service expenses."

NOTE B: This account shall not include the cost of repairing the following fixtures and appliances on passenger, combination, freight, express, mail, or service cars, or locomotives: Electric bells and wiring, electric heaters and wiring, electric lighting and wiring, air-brake equipment and wiring, motors for air governors and pumps, trolley catchers, snow plows attached to cars, couplers, headlight parts, adjustable signs attached to cars, etc. Such expenses shall be charged to accounts 30, 31, 32, or 34, as may be appropriate.

NOTE C: Electric motive equipment includes trolley poles, wheels, sliding bows, third-rail shoes, etc.

34 Locomotives.

This account shall include the cost of labor and material used in repairing locomotives.

To this account shall be charged the cost of repairing electric motive equipment of locomotives and the following fixtures and appliances: Electric bells and wiring; electric heaters and wiring; electric lighting and wiring; air-brake equipment and wiring; motors for air governors and pumps; trolley parts, retrievers, and catchers; snow plows attached to locomotives; couplers; headlight parts; adjustable signs attached to locomotives; also the cost of shifting trucks or electric motive equipment from one locomotive to another.

The term locomotive includes body and trucks and all fixtures and appliances inside of or attached to the body or trucks, including the electric motive equipment of locomotives.

Carriers operating steam locomotives shall include the cost of repairing same in this account, except as provided in instruction 01–7 *Subprimary accounts for steam railway operations, water line operations, and motor carrier operations.*

To this account shall be credited the value of material removed.

NOTE: Portable signs, incandescent lamps, and other supplies for locomotives shall be charged to account 67, "Miscellaneous car-service expenses."

35 Floating equipment.

This account shall include the cost of labor and material used in repairing ferryboats, transfer boats, tugboats, barges, lighters, car floats, and other floating equipment, including repairs of machinery, furniture, fixtures, and other appurtenances thereto. (See instruction 01–7 *Subprimary accounts for steam railway operations, water line operations, and motor carrier operations.*

NOTE: The cost of operating floating equipment shall be charged to account 74, "Operation of floating equipment."

35–1 Maintenance steam railway equipment.

This account may include the expenses of maintaining equipment devoted to steam railway operations. The carrier's records shall be kept in such manner as to reflect by subaccounts the primary accounts prescribed by the Commission in its system of accounts for steam roads, if it elects to make the segregation.

35–2 Maintenance water line equipment.

This account may include the expenses of maintaining equipment devoted to water line operations. The carrier's records shall be kept in such manner as to reflect by subaccounts the primary accounts prescribed by the Commission in its system of accounts for carriers by water, if it elects to make the segregation.

35–3 Maintenance motor carrier equipment.

This account may include the expenses of maintaining equipment devoted to motor carrier operations. The carrier's records shall be kept in such manner as to reflect by subaccounts the primary accounts prescribed for such expenses by the Commission in its systems of accounts for motor carriers of property and for motor carriers of passengers, if it elects to make the segregation.

36 Shop equipment.

This account shall include the cost of labor and material used in repairing machinery and tools (except hand tools) in shops and carhouses, such as engines and boilers, shafting and belting, cranes, hoists, jackets, and other equipment used in connection therewith; furnaces, forges, planers, lathes, shapers, drill presses, wheel grinders, and wheel presses; machinery for compressing and storing compressed air, and fixtures for using same; and tools used in connection with power-driven machinery.

To this account shall be credited the value of material removed.

LIST OF SHOP EQUIPMENT

Air compressors.
Ash conveyors.
Belting.
Blowers.
Boilers.
Boring machines.
Cars, push.
Cranes.
Drill presses.
Drop tables.
Forges.
Framing machines.
Furnaces.
Grinding machines.
Hoists.
Hydraulic jacks.
Lathes.
Lifting magnets.
Metal chimneys.
Milling machines.
Motors.
Pipe cutting machines.
Planers.
Pneumatic hammers.
Power machinery.
Punches.
Riveters.
Saws.
Shafting.
Shapers.
Slotters.
Stationary engines.
Steam hammers.
Transfer tables.
Vices.
Welding machines.
Woodworking machines.

NOTE: The cost of repairing hand tools shall be charged to account 37, "Shop expenses."

37 Shop expenses.

This account shall include expenses for heating and lighting shops; miscellaneous expenses of such shops, including fuel, water, and ice; cost of oil, grease, waste, and other material used in lubricating shop machinery and tools; cost of supplies and small tools used by mechanics, and wages of employees making and repairing same; wages of stationary engineers and firemen; and pay of watchmen, sweepers, cleaners, and other unskilled laborers employed in general work in and about shops and shop yards.

NOTE: The cost of labor and material used in a track shop shall be charged to account 8, "Track and roadway labor," and 9, "Small tools and roadway expenses," as may be appropriate.

38 Maintenance of automotive and miscellaneous equipment.

This account shall include the cost of repairing emergency, repair, and other service vehicles, automobiles, motorcycles, trucks, tractors, and other motor equipment, except as otherwise provided in account 35–3.

39 Miscellaneous equipment expenses.

This account shall include all expenses in connection with maintenance of equipment which are not properly chargeable to other equipment accounts.

40 Depreciation of equipment.

This account shall include the amount of depreciation charges applicable to the accounting period for all classes of depreciable equipment included under road and equipment General Account 500–2.

42 Other operations—Dr.

This account shall include debits representing the proportion of operating expenses chargeable to maintenance of equipment of the railway department, but the distributed charges for which have been made to the primary accounts of another coordinate department, such as an electric power, light, or heat department within the same company.

43 Other operations—Cr.

This account shall include credits representing the proportion of operating expenses included under 0–2 *Equipment* chargeable to the accounts of another coordinate department, such as an electric power, light, or heat department, within the same company, the distributed charges for which have been made to the primary accounts of the railway department.

44 Equalization; equipment.

This account shall include adjustments of the differences between the actual and the budgeted or authorized maintenance expenses for "equipment" as provided in instruction 01–15 *Equalization of maintenance expenses.* The amounts included in this account shall concurrently be debited or credited to account 442, "Reserve for equalization of maintenance."

44–3 Dismantling retired equipment.

This account shall include the cost of tearing down equipment retired from service and recovering the salvage therefrom.

(Continued on Page 20193, Section 2)

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PART II

Section 2

(Section 3 begins on page 20383)

Interstate Commerce Commission

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REPUBLICATION AND REDESIGNATIONS OF REGULATIONS



THE NATIONAL ARCHIVES OF THE UNITED STATES • 1934 •

0–3 Power.

The general account for expense of producing and distributing power embraces the following primary accounts:

45 Superintendence.

This account shall include the salaries and the office and other expenses of officers and their assistants, when directly in charge of, or engaged in, the maintenance and operation of power plants and substations; cost of supplies used by employees whose salaries are chargeable to this account; office rent and cost of repairing rented offices; cost of repairing furniture and miscellaneous office expenses when separate offices, not in general office buildings, are maintained for officers whose salaries are charged to this account.

ITEMS OF EXPENSE AND SUPPLIES

Atlases and maps.	Official train service.
Books for office use.	Periodicals and newspapers.
Fees and dues of associations.	Power.
Furniture repairs and renewals.	Telegraph service.
Heating.	Telephone service.
Lighting.	Traveling expenses.
	Water and ice.

NOTE A: When employees designated above are engaged in work not chargeable to primary accounts under 0–3 *Power*, their salaries and expenses shall be charged to the specific work on which engaged.

NOTE B: When employees designated above have supervision over other departments also, their salaries and expenses shall be apportioned equitably among the departments over which they have supervision.

46 Power plant buildings, fixtures, and grounds.

This account shall include the cost of labor and material used in repairing power plant and substation buildings and fixtures; or used in the generation, transmission, or distribution of power; cost of maintaining walks, driveways, and grounds connected with such buildings; and all incidential expenses connected with the maintenance of power plant and substation buildings. The cost of labor and material used in repairing wells, dams, reservoirs, canals, and pipe lines used in connection with hydraulic or other generating plants shall also be included in this account.

To this account shall be credited the value of material removed.

The term power plant buildings, fixtures, and grounds embraces not only the buildings proper, but also permanent fixtures; foundations, except those special to particular machines and apparatus; pipes for gas, water, sewage, and drainage; apparatus for heating, lighting, and ventilating; freight and passenger elevators, with fixtures and appurtenances; platforms; coal pockets and trestles; hose and appliances for protecting buildings against fire; fences, walls, sidewalks, and pavements within the limits of grounds immediately adjacent to buildings or yards, except paving in tracks.

NOTE A: If the carrier so desires, the expenses of hydraulic generating plants may be kept separate from those of steam generating plants by the use of subprimary accounts.

NOTE B: If desired, the expenses of maintaining substation buildings, fixtures, and grounds may be kept separate by the use of a subprimary account.

47 Power plant equipment.

This account shall include the cost of labor and material used in repairing steam, water-power, gas-engine, or electric-plant equipment, including turbines, other engines, and engine parts; substation apparatus, storage batteries, transformers, rotary converters, switchboards, appliances, and wiring; special foundations and settings, appliances, and fixtures; belts, belt tighteners, and fixtures; lubricators and oiling devices; shafting, clutches, cranes, hoists, and other engine-room appliances; boilers, boiler fittings, and appliances; furnaces, economizers, mechanical draft machinery, pumps, feed-water heaters, purifiers, tanks, condensers, coal and ash conveying machinery, mechanical stokers, and other boiler-room appliances; piping and steam fittings, including valves, separators, water and sewer connections, and water meters; generators, and generator parts, switchboards, cables, feeder terminals, and wiring in connection with same; boosters, rheostates, circuit breakers, voltmeters, ammeters, and other electric equipment; packing and carbon rings; and repair parts of machine tools in power plants.

Repairs of cable used in operating cable or incline railways shall be charged to this account.

The cost of maintaining power plant equipment of a lighting plant operated in connection with an electric railway shall be included in this account.

To this account shall be credited the value of material removed.

49 Transmission system.

This account shall include the cost of labor and material used in repairing the transmission system, including cables, wires, insulators, and insulating material; also cost of changing route of line or removing line when no replacement is made, and cost of repairing poles, pole fixtures, and underground conduits used primarily for carrying transmission lines.

To this account shall be credited the value of material removed.

NOTE: When the electric current generated or received is charged by means of rotary converters, motor generator sets, or static transformers (substation apparatus), that portion of the line or outside conductor system carrying current of other than the operating kind of voltage shall be classed as transmission system. When the electric current is generated or received and used substantially unchanged in voltage and kind, the line or outside conductor system, including feeders, trolley wire, booster circuits, and supplementary return, if any, shall be classed wholly as distribution system. Tie lines between generating stations and substations shall follow the same rules as other lines.

50 Depreciation of power plants.

This account shall include the amount of depreciation charges applicable to the accounting period for all classes of depreciable power plant property included under 500–3 *Power*.

51 Equalization; power.

This account shall include adjustments of the differences between the actual and the budgeted or authorized maintenance expenses for "power" as provided in instruction 01–15 *Equalization of maintenance expenses*. The amounts included in this account shall concurrently be debited or credited to account 442, "Reserve for equalization of maintenance."

51–3 Dismantling retired power plants.

This account shall include the cost of dismantling power plant facilities retired from service and recovering the salvage therefrom.

52 Power plant employees.

This account shall include the cost of labor in power plants and substations, except labor employed in making repairs.

53 Fuel, water, and lubricants for power.

This account shall include the cost of coal, oil, gas, and other fuel used for the propulsion of vehicles or in producing steam at power plants, including cost of transportation; the cost of water to produce steam or to operate water-power plants, including cost of pumping, water rents, rent of ponds and pipelines, boiler compound, and like expenses; and the cost of lubricants, such as oil and grease for power plants and substations.

56 Miscellaneous supplies for power.

This account shall include the cost of waste, carbon brushes, fuses, lamps, hand tools, and other similar supplies for power plants and substations.

59 Power purchased.

This account shall include the cost of power purchased from other companies.

NOTE: In this connection see account 60, "Power exchanged—Balance."

60 Power exchanged; balance.

If a company actually exchanges power with another company, it shall charge to this account the value of the power received from the other company and shall credit to this account the value of the power it delivers to the other company; the amount shown herein being the net debit or credit balance.

61 Power transferred; credit.

This account may be credited, and the appropriate operating expense accounts charged, with that proportion of the total of the accounts under 0–3 *Power* which the power used for lighting, heating, or for other purposes in offices, carhouses, shops, storerooms, stables, stations, towers, tunnels, signal systems, operating bridges, etc., bears to the total power generated.

The use of this account is optional with the carrier; if used, the working papers showing details of the basis for computing credits hereto and charges to operating expense accounts shall be retained.

62 Other operations—Cr.

This account shall include credits representing the proportion of operating expenses, included under 0–3 *Power*,

chargeable to the accounts of another coordinate department, such as an electric power, light, or heat department within the same company, for power furnished.

NOTE: The proportion of expenses, included in the primary accounts under 0-6 *General*, chargeable to other coordinate departments shall be included in account 100, "Other operations—Cr."

0-4 Conducting transportation.

The general account for expense of conducting transportation embraces the following primary accounts:

63 Superintendence.

This account shall include the salaries and the office and other expenses of officers and assistants when directly in charge of transportation, including superintendent of transportation, division superintendents, their assistants and aids; trainmasters, train dispatchers, car starters, inspectors, instructors, and others employed in superintending transportation; wages of clerks furnishing tickets and supplies to motormen and conductors, and receiving and arranging conductors' remittances for transmittal to general offices; and cost of supplies used by employees whose salaries are charged to this account.

To this account shall also be charged office rent, cost of repairing rented offices, cost of repairing furniture, and miscellaneous office expenses when separated offices not in general office buildings are maintained for officers whose salaries are charged to this account; rent of offices used for receiving conductors' collections, rent of instruction rooms; cost of uniforms and badges furnished inspectors and car starters whose wages are charged to this account; and cost of checking traffic for schedule purposes.

ITEMS OF EXPENSE AND SUPPLIES

Atlases and maps.
Barometers.
Books for office use.
Business rail car service.
Heating.
Lighting.
Official train service.
Periodicals and newspapers.
Power.
Provisions for business rail cars.
Express charges.
Fees and dues in associations.
Furniture repairs and renewals.
Rent of offices.
Repairs of rented offices.
Telegraph service.
Telephone service.
Traveling expenses.

NOTE A: Cost of secret-service inspection shall be charged to account 67, "Miscellaneous car-service expenses."

NOTE B: No portion of the expenses of general offices shall be charged to this account.

NOTE C: When employees designated above are engaged in work not chargeable to Conducting Transportation, their salaries and expenses shall be charged to the specific work on which engaged.

NOTE D: When employees designated above have supervision over other departments also, their salaries and expenses shall be apportioned equitably among the departments over which they have jurisdiction.

64 Passenger conductors, motormen, and trainmen.

This account shall include the wages of conductors, motormen, and other trainmen engaged in passenger service, including wages paid for time during which they are required to be on duty and to hold themselves in readiness for active service.

65 Freight and express conductors, motormen, and trainmen.

This account shall include the wages of conductors, motormen, and other trainmen engaged in freight, express, and mail service, including wages paid for time during which they are required to be on duty and to hold themselves in readiness for active service.

66 Miscellaneous car-service employees.

This account shall include the wages of transfer agents, switch tenders, switchmen, flagmen, watchmen, trail-car couplers, bridge tenders, and other car-service employees when not provided for elsewhere.

67 Miscellaneous car-service expenses.

This account shall include miscellaneous expenses for cars, locomotives and electric equipment of cars and locomotives, such as lubricants and waste, incandescent lamps, oil, and other supplies for lighting globes, and carbons for headlights, supplies for cleaning, fuel for heating, switch rods or hooks for throwing switches, tools, and other materials and supplies, except such as are used for repairs.

This account shall include also the cost of secret-service inspection; conductors' books and punches; rent of fare registers; car-service employees' badges and uniforms; refilling of fire extinguishers in cars; portable signs on cars for guidance of passengers; meals furnished trainmen; temporary grain doors; and other car-service supplies and expenses.

NOTE: Portable signs on cars for the purpose of attracting traffic shall be charged to account 80, "Advertising."

68 Station employees.

This account shall include the wages of stationmasters; freight, express, ticket, baggage, and other station agents; announcers, station gatemen, chopper men, and platform men; janitors, porters, watchmen, and other station employees; warehousemen, freight house foremen, weighmasters, truckmen, checkmen, billing clerks, cashiers, and other express and freight house employees.

The cost of unloading freight at stations or sidings, when borne by the carrier, shall be charged to this account.

NOTE: When a station employee is engaged in various duties and his wages can be readily apportioned among the accounts affected, such apportionment should be made.

69 Station expenses.

This account shall include the cost of heating and lighting stations, waiting rooms freight houses and other station buildings; rent of station buildings; cost of repairing rented waiting rooms, and of repairing furniture and fare boxes at stations; local telephone service; cost of tools and implements for handling freight and baggage; station employees' uniforms and badges; water and ice; and all other station expenses.

ITEMS OF EXPENSE

Express charges.
Furniture repairs and renewals.
Heat, light, and power.
License for ticket agents.
Mail transfer.
Membership fees and dues.
Rent of equipment.
Rent of buildings.
Reports of commercial standings.
Servicing buildings and grounds.
Station employees' expenses.
Telegraph and telephone service.
Warehouse charges.
Washing towels.

70 Carhouse employees.

This account shall include the wages of carhouse foremen; car, motor, and brake inspectors; watchmen, car placers, car shifters, car cleaners, lamp and headlight tenders, car oilers, car-stove firement, trolley oilers, and other carhouse employees not engaged in making repairs.

NOTE: The cost of labor used in shifting trucks and electric equipment shall be charged to accounts 30, 31, 32, 33, or 34, as may be appropriate.

71 Carhouse expenses.

This account shall include the cost of fuel, light, water, ice, and other carhouse supplies and expenses.

ITEMS OF MISCELLANEOUS EXPENSE

Compounds for cleaning.
Cupboards.
Heating.
Lighting.
Lanterns.
Lubricating oil.
Lye.
Packing tools.
Paint.
Power.
Rent.
Shovels.
Signals.
Waste.
Water.

72 Operation of signal and interlocking apparatus.

This account shall include the wages of employees engaged in operating signal and interlocking apparatus covering the movement of cars, such as tower men, signalmen, lever men, and lamp men; cost of supplies used in operating signal and interlocking apparatus; cost of fuel, water, light, and supplies for signal offices; rent of appliances for signal and interlocker systems; cost of cleaning, filling, and lighting switch lamps, and supplies for same.

NOTE: When an employee is engaged in various duties and his wages can be readily apportioned among the accounts affected, such apportionment should be made.

73 Operation of communication systems.

This account shall include the wages of telephone and telegraph operators, cost of chemicals and other supplies for telephone and telegraph service, payments for use of telephone and telegraph lines, and other telephone and telegraph expenses in connection with transportation. The rent of telephone or telegraph lines used primarily for the operation of cars shall be included in this account.

NOTE: Repairs of telephone and telegraph lines shall not be charged to this account, but to account 18, "Communication systems." The cost of local telephone and telegraph service furnished officials, agents, and other employees shall be included in the accounts appropriate for their office expenses.

74 Operation of floating equipment.

This account shall include the cost of operating floating equipment, including salaries and wages of employees engaged in the superintendence and operation of ferryboats, transfer boats, tugboats, barges, lighters, car floats, and other floating equipment; the cost of fuel and supplies for such equipment; and all other expenses incident to their operation. (See instruction 01–7 *Subprimary accounts for steam railway operations, water line operations, and motor carrier operations.*)

NOTE: The cost of maintaining floating equipment shall be charged to account 35, "Floating equipment."

75 Operation of locomotives.

This account shall include the cost of operating locomotives which do not derive power from trolley line or contact rail, such as those driven by steam, diesel-electric, diesel-mechanical, gasoline, or storage battery power. The operating costs shall include the wages of engineers and firemen or oilers, as well as the cost of fuel, water, lubricants, and other supplies and expenses incident to such operations. Repairs to the locomotives are not to be considered operating costs, as they are chargeable maintenance account 34, "Locomotives." (See instruction 01–7 *Subprimary accounts for steam railway operations, water line operations, and motor carrier operations.*)

75–1 Steam railway operations.

This account may include the expenses incurred in connection with the transportation of persons and property in steam railway service and services incidental thereto. If the carrier elects to make the segregation, its records shall be kept in such manner as to reflect by subprimary accounts the primary accounts prescribed for such operations by the Commission in its system of accounts for steam roads.

75–2 Water line operations.

This account may include the expenses incurred in connection with the transportation of persons and property in water line serivce and services incidenial thereto. If the carrier elects to make the segregation, its records shall be kept in such manner as to reflect by subprimary accounts the primary accounts prescribed for such operations by the Commission in its system of accounts for carriers by water.

75–3 Motor carrier operations.

This account may include the expenses incurred in connection with the transportation of persons and property in motor carrier service and services incidental thereto. If the carrier elects to make the segregation, its records shall be kept in such manner as to reflect by subprimary accounts the primary accounts prescribed for such operations by the Commission in its systems of accounts for motor carriers of passengers and for motor carriers of property.

76 Collection and delivery.

This account shall include the wages of driver and helpers engaged in the collection and delivery of freight and express; amounts payable to others for such service; and all other expenses incident to such service that can be separated from the expenses of regular operations.

77 Loss and damage.

The account shall include expenses incurred for loss, damage, delays, and destruction of freight, express matter, and baggage intrusted to a carrier for transportation, and expenses directly incident thereto, including freight and express charges paid other carriers on lost, destroyed, damaged, or delayed freight, express matter and baggage.

78 Other transportation expenses.

This account shall include all expenses in connection with conducting transportation not properly chargeable to other accounts, such as expenses in connection with weighing, inspection, and demurrage bureaus, wages of crews on emergency vehicles, cost of getting derailed cars on track, and cost of removing wreckage.

0–5 Traffic.

The general account for traffic expense embraces the following primary accounts:

79 Superintendence.

This account shall include the salaries and the office and traveling expenses of officers and their assistants when directly in charge of traffic, including traffic managers; general freight, express, passenger, and ticket agents; commercial, city, district, and excursion agents; and their clerks and assistants; also the cost of supplies used by employees whose salaries are charged to this account, office rent and cost of repairing rented offices and furniture, and miscellaneous office expenses, when separate offices not in general office buildings are maintained for officers whose salaries are charged to this account.

ITEMS OF EXPENSE AND SUPPLIES

Atlases and maps.
Bicycles.
Books for office use.
Express charges.
Fees and dues in associations and clubs.
Furniture repairs and renewals.
Heating.
Lighting.
Official train service.
Periodicals and newspapers.
Power.
Rent of offices.
Repairs of rented offices.
Telegraph service.
Telephone service.
Traveling expenses.
Water and ice.

NOTE A: It is not intended that any portion of expenses of general offices shall be charged to this account. The office expenses of employees designated above who have offices in general office buildings shall be included in the appropriate primary accounts under 0–6 *General.*

NOTE B: When employees designated above are engaged in work not chargeable to Traffic, their salaries and expenses shall be charged to the specific work on which engaged.

NOTE C: When employees designated above have supervision over other departments also, their salaries and expenses shall be apportioned equitably among the departments over which they have jurisdiction.

80 Advertising.

This account shall include the salaries and expenses of advertising agents; cost of printing, publishing, and distributing timetables, folders, notices to shippers, and other advertising matter; advertising in newspapers and periodicals for the purpose of securing traffic; signs on cars advertising special events; portable signs for attracting traffic; bulletin boards, cards, cases, display cards, and photographs; postage and express charges on advertising matter; cost of bill posting; donations made for traffic purposes and for entertaining conventions; and similar expenses.

ITEMS OF EXPENSE AND SUPPLIES

Advertising in periodicals and newspapers.
Bulletin boards and cards.
Distributing folders, notices, and timetables.
Dodgers.
Frames.
Handbills, maps, pamphlets.
Photographs and views.
Postage.
Posters, advertising matter, folders.
Timetables and racks.

81 Parks, resorts, and attractions.

This account shall include the cost of maintaining and operating amusement parks, resorts, and other like attractions when such expense is incurred primarily for the purpose of inducing travel upon the line of the carrier.

To this account shall be credited all income from admittance fees, sale of privileges, etc.

NOTE: When any such park, resort, or other attraction, the cost of which is included in the account for investment in road and equipment, is maintained and operated for any other purpose than that of inducing travel upon the line of the carrier it shall be considered as an auxiliary operation and its revenues and expenses included in income accounts 202, "Auxiliary operations—Revenues," and 214, "Auxiliary operations—Expenses," respectively.

82 Miscellaneous traffic expenses.

This account shall include expenses of traffic associations, including membership fees, and traffic expenses not properly chargeable to other accounts.

0–6 General.

The general account for general expenses embraces the following primary accounts:

83 Salaries and expenses of general officers.

This account shall include the salaries and the traveling and other expenses of the chairman of the board, president, vice president, treasurer, secretary, comptroller, auditor, general manager, assistant general manager, chief engineer, general superintendent, purchasing agent, and all other officers whose jurisdiction extends over the entire system or all departments; also receiver's fees, and payments to engineering corporations for supervising and managing operations of the company.

84 Salaries and expenses of general office clerks.

This account shall include the salaries and the traveling and other expenses of traveling auditors, bookkeepers, cashiers, paymasters, stenographers, clerks employed in counting cash, tickets, and transfers, and all other clerks employed in the general office.

The salaries of clerks engaged exclusively in handling the accounts of the maintenance of way, mechanical, store, and other departments, when employed in the general accounting office, shall be charged to this account.

85 General office supplies and expenses.

This account shall include the cost of office supplies, repairs of office furniture and of mechanical calculators, typewriters, duplicating machines, and other office appliances; wages of janitors, porters, and messengers; rent and cost of repairing rented offices; and miscellaneous expenses of general offices.

ITEMS OF EXPENSE AND SUPPLIES

Adding machines.	Heating.
Addressographs.	Lighting.
Alterations of partitions and fixtures.	Messenger service.
Atlases and maps.	Periodicals and newspapers.
Arm rests.	Phonographs and records.
Books for office use.	Rent of offices.
Cable tolls.	Rent of equipment.
Calculating machines.	Repairs of rented offices.
Cleaning.	Reports of commercial standing.
Coin counting machines.	Shears.
Dictaphones.	Telegraph service.
Dictagraphs.	Telephone service.
Duplicators.	Typewriters and ribbons.
Eyelet punches and eyelets.	Watchman service.
Express charges.	
Furniture repairs and renewals.	

NOTE A: Office expenses of departmental officers shall be charged to the accounts to which their salaries are charged.

NOTE B: If general offices are in buildings owned by the carrier or held under long-term lease, the cost of repairs shall be included in account 24, "Buildings, fixtures, and grounds."

86 Law expenses.

This account shall include all law expenses except those incurred in the defense and settlement of damage claims. It includes salaries and expenses of counsel, solicitors, and attorneys, their clerks and attendants, and expenses of their offices; fees and retainers for services of attorneys not regular employees; cost of law books; cost of printing briefs, legal forms, testimony, reports, etc.; court costs and payments of special, notarial, and witness fees not provided for elsewhere; expenses connected with taking depositions; law expenses of receivers; and all law and court expenses not provided for elsewhere.

ITEMS OF EXPENSE AND SUPPLIES

Arbitrators of disputes.	Court bonds.
Cost of depositions.	Court expenses.
Cost of testimony.	Drawing agreements.
Cost of lawsuits.	Express charges.
Law books.	Fees and retainers.
Legal reports.	Portion of general office expenses.
Membership in associations.	Rent of offices.
Notarial fees.	Special fees.
Office expenses.	Telegraph service.
Printing briefs, etc.	Telephone service.
	Traveling expenses.

NOTE: The compensation of the general solicitor, counsel, or other attorneys engaged partly in the defense and settlement of damage suits and partly in other legal work, shall be apportioned between this account and account 92, "Injuries and damages."

87 Relief department expenses.

This account shall include salaries and expenses incurred in connection with conducting a relief department; also contributions made to such department.

88 Pensions and gratuities.

This account shall include pensions and gratuities paid to retired or incapacitated employees, or heirs of employees, and expenses in connection therewith; also cost of life and benefit insurance on employees.

NOTE: If the carirer has definitely undertaken by contract to pay pension to employees when regularly retired for superannuation or disability and has established a fund to be held in trust for such purposes, it shall charge to this account monthly amounts determined by application of actuarial factors to monthly payrolls, which, with interest accruals on trust funds, will provide for the payment of such pensions, or for the purchase of annuities corresponding thereto. If the carrier has definitely undertaken by contract to pay pensions to employees for life when regularly retired for superannuation or disability but has not established a fund to be held in trust for such purposes, it may charge to this account during the year of retirement an amount determined by application of actuarial factors equal to the total anticipated cost of such pension. The amounts so charged shall be currently credited to a reserve (account 437, "Liability for provident funds"). The amount accrued each year shall correspond to the aggregate of the amounts paid into the trust fund and expended by the carrier for pensions or annuities during the year. The carrier shall maintain a complete record.

Before adopting such a plan, the carrier shall inform the Commission of the details and copy of the declaration of trust under which the fund is established.

In addition, this account may be charged with amortization of past services paid to insurance companies or to a trust (not to exceed 10% a year).

No charge to this account shall be made in anticipation of discretionary pension payments in the future.

89 Miscellaneous general expenses.

This account shall include miscellaneous expenses connected with the general management not provided for otherwise, such as cost of "safety first" or "prevention of accidents" campaigns, fees and expenses paid to directors and trustees, dues and fees for railway associations, cost of free entertainments for employees, fees for filing annual state reports; and also gratuities, subscriptions, and donations, not provided for in account 80, "Advertising," 87, "Relief department expenses," and 88, "Pensions and gratuities."

90 Valuation expenses.

This account shall include expenses incident to the ascertainment (in accordance with the Interstate Commerce Act or with other Federal or State requirements) of the value of property owned or used by the accounting carrier, such expenses including the pay and the office, traveling, and other expenses of officers specially employed or assigned to such work, and of their assistants, clerks, and attendants, and the cost of stationery and printing, and of engineering supplies consumed.

NOTE: No charge shall be made to this account for the salaries of officers or of their clerks and attendants for incidental services in connection with valuation work, but special office, clerical, traveling, and incidental expenses incurred by these officers on account of such work shall be included as a part of the cost of the work.

91 Amortization of franchises.

This account shall include each month a monthly proportion of the amount paid for limited franchises.

The amount charged to this account shall be based upon a plan determined by the accounting company, the purpose and effect of such plan being to accumulate by charges equitably distributed throughout the life of any franchise, a reserve that will, at the expiration of its life, equal the amount paid therefor.

NOTE A: Amounts charged to this account shall be concurrently credited to balance sheet account 444, "Reserve for amortization of franchises."

NOTE B: See road and equipment account 545, "Franchises."

92 Injuries and damages.

This account shall include expenditures on account of persons killed or injured and property damaged; compensation paid employees injured while in performance of their duties; salaries and expenses of claim agents, investigators, adjusters, and others engaged in the investigation of accidents and adjustment of claims; salaries, fees, and expenses of surgeons and doctors; medical and surgical supplies, nursing and hospital attendance; fees and expenses of coroners and undertakers; and fees of witnesses and others.

To this account shall be charged also law expenses incurred in connection with the defense or settlement of damage claims, including the compensation of general solicitor or counsel; salaries, fees, and expenses of attorneys, fees of court stenographers; cost of law books, cost of appeal bonds; cost of printing briefs, and court and other records; court costs, expenses connected with taking depositions, and other like expenses connected with the settlement of claims for injuries and damages.

The cost of repairing another company's tracks and equipment as the result of collisions, derailments, etc., shall be included in this account.

If desired, the carrier may charge to this account monthly and credit to a reserve account, a proportion of the total amount estimated to be necessary to expend during the year for injury and damage claims and the actual disbursements above designated shall then be charged against said reserve account.

The charges to this account shall be adjusted at the close of the year to actual expenses unless a balance remains representing liability for unsettled claims.

NOTE A: The compensation of the general solicitor or counsel and other attorneys engaged partly in the defense or settlement of damage suits and partly in other legal work shall be apportioned between this account and account 86, "Law expenses."

NOTE B: This account shall not include the expenses incurred in connection with the settlement of claims for loss, damage, or delay of goods intrusted for transportation. (See account 77, "Loss and damage.")

NOTE C: The cost of repairs to a company's own tracks and equipment, necessitated by collisions, derailments, etc., shall be charged to the appropriate maintenance accounts.

NOTE D: For their own information carriers may distribute items included in this account, but such distribution shall not affect the reports to the Interstate Commerce Commission. Reports to the Commission shall show the total of the items chargeable to this account, as required by the text.

93 Insurance.

This account shall include premiums paid for fire, fidelity, boiler, casualty, burglary, workmen's compensation, and other insurance; also amounts set aside as an insurance reserve by a company carrying its own insurance in whole or in part.

NOTE A: Insurance on supplies and materials in transit shall not be charged to this account, but shall be considered as part of the cost of such supplies and materials.

NOTE B: For their own information carriers may distribute items included in this account, but such distribution shall not affect the reports to the Interstate Commerce Commission. Reports to the Commission shall show the total of the items chargeable to this account as required by the text.

94 Stationery and printing.

This account shall include expenditures for stationery and printing, postage, and stationery supplies, except as provided for elsewhere. The cost of printing tickets, transfers, cash fare receipts, baggage checks, hat checks, milk checks, and waybills shall be charged to this account.

STATIONERY AND PRINTING ITEMS

Baggage checks and forms.
Bills of lading.
Binders.
Blank books.
Blotters.
Bristol board.
Calendars.
Carbon paper.
Cardboard.
Cards.
Circulars.
Classifications.
Computing tables.
Copy books.
Copypresses.
Crayons.
Cyclostyles.
Cross section books and papers.
Dating stamps and ribbons.
Delivery tickets.
Delivery sheets.
Drawing paper.
Electric pens.
Envelopes.
Erasers.
File boxes.
Forms.
Glass pens.
Hectographs.
Indexes.
Ink.
Ink stands.
Invoice books.
Legal paper.
Letter paper.
Manifold paper.
Manifold pens.
Mileage books.
Mimeographs.
Mucilage and brushes.
Neostyles.
Note paper.
Notices.
Numbering stamps.
Oil paper.
Paper.
Paper baskets.
Paper clips.
Paper cutters.
Paper fasteners.
Paper weights.
Papygraphs.
Parchment paper.
Passes.
Paychecks.
Pencil sharpeners.
Pencils.
Penholders.
Pen racks.
Pens.
Pins.
Postage.
Punches.
Rate sheets.
Rubber bands.
Rubber stamps.
Rulers.
Ruling pens.
Scrap books.
Sealing wax.
Seals.
Shipping orders.
Shipping tags.
Shorthand books.
Sponge cups.
Sponges.
Stamps.
Stylographs.
Tablets.
Tape.
Telegraph blanks.
Tickets.
Time tables.
Tissue paper.
Tracing cloth.
Twine.
Wage tables.
Wastebaskets.
Water colors.
Wrapping paper.
Wringers.

NOTE A: The cost of printing briefs and other legal papers shall be charged to account 86, "Law expenses," or 92, "Injuries and damages." The cost of printing signs, posters, and other advertising matter shall be charged to account 80, "Advertising."

NOTE B: The cost of repairing mechanical calculators, typewriters, duplicating machines, and other office appliances, if for use of general offices, shall be charged to account 85, "General office supplies and expenses," and if for the use of departmental offices, to the accounts to which the expenses of such offices are chargeable.

NOTE C: For their own information carriers may distribute items included in this account, but such distribution shall not affect the reports to the Interstate Commerce Commission. Reports to the Commission shall show the total of the items chargeable to this account as required by the text.

95 Store expenses.

This account shall include the salaries and expenses in connection with storerooms, including cost of sending material and supplies from general storerooms to branch storerooms, and cost of handling scrap material in store.

NOTE: For their own information carriers may distribute items included in this account, but such distribution shall not affect the reports to the Interstate Commerce Commission. Reports to the Commission shall show the total of the items chargeable to this account as required by the text.

96 Service garage expenses and supplies.

This account shall include the salaries and wages of drivers, chauffeurs, garagemen, and other employees in service garages; also the cost of fuel, gasoline, and all other material and supplies used in operation of service garages.

NOTE: This account shall not include wages of employees provided for in account 76, "Collection and delivery."

97 Rent of tracks and facilities.

This account shall include amounts paid for rent or use of tracks, electric lines, terminals, and bridges, whether a fixed charge per month or per year, a proportion of interest on valuation, a proportion of expenses incurred in maintaining and operating such properties, an amount based on car mileage, a charge per car or passenger, or any other arrangement, when such property is used jointly by the accounting and other carriers.

NOTE: Rent of leased line no longer operated by the lessor company is not considered an operating expense, and therefore shall not be charged to this account, but treated as a deduction from income under account 216, "Rent for leased roads."

98 Rent of equipment.

This account shall include payments to other companies for rent or use of their cars, electric equipment of cars, and other rail equipment, on whatever basis such rent may be determined.

This account shall include the gross amount paid for rent of equipment and not the net balance between the amounts paid and received for rent of equipment.

99 Other operations—Dr.

This account shall include debits representing the proportion of operating expenses chargeable to general expenses of the railway department, but the distributed charges for which have been made to the primary accounts of another coordinate department, such as an electric power, light, or heat department within the same company.

100 Other operations—Cr.

This account shall include credits representing the proportion of operating expenses included under the general account General chargeable to the accounts of another coordinate department, such as an electric power, light, or heat department within the same company, the distributed charges for which have been made to the primary accounts of the railway department.

0–7 Accounts for small carriers, Class II.

See provisions of 00–1 *Classification of carriers*. The condensed groupings of operating expense accounts for Class II small carriers are as follows: The account numbers shown for each title being the corresponding account or accounts prescribed for Class I carriers:

WAY AND STRUCTURES

1	Superintendence.
2 to 12	Maintenance of roadway and track.
13 to 19	Other maintenance of way.
22	Distribution system.
23	Miscellaneous electric line expenses.
24	Buildings, fixtures, and grounds.
24–1 to 24–3	Maintenance steam railway, water line, and motor carrier property.
25	Depreciation of way and structures.
26	Other operations—Dr.
27	Other operations—Cr.
28	Equalization—Way and structures.
28–2	Retirements—Way and structures.
28–3	Dismantling retired way and structures.

EQUIPMENT

29	Superintendence.
30 to 32	Maintenance of cars.
33	Electric equipment of cars.
34	Locomotives.
35	Floating equipment.
35–1 to 35–3	Maintenance steam railway, water line, and motor carrier equipment.
36 to 39	Miscellaneous equipment expenses.
40	Depreciation of equipment.
42	Other operations—Dr.

43	Other operations—Cr.
44	Equalization—Equipment.
44-3	Dismantling retired equipment.

POWER

45	Superintendence.
46 to 47	Power plants.
49	Transmission system.
50	Depreciation of power plants.
51	Equalization—Power.
51-3	Dismantling retired power plants.
52 to 56	Wages, expenses, and supplies.
59 to 61	Power purchased, exchanged, and transferred.
62	Other operations—Cr.

CONDUCTING TRANSPORTATION

63	Superintendence.
64 to 65	Conductors, motormen, and trainmen.
66 to 67	Miscellaneous car-service employees and expenses.
68 to 69	Station employees and expenses.
70 to 71	Carhouse employees and expenses.
72 to 73	Signal, interlocker, and communication operations.
74	Operation of floating equipment.
75	Operation of steam locomotives.
75-1 to 75-3	Steam railway, water line, and motor carrier operations.
76	Collection and delivery.
77	Loss and damage.
78	Other transportation expenses.

TRAFFIC

70 to 82	Traffic expenses.

GENERAL

83 to 85	Salaries, expenses, and supplies of general officers and clerks.
86	Law expenses.
87 to 89	Relief, pensions, and miscellaneous general expenses.
90	Valuation expenses.
91	Amortization of franchises.
92 to 93	Injuries, damages, and insurance.
94	Stationery and printing.
95	Store expenses.
96	Service garage expenses and supplies.
97 to 98	Rents.
99	Other expenses—Dr.
100	Other expenses—Cr.

0–8 Accounts for small carriers, Class III.

See provisions of 00–1 *Classification of carriers.* The condensed groupings of operating expense accounts for Class III small carriers are as follows; the account numbers shown for each title being the corresponding account or accounts prescribed for Class I carriers.

WAY AND STRUCTURES

1	Superintendence
2 to 19	Maintenance of way.
22 to 23	Maintenance of electric lines.
24	Buildings, fixtures, and grounds.
24-1 to 24-3	Maintenance steam railway, water line, and motor carrier property.
25	Depreciation of way and structures.
26 to 27	Other operations.
28	Equalization—Way and structures.
28-2	Retirements—Way and structures.
28-3	Dismantling retired way and structures.

EQUIPMENT

29	Superintendence.
30 to 33	Maintenance of cars and electrical equipment.
34	Locomotives.
35	Floating equipment.
35-1 to 35-3	Maintenance of steam railway, water line, and motor carrier equipment.
36 to 39	Miscellaneous equipment expenses.
40	Depreciation of equipment.
42 to 43	Other operations.
44	Equalization—Equipment.
44-3	Dismantling retired equipment.

POWER

45	Superintendence.
46 to 49	Power plants.
50	Depreciation of power plants.
51	Equalization—Power.
51-3	Dismantling retired power plants.
52 to 56	Wages, expenses, and supplies.
59 to 61	Power purchased, exchanged, and transferred.
62	Other operations—Cr.

CONDUCTING TRANSPORTATION

63	Superintendence.
64 to 65	Conductors, motormen, and trainmen.
66 to 78	Miscellaneous transportation expenses.

TRAFFIC

79 to 82	Traffic expenses.

GENERAL

83 to 89	General.
90	Valuation expenses.
91	Amortization of franchises.
92 to 96	Miscellaneous expenses.
97 to 98	Rents.
99 to 100	Other expenses.

OPERATING REVENUES

0–2 General instructions.

02–1 Accounts for operating revenues.

The accounts provided for operating revenues are designed to show amounts of money which the carrier becomes entitled to receive from transportation and from services incident thereto. Credits to the revenue accounts shall, as nearly as practicable, be upon the basis of accruals of revenue.

Uncollectible tariff charges on unclaimed or refused shipments, transported in accordance with contract of shipment, shall be charged to the appropriate revenue account after deducting the proceeds, if any, derived from the sale of such freight. The appropriate revenue account also shall be charged with revenues for which the service has been rendered that are determined, after exhausting reasonable efforts, to be uncollectible.

Except as otherwise provided, the appropriate revenue account shall include collections in excess of tariff charges, such collections being subject to refund.

02–2 Auxiliary operations.

If a carrier conducts a general power, light, heat, or other business not incident to transportation, the entire revenue of each of such operations shall be stated separately in subaccounts under income account 202, "Auxiliary operations—Revenues." (See instruction 01–2 *Auxiliary operations*, and instruction 01–3 *Exclusion of auxiliary operations expenses.*)

02–3 Extraordinary and prior period items.

See instruction 01–6 *Extraordinary and prior period items.*

02–4 Subprimary accounts for steam railway operations, water line operations, and motor carrier operations.

If the carrier operates a steam railroad division or conducts both electric and steam railroad operations and desires to keep the revenues from such operations separately, it may set up as subprimary accounts the appropriate primary accounts of the system of accounts for steam railroads. If the carrier conducts water line or ferry operations and desires to keep the revenues from such operations separately, it may set up as subprimary accounts the appropriate primary accounts of the system of accounts for carriers by water. If the carrier operates motor vehicles and desires to keep the revenues from such operations separately, it may set up as subprimary accounts the appropriate primary accounts of the system of accounts for motor carriers of property and the system of accounts for motor carriers of passengers.

REVENUE ACCOUNTS

TRANSPORTATION

101 Passenger revenue.

This account shall include amounts earned for the transportation of passengers. To it shall be credited the carrier's proportion of receipts from the sale of tickets and transfers and from the collection of cash fares.

To this account shall be charged amounts paid for fares refunded and for tickets and transfers redeemed; also amounts paid for transferring passengers and baggage between stations, except in cases where the transfer of both passengers and baggage is provided for in the division of the through rate.

NOTE A: Cash fare penalty collections made by conductors and the proportion of amounts derived from sales of mileage tickets and mileage credentials, and subject to refund, shall not be credited to this account.

NOTE B: Receipts from mileage books when sold shall be credited to an open account, which account shall be charged and this account credited as the mileage is honored for transportation. A similar practice may be followed in connection with the sale of strip, coupon, and other tickets.

102 Baggage revenue.

This account shall include amounts earned for the transportation of baggage in excess of free authorized allowances; and for transportation of packages, articles, dogs, etc., as baggage.

To this account shall be charged all baggage refunds.

103 Parlor, sleeping, dining, and special car revenue.

This account shall include amounts earned for seat accommodations furnished in parlor, observation, chair, and other special passenger cars, including revenue from cars chartered for special passenger service, from berth and seat accommodations furnished in sleeping cars, and from meals, beverages, cigars, tobacco, and other articles sold on dining, sleeping, and special cars.

To this account shall be charged the cost of provisions, beverages, cigars, tobacco, and other articles sold on dining, sleeping, and special cars. To this account shall be charged also amounts previously credited thereto representing refunds of fares for accommodations, refunds of overcharges resulting from the use of erroneous rates, and other authorized refunds.

104 Mail revenue.

This account shall include amounts earned for the transportation of mails and for the use of railway mail cars, for use of special facilities, and from bonuses for special mail transportation.

To this account shall be charged fines and penalties imposed by the Government, when not collected from agents or employees.

105 Express revenue.

This account shall include amounts earned for transportation of express matter and for use of facilities on cars and at stations incident to such transportation, but not including the separate rents of offices at stations.

When a railway company transacts an express business through its regular railway organization, the earnings therefrom shall be credited to this account. The revenue from express traffic handled under contract with an express company, regardless of the arrangement or basis upon which the compensation is fixed, shall be credited to this account.

The term express is intended to cover matter handled at a higher rate than for freight on account of quicker service or collection and delivery.

NOTE: Rent receivable for rooms at stations used by others in connection with express service shall be credited to account 117, "Rent of buildings and other property."

106 Milk revenue.

This account shall include amounts earned for the transportation of milk and cream.

To this account shall be charged refunds and overcharges on milk and cream so carried.

107 Freight revenue.

This account shall include amounts earned for the transportation of freight, other than milk and cream.

To this account shall be charged overcharges paid, resulting from the use of erroneous rates, weights, or classification; amounts paid under tariff authority for switching, drayage, and cartage; authorized allowances; uncollected earnings on freight destroyed in transit, and on short and lost freight.

NOTE: Other carriers' proportions of revenue paid by the carrier on freight lost or destroyed in transit shall be charged to operating expense account 77, "Loss and damage."

108 Switching revenue.

This account shall include amounts earned for switching service. To this account shall be charged all overcharges on such switching service.

109 Miscellaneous transportation revenue.

This account shall include all amounts earned from transportation and not provided for elsewhere.

OTHER RAILWAY OPERATIONS

110 Station and car privileges.

This account shall include revenues from weighing, vending, and other automatic machines located at stations; from advertising at stations and on cars; from news companies or others for the privilege of operating newsstands at stations and selling papers, periodicals, fruit, etc., on cars; from telephone companies for the privilege of installing and operating commercial telephones at stations; and from similar sources.

111 Parcel room receipts.

This account shall include revenues from the operation of parcel rooms.

112 Storage.

This account shall include revenues from storage of freight and baggage.

To this account shall be charged authorized refunds of amounts received for such storage.

113 Demurrage.

This account shall include revenue from penalties for delay in loading or unloading cars.

To this account shall be charged authorized refunds of amounts received as such penalties.

114 Communication service.

This account shall include revenues from commercial telephone and telegraph business transacted by it, when the expense of transacting such business cannot be separated from the expense of conducting the railway service; also amounts received from telephone and telegraph companies, whether as proportion of earnings or otherwise, for the privilege of transacting a commercial telephone or telegraph business in offices along the carrier's lines, when the carrier furnishes some service of employees whose wages are included in its operating expenses.

NOTE: When a telephone or telegraph company rents the telephone or telegraph line of the carrier and pays all expenses incident to its maintenance and operation, the rent received by the carrier shall be credited to account 204, "Miscellaneous rent income."

115 Rent of tracks and facilities.

This account shall include amounts received as rent for use of tracks, electric lines, terminals, bridges, and other facilities whether a fixed charge per month or per year, a proportion of interest on valuation, a proportion of expenses incurred in maintaining and operating such properties, an amount based on car mileage, a charge per car or passenger, or any other arrangement, when such property is used jointly by the accounting and other carriers.

NOTE: Income from leased lines not operated by the lessor shall be included in account 203, "Income from lease of road."

116 Rent of equipment.

This account shall include amounts received as rent for use of cars, electric equipment of cars, and other equipment on whatever basis such rent may be determined.

This account shall include the gross amount received for rent of equipment and not the net balance between the amounts received and paid for rent of equipment.

117 Rent of buildings and other property.

This account shall include rents of buildings, land, and other property, such as depot and station grounds and buildings, general and other offices, rooms rented at stations, docks, wharves, ferry landings, section and other houses, etc., when such property is used in connection with operations. Receipts from other companies for privilege of attaching wires to the carrier's poles shall also be credited to this account.

NOTE: Income from rent of real estate, purchased or conducted as an outside investment, shall be included in account 205, "Net income from miscellaneous physical property," or account 219, "Net loss on miscellaneous physical property."

118 Power.

This account shall include all amounts earned for power sold if a carrier does not conduct a general power, light, or heat business.

NOTE: If a carrier conducts a general power, light, or heat business, such business shall be considered an auxiliary operation, and the revenues earned therefrom shall be credited to a separate account. The expenses of conducting such auxiliary operations shall be excluded from the operating expenses of the railway by means of the several accounts entitled "Other operations—Cr." The revenues and expenses of these operations shall be included in income accounts 202, "Auxiliary operations—Revenues," and 214, "Auxiliary operations—Expenses." (See Instruction 01-2 *Auxiliary operations.*)

119 Miscellaneous.

This account shall include all revenues derived from operations other than transportation and not includible in the foregoing revenue accounts.

STEAM RAILWAY, WATER LINE, OR MOTOR CARRIER OPERATIONS

120 Steam railway revenue.

This account may include the operating revenues that accrue to the carrier from transportation services and services incidental thereto in connection with steam railroad operations. The carrier

shall maintain as subprimary accounts the primary revenue accounts prescribed by the Commission in its system of accounts for steam railroads, if it elects to make the segregation.

121 Water line revenue.

This account may include the operating revenues that accrue to the carrier from transportation services and services incidental thereto in connection with water line or ferry operations. The carrier shall maintain as subprimary accounts the primary revenue accounts prescribed by the Commission in its system of accounts for carriers by water, if it elects to make the segregation.

122 Motor carrier revenue.

This account may include the operating revenues that accrue to the carrier from transportation services and services incidental thereto in connection with motor carrier operations. The carrier shall maintain as subprimary accounts the primary revenue accounts prescribed by the Commission in its system of accounts for motor carriers of property and for motor carriers of pasengers, if it elects to make the segregation.

INCOME

03 General instructions.

03–1 Income accounts defined.

Income accounts are accounts designed to show the total amount of money that a company receives or becomes entitled to receive from its transportation and other operations during a stated period, the returns upon investments accrued during the period, the disbursements and the obligations incurred that affect the amounts so received or accrued, the disposition or allocation of the income accrued and the net balance of income (or loss) carried to the Profit and Loss Account.

Where the title and definition of an income account clearly indicate that it is a summary of other accounts, it is not required that a special ledger account shall be kept under such a title to include the balances from the accounts usually carried in the ledger, but in such case the titles of the subaccounts in the ledger shall give a reference by number or title, or both, to the account prescribed herein of which they are subdivisions.

03–2 Extraordinary and prior period items.

See instruction 01–6 *Extraordinary and prior period items.*

03–3 Auxiliary operations.

See instruction 01–2 *Auxiliary operations.*

03–4 Income from sinking and reserve funds.

Accrued interest on uninvested sinking fund cash on deposit in banks or trust companies and accrued interest and other income from stocks, bonds, or other assets held in sinking and reserve funds shall be credited to account 209, "Income from sinking fund and other reserves," and if mortgage or other provisions respecting the funds require that such interest and other income shall be retained in the funds in the hands of trustees, the amounts of interest and other income shall be charged to the funds.

03–5 Unaudited items.

When the amount of any item affecting income cannot be accurately determined in time for inclusion in the accounts of the month in which the transaction occurs, the amount of the item shall be estimated and included in the appropriate income account with contra entry to the appropriate balance sheet account. When the item is audited, the necessary adjustment shall be made through the accounts in which the initial estimate was recorded. If, during the interval between the date of the initial estimate and the date of audit of the item, a substantial difference from the initial estimate is determined, appropriate adjustment shall be made in the current accounts to cover such difference. The carrier is not required to anticipate items which would not appreciably affect the accounts.

03–6 Form of income statement.

The income statement is designed to show the results from transportation operations and other business of the accounting company during any specified period.

ORDINARY ITEMS

OPERATING INCOME

201 Railway operating revenues.
213 Railway operating expenses.
Net revenue (or deficit)—Railway operations.
202 Auxiliary operations—Revenues.
214 Auxiliary operations—Expenses.
Net revenue (or deficit)—Auxiliary operations.
Net operating revenue (or deficit).
215 Taxes assignable to transportation operations.
Operating income (or loss).

NONOPERATING INCOME

203 Income from lease of road.
204 Miscellaneous rent income.
205 Net income from miscellaneous physical property.
206 Divident income.
207 Income from funded securities.
208 Income from unfunded securities and accounts.
209 Income from sinking fund and other reserves.
210 Release of premiums on funded debt.
211 Contribution from others.
212 Miscellaneous income.
Total nonoperating income.
Gross income (or loss).

DEDUCTIONS FROM GROSS INCOME

216 Rent for leased roads.
217 Miscellaneous rents.
218 Miscellaneous taxes.
219 Net loss on miscellaneous physical property.
220 Interest on funded debt.
221 Interest on unfunded debt.
222 Amortization of discount on funded debt.
223 Income transferred to other companies.
224 Maintenance of organization—Lessor companies.
225 Miscellaneous debits.
Total deductions from gross income.
Ordinary Income.

EXTRAORDINARY AND PRIOR PERIOD ITEMS

270 Extraordinary items (net).
280 Prior period items (net).
290 Income taxes on extraordinary and prior period items.
Total extraordinary and prior period items.
Net income (or loss).

INCOME ACCOUNTS

ORDINARY ITEMS

Credit

201 Railway operating revenues.

This account shall include the total revenues derived from transportation operations and operations incident thereto as shown in the accounts provided for operating revenues.

202 Auxiliary operations; revenues.

This account shall include the total revenues derived from auxiliary operations.

If a carrier conducts a general power, light, heat, or other business, not incident to transportation operations, the entire revenues from each of such operations shall be stated separately in subaccounts under this account. (See instruction 01–2 *Auxiliary operations.*)

203 Income from lease of road.

This account shall include the amount receivable by the carrier for the exclusive use of road, tracks, or bridges (including equipment and other railway property, if covered by the contract) owned or controlled, but not operated, by the accounting company, and held by another company under lease or other agreement, whether such amounts are payable directly to the accounting company or are disbursed by the lessee on behalf of the accounting company as interest on funded debt, guaranteed dividends on stock, or otherwise.

When the lessor company maintains the road and equipment leased, the cost of maintaining the property rented shall be charged to this account.

If, under the terms of a lease, the deficit, or any portion of it, resulting from the lessee company's operations of the property leased is payable by the lessor company, the amount thus payable shall be charged to this account by the lessor.

NOTE A: When taxes on leased property are assumed by the lessor, the accruals of such taxes shall be included in the lessor's account 215, "Taxes assignable to transportation operations."

NOTE B: If property the rent of which is chargeable to account 216, "Rent for leased roads," is sublet by the accounting company, the rent receivable therefor shall be credited to this account.

NOTE C: When specific charges are made against the lessee by the lessor for maintenance of the leased property which is maintained by the latter, the amount of such charges shall be credited by the lessor and charged by the lessee to the appropriate maintenance accounts.

204 Miscellaneous rent income.

This account shall include such rents of property owned and controlled by the accounting carrier as are not provided for elsewhere.

To this account shall be charged the cost of maintenance of the property rented, and incidental expenses in connection with such property, such as the cost of negotiating contracts, advertising for tenants, fees paid conveyancers, collectors' commissions, and analogous items.

If property, the rent of which is charged to account 217, "Miscellaneous rents," is sublet by the accounting company, the rent receivable therefor shall be credited to this account.

NOTE A: If the expenses of the property leased cannot be separated from the expenses of property used in the company's operations, the rents shall be credited to revenue account 117, "Rent of buildings and other property."

NOTE B: Taxes assumed by the accounting company on property the rent of which is credited to this account, shall be charged to account 215, "Taxes assignable to transportation operations."

NOTE C: The rent of property carried in balance sheet account 404, "Miscellaneous physical property," shall be included in account 205, "Net income from miscellaneous physical property," or 219, "Net loss on miscellaneous physical property," as may be appropriate.

NOTE D: Rent and other income from real estate acquired for road and equipment shall be credited to account 551, "Construction work in progress," until the completion or coming into service of the property.

205 Net income from miscellaneous physical property.

This account shall be credited with the revenues or income from physical property carried in balance sheet account 404, "Miscellaneous physical property," and shall be charged with the cost of maintaining and operating the property, with taxes assessed directly upon such property and with incidental and other expenses in connection therewith, such as cost of negotiating contracts, advertising for tenants, insurance, water rates or rents, conveyancers' fees, and collectors' commissions.

NOTE: If the net balance is a debit, it shall be shown under account 219, "Net loss on miscellaneous physical property."

206 Dividend income.

This account shall include dividends declared on railway and other stocks the income from which is payable to the accounting company, whether such stocks are owned by the accounting company and held in its treasury or deposited in trust, or are controlled through lease or otherwise. Accruals of guaranteed dividends may be included in this account if their payment is reasonably assured.

NOTE A: This account shall not include credits for dividends on stocks issued or assumed by the accounting company and owned by it, whether held in its treasury, in special deposits, in sinking or other reserve funds, or pledged as collateral.

NOTE B: Dividends on stocks of other companies held in sinking or other reserve funds shall be credited to account 209, "Income from sinking fund and other reserves."

207 Income from funded securities.

This account shall include interest on funded securities of railway and other companies, the income from which is payable to the accounting company, whether such securities are owned by the accounting company and held in its treasury, deposited in trust, or controlled through lease or otherwise. Interest accrued shall not be credited unless its payment is reasonably assured. In other cases the credit to this account shall be based upon the interest actually collected.

At the option of the accounting company there may be included in this account the portion, applicable to the fiscal period, of the amount requisite to extinguish during the interval between the date of acquisition and the date of maturity the discount or premium on funded securities of other companies.

NOTE A: Amounts credited or charged for the purpose of extinguishing discount or premium shall be concurrently charged or credited to the account in which the cost of the securities is carried.

NOTE B: The term "funded securities," as here used, means all unmatured bonds, notes, and other evidences of indebtedness (except open accounts for advances) none of which, by the terms of the creation of the debt, matures until more than one year after the date of such creation, provided that in case of an obligation maturing serially, such as car-trust notes, the entire amount shall be included in funded securities if any portion of the obligation matures later than one year after date of issue.

NOTE C: This account shall not include interest on funded securities issued or assumed by the acounting company and owned by it, whether held in its treasury, in special deposits, in sinking or other reserve funds, or pledged as collateral.

NOTE D: Interest on funded securities of other companies held in sinking or other reserve funds shall be included in account 209, "Income from sinking fund and other reserves."

NOTE E: Interest accruing after maturity on any securities not in sinking or other reserve funds shall be included in account 208, "Income from unfunded securities and accounts."

208 Income from unfunded securities and accounts.

This account shall include interest on unfunded securities, notes, and other evidences of indebtedness payable on demand or having dates of maturity one year or less from the date of issue; interest on matured funded debt of other companies; interest on bank balances and on open accounts, and other analogous items.

NOTE A: Interest on assets held in sinking and other reserve funds shall be included in account 209, "Income from sinking fund and other reserves."

NOTE B: Discounts on bills for material and supplies purchased shall be credited to the accounts to which the original invoices were charged.

209 Income from sinking fund and other reserves.

This account shall include the income accrued on cash, securities (not issued or assumed by the accounting company), and other assets held in sinking and other reserve funds.

At the option of the accounting company there may be included each year in this account the portion, applicable to the fiscal period, of the amount requisite to extinguish, during the interval between the date of acquisition and the date of maturity, the discount or premium on funded securities of other companies held in sinking or other reserve funds.

NOTE A: Amounts credited or charged for the purpose of extinguishing discount or premium shall be concurrently charged or credited to the account in which the cost of the securities is carried.

NOTE B: Credits representing income from reserve funds, when retained in the funds, shall be concurrently charged to account 226, "Income applied to sinking and other reserve funds," and credited to account 449, "Earned surplus—Appropriated."

210 Release of premiums on funded debt.

This account shall include, during each fiscal period, such proportion of the premiums on outstanding funded debt obligations as may be applicable to the period. This proportion shall be determined according to the rule provided in instruction 05–3 *Discount, expense, and premium on funded debt.*

NOTE: The amounts credited to this account shall be concurrently charged to the accounts in which the respective premiums are carried.

211 Contributions from others.

This account shall include amounts received or receivable from other companies or individuals, representing the whole or a part of the net deficit of the accounting company, when, under the terms of agreements or contracts, no obligation is incurred for subsequent reimbursement.

NOTE A: The amount payable shall be charged by the contributing company to account 223, "Income transferred to other companies."

NOTE B: This account shall not include advances covered by balance sheet account 429, "Nonnegotiable debt to affiliated companies."

212 Miscellaneous income.

This account shall include all items, not provided for elsewhere, properly creditable to Income Account. Among the items which shall be included in this account are:

Profits from sale or transfer of land.

Profits from sale of investment securities.

Profits for sale or retirement of property assignable to account 404, "Miscellaneous physical property".

Unreleased premiums on funded debt securities reacquired before maturity.

Cancellation of balance sheet accounts representing unclaimed wages and vouchered accounts written off because of inability to locate creditors.

Credit from adjustments to bring funded debt securities issued or assumed to par when reacquired at less than par.

Collection of old accounts previously written off to profit and loss.

When the profits or adjustments resulting from any of the first four items are of an amount sufficiently large to constitute extraordinary items, pursuant to instruction 01–6, such profit or proceeds shall be credited to account 270, "Extraordinary Items."

Debit

213 Railway operating expenses.

This account shall include the total expenses of transportation operations as shown in the accounts provided for operating expenses of electric railways.

214 Auxiliary operations; expenses.

This account shall include the total expenses incurred in auxiliary operations. If a carrier conducts a general power, light, heat, or other business not incident to transportation, the entire expenses of each of such operations shall be stated separately, in subaccounts under this account. (See instruction 01–2 *Auxiliary operations.*)

215 Taxes assignable to transportation operations.

(a) This account shall include Federal, State, county, municipal, school, and other district taxes relating to transportation property, operations (including auxiliary operations), and privileges whether the assessment is based on the valuation of property, on the amount of stocks and bonds issued or outstanding with respect to such property, on the gross or net income or earnings (including Federal income tax), on dividends declared, on the number of passengers or the amount of freight carried, on the length of line operated or owned, on the rolling stock, or otherwise.

(b) The taxes on leased property shall be included in this account by the carrier obligated to assume such expenses under the terms of the lease.

(c) Monthly accruals of income taxes applicable to ordinary income shall be included in this account. See texts of account 290, "Income taxes on extraordinary and prior period items", account 306, "Other credits to earned surplus", and account 317, "Other debits to earned surplus", for recording other income tax consequences.

(d) Details pertaining to the income tax consequences of other unusual and significant items, and also cases where tax consequences are disproportionate to related amounts included in income accounts, shall be submitted to the Commission for consideration and decision as to proper accounting.

(e) Income taxes which are refundable or reduced as the result of carry-back or carry-forward of operating loss shall be credited to this account, if a carry-back, in the year in which the loss occurs, or if a carry-forward, in the year in which such loss is applied to reduce taxes. However, when the amount constitutes an extraordinary item, pursuant to instruction 01–6, it shall be included in account 280, "Prior period items".

NOTE A: Taxes assessed directly on property covered by balance sheet account 404, "Miscellaneous physical property," shall be included in account 205, "Net income from miscellaneous physical property," or in account 219, "Net loss on miscellaneous physical property," as may be appropriate. If such property is so intimately connected with railway or auxiliary operations that the taxes can not be segregated, the entire amount shall be included in this account.

NOTE B: Special assessments for street and other improvements and special benefit taxes, such as water-main taxes, drainage taxes, and the like, shall be included in operating expense or road and equipment accounts, as may be appropriate.

NOTE C: Taxes accrued on new lines under construction or on property acquired for the extension of existing lines shall be charged to road and equipment account 551, "Construction work in progress," until the lines are opened for commercial operation or the property acquired becomes available for service.

NOTE D: Income taxes levied upon bondholders and assumed by the company under terms of the mortgage shall be charged to account 225, "Miscellaneous debits."

216 Rent for leased roads.

This account shall include amounts payable as rent for road, tracks, or bridges (including equipment and other railway property covered by the contract) of other companies, held under lease or other agreement by the terms of which exclusive use and control for operating purposes are secured. The amount of rent payable by the lessee in accordance with the agreement shall be included in this account, whether paid to the lessor in cash or disbursed by the lessee on behalf of the lessor, as interest on funded debt, guaranteed dividends on stock, or otherwise.

NOTE A: When taxes on leased property are assumed by the lessee the accruals of such taxes shall be included in the lessee's account 215, "Taxes assignable to transportation operations."

NOTE B: If, under the terms of a lease, the deficit or any portion of it resulting from the lessee's operation of the property leased is payable by the lessor company, the amount shall be charged to account 203, "Income from lease of road," by the lessor and credited to this account by the lessee.

NOTE C: If property, the rent of which is charged to this account, is sublet by the accounting company to others, the rent from the sublease shall be credited to account 203, "Income from lease of road."

NOTE D: Payments for the exclusive use of leased property maintained by the lessor and used by the lessee shall be divided between maintenance and rent, and the maintenance proportion charged to the appropriate maintenance accounts and the rent proportion to this account. When specific charges are made against the lessee by the lessor for maintenance of leased property which is maintained by the latter, maintenance shall be credited by the lessor and charged by the lessee to the appropriate maintenance accounts.

217 Miscellaneous rents.

This account shall include rents accrued on property held by the accounting company under lease or other agreement, when such rents are not properly chargeable to account 216, "Rent for leased roads," or to operating expenses.

NOTE A: This account shall not include rents provided for in the classification of operating expense. Rent of property used in auxiliary operations shall be charged to account 214, "Auxiliary operations—Expenses."

NOTE B: If property the rent of which is chargeable to this account is sublet by the accounting company to others, the rent from the sublease shall be credited to account 204, "Miscellaneous rent income."

218 Miscellaneous taxes.

This account shall include all accruals for taxes other than those provided for in accounts 205, 215, and 219, such as taxes on securities owned, taxes on income from securities owned, and analogous tax items.

219 Net loss on miscellaneous physical property.

This account shall be charged with the expense of maintaining and operating physical property the cost of which is included in balance sheet account 404, "Miscellaneous physical property," with taxes assessed directly upon such property, and with incidental and other expenses in connection therewith, such as cost of negotiating contracts, advertising for tenants, insurance, water rates or rents, conveyancers' fees, and collectors' commissions.

To this account shall be credited the revenues or income from such property.

NOTE: If the net balance is a credit, it shall be shown under account 205, "Net income from miscellaneous physical property."

220 Interest on funded debt.

This account shall include the current accruals of interest on all classes of funded debt, as defined in balance sheet account 427, "Funded debt unmatured," issued or assumed by the accounting company; interest on nonnegotiable debt to affiliated companies; and interest on receiver's certificates issued for a term of more than one year.

NOTE A: This account shall not include charges for interest on funded debt obligations issued or assumed by the accounting company and owned by it, whether held in its treasury, in special deposits, in sinking or other reserve funds, or pledged as collateral.

NOTE B: When funded debt is incurred for new lines and extensions, or for addition and betterment purposes, the accruals of interest on such funded debt to the date of completion or coming into service of the property so acquired shall be included in road and equipment account 551, "Construction work in progress."

221 Interest on unfunded debt.

This account shall include interest accrued on unfunded debt, such as short-term notes payable on demand or having dates of maturity one year or less from dates of issue; interest on receiver's certificates issued for a term of one year or less; interest on matured funded securities and open accounts; and other analogous items, including discount on short-term notes payable.

NOTE: When short-term notes or other evidences of unfunded indebtedness are issued for new lines or extensions or for addition and betterment purposes, the accrual of interest to the date of completion or coming into service of the property shall be included in road and equipment account 551, "Construction work in progress."

222 Amortization of discount on funded debt.

This account shall be charged during each fiscal period with the proportion of the unextinguished discount and expense on funded debt obligations applicable to that period. This proportion

shall be determined according to a rule, the uniform application of which throughout the interval between the date of sale and the date of maturity will extinguish the discount and expense on funded debt.

The charge to this account for any period shall not be either greater or less than the proportion applicable to that period, so long as any portion of the discount and expense remains unextinguished. (See instruction 05-3 *Discount, expense, and premium on funded debt.*

223 Income transferred to other companies.

This account shall include the whole or any portion of the income of the accounting company payable to another company under the terms of agreements or contracts and without obligation for reimbursement.

NOTE A: The amount receivable by the other company shall be credited by it to account 211, "Contributions from others."

NOTE B: Dividends or other payments upon securities issued or assumed by the accounting company shall not be included in this account.

224 Maintenance of organization; lessor companies.

This account shall be used by lessor companies only, and shall include the cost of maintaining the organization of lessor companies, such as salaries of officers, clerks, and attendants, office expenses, law expenses, cost of stationery and printing, and cost of supplies.

225 Miscellaneous debits.

This account shall include all items not provided for elsewhere and properly chargeable to Income Account, such as income taxes levied upon bondholders and assumed by the company under terms of mortgages, and commissions or expenses for paying interest coupons. Among other items which shall be included in this account are:

Losses from sale or transfer of land.

Losses from sale or investment securities.

Losses from sale or retirement of property assignable to account 404, "Miscellaneous physical property".

Unextinguished discount on funded debt securities reacquired before maturity.

Debits from adjustments to bring funded debt securities issued or assumed to par when reacquired at less than par.

Payment of old accounts previously written off to profit and loss.

When the profits or adjustments resulting from any of the first four tabulated items are of an amount sufficiently large to constitute extraordinary items, pursuant to instruction 01-6, such profits or proceeds shall be credited to account 270, "Extraordinary items".

EXTRAORDINARY AND PRIOR PERIOD ITEMS

270 Extraordinary items (net).

(a) This account shall include extraordinary items accounted for during the current accounting year in accordance with instruction 01-6, upon approval of the Commission. Among the items which shall be included in this account are:

Net gain or loss on sale of land used for transportation purposes and of noncarrier property.

Net gain or loss on sale of securities acquired for investment purposes, and charges to write down the ledger value of such securities because of impairment of value.

Net gain or loss on reacquisition of company bonds.

Loss on retirement of transportation property because of abandonment or other cause for which depreciation reserve has not been provided.

Changes in application of accounting principles.

(b) Income tax consequences of charges and credits to this account shall be included in account 290, "Income taxes on extraordinary and prior period items".

(c) This account shall be maintained in a manner sufficient to identify the nature and gross amount of each debit and credit.

280 Prior period items (net).

(a) This account shall include unusual delayed items accounted for during the current accounting year in accordance with the text of instruction 01-6, upon approval of the Commission. Among the items which shall be included in this account are:

Unusual adjustments, refunds or assessments of income taxes of prior years.

Unusual adjustments of reserves of prior years determined to be excessive or deficient.

Similar items representing transactions of prior years which are not identifiable with or do not result from business operations of the current year.

(b) Income tax consequences of charges and credits to this account shall be included in account 290, "Income taxes on extraordinary and prior period items".

(c) This account shall be maintained in a manner sufficient to identify the nature and gross amount of each debit and credit.

290 Income taxes on extraordinary and prior period items.

This account shall include the estimated income tax consequences (debit or credit) assignable to the aggregate of items of both taxable income and deductions from taxable income which, for accounting purposes, are classified as unusual and extraordinary and are includible in account 270, "Extraordinary items", or 280 "Prior period items", as appropriate.

PROFIT AND LOSS

04 General instructions.

04-1 Profit and loss accounts.

Profit and loss accounts are those designed to show the changes in the corporate surplus or deficit as effected during each fiscal period by the operations and business transactions during that period, by appropriations of surplus made at the option of the carrier, or by miscellaneous losses or gains not provided for elsewhere; and to show also the unappropriated surplus of the carrier at the date of the balance sheet. This group of account forms the connecting link between the income accounts and general balance sheet account 450, "Earned surplus—Unappropriated."

Where the title and definition of a profit and loss account clearly indicate that it is a summary of other accounts, it is not required that a special ledger account shall be kept under such a title to include the balances from the accounts usually carried in the ledger, but in such case the titles of the subaccounts in the ledger shall give a reference by number or title, or both, to the account prescribed herein of which they are subdivisions.

PROFIT AND LOSS ACCOUNTS

CREDIT

301 Credit balance at beginning of fiscal period.

This account shall include the net credit balance in the Profit and Loss Account at the beginning of the fiscal period.

302 Credit balance transferred from income account.

This account shall include the net credit balance brought forward from the Income Account for the fiscal period.

306 Other credits to earned surplus.

(a) This account shall include other credit adjustments, net of assigned income taxes, not provided for elsewhere in this system but only after such inclusion has been authorized by the Commission.

(b) The records supporting entries in this account shall be so maintained that an analysis thereof may be readily made available.

DEBIT

307 Debit balance at beginning of fiscal period.

This account shall include the debit balance in the Profit and Loss Account at the beginning of the fiscal period.

308 Debit balance transferred from income account.

This account shall include the net debit balance brought forward from the Income Account for the fiscal period.

309 Appropriations of surplus to sinking fund and other reserves.

This account shall include amounts of appropriations of surplus for sinking fund and other reserves, and allotments of surplus or payments of definite amounts from surplus into sinking fund and other reserves under terms of mortgages, deeds of trust, or other contracts that provide for such allotments or payments, and accretions to such funds representing interest or other returns on the assets therein.

NOTE: The amounts charged to this account shall be credited concurrently to account 449 "Earned surplus—Appropriated."

310 Dividend appropriations of surplus.

This account shall include amounts declared payable as dividends on actually outstanding capital stock issued or assumed by the accounting company.

This account shall be subdivided so as to show separately the dividends on the various classes of capital stock.

If a dividend is not payable in cash the consideration shall be described in the entry with sufficient particularity to identify it.

NOTE: This account shall not include charges for dividends on capital stock issued or assumed by the accounting company and owned by it, whether held in the treasury, in special deposits, in sinking or other reserve funds, or pledged as collateral. (See account 309, "Appropriations of surplus to sinking fund and other reserves.")

311 Appropriations of surplus for investment in physical property.

This account shall include amounts appropriated from surplus, for the construction or acquisition of new lines and extensions or for additions to and betterments of property the cost of which is includible in the road and equipment accounts, including amounts appropriated for retirement of equipment-trust obligations; and amounts applied for the construction or acquisition of property the cost of which is includible in balance sheet account 404, "Miscellaneous physical property."

These amounts shall be subdivided so as to show (a) amounts expended during preceding fiscal periods, (b) amounts expended during the current fiscal period, and (c) amounts held in reserve.

NOTE: The amounts charged to this account shall be credited concurrently to account 449, "Earned surplus—Appropriated."

314 Miscellaneous appropriations of surplus.

This account shall include amounts appropriated from earned surplus to provide a reserve for the discharge of the principal of any indebtedness incurred in the acquisition or improvement of property carried in road and equipment accounts; also for amounts appropriated from surplus not provided for elsewhere.

NOTE: The amounts charged to this account shall be credited concurrently to account 449, "Earned surplus—Appropriated."

317 Other debits to earned surplus.

(a) This account shall include (1) losses on resale of reacquired capital stock, (2) charges which reduce or write off discount on capital stock issued by the company, and (3) in pooling of equity interests situations, the excess of the value of the surviving company's capital stock over the aggregate total of the capital stock of the separate companies before such merger or consolidation, but only to the extent that capital surplus is not available for such purposes. (See instruction 05–2.)

(b) This account shall include other debit adjustments, net of assigned income taxes, not provided for elsewhere in this system, but only after such inclusion has been authorized by the Commission.

(c) The records supporting entries in this account shall be so maintained that an analysis thereof may be readily made available.

GENERAL BALANCE SHEET

05 General instructions.

05–1 Balance sheet accounts.

The term balance sheet accounts is used to designate those titles under which the ledger accounts are combined and summarized to show the assets, liabilities, and corporate surplus or deficit of the business.

Where the title and definition of a balance sheet account clearly indicate that it is a summary of other accounts, it is not required that a special ledger account shall be kept under such a title to include the balances from the accounts usually carried in the ledger, but in such case the titles of the subaccounts in the ledger shall give a reference by number or title, or both, to the account prescribed herein of which they are subdivisions.

05–2 Discount and premium on capital stock.

Ledger accounts shall be provided to cover the discounts and premiums on each class of capital stock issued or assumed by the company. The total of the net debit balances remaining in these several accounts shall be included in account 423–1, "Discount on capital stock," and the total of the net credit balances in account 425, "Premium on capital stock."

Entries in these accounts representing discounts shall be carried therein until offset (a) by premiums realized on subsequent sales of the same class of stock, (b) by assessments levied on the stockholders, (c) by charges to account 448, "Unearned surplus", to the extent of the credit balance carried therein, (d) by charges to account 317, "Other debits to earned surplus"; or discount may be retained in account 423–1, "Discount on capital stock", until the stock to which the discount applies is reacquired or retired. Except as provided herein, premiums on capital stock shall be carried in account 425, "Premium on capital stock," until the stock to which the premium applies is reacquired or retired. Assessments against stockholders shall be credited to the premium account of the class of stock so assessed, except that assessments with respect to no-par stock shall be credited to account 423, "Capital stock."

In no case shall discount on capital stock be charged to or included in any account as a part of the cost of acquiring any property, tangible or intangible, or as a part of the cost of operation.

When an issue of capital stock, or any part thereof, is reacquired, either by purchase or through donations by stockholders, it shall be charged at its par value, or if stock without par value, at the proportionate amount at which the particular class of stock is included in account 423, "Capital stock," to that account, if canceled, and to the appropriate asset if not canceled. The difference between the amount at which such reacquired stock was recorded and the amount paid for such stock, including premium or discount applicable thereto, shall be included in account 448, "Unearned surplus." *Provided, however,* That the excess of a debit over the balance carried in unearned surplus shall be charged to account 317, 'Other debits to earned surplus'.

When reacquired capital stock is resold, the difference between the amount at which such stock is recorded in the accounts and the net sale price realized, when resold, shall be included in account 448, "Unearned surplus," subject to the proviso in the preceding paragraph.

05–3 Discount expense, and premium on funded debt.

Ledger accounts shall be provided to cover the discounts, expense, and premiums at the sale of each class of funded debt (including receiver's certificates) issued or assumed by the company. The total of the net debit balances remaining in these several accounts shall be included in account 418, "Discount on funded debt," and the total of the net credit balances in account 440, "Premium on funded debt."

Each month there shall be charged to income account 222, "Amortization of discount on funded debt," a proportion (based upon the ratio of such fiscal period to the remaining life of the respective securities) of each of the debit balances in these accounts, and correspondingly there shall be credited to income account 210, "Release of premiums on funded debt," a similar proportion of each of the credit balances in these accounts.

Except as provided under road and equipment accounts, no part of the balance in an account for discount, expense, and premium on funded debt shall be included in the accounts as part of the cost of acquiring or improving property or part of the cost of operation.

Except as provided in this section, the balance in each of the discount, expense, and premium accounts shall be carried therein until the reacquirements of the securities to which they relate, at which time the proportion (based on the ratio of the amount of funded debt reacquired to the actual outstanding before reacquirement) of discount, expense, and premium for the class of funded debt reacquired shall be cleared to account 212, "Miscellaneous income", account 225, "Miscellaneous debits", or to account 270, "Extraordinary items", as appropriate, in accordance with the text of these accounts.

05–4 Contingent assets and liabilities.

Contingent assets and liabilities shall not be included in the body of the balance sheet statement, but shall be shown in detail in a supplementary statement accompanying the balance sheet statement.

05–5 Reorganizations.

Where a carrier involved in receivership or bankruptcy is reorganized so as to preserve in whole or in part the interest of its owners and creditors, whether through the owning corporation or a successor corporation, or is a company resulting from reorganization of a carrier in any other manner, and such

company emerges from such reorganization as the owner of investments, it shall at the time of recording such investments on its books include in account 401–1, "Acquisition adjustment," the net difference between the total of accounts 401 to 422, inclusive (after distributing to the primary road and equipment accounts the original cost of the transportation property involved), and the total of accounts 423 to 446, inclusive, after all other accounts are properly adjusted under the reorganization plan. The journal entries recording such investments shall be presented to the Commission for consideration and approval before being entered on the books. The carrier shall apply to the Commission for permission to use account 401–1, so far as it is adequate, for the adjustment of differences between amounts originally set up with respect to such investment items and the value of such items as finally determined; and earned surplus shall be affected only by losses and gains clearly attributed to operations subsequent to date of reorganization. Any balance in account 401–1 shall be subject to any adjustment the Commission may direct.

05–6 Surplus.

Records shall be maintained in such manner as to show two major divisions thereof:

1. Unearned surplus.
2. Earned surplus.

Unearned and earned surplus shall be segregated and clearly differentiated, and no transfer shall be made from the former to the latter, either directly by credits to earned surplus representing gains on transactions in the carrier's own capital stock, or indirectly by charges against unearned surplus to cover losses, write-downs, charge-offs, or dividend distributions unless approved by the Commission.

After January 6, 1947, carriers shall maintain the surplus accounts provided for herein. If, prior to that date, such a separation has not been made, the surplus shall be segregated at that time so far as practicable, and any surplus not so segregated shall be recorded in account 451, "Unsegregated surplus," until the balance therein can be entirely cleared.

05–7 Form of general balance sheet statements.

ASSET SIDE

Investments

401 Road and equipment.
401–1 Acquisition adjustment.
401–2 Donations and grants.
Investments in transportation property.
401–3 Reserve for depreciation—Road and equipment.
401–4 Reserve for retirements—Nondepreciable property.
Investment in transportation property less recorded depreciation and anticipated retirements.
402 Sinking funds:
Total book assets in short column.
Carrier's own issue in short column.
Other assets in long column.
403 Deposits in lieu of mortgaged property sold:
Total book assets in short column.
Carrier's own issue in short column.
Other assets in long column.
404 Miscellaneous physical property.
404–1 Reserve for depreciation—Miscellaneous physical property.
Miscellaneous physical property less recorded depreciation.
405 Investments in affiliated companies:
(a) Stocks.
(b) Bonds.
(c) Notes.
(d) Advances.
406 Other investments:
(a) Stocks.
(b) Bonds.
(c) Notes.
(d) Advances.
(e) Miscellaneous.
406–1 Reserve for adjustment of investment in securities.
Total.

Current Assets

407 Cash.
408 Special deposits:
Total book assets in short column.
Carrier's own issue in short column.
Other assets in long column.
409 Loans and notes receivable.
410 Miscellaneous accounts receivable.
411 Material and supplies.
412 Interest, dividends, and rents receivable.
413 Other current assets.
Total.

Deferred Assets

414 Insurance and other funds:
Total book assets in short column.
Carrier's own issue in short column.
Other assets in long column.
415 Other deferred assets.
Total.

Unadjusted Debits

416 Rents and insurance premiums paid in advance.
418 Discount on founded debt.
420 Other unadjusted debits.
421 Securities issued or assumed—Unpledged—In short column.
422 Securities issued or assumed—Pledged—In short column.
Total.

LIABILITY SIDE

Stock

423 Capital stock:
Book liability in short column.
Held by carrier in short column.
Actually outstanding in long column.
423–1 Discount on capital stock.
424 Stock liability for conversion.
425 Premium on capital stock.
Total.

Long-Term Debt

427 Funded debt unmatured:
Book liability in short column.
Held by carrier in short column.
Actually outstanding in long column.
428 Receivers' and trustees' securities.
429 Nonnegotiable debt to affiliated companies—
(a) Notes.
(b) Open accounts.
Total.

Current Liabilities

430 Loans and notes payable.
431 Audited accounts and wages payable.
432 Miscellaneous accounts payable.
433 Matured interest, dividends, and rents unpaid.
434 Matured funded debt unpaid.
435 Accrued interest, dividends, and rents payable.
435–1 Taxes accrued.
436 Other current liabilities.
Total.

Deferred Liabilities

437 Liability for provident funds.
438 Other deferred liabilities.

Unadjusted Credits

440 Premium on funded debt.
441 Insurance reserves.
441–1 Operating reserves.
442 Reserve for equalization of maintenance.
444 Reserve for amortization of franchise.
446 Other unadjusted credits.
Total.

Surplus

448 Unearned surplus.
(a) Paid-in surplus.
(b) Other unearned surplus.
449 Earned surplus—Appropriated.
450 Earned surplus—Unappropriated.
451 Unsegregated surplus.
Surplus balance.
Total.

GENERAL BALANCE SHEET ACCOUNTS

DEBIT

401 Road and equipment.

This account shall include the original cost of property acquired subsequent to the effective date of this order and the book cost of all other property of the carrier devoted to transportation operations or operations incidental thereto, including auxiliary operations, in use or held for use in transportation operations and in existence at the date of the balance sheet. The carrier's records shall be kept so as to show the charges and credits to this account classified in accordance with the primary accounts for road and equipment.

NOTE A: This account shall not include any items representing title to securities.

NOTE B: The carrier's investment in noncarrier property shall be included in account 404, "Miscellaneous physical property."

NOTE C: Held for use, referred to above, implies the ability of the carrier to substantiate by plans or policy its characterization of the probable future use which is to be made of the property within a reasonable period of time.

401–1 Acquisition adjustment.

This account shall include the difference between (a) the cost to the accounting company of road and equipment property acquired by purchase after the effective date of this order and (b) the amount distributed to the primary road

and equipment accounts. (See instruction 06–12 *Operating property purchased.*)

This account shall also include the difference between the assets acquired and the par or recorded value of the accounting company's capital stock, plus, its debts and other liabilities with respect to property acquired in reorganizations under the circumstances set forth in instruction 05–5 *Reorganizations.*

Any balance remaining in this account after making the entries provided for in the above paragraphs shall be subject to any adjustment the Interstate Commerce Commission may direct.

401–2 Donations and grants.

This account shall be credited with grants obtained from governmental agencies, and with donations from individuals and others in connection with the construction or acquisition of property, the cost of which is chargeable to account 401, "Road and equipment." When donated property is retired from service, the amount at which it was recorded in this account shall be transferred to account 448–2, "Other unearned surplus."

401–3 Reserve for depreciation; road and equipment.

This account shall be credited with amounts concurrently charged to operating expenses to cover the loss in service value of depreciable road and equipment property.

At the time of retirement of depreciable road and equipment property, this account shall be charged with the entire service value of the property retired.

For balance sheet purposes, this account shall be treated as a single composite reserve applicable to all depreciable property. However, for the purpose of analysis, the carrier shall maintain detailed records in which this reserve is broken down into components corresponding to the primary accounts for depreciable road and equipment property and all entries shall show debits and credits by primary accounts.

A carrier may request, or the Commission may direct, that special accounting be applied in situations causing undue inflation or deflation of depreciation reserves, such as premature or unusual retirements or sales of depreciable property, or related insurance recoveries. A carrier's request for special accounting shall contain full particulars concerning the situation, including the basis for its proposal. Alternative accounting techniques shall be applied to the extent approved or directed by the Commission.

401–4 Reserve for retirements; nondepreciable property.

This account shall be credited with amounts concurrently charged to operating expenses with the approval of the Commission to cover the anticipated retirement of nondepreciable property. When nondepreciable property is retired from service the service value shall be charged to this account.

402 Sinking funds.

This account shall include the amount of cash, the ledger value of live securities of other companies and other assets which are held by trustees of sinking and other funds for the purpose of redeeming outstanding obligations; also amounts deposited with such trustees on account of mortgaged property sold, the proceeds of which are to be held for the redemption of securities, and the par value of live securities issued or assumed by the accounting company and held in such funds. A separate account shall be kept for each fund.

NOTE: In stating the balance sheet in the annual reports to the Commission the total amount of the funds and the par value of securities issued or assumed by the accounting company and held in the funds shall be shown in the short columns, and the net amount of the funds (total amount less securities issued or assumed) shall be shown in the long column.

403 Deposits in lieu of mortgaged property sold.

This account shall include amounts realized from the sale of mortgaged property which are held by trustees until such property is replaced.

NOTE: In stating the balance sheet in the annual reports to the Commission the total amount of the funds and the par value of securities issued or assumed by the accounting company and held in the funds shall be shown in the short columns, and the net amount of the funds (total amount less securities issued or assumed) shall be shown in the long column.

404 Miscellaneous physical property.

This account shall include the accounting company's investments in physical property other than investments properly classable in account 401, "Road and equipment." It shall include such items as investments in manufacturing, gas, and water plants, mineral and timber lands, buildings not used in transportation or auxiliary operations but held for rent, rails and other materials leased to others, and other property not a part of the accounting company's plant for the maintenance and operation of its transportation and auxiliary operations property.

NOTE: The income derived from or the loss sustained in connection with the maintenance and operation of miscellaneous physical property shall be included in income account 205, "Net income from miscellaneous physical property," or 219, "Net loss on miscellaneous physical property," as may be appropriate.

404–1 Reserve for depreciation; miscellaneous physical property.

This account shall be credited with amounts charged to income or other accounts to cover the depreciation of depreciable property recorded in account 404, "Miscellaneous physical property."

When such property is destroyed, sold, or otherwise retired, the net value (ledger value less value of salvage and insurance recovered) shall be charged to this account.

405 Investments in affiliated companies.

This account shall include the ledger value of the accounting company's investment advances to affiliated companies, also of its investment in securities issued or assumed by such companies, such securities not being held in special deposits or in special funds.

This account shall be subdivided as follows:

(a) Stocks.

(b) Bonds.

(c) Notes, including herein not only notes that run longer than one year, but also notes payable on demand or within one year from the date of issue when it is intended by the accounting company that the notes shall not be enforced as current assets; also all notes held as investments.

(d) Advances.

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

NOTE A: Accounts with affiliated companies which are subject to current settlement, such as traffic and car-service balances, charges for materials and supplies currently furnished, charges for repairs to equipment, etc., shall be classed as current assets or current liabilities, as may be appropriate.

NOTE B: The term affiliated companies includes:

1. Controlled companies, including companies solely controlled by the accounting company, and also companies jointly controlled by the accounting company and others under a joint arrangement.

2. Controlling companies, including both companies solely controlling the accounting company, and companies which jointly control the accounting company under a joint arrangement.

3. Companies controlled by controlled companies.

4. Companies controlled by controlling companies.

By control is meant the ability to determine the action of a corporation.

Sole control is that which rests in one corporation.

Joint control is that which rests in two or more corporations and which is held under a joint arrangement.

NOTE C: The value of securities borrowed by the accounting company and pledged shall not be included in this account.

NOTE D: The value of securities pledged for purposes other than that of security for funded debt or short-term loans shall be included in account 402, "Sinking funds," 408, "Special deposits," or 414, "Insurance and other funds," as may be appropriate.

406 Other investments.

This account shall include the ledger value of the accounting company's investment advances to nonaffiliated companies and to individuals, and of its investment in securities issued or assumed by such companies, such securities not being held in special deposits or in special funds; also miscellaneous investments not provided for elsewhere.

This account shall be subdivided as follows:

(a) Stocks.

(b) Bonds.
(c) Notes, including herein not only notes that run longer than one year, but also notes payable on demand or within one year from date of issue when it is intended by the accounting company that the notes shall not be enforced as current assets, and all notes held as investments.
(d) Advances.
(e) Miscellaneous.

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

NOTE A: Accounts with nonaffiliated companies which are subject to current settlements, such as traffic and car-service balances, charges for materials and supplies currently furnished, charges for repairs to equipment, etc., shall be classed as current assets or current liabilities, as may be appropriate.

NOTE B: The term nonaffiliated companies includes all companies other than those defined as affiliated in Note B of account 405.

NOTE C: The value of securities borrowed by the accounting company and pledged shall not be included in this account.

NOTE D: The value of securities pledged for purposes other than that of security for funded debt or short-term loans shall be included in account 402, "Sinking funds," 408, "Special deposits," or 414, "Insurance and other funds," as may be appropriate.

406-1 Reserve for adjustment of investment in securities.

This account shall include the net credit balance set aside as a reserve for the purpose of providing for reductions in the value of investments recorded in accounts 405, "Investments in affiliated companies," and 406, "Other investments."

When such investments are written down, written off, sold, or otherwise disposed of at a loss, the losses sustained shall be charged to this account to the extent of the total credit balance in the account and the remainder, if any, shall be charged to account 225, "Miscellaneous debits", or account 270, "Extraordinary items", as appropriate.

407 Cash.

This account shall include current funds in the hands of financial officers and financial agents, cash in transit for which agents and conductors receive current credit, and deposits in banks or with trust companies available for use on demand.

NOTE: This account shall not include funds deposited for the purpose of paying declared dividends or bond interest coupons; all such amounts shall be shown in account 408, "Special deposits."

408 Special deposits.

This account shall include amounts realized from the sale of securities and held by trustees for disbursement when the purposes for which the securities are sold are accomplished; deposits to pay declared dividends or matured interest coupons; special deposits (other than in sinking funds) for the payment of debts; money and securities deposited to insure the performance of contracts; and other deposits of a special nature not provided for elsewhere.

NOTE: In stating this account on the balance sheet in the annual reports to the Commission, the total amount of the funds and the par value of securities issued or assumed by the accounting company and held in the funds shall be shown in the short columns, and the net amount of the funds (total amount less securities issued or assumed) shall be shown in the long column.

409 Loans and notes receivable.

This account shall include the book value of all collectible obligations in the form of loans and notes receivable or other similar evidences of money receivable on demand or within one year from date of issue.

NOTE: This account does not include time loans which mature more than one year after the date of issue or demand or short-term notes considered as investments, which shall be included in accounts 405, "Investments in affiliated companies," or 406, "Other investments."

410 Miscellaneous accounts receivable.

This account shall include the net of the balances receivable from or payable to other companies in the accounts representing interline freight, passenger, and baggage revenues, and charges for equipment interchanged on a per diem or a mileage basis, when such balances result in a net debit. When the net of such balances is a credit, it shall be included in account 432, "Miscellaneous accounts payable." This account shall also include audited accounts considered good, such as those due from the United States or other governments for the transportation of mails and government property; miscellaneous bills against other railway companies; bills against corporations, firms, and individuals; net balances due from agents, conductors, and other employees and representatives responsible for the collection or custody of current revenue; and similar items.

NOTE A: The amount to be entered in this account in the carrier's annual report to the Commission shall be stated in accordance with the text of this account. For convenience in accounting the carrier may, with respect to accounts representing interline freight, passenger, and baggage revenues, and equipment interchanged, maintain currently separate subaccounts under the following captions:

410 and 432 (a) Interline freight, balance.
410 and 432 (b) Interline passenger, balance.
410 and 432 (c) Interline baggage, balance.
410 and 432 (d) Equipment interchanged, balance.

NOTE B: Amounts advanced to general and special agents as working funds shall be included in account 415, "Other deferred assets." Investment advances to affiliated companies shall be included in account 405, "Investments in affiliated companies."

410-1 Accrued accounts receivable.

This account shall include estimates of unaudited current items receivable which are credited to operating revenue, operating expense, or income accounts in accordance with Instruction 01-5 *Unaudited items affecting operating accounts*, and Instruction 03-5 *Unaudited items;* also estimates of other unaudited items receivable of a current nature.

411 Material and supplies.

This account shall include the balances representing the cost, less depreciation, if any, of all material and supplies not charged out in the accounting company's accounts, such as road and shop material, articles in process of manufacture, fuel, stationery, and other supplies. Freight and express charges paid others on material and supplies shall be included in the value of same but expenses of transportation over carrier's line shall not be included.

The scrap value (estimated if not known) of articles retired from service shall be included in this account.

NOTE A: Discounts on bills for materials and supplies purchased shall be credited to the accounts to which the original invoices were charged.

NOTE B: An inventory of material and supplies shall be taken during each calendar year and the necessary adjustments to bring this account into harmony with the actual inventory balances shall be made in the accounts of the year in which the inventories are taken. In effecting this adjustment determined differences in accounting for important classes of material shall be equitably assigned among the accounts to which the classes of material are ordinarily chargeable. Other differences shall be equitably apportioned among the primary accounts to which material has been charged since the last inventory.

412 Interest, dividends, and rents receivable.

This account shall include the amount of interest accrued to the date of the balance sheet on funded and unfunded securities owned, loans, open accounts, mortgages, and deposits; dividends declared on stock owned and dividends accrued on stocks when contracts require that the dividends be paid at stated times; and rents accrued under leases.

NOTE A: No amount representing interest or dividends receivable shall be included in this account unless its payment is reasonably assured by past experience, anticipated provision, or otherwise.

NOTE B: No dividends or other returns on securities issued or assumed by the accounting company shall be included in this account.

413 Other current assets.

This account shall include items of current assets not covered by accounts 407 to 412, inclusive. It shall include asset items that have not reached the stage of audited accounts and become classable in account 410, "Miscellaneous accounts receivable," and yet have advanced beyond the stage of accounts properly classable in account 415, "Other deferred assets," such as amounts advanced to agents and others as working funds from which certain expenditures are to be made and accounted for, and similar items.

414 Insurance and other funds.

This account shall include the amount of cash and the cost or ledger value of

securities of other companies and other assets in depreciation, insurance, employees' pension, savings, relief, hospital and other funds which have been raised and specifically set aside or invested for specific purposes not provided for elsewhere; also the par value of securities issued or assumed by the accounting company and held in such funds. A separate account shall be provided for each fund.

NOTE A: Special deposits and sinking funds for the retirement of obligations are provided for in accounts 408 and 402, respectively.

NOTE B: In stating this account on the balance sheet in the annual reports to the Commission, the total amount of the funds and the par value of the securities issued or assumed by the accounting company and held in the funds shall be shown in the short columns, and the net amount of the funds (total amount less securities issued and assumed) shall be shown in the long column.

415 Other deferred assets.

This account shall include items of deferred assets not properly includible in account 414, "Insurance and other funds."

416 Rents and insurance premiums paid in advance.

This account shall include the balances in the accounts representing rents and insurance premiums paid in advance, which are to be apportioned and charged, as they accrue, to the appropriate accounts.

418 Discount on funded debt.

This account shall include the total of the debit balances in the discount, expense, and premium accounts for the several subclasses of funded debt. (See Instruction 05–3 *Discount, expense, and premium on funded debt.*)

When an issue of funded debt, or any part thereof, is canceled and at the date of cancellation there is a balance of unamortized discount and expense relating thereto, the amount of such balance, together with any premium paid in retiring the debt, shall be charged to account 225, "Miscellaneous debits", or account 270, "Extraordinary items", as appropriate.

420 Other unadjusted debits.

This account shall include the amount of debit balances in suspense accounts that cannot be entirely cleared and disposed of until additional information is received, such as freight claims paid when found to be correct, but in advance of investigation with other carriers; debit balances in clearing accounts; unextinguished discount on short-term notes; unadjusted debit items not provided for in accounts 418 and 419; and other similar items.

421 Securities issued or assumed; unpledged.

This account shall include the par value, or for no-par stock the amount recorded in account 423, "Capital stock," of securities issued or assumed by the accounting company that are held unpledged in the treasury or by its agents or trustees, except those held by trustees of sinking or other similar funds. This account shall be divided into (a) stocks and (b) bonds and other evidences of indebtedness, each of which divisions shall be further subdivided between (c) amounts nominally but not actually issued and (d) amounts nominally outstanding.

NOTE A: The term securities, as used in this account, includes all authorized certificates of stock and evidences of indebtedness which have been signed, sealed, and, when required, certified by the trustees under the mortgage or contract, and are not short-term securities. By short-term securities are meant those which are payable on demand or which mature not more than one year from date of issue. (See also Notes B to accounts 423 and 427.)

NOTE B: This account shall not include securities that are merely guaranteed.

NOTE D: In the general balance sheet statement the balance in this account shall be stated in the short column only.

NOTE E: When securities issued to bona fide holders for value or after issue by another company have been assumed by the accounting company, are reacquired and not canceled, they shall be included in this account at their par value, or if no-par stock, at the amount at which recorded in account 423, "Capital stock." If such securities are subsequently pledged, they shall be included in account 422, "Securities issued or assumed—Pledged."

422 Securities issued or assumed; pledged.

This account shall include the par value, or for no-par stock the amount recorded in account 423, "Capital stock," of securities issued or assumed by the accounting company that have been pledged as collateral security for long-term debt or short-term loans. This account shall be divided into (a) stocks and (b) bonds and other evidences of indebtedness, each of which divisions shall be further subdivided between (1) amounts nominally but not actually issued and (2) amounts nominally outstanding.

NOTE A: The term securities as used in this account includes all authorized certificates of stock and evidences of indebtedness which have been signed, sealed, and, when required, certified by the trustees under the mortgage or contract, and are not short-term securities. By short-term securities are meant those which are payable on demand or which mature not more than one year from date of issue. (See also Notes B to accounts 423 and 427.)

NOTE B: This account shall not include securities that are merely guaranteed.

NOTE C: This account shall not include securities which have been borrowed by the accounting company and pledged, nor any securities held in sinking and other reserve funds.

NOTE D: In the general balance sheet statement the balance in this account shall be stated in the short column only.

NOTE E: The par value, or for no-par stock the amount at which recorded in account 423, "Capital stock," of securities issued or assumed and pledged for purposes other than as security for debt, shall be included as appropriate in accounts 402, "Sinking funds," 408, "Special deposits," or 414, "Insurance and other funds."

CREDIT

423 Capital stock.

This account shall include the total par value of par value stock, and the amount paid in or the amount approved by the Commission for stock without par value, for all shares of capital stock, or other form of proprietary interest in the accounting company which have been issued to bona fide purchasers and have not been reacquired; also shares of stock nominally issued or nominally outstanding. Appropriations of surplus which have been authorized shall be transferred to this account when the stock is issued. The amount received from the sale of par value stock, in excess of the amount credited to this account, shall be credited to account 425, "Premium on capital stock."

When capital stock is canceled, this account shall be charged with the amount at which such stock is recorded herein. In the case of no-par stock, the amount charged hereto shall be the proportion, applicable to the reacquired shares immediately prior to reacquisition, of the total book liability included herein of actually outstanding shares of the class and series of stock of which the reacquired shares are a part.

The amounts included herein shall be further divided so as to show the amount of each class of stock issued, as follows:

(a) *Common Stock.* Stocks which have no preference in the distribution of dividends.

(b) *Preferred Stock.* Stocks having preference in the distribution of dividends.

(c) *Debenture Stock.* Stocks issued under a contract to pay a specified return at specified intervals.

(d) *Receipts for Installment Payments on Account of Subscription to Capital Stock.* When the subscriber has paid his subscription in full and is entitled to receive certificates representing the shares for which he has subscribed, the par value of shares of par value stock or the agreed purchase price, or price authorized by the Commission of stock without par value, shall be included in the division appropriate for the class for which certificates are issued.

(e) Each of the above classes shall also be divided into subclasses according to differences in dividends or interest rights, voting rights, or conditions under which the securities may be retired.

NOTE A: When a general levy or assessment is made against the holders of capital stock, requiring the payment of any sum for the use of the company in addition to the consideration agreed upon at the time of sale, the amount collected upon such levy or assessment shall be credited to the discount and premium account for the class of stock on which the assessment is made.

NOTE B: For the purposes of the balance sheet statement, capital stock is considered nominally issued when certificates are signed and sealed and placed with the proper officer for sale and delivery or pledged or otherwise placed in some special fund of the accounting company. It is considered to be actually issued when it has been sold to a bona fide purchaser for a valuable considera-

tion, and such purchaser holds it free from all control by the accounting company. All capital stock actually issued and not reacquired by or for the accounting company is considered to be actually outstanding. If reacquired by or for the accounting company under such circumstances as require it to be considered as held alive and not canceled or retired, it is considered to be nominally outstanding.

NOTE C: In the general balance sheet statement the total capital stock shall be shown in the first short column. The amount nominally but not actually issued and the amount nominally outstanding shall be shown in the second short column, and in the long column shall be shown the amount actually outstanding.

NOTE D: When par value capital stock is exchanged for capital stocked without par value, any sums resting in discount, expense, and premium accounts with respect thereto shall be charged to account 448-1, "Paid-in surplus": *Provided*, That any debit in excess of the credit balance carried in that account shall be included in account 317, "Other debits to earned surplus".

423-1 Discount on capital stock.

This account shall include the total of the net debit balances in the discount and premium accounts for the several classes of capital stock. (See § 14.05-2 *Discount and premium on capital stock*.)

424 Stock liability for conversion.

This account shall include the accounting company's liability under agreements to exchange its capital stock for the outstanding securities of companies whose physical property has been acquired under such agreements, but whose securities have not yet been surrendered for exchange.

425 Premium on capital stock.

This account shall include the excess of the actual cash value (at the time of sale of the stock) of the consideration received over the amount recorded in account 423, "Capital stock," for par value stock plus accrued dividends, if any; also, subsequent assessments against stockholders for payments required in excess of the par value or other amount recorded in account 423, "Capital stock." When capital stock is reacquired, the amount in this account with respect to the reacquired shares shall be charged hereto.

427 Funded debt unmatured.

This account shall include the total par value of unmatured funded debt maturing more than one year from date of issue, issued by the accounting company and not retired or canceled; and the total par value of unmatured funded debt of other companies, the payment of which has been assumed by the accounting company.

The amounts included in this account shall be divided so as to show (a) the par value of certificates or other evidences of funded debt issued and actually outstanding, being those not held by the company, its agents or trustees, or subject to its control; and (b) the par value of certificates or other evidences of funded debt, pledged and unpledged, held in the company's treasury, held by its agents or trustees, or otherwise subject to its control, including both those reacquired after actual issue and those nominally but never actually issued.

The amounts included herein shall be further divided so as to show the amount of each class of funded debt, as follows:

(1) *Mortgage bonds.* Bonds secured by a lien on physical property and not includible in the other subdivisions of this account.

(2) *Collateral trust bonds.* Bonds and notes having a date of maturity of more than one year after date of issue, secured by a lien on securities or other commercial paper; also stock trust certificates that are similar in character to collateral trust bonds.

(3) *Income bonds.* Bonds which are a lien on a carrier's revenue alone, or bonds which, while being a lien on its property and franchises, can claim payment of interest only in case interest is earned.

(4) *Equipment obligations.* Equipment bonds, equipment notes, or car-trust notes secured by lien on specific equipment.

(5) *Miscellaneous obligations.* All funded obligations not provided for by the other subdivisions of this account, including notes, unsecured certificates of indebtedness, debenture bonds, plain bonds, real estate mortgages executed or assumed, and other similar obligations maturing more than one year after date of issue.

(6) *Receipts outstanding for funded debt.* Receipts for payment on account of funded debt securities. When the securities are issued for amounts so paid, the par value shall be included in the account covering the class of funded debt for which the securities are issued.

No two issues of funded debt shall be considered as of the same class unless agreeing in (i) mortgage or other lien or security therefor, (ii) rate of interest, (iii) interest dates, and (iv) date of maturity, except that parts of any funded debt issue agreeing in other characteristics, but maturing serially, may be treated as of the same class.

NOTE A: Securities maturing one year or less from date of issue shall be included in account 430, "Loans and notes payable." Matured funded debt shall be included in account 434, "Matured funded debt unpaid."

NOTE B: For the purposes of the balance sheet statement, funded debt securities are considered to be nominally issued when certified by trustees and placed with the proper officer for sale and delivery or pledged or otherwise placed in some special fund of the accounting company. They are considered to be actually issued when they have been sold to a bona fide purchaser for a valuable consideration, and such purchaser holds them free from all control by the accounting company. All the funded debt securities actually issued and not reacquired and held by or for the accounting company are considered to be actually outstanding. If reacquired by or for the accounting company under such circumstances as require them to be considered as held alive and not canceled or retired, they are considered to be nominally outstanding.

NOTE C: In the general balance sheet statement the total funded debt unmatured shall be shown in the first short column. The amount nominally but not actually issued and the amount nominally outstanding shall be shown in the second short column, and in the long column shall be shown the amount actually outstanding.

428 Receivers' and trustees' securities.

When receivers or trustees acting under the orders of a court are in possession of the property of the company, and under the order of such court, issue or assume evidences of indebtedness, the par value of such evidences shall be included in this account.

429 Nonnegotiable debt to affiliated companies.

This account shall include the par value of nonnegotiable notes issued to affiliated companies, credit balances in open accounts with such companies other than credit balances in current accounts classable as current liabilities, and interest accrued on notes and open accounts included in this account, when such interest is not subject to current settlements.

This account shall be subdivided as follows:

(a) Notes, including herein not only nonnegotiable notes that run longer than a term of one year, but also such notes payable on demand or within one year from the date of issue when it is mutually agreed that the notes shall not be enforced as current assets by the holder.

(b) Open accounts not subject to current settlement.

(c) Interest accrued on amounts included in this account, when not subject to current settlements.

NOTE A: Accounts with affiliated companies which are subject to current settlements, such as traffic and car-service balances, charges for materials and supplies currently furnished, charges for repairs to equipment, etc., shall be classed as current assets or current liabilities, as may be appropriate.

NOTE B: No item shall be included in this account which is not known to be the property of an affiliated company.

NOTE C: The term affiliated companies includes:

1. Controlled companies, including companies solely controlled by the accounting company, and also companies jointly controlled by the accounting company and others under a joint arrangement.

2. Controlling companies, including both companies solely controlling the accounting company, and companies which jointly control the accounting company under a joint arrangement.

3. Companies controlled by controlled companies.

4. Companies controlled by controlling companies.

By control is meant the ability to determine the action of a corporation.

Sole control is that which rests in one corporation.

Joint control is that which rests in two or more corporations and which is held under a joint arrangement.

430 Loans and notes payable.

This account shall include the balances representing obligations outstanding in the form of loans and notes payable or other similar evidences of indebtedness payable on demand or within a time not exceeding one year from the date of issue.

NOTE: Secured notes and time loans payable more than one year from date of issue shall be included in account 427, "Funded debt unmatured."

431 Audited accounts and wages payable.

This account shall include the amount of audited vouchers or accounts and audited pay rolls unpaid on the date of the balance sheet; also balances representing unclaimed wages and outstanding pay and time or discharge checks issued in payment of wages and all other unpaid vouchered items.

432 Miscellaneous accounts payable.

This account shall include the net of the balances receivable from or payable to other companies in the accounts representing interline freight, passenger, and baggage revenues, and charges for equipment interchanged on a per diem or a mileage basis, when such balances result in a net credit. When the net of such balances is a debit it shall be included in account 410, "Miscellaneous accounts receivable." This account shall also include unpaid and outstanding drafts drawn by station agents, taxes collected from employees and others for the account of taxing agents, and other items of the nature of demand liabilities not covered by accounts 430, 431, 433, and 434.

NOTE: The amount to be entered in this account in the carrier's annual report to the Commission shall be stated in accordance with the text of this account. For convenience in accounting the carrier may, with respect to accounts representing interline freight, passenger, and baggage revenues, and equipment interchanged, maintain currently separate subaccounts under the following captions:

410 and 432 (*a*) Interline freight, balance.

410 and 432 (*b*) Interline passenger, balance.

410 and 432 (*c*) Interline baggage, balance.

410 and 432 (*d*) Equipment interchanged, balance.

432–1 Accrued accounts payable.

This account shall include estimates of unaudited current items payable (other than the liability for casualties) which are charged to operating revenue, operating expense, or income accounts in accordance with Instruction 01–5 *Unaudited items affecting operating accounts*, and Instruction 03–5 *Unaudited items;* also estimates of other unaudited items payable of a current nature.

NOTE: Estimated liability for injuries to persons and loss and damage claims shall be credited to account 441–1 *Operating reserves.*

433 Matured interest, dividends, and rents unpaid.

This account shall include the amount of matured and unpaid interest on loans and funded debt of the accounting company, on debt of other companies assumed by the accounting company, and on receiver's certificates; the amount of dividends payable on capital stock, but unpaid, uncalled for or unclaimed at the date of the balance sheet; unpaid dividends on the stock and unpaid interest on the funded debt of other companies when such are payable by the accounting company as all or a portion of the rent due under terms of leases or otherwise; and all other rents due and payable for property held under leases.

Items above indicated which mature on the first day following that for which the balance sheet is made shall be included in this account.

434 Matured funded debt unpaid.

This account shall include the amount of funded debt matured and unpaid without specific agreement for extension as to time of payment, including unpresented bonds drawn for redemption through the operation of sinking and redemtion fund agreements.

435 Accrued interest, dividends and rents payable.

This account shall include the amount of interest on loans, funded debt, and receiver's certificates issued or assumed, dividends declared on capital stock, and rents under leases, accrued to the date for which the balance sheet is made but not payable until after the first day following that date. There shall be included also as rents accrued the amount of accrued dividends on the stock and accrued interest on the funded debt of other companies when such dividends and interest are payable by the accounting company as all or a portion of the rent under leases from those companies.

435–1 Taxes accrued.

This account shall be credited with the accruals of all taxes which have been concurrently charged to appropriate income or other accounts for taxes. Such accruals may be based on estimates, provided such estimates shall be adjusted so as to reflect in this account at all times the carrier's estimate of its unpaid liability for each of the several classes of taxes which have not been finally settled.

Vouchers for current payment of taxes, including taxes for which accruals have not been made previously, shall be charged to this account. Taxes paid in advance shall also be charged to this account. The records supporting the entries in this account shall be kept to show separately by classes of taxes the amount of the tax accruals for the current year and adjustments of accruals for prior years.

436 Other current liabilities.

This account shall include items of current liabilities not covered by accounts 430 to 435–1.

437 Liability for provident funds.

This account shall include the ledger balances representing the liability of the accounting carrier for the amount of assets (whether contributed by the carrier, by the employees, or by others) in the possession of the carrier or of trustees or managers acting for it in the administration of employees' pension, savings, relief, hospital, and other association funds.

438 Other deferred liabilities.

This account shall include items of deferred liabilities not covered by account 437, such as retained percentages due contractors, to be paid on completion of contracts; amounts deposited with the accounting company to cover the cost of employees' outfits; deposits may by customers and others under contract when such deposits are returnable; and other similar items.

440 Premium on funded debt.

This account shall include the total of the net credit balances in the discount, expense, and premium accounts for the several subclasses of funded debt. (See Instruction 05–3 *Discount, expense, and premium on funded debt.*)

When an issue of funded debt or any part thereof is cancelled and at the date of cancellation there is a balance of unamortized premium relating thereto, the amount of such balance shall be credited to account 212, "Miscellaneous income", or account 270, "Extraordinary items", as appropriate.

441 Insurance reserves.

This account shall include the net credit balance in the accounts to which are credited insurance premiums concurrently charged to operating expenses to cover self-carried risks on fire, fidelity, boiler, casualty, burglar, and other insurance and to which are charged losses sustained on items protected by such insurance.

441–1 Operating reserves.

This account shall include the balance representing reserves created by charges to operating expenses to provide for the liability for unsettled personal injury, loss and damage, and other claims; and for similar purposes. When the liability is admitted this account shall be charged and the appropriate account credited.

442 Reserve for equalization of maintenance.

This account shall include ledger balances representing reserves created by charges to operating expenses for the equalization of maintenance expenses in accordance with Instruction 01–15 *Equalization of maintenance expenses.* The debit or credit balances in this account shall be closed at the end of each calendar year to the accounts through which they were created.

444 Reserve for amortization of franchises.

To this account shall be credited amounts charged to Operating Expenses or Income in order to provide for the amortization or extinguishment of limited franchises.

NOTE: See Note B of account 545, "Franchises."

446 Other unadjusted credits.

This account shall include the amount of credit balances in suspense accounts that can not be entirely cleared and disposed of until additional information is received, such as amounts realized from the sale of damaged, unclaimed, and over freight and held pending claim; switching charges of other carriers collected and held awaiting bills from such carriers; amounts received from the sale

of mileage tickets, to be disposed of as mileage is honored by the accounting or other carriers; amounts received from sales of excess baggage scrip, to be disposed of as coupons are honored; interchangeable mileage credential ticket redemption funds; credit balances in clearing accounts; estimated accrued depreciation on leased equipment; and other similar items.

448 Unearned surplus.

This account shall include all surplus arising from sources other than those provided under earned surplus. Subaccounts shall be maintained as follows:

448–1 Paid-in surplus.

This subaccount shall include items such as amounts of consent dividends; surplus from donations by stockholders; reduction of par or recorded value of capital stock; forfeitures of subscriptions; gains from the acquisition, retirement, or resale of shares of capital stock; and long-term debt forgiven by stockholders.

It shall be charged with amounts included herein when capitalized by stock dividend or with the approval of the Commission; losses from retirement or resale of shares to an amount not in excess of credit herein applicable thereto; and may be charged with the amortization of discount on capital stock to the extent of credits herein.

448–2 Other unearned surplus.

This subaccount shall include unearned surplus arising from sources other than those enumerated under subaccount 448–1.

449 Earned surplus; appropriated.

This account shall include the total of the net balances of appropriate income and earned surplus for the acquisition of capital assets; the retirement of debt; sinking and redemption funds; and all other appropriations specifically set aside in the hands of trustees; also appropriations held in general funds for which no specific investment or segregation of funds has been made. It shall also include accretions to the assets held in such funds.

A subdivision of this account shall be maintained by classes of appropriations, the titles of which shall indicate the purpose for which the appropriations were made.

450 Earned surplus; unappropriated.

This account shall include the net balance (debit or credit) of amounts included in accounts 301 to 317, inclusive. It shall not include transfers either to or from account 448, "Unearned surplus," except when authorized by the Commission.

451 Unsegregated surplus.

This account shall include the amount at the date this order becomes effective that was carried in former account 451, "Profit and loss—Balance," that has not at the date of the balance sheet been segregated and transferred as appropriate to account 448, "Unearned surplus," or account 450, "Earned surplus—Unappropriated."

ROAD AND EQUIPMENT

06 General instructions.

06–1 Application of road and equipment accounts.

The road and equipment account Nos. 500 to 551, inclusive, contain the rules in accordance with which shall be classified the investment of electric railway companies in property used by them in transportation operations, in operations incident thereto, or in auxiliary operations.

These accounts shall include all expenditures for original road and equipment and for additions and betterments thereto, regardless of the way in which the funds for the construction or acquisition have been provided. Such expenditures shall not be charged to Operating Expenses, Income, Profit and Loss, or to special funds in such manner as to exclude from the property accounts any expenditure for road and equipment or for additions and betterments thereto.

These accounts shall also include the necessary credits to represent the original cost of property or equipment abandoned, destroyed, sold, or otherwise retired from service. Wherever the term original cost is referred to and such cost cannot be ascertained, an estimate of the original cost shall be used.

When the property change involves the acquisition or betterment of road and equipment property (other than land or tracks), the cost of which is less than $500.00, or the retirement of such property, the ledger value of which is less than $500.00, the cost of the property acquired shall be charged and the value of salvage from the property retired credited to operating expenses and no adjustment shall be made of the road and equipment accounts.

The carrier shall not parcel expenditures for acquisitions when made under a general plan for the purpose of bringing the accounting within this rule; neither shall it combine unrelated items for the purpose of excluding the accounting from this rule.

The carrier is permitted to adopt as a limit a less amount, provided it files with the Commission the amount it proposes to use and makes no subsequent change in the amount, except by authority of the Commission.

06–3 Basis of charges.

The charges to the road and equipment accounts of expenditures for the acquisition of property and for improvements shall be based upon the actual cost of the property and the improvements, except as otherwise provided in accounts 401–1 and 401–2. When the consideration given for the purchase of property or for the improvement of property is anything other than money, the money value of the consideration at the time of the transaction shall be charged to these accounts and the actual consideration shall be described in the record with sufficient particularity to identify it.

The charges for material and supplies shall be recorded at their net cost, including charges paid foreign lines. Such costs shall not include the expenses of transportation over the carrier's line. The cost of tools purchased for exclusive use in connection with construction work shall be included in the accounts to which the cost of the work is charged.

06–4 Property retired.

When property other than land or equipment is retired from service, the appropriate road and equipment accounts shall be credited with the amount (estimated if not of record) at which such property stands charged therein at the time of retirement. The amount of this credit shall be charged concurrently as follows:

(a) *For depreciable property.* The service value (ledger value less value of salvage) shall be charged and insurance recovered, if any, credited to account 401–3, "Reserve for depreciation—Road and equipment." The charge for salvage shall be in accordance with the disposition of the material recovered. The cost of dismantling the retired property, if borne by the carrier, shall be charged to the appropriate account provided for dismantling property.

NOTE: When nondepreciable property, included in a depreciable account, is retired, the service value shall be accounted for as provided for nondepreciable property retired.

(b) *For nondepreciable property.* If the property retired is replaced, the service value (ledger value less value of salvage) shall be charge to the accounts in operating expenses appropriate for repairs to such property. If the property retired is not replaced, the service value shall be charged to account 28–2, "Retirements—Way and structures," and the salvage recovered and the cost of dismantling the property shall be accounted for in the manner provided for depreciable property.

06–6 Adjustments for converted property.

When a building, structure, or other unit of property is converted so as to require the transfer of its book cost from one account to another, it shall be accounted for as retired.

The accounting for such retirement shall be on a basis consistent with the accounting which would be proper if the carrier made no further use of the property. The salvage value to be used in determining the service value shall be its ledger value less an allowance to reflect consumed, expired, or lost usefulness, but in no case less than the estimated value of the scrap and reusable parts which could be recovered if the unit was dismantled.

The charge to be made for the property after conversion shall be the estimated value of the salvage used in accounting for the retirement, less any salvage recovered and not retained or used in the unit as converted, plus all expenditures for labor and material necessary to construct the rebuilt unit for future use, but not to exceed the cost (at current prices

of labor and material) of a new unit of equal capacity and life expectancy, less a suitable allowance for second-hand parts retained therein.

06–7 Land sold or reclassed.

If any land the cost of which has been included in these accounts is sold, the appropriate account shall be credited with the amount at which such property stands charged therein at the time of the disposal, and the difference between the amount thus credited and the amount received from the sale or disposal of the property shall be included in account 212, "Miscellaneous income", account 225, "Miscellaneous debits", or account 270, "Extraordinary items", pursuant to instruction 01–6, as appropriate.

When the use of land in transportation service or in operations incident thereto is discontinued and the land is retained in possession by the carrier, the appropriate account shall be credited with the amount at which such land stands charged therein and concurrently this amount shall be charged to balance sheet account 404, "Miscellaneous physical property."

06–8 Equipment retired.

The instructions for accounting for equipment retired are contained under the general account Equipment.

06–9 Equipment costs paid in installments.

When any equipment is acquired under a so-called trust agreement or any agreewhich provides that the cost shall be paid in installments, the cost (its cash value at time of purchase) shall be charged to the appropriate accounts at the time of its acquisition in the same manner as the cost of equipment purchased outright. The discount or premium, if any, on securities issued in payment or in part payment for such equipment shall be debited or credited to the proper discount or premium accounts in accordance with Instruction 05–3 *Discount, expenses, and premium on funded debt.*

06–10 Salvage from equipment, tools, etc.

When the cost of any work equipment, machinery, tools, or material and supplies obtained for use in construction work has been charged to road and equipment accounts and the entire value thereof has not been consumed in the work, the residual value of such work equipment, machinery, tools, or material and supplies shall be credited upon the completion of the work to the accounts to which originally charged, and concurrently charged to the material and supply account or other appropriate account. When such equipment, machinery, etc., is held awaiting disposition without being dismantled or torn down, the estimated residual value thereof shall be included in account 415, "Other deferred assets," until the unit is reused, dismantled, or sold.

06–11 Incidental services of employees.

No charge shall be made against road and equipment accounts for the salaries of officers and employees who perform incidental services in connection with construction or addition and betterment work, although traveling and incidental expenses incurred by officers and employees on account of such work may be included in the account to which the cost of the work is chargeable. When officers or employees give all or a substantial proportion of their time to construction or to addition or betterment work, the whole or an equitable proportion of their salaries and their traveling and incidental expenses in connection with such work shall be included in the cost of the work.

06–12 Operating property purchased.

When property to be used in transportation service is purchased, such property shall be charged to account 401, "Road and equipment," at the price paid therefor, except that where the price paid exceeds $25,000.00 but is less than the original cost, the carrier may record the original cost as set up in the accounts of the vendor, and charge such amount to account 401 and credit the excess of original cost over the price paid to account 401–3, "Reserve for depreciation—Road and equipment," if depreciable property, or to account 401–4, "Reserve for retirements—Nondepreciable property."

If the price paid exceeds $25,000.00 but is less than the original cost, and the carrier elects to classify the property on the basis of the price paid, it shall, after completing the necessary studies, distribute the price paid to the primary road and equipment accounts on an equitable basis supported by such studies.

If the price paid exceeds $25,000.00 and also exceeds the original cost, the charges to account 401 and the primary road and equipment accounts shall in no case exceed the original cost to the vendor. In such cases the difference between the sum of the amounts included in the primary road and equipment accounts and the price paid the vendor shall be included in account 401–1, "Acquisition adjustment."

If the price paid the vendor does not exceed $25,000.00, the property acquired shall be charged to account 401 and the appropriate primary road and equipment accounts at the price paid for the property.

NOTE: Journal entries recording the purchase of road and equipment property at a cost in excess of $25,000.00 shall be presented to the Commission for approval.

06–13 Reclassification.

The balances carried in the primary accounts that are canceled by this order shall be transferred and distributed to the appropriate primary account as herein provided.

ROAD AND EQUIPMENT ACCOUNTS

500 General accounts.

The general road and equipment accounts represent groupings of related primary accounts.

500–1 Way and structures.

The general account for investment in way and structures embrace the following primary accounts:

501 Engineering.

This account shall include expenditures for services and expenses of engineers, draftsmen, and superintendents employed on preliminary and construction work, or in making additions or betterments to the accounting carrier's road; also expenses incident to engineering and superintendence not assignable to other accounts.

ITEMS OF EXPENSE AND SUPPLIES

Atlases and maps.
Axes.
Barometers.
Books for office use.
Boxes.
Cameras.
Camp equipage.
Chains for surveyors.
Compasses.
Curves.
Drawing boards.
Drawing instruments
Field glasses.
Field notebooks.
Furniture repairs and renewals.
Hatchets.
Heating and lighting.
Levels.
Magnets.
Magnifiers.
Marking chalk.
Official train service
Oil stoves.
Paper, blueprint.
Parallel rulers.
Photographic supplies.
Plane tables.
Planimeters.
Plummets.
Protractors.
Ranging poles.
Reading glasses.
Repairs, rented offices.
Rods.
Scales.
Section liners.
Sextants.
Slide rules.
Stakes.
Straight edges.
Tally registers.
Tape lines.
Tee squares.
Telegraph service.
Telephone service.
Telescopes.
Thermometers.
Thumb tacks.
Tracing linen.
Transits.
Traveling expenses.
Traverse tables.
Triangles.
Tripods.
Verniers.
Water and ice.

NOTE A: When employees designated above are engaged in work not chargeable to construction, their pay and expenses shall be charged to the specific work on which engaged. When any of the expenses above designated can be charged directly to the account for which incurred, they shall be so charged.

NOTE B: Expenditures for tentative or preliminary surveys and tests shall be carried in a suspense account until it is determined whether or not to continue the work. If the project is continued, expenditures for all surveys in connection therewith shall then be transferred to this account, and, if abandoned, to appropriate income accounts.

502 Right of way.

This account shall include the cost of land acquired for roadway; expenses of appraisals, or juries, commissioners, or arbitrators in condemnation cases; cost of removal of buildings (if upon right of way, and not included in property purchased); commissions paid outside parties for purchase of properties for these purposes; cost of plats, abstracts, notarial fees, recording deeds, etc.; payment for abutting damages and legal services in suits connected therewith; assessments levied by public authorities or amounts payable for the construction or the improvement of roads, streets, sidewalks, curbs, gutters, sewers, ditches, etc., (except paving). To this account shall also

be charged the cost of moving other companies' poles for proper clearance.

To this account shall be credited proceeds from the sale of timber or other property purchased with right of way.

The estimated value of property not required in connection with the operation of the road after completion thereof, but acquired and charged to this account in connection with land needed for right of way, shall, upon completion of the road, be credited to this account and charged to account 503, "Other land used in electric railway operations," or to account 404, "Miscellaneous physical property," as may be appropriate. If such property is sold upon or prior to the completion of the road, the proceeds of sale thereof shall be credited to this account.

503 Other land used in electric railway operations.

This account shall include the cost of land acquired for use directly in connection with the operation of the road but not acquired for roadway, including all expenses incurred in connection with such acquisition.

504 Grading.

This account shall include the cost of clearing and grading roadway, whether by excavations or embankments; ditching roadway and making ditches for waterways; also cost of retaining walls and other masonry or riprap for the protection of embankments, cuts, and slopes.

This account shall include such items as the cost of steam shovels and tools used in grading, less credit for inventory or selling value upon completion of grading.

When a bridge or trestle or portion thereof is filled, the cost of filling and the estimated cost of a temporary trestle, provided it would otherwise have been required for the purpose, shall be charged to this account.

ITEMS OF ROADBED AND EXPENSE

Advertising for bids.	Grubbing.
Berm ditches.	Material from borrow pits.
Blasting.	Operating steam shovels.
Breakwaters.	Privilege wasting surplus material.
Bulkheading.	Payments for waste banks.
Clearing land.	Retaining walls.
Cribbing.	Revetments.
Ditches (not under right of way agreements).	Riprap.
Dressing slopes.	Spoil banks.
Excavations converting tunnels into cuts.	Temporary trestles for fills.
Filling bridges, trestles, and culverts.	Tools for grading.
Grading outfits.	Wing dams.

505 Ballast.

This account shall include the cost of ballast, whether of broken stone, slag, gravel, concrete, or other material; cost of transportation and handling (except final distribution); also the cost of ballast applied in excess of that required to restore the ballast to its original height and width; and the excess cost of improved ballast used in renewals over the original cost of the ballast removed.

NOTE A: If ballast produced is chargeable partly to construction and partly to maintenance, a clearing account may be opened in order to determine the unit of cost which is to be used in arriving at the amounts chargeable to construction and maintenance.

NOTE B: The cost of labor expended in spreading and putting ballast under track not previously ballasted shall be charged to account 510, "Track and roadway labor."

506 Ties.

This account shall include the cost of cross, switch, bridge, and other track ties used in the construction of tracks, and the cost of additional ties subsequently laid in such tracks; cost of transportation and handling (except final distribution); the pay and expenses of employees engaged in obtaining purchasing, treating, framing, and inspecting ties for construction purposes; also the excess cost of improved ties over the original cost of ties removed and replaced.

NOTE: The cost of labor for unloading, distributing, and placing ties in tracks shall be charged to account 510, "Track and roadway labor."

507 Rails, rail fastenings, and joints.

This account shall include the cost of rails (including guard rails), rail fastenings, and joints used in construction of tracks; the cost of transportation, inspection, and handling (except final distribution); and the excess cost of heavier or improved type or quality of rails, rail fastenings, and joints over the original cost of rails, rail fastenings, and joints removed and replaced.

NOTE A: Guard rails used in connection with special work shall be charged to account 508, "Special work."

NOTE B: The cost of labor for unloading, distributing, and placing rails, rail fastenings, and joints, in track shall be charged to account 510, "Track and roadway labor."

508 Special work.

This account shall include the cost of special work, including steam and street railroad crossings, cross-overs, curves, frogs, runoffs, switches, switch mates, and turnouts; guard rails used in connection with special work; also the excess cost of heavier or improved type of special work over the original cost of such work removed and replaced. To this account shall also be charged the cost of transportation, inspection, and handling (except final distribution).

The terms cross-overs, curves, and turn-outs cover only those portions of track which are made to order.

NOTE A: This account is not intended to cover the cost of ties, rails, rail fastenings, and joints. These items shall be charged to accounts provided for each expenditure. Plain curves shall be treated as rails.

NOTE B: The cost of labor for unloading, distributing, and placing special work in track shall be charged to account 510, "Track and roadway labor."

509 Underground construction.

This account is to be used only by railways operated by underground electric contact system, or by those operated by cable traction.

This account shall include the cost of underground construction, including cost of excavating for underground construction, and cost of yokes, concrete work, manhole frames and covers, slot rails, drain pipes, pulleys, sheaves, and other fixtures and appurtenances peculiar to underground electric or cable construction. To this account shall be charged also the cost of transportation, inspection, and handling (except final distribution).

NOTE A: The cost of track rails, track rail fastenings and joints, electric contact rails and insulators, and cables of cable railways, shall not be charged to this account.

NOTE B: The cost of labor unloading, distributing, and placing the materials described above shall be charged to account 510, "Track and roadway labor."

510 Track and roadway labor.

This account shall include the cost of labor expended in distributing, laying, and adjusting ties, rails, ballast, frogs, switches, special work, and other track material and appurtenances used in the construction of tracks. The cost of laying and surfacing tracks through tunnels and on bridges and trestles shall be included in this account.

NOTE A: The cost of distributing and adjusting ties, rails, ballast, frogs, switches, and other track material for replacements shall be charged to Operating Expenses.

NOTE B: The cost of transporting ballast and unloading at delivery point shall be charged to account 505, "Ballast."

511 Paving.

This account shall include the cost of labor and material (including macadam) for paving about tracks and special work, and for crosswalks incident to track construction. This account shall also include assessments levied by public authorities or amounts payable under franchise requirements for new or improved paving. The cost of replacing paving taken up on account of construction shall also be charged to this account.

512 Roadway machinery.

This account shall include both the cost of the initial outfit of roadway machinery and tools provided for the maintenance of roadway and structures at the time the road is opened for commercial traffic and the cost of additional roadway machinery and tools acquired subsequently.

LIST OF ROADWAY MACHINERY AND TOOLS

Adzes.	Chisels.
Anvils.	Concrete mixers.
Augers.	Dippers.
Axes.	Ditching machines.
Ballast forks.	Dredging machines.
Bars, claw.	Drills.
Bars, crow.	Flags.
Bars, lining.	Furnaces.
Bars, pinch.	Grading outfits.
Bars, raising.	Grind stones.
Bars, tamping.	Hammers.
Boilers.	Hatchets.
Braces and bits.	Hoes.
Brooms.	Jacks.
Brush hooks.	Kegs.
Cable stretchers.	Ladders.
Cans.	Lanterns.
Cant hooks.	Levels.
Cars, hand and push.	Lubricators, guard rail.
Cars, motor.	Oil stones.
Cars, crane.	

Padlocks.	Spades.
Pails.	Spike mauls.
Paint brushes.	Spike pullers.
Picks.	Steam rollers.
Pile drivers.	Squares.
Post-hole diggers.	Tape lines.
Plows.	Thermometers.
Punches.	Tongs.
Rail benders.	Tool boxes.
Rail tongs.	Track gauges.
Rail unloaders.	Track levels.
Rakes.	Velocipedes.
Rope.	Vises.
Rock crushers.	Wheelbarrows.
Saws.	Whetstones.
Shovels.	Woodmallets.
Sledges.	Wrenches.

NOTE A: When an important addition and betterment projects or the construction of a new line necessitates the purchase of roadway machinery and tools to be used exclusively thereon, the cost shall be included in the accounts to which the cost of the work is charged. The amount realized from any subsequent sale, or the appraised value of the machinery and tools retained after the completion of the work for which they were purchased, is to be credited to the accounts charged with the cost thereof. The appraised value of such machinery and tools shall be debited to this account and thereafter considered as the cost of such property.

NOTE B: The cost of hand and other small portable roadway machinery and tools, of which no specific record is kept, shall be charged, when they are acquired, to an appropriate material and supplies account from which they shall be charged, as issued, to the appropriate road and equipment, operating expense, or other accounts.

NOTE C: The cost of machinery and tools for the equipment of shops shall be included in account 536, "Shop equipment," as provided therein.

513 Tunnels and subways.

This account shall include the cost of labor and material used in the construction of tunnels and subways, the cost of apparatus for ventilating and lighting, and the cost of safety devices (except guard rails and signals) in tunnels and subways.

NOTE: The cost of undergrade crossings shall be charged to account 516, "Crossings, fences, and signs."

514 Elevated structures and foundations.

This account is intended to be used only by companies operating an elevated railway system. It shall include the cost of labor and material used in the construction of elevated structures and foundations.

NOTE A: Ties and rails used on elevated structures shall be charged to accounts 506, "Ties," and 507, "Rails, rail fastenings, and joints."

NOTE B: The cost of station and other structures built on elevated lines shall not be included in this account, but in the accounts appropriate for such structures.

515 Bridges, trestles, and culverts.

This account shall include the cost of labor and material used in the construction of bridges and trestles erected to carry tracks over streams, ravines, marshes, streets, or other railways, and culverts, both substructure and superstructure. It shall include cost of abutments, piers, supports, draw and pier protection; wing dams and cribs for regulating the current of a stream; ice breakers for breaking up jams; machinery to operate drawbridges; guards, masonry ends, and wing walls for culverts; pipe culverts for drainage systems; cost of inspection and transportation of material; cost of tests; and cost of labor and material used in painting structures.

DETAILS OF BRIDGE STRUCTURES

Abutments.	Guard timbers.
Bridge signs.	Ice breakers.
Cofferdams.	Painting, first.
Concrete culverts.	Pier protection.
Cribs.	Piers and foundations.
Decking, including gravel for fire protection.	Pipe culverts.
Dike protection.	Retaining walls.
Drainage system.	Riprap.
Draw protection.	Supports.
Drawbridge engines and machinery.	Water channels.
False work.	Waterproofing.
	Wing dams.
	Wing walls.

NOTE A: The cost of structures necessary for carrying the carrier's tracks over other tracks, or over a stream, highway, or canal, shall be included in this account. The cost of structures necessary for carrying other tracks, canals, highways, etc., over the carrier's tracks shall be charged to account 516, "Crossings, fences, and signs."

NOTE B: Ties and rails used on bridges, trestles, and culverts shall be charged to accounts 506, "Ties," and 507, "Rails, rail fastenings, and joints."

NOTE C: When a part or the entire structure of a bridge or trestle is converted, by filling, into an earth embarkment, the ledger value of the structure, or of the portion thereof filled, shall be credited to this account. In case the bridge or trestle is used in lieu of a temporary trestle for the purpose of filling, the estimated cost of such temporary trestle shall be charged to account 504, "Grading."

516 Crossings, fences, and signs.

This account shall include the cost of labor and material used in constructing streets, road, and farm crossings at grade; overhead bridges and viaducts for use of others; roadways of undergrade footways, wagon roads, or cattle crossings; crossing gates, cabins, and towers containing apparatus for operating gates; warning signals; planking at crossings, and drainage for undergrade crossings; payments and assessments for street repairs during construction period or for sewers at crossings; right of way fences, snow and sand fences, cattle guards, wing fences, aprons, and hedges; and mile, section, warning, and other roadway signs.

NOTE: The cost of structures carrying other tracks, canals, highways, etc., over a carrier's tracks shall be included in this account. A structure carrying the carrier's tracks over other tracks, or over a stream, highway, or canal, shall be considered a bridge, trestle, or culvert and its cost shall be included in account 515, "Bridges, trestles, and culverts."

517 Signals and interlockers.

This account shall include the cost of labor and material used in constructing signals and interlocking apparatus, including towers and other buildings incident thereto.

ITEMS

Air compressors.	Levers.
Air pipe lines.	Power apparatus.
Automatic train control devices (not on equipment).	Power distribution lines.
Batteries.	Rail bonds.
Boilers.	Relays.
Call-bell systems.	Semaphores.
Car - retarder systems.	Signal bridges.
Centralized traffic controls.	Signal buildings.
Conduits.	Signal cables.
Crossing signals.	Signal lamps and fittings.
Dynamos.	Signal machinery.
Engines, stationary.	Signal poles and fittings.
Impedance bonds.	Special appliances.
Interlocker buildings.	Station signals.
Interlocker mechanism.	Train-order signals.
	Wiring.

518 Communication systems.

This account shall include the cost of labor and material used in constructing telephone and telegraph lines, including cost of conduits, poles, cables, wires, booths, and instruments; cost of all tools used for construction; and cost of transportation of men and material for this work.

LIST OF TERMINAL EQUIPMENT

Batteries.	Engines, stationary.
Cables and wire, interior.	Fuses and mechanical protectors.
Conduits, interior.	Rectifiers.
Connecting wires.	Rheostats.
Current-controlling instruments.	Sending and receiving instruments.
Electric generators and motors.	Switchboards.
Electric meters.	Testing outfits.
	Transformers.

LIST OF OUTSIDE PLANT

Antenna and supporting structures.	Guy wires.
Aerial attachments.	Insulators.
Braces.	Laboratory equipment.
Brackets.	Mobile auxiliaries.
Cable boxes and fittings.	Poles.
Cables and wire, aerial.	Submarine cables and connections.
Conduits and fittings.	Telephone pole boxes.
Crossarms.	Towers.
Guy stubs.	Underground cables and fittings.

NOTE: The cost of poles and conduits primarily used for other purposes shall be included in the account appropriate, according to their predominant use.

521 Distribution system.

This account shall include the cost of labor and material used in constructing the distribution system, including overhead and underground feeders for transmitting low-tension power from power stations and substations, with insulators and connections; track bonding, including track bonds and cost of punching and drilling rails for same; overhead trolley lines, including cost of trolley, guard, span, strain, supplementary, and other wires, and all catenary construction used in connection with the overhead trolley system; cost of third rail, braces and supports for same, insulating devices, materials used for covering and protecting same, and all fixtures and appliances connected with third-rail con-

ductors; cost of underground contact rails, and appliances used in underground contact system, including braces, supports, and insulating devices; also the cost of conduits and poles, crossarms, insulator pins, brackets, other pole fixtures, and of other structures for distribution systems.

DISTRIBUTION SYSTEM ITEMS

Cables.
Cut-outs.
Feed wires.
Insulators and connections.
Overhead trolley wires.
Rail-bond plugs.
Rail bonds.
Span wires.
Switchboards.
Third rail.
Third-rail protection.
Third-rail supports.
Trackless trolleys.
Transformers.
Underground power tubes.

POLE-LINE AND CONDUIT ITEMS

Braces.
Brackets.
Conduits.
Crossarms.
Cutting and trimming trees.
Guy stubs and wires.
Insulator pins.
Manholes.
Poles.
Sewer traps.
Stenciling letters or numbers.
Towers.

NOTE: When the electric current generated or received is changed by means of rotary converters, motor generator sets, or static transformers, that portion of the line or outside conductor system carrying current of other than the operating kind or voltage shall be classed as transmission system. When the electric current is generated or received and used substantially unchanged in voltage and kind, the line or outside conductor system, including feeders, trolley wire, booster circuits, and supplementary return, if any, shall be classed wholly as distribution system. Tie lines between generating stations and substations shall follow the same rule as other lines.

522 General office buildings.

This account shall include the cost of buildings devoted to general office purposes and their permanent fixtures; architects' fees; and expense of grading, improving, and fencing grounds.

DETAILS

Breakwaters.
Coal bins.
Drainage and sewerage.
Electric wiring.
Elevators and machinery.
Fences.
Heating plants.
Hedges.
Lighting plants.
Pavements.
Power systems, interior.
Sidewalks.
Stairways.
Subways.
Telephone, interior.
Telegraph, interior.
Telpher systems.
Water supply.

523 Shops, carhouses, and garages.

This account shall include the cost of labor and material used in erecting buildings to be used as shops, car sheds, carhouses, oil houses, sand houses, and storehouses, including foundations, except those special to particular machines and apparatus, pits, transfer tables, turntables, and built-in scales; heating and lighting apparatus; water, gas, and sewer pipes and connections; architects' fees; preparing grounds before and clearing grounds after construction; painting; and transportation and incidental expenditures.

DETAILS

Ash pits and plants.
Bins.
Blacksmith shops.
Car sheds and shops.
Carpenter shops.
Drop pits.
Foundries.
Heating plants.
Laboratories.
Lighting.
Lumber sheds.
Machine shops.
Oil houses.
Paint shops.
Pipe lines.
Planing mills.
Scales (built-in).
Sidewalks.
Storehouses.
Tanks.
Tin shops.
Tool houses.
Transfer tables.
Turntables.
Upholstering shops.
Warehouses.
Wash rooms.
Watch houses.

NOTE: The cost of foundations special to particular machines or apparatus shall be included in the accounts to which the cost of such machines or apparatus is chargeable.

524 Stations, miscellaneous buildings, and structures.

This account shall include the cost of labor and material used on stations, waiting rooms, and other buildings not provided for elsewhere in the road and equipment accounts, including excavation, foundation, and drainage; water, gas, and sewer pipes and connections; grading, improving, and fencing grounds; heating and lighting apparatus and fixtures, and all other material and fixtures used to complete the buildings; and cost of track scales and cattle chutes.

STATION DETAILS

Baggage rooms.
Breakwaters.
Buildings.
Bins.
Coal machinery.
Drainage and sewerage.
Dwellings.
Eating houses.
Electric wiring.
Elevators and machinery.
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Telpher systems.
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Transfer houses.
Waiting rooms.
Warehouses.
Water supply systems.
Yard buildings.

525 Wharves and docks.

This account shall include the cost of wharves, docks, drydocks, slips, float bridges, and other landings for vessels, including necessary dredging and the cost of float-bridge or ferry-bridge machinery and other appurtenances on docks and wharves; also piling, pile protection, cribs, cofferdams, walls, and other necessary devices and apparatus for the operation or protection of wharves and docks.

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Bulkheads.
Caissons.
Cribwork.
Drydocks.
Ferry-bridge machinery.
Ferry bridges.
Ferry racks.
Ferry slips.
Jetties.
Jetty inclines.
Transfer-bridge machinery.
Transfer bridges.

NOTE A: The cost of restoring the condition of wharves and of the land upon which they are situated after betterment work shall be charged to Operating Expenses.

NOTE B: The cost of land on which additional wharves are built and cost of riparian or water rights for wharves and docks shall be charged to account 503, "Other land used in electric railway operations."

526 Park and resort property.

This account shall include the cost of amusement parks or resorts.

NOTE: The cost of land used for such purposes shall be charged to account 503, "Other land used in electric railway operations."

528 Reconstruction of road property acquired.

When road property acquired is in such physical condition that it is necessary to substantially rebuild the property in order to bring it up to the standard required for operation, expenditures for such reconstruction, less retirements in connection therewith, shall be temporarily included in this account.

When the reconstruction is completed, the carrier shall present a statement of the net cost to the Commission for approval, and request authority to clear the amount by charges to the appropriate primary road accounts.

NOTE A: A comprehensive statement of the estimated amount necessary to reconstruct a road in accordance with the above provision shall be made to the Commission as soon as the estimate is made.

NOTE B: When the work of reconstruction of road purchased is completed the cost thereof shall be credited to this account and charged to other primary accounts appropriate for the expenditures made.

529-1 Steam railway road property.

This account may include the cost of steam railway operating property, other than equipment, owned and used by the carrier in conducting its steam railway operations. If the carrier elects to make the segregation, its records shall be kept in such manner as to reflect by subprimary accounts the primary accounts prescribed for such property by the Commission in its system of accounts for steam roads.

529-2 Water line terminal property.

This account may include the cost of water line property, other than equipment, owned and used by the carrier in conducting its water line operations. If the carrier elects to make the segregation, its records shall be kept in such manner as to reflect by subprimary accounts the primary accounts prescribed for such property by the Commission in its system of accounts for carriers by water.

529-3 Motor carrier property.

This account may include the cost of motor carrier operating property, other than equipment, owned and used by the carrier in conducting its motor carrier operations. If the carrier elects to make the segregation, its records shall be kept in such manner as to reflect by subprimary accounts the primary accounts prescribed for such property by the Commission in its systems of accounts for

motor carriers of property and for motor carriers of passengers.

500–2 Equipment.

To the appropriate accounts under this general account shall be charged the cost of all equipment not includible under general account Power, such as locomotives; passenger, baggage, express, freight, mail, work, and nonrevenue cars; floating and other equipment; the necessary appurtenances and fixtures first to equip for service; the cost of inspection, setting up, and trying out; the cost of transportation over foreign lines; and cost of additional devices, appliances, and apparatus applied to equipment, such as electric headlights, power brakes, vestibules, heating and lighting apparatus, and the like; also the excess cost of improved appliances and parts over the original cost of such appliances and parts removed. The cost of removing the old appliances and applying the new appliances shall be charged to Operating Expenses.

The ledger value of equipment retired shall be credited to the appropriate primary account at the time it is retired from service. The amount of this credit shall be charged concurrently as follows:

The service value (ledger value less value of salvage) less any insurance recovered shall be charged to account 401–3, "Reserve for depreciation—Road and equipment." The charge for the salvage shall be in accordance with the disposition of the material recovered. The cost of dismantling the retired equipment, if borne by the carrier, shall be charged to the appropriate account for dismantling equipment.

When equipment is converted, the accounting shall be as provided in instruction 06–6 *Adjustments for converted property.*

When secondhand equipment is acquired in such physical condition that it is necessary to make extensive repairs to bring it up to the standard maintained by the carrier, the cost of such repairs shall be included in the accounts appropriate for recording the cost of the equipment. A statement of the amount necessary to recondition the equipment shall be presented to the Commission as soon as the figures are available.

When equipment is rebuilt so as to modernize it and create an expectation of life fairly comparable with new units of similar type and capacity, the equipment shall be accounted for as retired from service and its cost after rebuilding shall be charged to the appropriate primary accounts. The cost of the rebuilt equipment shall be the sum of:

(a) Cost of new material applied.

(b) Current market price new of secondhand parts applied or remaining therein, less allowance for secondhand condition.

(c) Cost of labor constructing the rebuilt units: *Provided,* Such cost shall not exceed the cost (at current market prices of labor and material) of a new unit of equal capacity and life expectancy, less a suitable allowance for secondhand parts included therein.

530 Passenger cars.

This account shall include the cost of passenger, baggage, sleeping, dining, parlor, chair, and combination passenger-service cars from the operation of which revenue is derived.

The term car includes body and trucks, and all fixtures and appliances inside of or attached to the car body or trucks, except the electric motive equipment of the car. The term combination car includes all cars that are used in part for carrying passengers.

NOTE: For list of cars and appurtenances, see account 30, "Passenger and combination cars."

531 Freight, express, and mail cars.

This account shall include the cost of freight, express, and mail cars from the operation of which revenue is derived.

The term car includes body and trucks and all fixtures and appliances inside of or attached to the car body or trucks, except the electric motive equipment of the car.

NOTE: For list of cars and appurtenances, see account 31, "Freight, express, and mail cars."

532 Service equipment.

This account shall include the cost of water cars, sprinkler cars, sand cars, salt cars, supply cars, and maintenance of way and line cars; snow plows, sweepers, scrapers, and miscellaneous snow-handling equipment; and pile drivers, rail grinders, cranes, welding and bonding apparatus, and similar equipment, where permanently mounted on cars.

NOTE: For list of cars and appurtenances, see account 32, "Service equipment."

533 Electric equipment of cars.

This account shall include the cost of electric motive equipment and wiring of cars, whether revenue or work cars, including cost of labor, material, tools, freight, hauling of material, and other expense incident to this work.

By electric equipment of cars is meant the electric motive equipment and the wiring for such equipment.

534 Locomotives.

This account shall include the cost of locomotives, including appurtenances, fixtures, and electric equipment necessary to fit them for service, and cost of labor, material, tools, freight, hauling of material, and other expense incident thereto.

To this account shall be charged the cost of steam or other locomotives and tenders, including all appurtenances and fixtures necessary to equip them for service.

535 Floating equipment.

This account shall include the cost of marine or floating equipment of all kinds, including appurtenances, furniture, and fixtures necessary to equip them for service and cost of inspection and transportation.

536 Shop equipment.

This account shall include the cost of machinery and other apparatus in shops and carhouses, including specially provided foundations and settings. It includes the cost of stationary engines, boilers, motors, shafting, belting, cranes, forges, scales, conduits, fixtures, other machinery, and tools to first equip a shop.

NOTE: For list of shop equipment, see account 36, "Shop equipment."

537 Furniture.

This account shall include the cost of movable furniture and fittings for general offices, shops, power plant and substation buildings, stations, waiting rooms, etc., such as desks, tables, chairs, carpets, cases, movable partitions, railings, and shelves; typewriters, addressing machines, adding machines, and other office devices; stoves, portable gas and electric fixtures, and other office fittings (except fixtures considered a part of the building).

538 Automotive and miscellaneous equipment.

This account shall include the cost of automobiles, trucks, tractors, and other highway vehicles.

538–1 Steam railway equipment.

This account may include the cost of steam railway equipment owned and used by the carrier in conducting its operations. The carrier's records shall be kept in such manner as to reflect by subprimary accounts the primary accounts prescribed for such equipment by the Commission in its system of accounts for steam roads, if it elects to make the segregation.

538–2 Water line equipment.

This account may include the cost of marine or floating equipment owned and used by the carrier in conducting its water line operations. The carrier's records shall be kept in such manner as to reflect by subprimary accounts the primary accounts prescribed for such equipment by the Commission in its system of accounts for carriers by water, if it elects to make the segregation.

538–3 Motor carrier equipment.

This account may include the cost of motor carrier equipment owned and used by the carrier in conducting its motor carrier operations. The carrier's records shall be kept in such manner as to reflect by subprimary accounts the primary accounts prescribed for such equipment by the Commission in its systems of accounts for motor carriers of property and for motor carriers of passengers if it elects to make the segregation.

500–3 Power.

The general account for investment in power plants, power plant equipment, and transmission systems embrace the following primary accounts:

539 Power plants.

This account shall include the cost of power plant and substation buildings (housing equipment provided for in account 542, "Power plant equipment"); all foundations, other than those special to particular machines and apparatus; also dams, canals, pipe lines, and acces-

sories devoted to the utilization of water for power. Gas and sewer pipes and connections, fixtures (including wiring) for lighting and heating and miscellaneous fixtures, shall be considered part of the power plant buildings.

When a lighting business is conducted in connection with electric railway operations, and the use of the power plant for the lighting business greatly predominates, the entire cost of the power plant shall be included in account 404, "Miscellaneous physical property."

POWER PLANT STRUCTURES

Buildings.	Pavements.
Coal pockets and trestles.	Platforms.
Coal bunkers.	Protection against fire.
Fences.	Smoke stacks, chimneys, etc.
Foundations (not special to machines).	Tanks.
Heating and lighting plant buildings.	Water, sewer, gas, and drainage pipes
	Wells.

DAMS, CANALS, AND PIPE LINES

Aqueducts.	Penstocks.
Bridges.	Reservoirs.
Fences.	Roadways.
Forebays.	Sluices.
Gates.	Valves.
Grids.	Water rights.
Inlet valves.	

542 Power plant equipment.

This account shall include the cost of labor and material used in equipping power plants and substations for generating power; including cost of engines, boilers, pumps, condensers, and equipment for generating steam power; dynamos, generators, wiring and appliances, and other equipment for generating electric current; special foundations and settings; traveling cranes and switchboards with their fixtures and appliances. The cost of cables and of machinery for the propulsion of cables used in the operation of cable or incline railways shall be charged to this account. When a lighting business is conducted in connection with the electric railway operations, and the use of the power plant for the lighting business greatly predominates, the entire cost of the equipment for generation of power for lighting shall be included in account 404, "Miscellaneous physical property."

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Belting.	Piping.
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Boosters.	Rheostats.
Cables, interior.	Rotary convertors.
Circuit breakers.	Sewer appliances.
Clutches.	Shafting.
Coal machinery.	Special foundations.
Condensers.	Stationary engines.
Conductors.	Steam systems.
Cranes.	Switchboards.
Cut-outs.	Switches.
Draft machinery.	Tanks.
Dynamos.	Transformers.
Engine-room tools.	Turbines.
Feed water heaters.	Voltmeters.
Furnaces.	Water meters.
Generators.	Water wheels.
	Well pumps.
	Wiring.

NOTE: The cost of foundations other than those special to particular machines and other apparatus shall be included in the cost of the building, and not in this account.

544 Transmission system.

This account shall include the cost of labor and material used in constructing transmission system, including cost of poles, fixtures, and conduits used primarily for carrying transmission lines; cables, wires, insulators, and insulating material; cost of cutting and trimming trees for transmission line; and cost of constructing roads or footways for patrolling such lines.

NOTE: When the electric current generated or received is changed by means of rotary converters, motor generator sets, or static transformers, that portion of the line or outside conductor system carrying current of other than the operating kind or voltage shall be classed as transmission system. When the electric current is generated or received and used substantially unchanged in voltage and kind, the line or outside conductor system, including feeders, trolley wire, booster circuits, and supplementary return, if any, shall be classed wholly as distribution system. Tie lines between generating stations and substations shall follow the same rule as other lines.

500–4 General.

The primary accounts in this general account are provided to include payments to a State or political subdivision thereof for franchise rights; expenditures incident to organizing the corporation; and expenditures in connection with construction work in progress until completed and placed in service.

All other expenditures of a general or miscellaneous character previously assignable to primary accounts 546 to 550, hereafter shall be distributed equitably, and recorded under separate subheadings in the appropriate primary road and equipment accounts to which the expenditures relate. Such items are:

(a) Specific and distinct expenses not provided for elsewhere, relating to law services in connection with acquisition or construction of road and equipment property.

(b) Interest accruing on indebtedness incurred for acquisition and construction of road and equipment property (less interest, if any, allowed by depositaries on unexpended balances), from time the funds become available for use until the receipt or completion of the property, less premium, and plus discount and expense on any indebtedness assignable to such period.

The proportion of premium or discount and expense shall be determined by the ratio between the period prior to the completion or coming into service of the facilities or improvements and the entire period from the date of issue to maturity of the evidences of debt.

Interest during the construction period shall be confined to interest paid for the use of borrowed funds and shall not include interest on the carrier's own funds expended in connection with the acquisition or construction of road and equipment property.

(c) Expenditures on account of persons killed or injured and damages to property in connection with the construction of road and equipment property.

(d) All taxes levied and paid on property belonging to the carrier during construction and before the facilities are used for commercial operations.

(e) Miscellaneous expenditures of a special or incidental nature in connection with the acquisition or construction of road and equipment.

545 Franchises.

This account shall include actual amounts paid to a State or to a political subdivision thereof in consideration of franchises running in perpetuity or for a specified term of more than one year and necessary to the conduct of the carrier's operations. Similar payments for perpetual or limited franchises covering additional territory shall also be charged to this account.

NOTE A: Payments made periodically in the nature of taxes, percentages of revenues, etc., shall be included in income account 215, "Taxes assignable to transportation operations."

NOTE B: Balance sheet account 444, "Reserve for amortization of franchises," has been provided, to which may be credited monthly and charged to operating expense account 91, "Amortization of franchises," a monthly proportion of annual amounts which, written off proportionately over the life of limited franchises, will create a reserve sufficient, at time of expiration of franchises, to offset the amount charged to this account for such franchises. Upon expiration of a franchise, account 444, "Reserve for amortization of franchises," shall be debited and this account shall be credited with the amount paid therefor.

546 Organization expenditures.

This account shall include all fees paid to governments for the privilege of incorporation, and office and other expenditures incident to organizing the corporation and putting it in readiness to do business; cost of preparing and distributing prospectuses; cost of soliciting subscription for stock; cash fees paid promoters, and the actual cash value (at time of organization) of securities paid to promoters for their services in organizing the enterprise; special counsel fees; cost of preparing and issuing certificates of stock; cost of procuring the necessary certificates from state authorities; and other similar costs.

551 Construction work in progress.

This account shall include the cost of constructing railway property during the period from the date the work is started until the facilities are completed and become available for service. When any property, the cost of which has been included in this account, is completed and placed in service, the cost thereof shall be credited to this account and charged to the primary account appropriate according to the character of the property.

The cost of land for which there is a definite plan for use in railway service shall be included in this account until the facilities constructed thereon are completed and placed in service.

PART 1203—EXPRESS COMPANIES

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AUTHORITY: The provisions of this Part 1203 issued under secs. 12, 20, 24 Stat. 383, as amended; 49 U.S.C. 12, 20.

INTRODUCTION

00–1 General.

(a) The uniform system of accounts for express companies with the text pertaining thereto, embodied in printed form to be hereafter known as Issue of 1914, a copy of which is now before this Commission, is hereby approved.

(b) The said uniform system of accounts for express companies with the text pertaining thereto is hereby prescribed for the use of express companies subject to the provisions of the Act to Regulate Commerce, as amended, in the keeping and recording of their accounts; each and every such carrier and each and every receiver or operating trustee of any such carrier be required to keep all accounts in conformity therewith; and a copy of the said Issue of 1914 be sent to each and every such carrier and to each and every receiver or operating trustee of any such carrier.

(c) Any such carrier or any receiver or operating trustee of any such carrier may subdivide any primary account established in the said Issue of 1914, or may make assignment of the amount charged to any such primary account to operating divisions, to its individual lines, or to States; *Provided, however,* That such subprimary accounts set up or such assignments made by any such carrier or by any receiver or operating trustee of any such carrier shall not impair the integrity of the accounts hereby prescribed.

(d) In order that the basis of comparison with previous years be not destroyed, any such carrier or any receiver or operating trustee of any such carrier may, during the 12 months from the time that the said Issue of 1914 becomes effective, keep and maintain, in addition to the accounts prescribed in this part, such portion or portions of its present accounts as may be deemed desirable by any such carrier, or by any receiver or operating trustee thereof, for the purpose of such comparison; or, during the same period, may maintain such groupings of the primary accounts prescribed in this part as may be desired for that purpose.

(e) Any such carrier or any receiver or operating trustee of any such carrier, in addition to the accounts prescribed in this part, may, unless otherwise ordered, keep any temporary or experimental accounts the purpose of which is to develop the efficiency of operation; *Provided, however,* That such temporary or experimental accounts shall not impair the integrity of any primary account prescribed in this part.

GENERAL INSTRUCTIONS

01–0 Records.

The carrier's records shall be kept with sufficient particularity to show fully the facts pertaining to all entries made in the accounts provided in this part. Where the full information is not recorded in the general books, the entries therein shall be supported by other records in which the full details shall be shown. Such general book entires shall contain sufficient reference to the detail records to permit ready identification, and the detail records shall be filed in such manner as to be readily accessible for examination by representatives of the Interstate Commerce Commission. Regulations governing destruction of records of express companies are contained in Part 1223 of this chapter.

01–1 Definitions.

When used in this system of accounts the term:

(a) "Cost of removal" means the cost of demolishing, tearing down, dismantling, removing or otherwise disposing of carrier property, recovering the salvage, and filling excavations of structures removed.

(b) "Component rates" as applied to depreciation accounting means the rates applied to the various subclasses of property within a primary account in arriving at the depreciation charge upon which the composite rate is based.

(c) "Composite rate" means the percentage rate applicable to the primary account as a whole.

(d) "Depreciable accounts" are those in which is recorded the cost of those classes of property for which depreciation accounting is required. (See Instruction 01–2(d).)

(e) "Depreciation" means the loss in service value (note definition (o)) not restored by current maintenance and incurred in connection with the consumption or prospective retirement of physical property in the course of service from causes against which the carrier is not protected by insurance, which are known to be in current operation, and the effect of which can be forecast with a reasonable approach to accuracy.

(f) "Group method" as applied to depreciation accounting means the method under which depreciation charges are accrued upon the basis of the ledger value of all property included in each depreciable account, using the average service life thereof properly weighted, and upon the retirement of any depreciable property its full service value is charged to the depreciation reserve regardless of the amount accrued with respect to the particular unit retired.

(g) "Ledger value" means the amount at which assets are properly recorded in the accounts of the carrier.

(h) "Minor item" as applied to carrier property means any part or element thereof which is not designated as a unit of property in note following Account No. 218.

(i) "Nondepreciable accounts" are those real-property-and-equipment accounts in which are recorded the ledger values of those classes of carrier property for which no charges to operating expenses for depreciation are permitted.

(j) "Property retired" as applied to carrier property means property which has been permanently withdrawn from transportation service.

NOTE: The dismantling or tearing down of a structure or a unit of equipment in order to replace parts thereof with improved parts the purpose of which is to modernize the unit and to create an expectation of life fairly comparable with a new and modern unit shall be accounted a retirement but the dismantling or stripping of such property only to the extent necessary to recondition or to replace in kind defective parts shall be accounted as repairs.

(k) "Retirement" as applied to physical property means the permanent withdrawal of the property from the service in which it has been used.

(l) "Replacement" means the installation of physical property in substitution for other property which has been retired.

(m) "Salvage from retired property" means the amount received for property retired and disposed of, or the amount at which the material recovered should be charged if re-used.

(n) "Service life" means the period of time between the installation or placing in service of a unit of property and its retirement for accounting purposes. In case buildings or other improvements on land not owned pass to lessor at the expiration of the lease, the service life of such improvements shall be computed as not extending beyond the term of the lease.

(o) "Service value" as applied to carrier property is the ledger value thereof less the value of the salvage therefrom.

(p) "Straight-line method" as applied to depreciation accounting means the method under which the service value of all depreciable property is charged to operating expenses or other appropriate accounts and concurrently credited to the depreciation reserve through equal annual charges as nearly as may be during its service life.

(q) "Time of installation" means the date at which carrier property is placed in transportation service.

(r) "Time of retirement" as applied to carrier property means the date at which the property is permanently withdrawn from transportation service.

01–2 Depreciation accounting.

(a) *Computing and filing of depreciation rates.* (1) The carrier shall file with this Commission composite annual percentage rates estimated to be applicable to the ledger value of each class of depreciable carrier property owned and used by it. These percentage rates shall be based on the estimated service values and service lives developed by a study of the carrier's history and experience and such engineering and other information as may be available with respect to prospective future conditions. They shall be computed in conformity with the group method of accounting for depreciation and shall be such that the loss in service value of the property may be distributed under the straight-line method during its service life. Such percentage rates shall, for each primary account comprised of more than one class of property, produce a charge to operating expenses for that account equal to the sum of the amounts that would otherwise be chargeable for each of the various classes of property included in the account. The annual percentage rates so filed shall be accompanied by a sworn statement showing the bases therefor and the methods employed in their computation. A carrier which becomes subject to the provisions of this system of accounts after January 1, 1938, shall file such percentage rates within 6 months after the provisions of this system of accounts become applicable to it.

(2) In the event any annual percentage rate prescribed by this Commission, in the judgment of the carrier, becomes no longer currently applicable, it shall in like manner file annual percentage rates which in its judgment should be established. Where property is acquired for which no rates have been prescribed the carrier shall immediately compile and submit to this Commission appropriate estimates developed in accordance with the provisions of this section.

(3) The carrier shall keep such records of property and property retirements as will reflect the service life of property which has been retired, or will permit the determination of service-life indications by mortality, turnover, or other appropriate methods; also such records as will reflect the percentage of value of the salvage for property retired from each class of depreciable carrier property. The carrier shall be prepared at any time, upon direction of this Commission to compute and submit for its approval revised percentage rates in cases where existing rates are deemed inapplicable.

(b) *Depreciation charges.* All depreciation charges to operating expenses or other appropriate accounts, and concurrent credits to the accrued depreciation account shall be made monthly. In computing such monthly charges and credits the annual percentage rates shall be applied to the ledger value of depreciable property in the respective primary accounts as of the first of each month and the result divided by 12.

(c) *Depreciation rates.* A separate composite annual percentage rate (see note) for each account covering depreciable carrier property shall be used in computing depreciation charges. Such composite rates shall be those which are from time to time prescribed by this Commission, except that where no rates for any class of property previously have been prescribed for the carrier's use by this Commission, the carrier's estimates of composite annual percentage rates computed in accordance with paragraph (a) of this section shall be used prior to the date rates prescribed by this Commission become effective.

NOTE: where the composite rate as prescribed by this Commission has been developed by the application of component rates to the various subclasses of property within a primary account and a segregation of the property to which they are applicable is maintained or is available, such component rates, when specifically authorized, may be used in computing the current depreciation charges as long as the property to which they apply is in service and the estimated service lives, etc., upon which they are based remain the same, without a supplemental order.

(d) *Classes of depreciable carrier property.* The classes of depreciable carrier property and the accounts covering such property are as follows:

Account No.	*Name of account*
202	Building and appurtenances on land owned.
203	Building and appurtenances on land not owned.
204	Improvements to buildings not owned.
205	Cars.
206	Horses.
207	Automobiles.
208	Wagons and sleighs.
209	Harness equipment.
210	Office furniture and equipment.
211	Office safes.
212	Trucks.
213	Stable equipment.
214	Garage equipment.
215	Line equipment.
216	Shop equipment.
217	Miscellaneous equipment.

(e) *Service value charge.* Upon the retirement of a unit of depreciable property the service value shall be charged in its entirety to account No. 548, "Accrued depreciation—Buildings and equipment."

(f) *Special accounting.* If as a result of unforeseen retirements or of insufficient credits to the depreciation reserve in the past it develops that the balance in it has become inadequate, a carrier may, upon application to this Commission and with its approval, credit the reserve and charge account No. 417, "Miscellaneous profit and loss debits," with an appropriate amount. The application to this Commission for such special accounting shall give full particulars concerning the situation.

(g) *Insurance recovered.* If insured structures or units of equipment which are damaged are repaired, the insurance recovered shall be credited to the account in which the cost of the repairs is included; if they are destroyed, the insurance recovered shall be credited to the accrued depreciation account.

01–3 Retirements and replacements.

(a) To accounts 201 to 217, inclusive, shall be credited at the time of retirement the ledger value of carrier property retired as follows:

(1) Land retired including the proportional cost of public improvements pertaining to the land. (See Instruction No. 2–4.)

(2) Units of depreciable carrier property retired. (See note following Account No. 218.)

(3) Minor items of depreciable carrier property retired and not replaced.

NOTE: If the ledger value of the minor item retired is small, is not under a general plan and in the judgment of the carrier does not affect the condition and value of the property for valuation or depreciation purposes, has been or will be accounted for by the inclusion in the unit of property of which it is a part when such unit is retired, no separate credit to the property account is required when such minor item is retired.

(4) Minor items of depreciable carrier property retired and replaced with items of a different type or design or constructed of a different grade of material rendering the part applied more or less durable or of greater or less capacity than the item retired.

NOTE: If the cost of the items applied in replacement is small, the replacement is not under a general plan, and in the judgment of the carrier the retirement and replacement does not affect the condition and value of the property for valuation or depreciation purposes the cost of the replacement shall be charged to operating expenses, as shall also be charged the cost of replacing in kind all minor items of carrier property retired, and no adjustment shall be made in the property investment account.

GENERAL NOTE: If the ledger value of units and minor items of property retired cannot be definitely determined from the carrier's records, the ledger value of such units and minor items shall be estimated. Average prices may be used in estimating the ledger value when it is impracticable, because of the relatively large number and small size of items, to otherwise determine the ledger value of such items.

(b) The amounts thus credited to accounts 202 to 217, inclusive, shall concurrently be charged as follows:

(1) Property held for other than express service. If the retired property is held by the carrier for other than express service, its estimated value shall be included in account No. 503, "Miscellaneous physical property," and the difference between that amount and the ledger value shall be charged to account No.

548, "Accrued depreciation — Buildings and equipment."

(2) *Value of salvage.* The value of the salvage from the retired property shall be charged to account No. 512, "Material and supplies," or other accounts appropriate according to the disposition made thereof. If retired property is held temporarily without being torn down, the estimated value of the salvage therefrom (see also account No. 512, "Material and supplies") shall be included in account No. 520, "Other deferred assets," until the salvage is recovered.

(3) *Service value of depreciable property*—(i) *Units of property.* The service value shall be charged to account No. 548, "Accrued depreciation—Buildings and equipment."

(ii) *Minor items.* There shall be charged to account No. 548, "Accrued depreciation—Buildings and equipment," the service value of any minor item which is accounted for as retired in accordance with paragraphs (a) (3), (4) of this section.

(c) *Cost of removal.* The cost of removal (see Instruction 01–1(a)) shall be accounted for as provided in the text of operating-expense account 30, "Retirements."

(d) *Property installed.* The cost of carrier property installed in lieu of carrier property accounted for as retired, under the foregoing paragraphs of this section, shall be charged to the appropriate real property-and-equipment account.

SPECIAL INSTRUCTIONS, OPERATING EXPENSE ACCOUNTS

0–1 Operating expenses defined.

The operating expenses of an express company, as provided for in this classification, are the expenses incurred in performing transportation and other service for the public, including the cost of maintaining the property used in such service.

0–2 Cost of repairs.

As used in the text of the various operating expense accounts, cost of repairs when made by other than the carrier shall include the actual cost with transportation paid other carriers added, and when made by the carrier shall include the wages, salaries, and fees paid employees directly engaged in the work of repairs, the cost of materials and supplies consumed, and the cost of transportation paid other carriers.

0–6 Rents paid.

Certain rents are provided for in Operating Expenses, and the records shall be so kept that if required the total amount of rents may be ascertained. Subaccounts to the operating expense accounts will not be required for this purpose. No entries for rent shall be made in Operating Expenses for the carrier's use of its own property.

0–7 Joint operating expenses.

When any operating expense is incurred by the accounting carrier for the joint benefit of itself and others under an agreement for apportioning such expenses, the carrier charging to others a portion of joint expenses shall credit the amounts to the primary expense accounts to which the expenses were charged when incurred. The debtor shall charge the amounts so billed to its primary expense accounts. Bills rendered by the operating carrier for joint expenses shall show the expenses in detail.

When bills for joint expenses are distributed by joint agents, only the proportion applicable to the accounting carrier shall be included in its accounts.

The amounts so handled through the expense accounts shall not include any allowance for profit or return upon the value of the property of the carrier; such allowance, if any, shall be credited by the payee to account No. 303, "Rent from real property and equipment used jointly," and charged by the payor to account No. 318, "Rent for real property and equipment used jointly."

0–8 Shop expenses.

A clearing account entitled "Shop expenses" shall be kept, to which shall be charged items of expense at shops for repairing wagons, automobiles, trucks, and other equipment when such items of expense are not directly assignable to specific accounts. Such expenses shall be apportioned among the various accounts affected. The basis of distribution shall be the relative proportion which the total amount of charges to shop expenses bears to the total of the directly distributed labor. To avoid monthly fluctuations in the ratio of shop expenses to the total of distributed labor, carriers will be permitted to make a monthly apportionment on the basis of a percentage of the distributed labor, provided the shop expense account be adjusted and closed out at the end of each year. Expenses assignable to this account are as follows:

(a) *General shop employees.* The pay of general foremen and other supervising or directing employees and their clerks; pay of sweepers, cleaners, roustabouts, and other unskilled laborers employed in general work in and about shop grounds; pay of watchmen, gatekeepers, and policemen at shops and other places where mechanical work is done; and pay of employees while making, repairing, or having charge of small shop tools.

(b) *Power.* The cost of fuel used in steam and other power plants in producing power for shops and for other places at which mechanical work is done; cost of oil, grease, waste, and other materials used in the operation of such power plants; pay of stationary engineers, firemen, electricians, coal handlers, and other employees engaged in the production of power; cost of carbon brushes, fuses, lamps, picks, scuttles, shovels, and other small tools and supplies; and cost of water and power purchased.

(c) *Heating.* The cost of fuel and other supplies used for heating shops and other places at which mechanical work is done, shop offices, watchmen's and gatekeepers' boxes; and pay of firemen, coal handlers, and other employees engaged in operating heating plants.

(d) *Lighting.* The cost of electric current, gas, oil, torches, lamp burners, lamp chimneys, lamps not permanently attached to buildings, incandescent lamps and carbons, and other materials used in lighting shops and shop offices and other places where mechanical work is done; and cost of material used and labor expended in operating electric-light plants and repairing electric-light and other lamps at shops.

(e) *Shop supplies.* The fuel for forge and other shop work; supplies and small tools used by mechanics on miscellaneous work and not durable; test-room and laboratory supplies used in connection with shop work; lubricating materials for shop machinery and tools; water used at shops, shop offices, and other places at which general mechanical work is done; and other supplies used generally in shop work.

0–9 Supply expenses.

To a clearing account entitled "Supply expenses" shall be charged all expenses, except insurance and taxes, incurred directly in connection with the purchase, storage, handling, and distribution of materials, supplies and stationery. It includes (a) the pay and expenses of purchasing agents, managers of stores, clerks, and laborers; (b) rents paid for store buildings, yards, etc.; (c) cost of lighting and heating; (d) undistributed transportation charges; (e) discounts recovered through prompt payment of bills for materials and supplies, when such discounts cannot be assigned to the particular bills; (f) overages or shortages in the material and supplies account disclosed by inventories which cannot be assigned to specific accounts; and (g) the estimated depreciation on the materials and supplies due to breakage, leakage, shortage, and wear and tear.

This account shall be cleared by adding to the cost of materials and supplies passing through stores a suitable loading charge which will equitably distribute the total cost of conducting the stores and by adding to the cost of such supplies as are bought by the purchasing department a pro rata share of the total expense for the purchasing department.

0–10 Interpretation of item lists.

Lists of "Items," "Details," etc., have been given as a part of this classification for the purpose of clearly indicating the application of the accounting rules in specific cases. The lists in every case shall be considered as merely representative, and not as excluding from any account analogous items which happen to be omitted from the list appended. On the other hand, the appearance of an item in a list warrants the inclusion of the item in the account concerned only when the text of the account also indicates inclusion inasmuch as the same item frequently appears in more than one list.

OPERATING EXPENSE ACCOUNTS

MAINTENANCE

NOTE: The primary accounts in this general account are designed to show the amount of expense, including depreciation accrued, incurred for maintaining the buildings, structures, and equipment used by the accounting carrier.

1 Superintendence; maintenance.

This account shall include:

(a) *Pay of officers.* The pay of officers directly in charge of or engaged in the maintenance of buildings, structures, and equipment.

(b) *Pay of clerks and attendants.* The pay of clerks and other employees in the offices of officers whose pay is chargeable to this account.

(c) *Rent of offices.* Rent of offices occupied by officers whose pay is chargeable to this account, including taxes on the rented property assumed by the carrier.

(d) *Office and other expenses.* Office and other expenses of officers and employees whose pay is chargeable to this account.

ITEMS OF EXPENSE AND SUPPLIES

Atlases.
Blueprints.
Books, maps, and guides.
Boxes for materials and instruments.
Cameras and supplies.
Fees and dues in associations.
Heating.
Lighting.
Office and other supplies.
Periodicals and newspapers.
Photographic supplies.
Postage.
Telegraph service.
Telephone service.
Traveling expenses.
Water and ice.

NOTE A: When the above-mentioned officers and employees and employees are engaged in work not chargeable to Maintenance their pay and expenses shall be charged to the specific work on which engaged.

NOTE B: When officers have supervision over more than one department, their salaries, the pay of their clerks and attendants, and their office and other expenses shall be apportioned equitably among the departments over which they have supervision.

NOTE C: The cost of stationery for offices of superintendents of maintenance is chargeable to account No. 60, "Stationery and printing."

2 Buildings and appurtenances; repairs.

This amount shall include the cost of inspecting and repairing, buildings, their fixtures and appurtenances when considered parts of the buildings (including those for heating and lighting), owned by a carrier and used in its operations; and cost of repairing, laying out, grading, draining, mowing, and beautifying the grounds appurtenant to such buildings, including sidewalks, fences, driveways, and streets within or adjacent to such grounds; also the cost of repairing improvements to and permanent fixtures in buildings owned by others, when such improvements and fixtures are chargeable to the carrier's property account. (See Instruction 0–2.)

LIST OF BUILDINGS AND STRUCTURES

Bins for material.
Coal bins.
Depot buildings.
Dwellings.
Fences.
Foundations.
Fuel houses.
Garages.
General office buildings.
Grading.
Hay houses.
Hose houses.
Icehouses.
Local office buildings.
Milk stands.
Outhouses.
Paving.
Platforms, transfer.
Power houses.
Reading rooms.
Rooms for Y.M.C.A.
Shops.
Sidewalks.
Stables.
Storehouses.
Tool houses.
Walls.
Warehouses.
Washrooms.
Wharves.

DETAILS OF FIXTURES AND APPURTENANCES

Armatures and fields.
Ash baskets.
Belt carriers.
Belting.
Bill booths.
Boilers.
Bunks.
Call bells.
Counters.
Drainage and sewer systems.
Dynamos and parts.
Electric wiring.
Elevators and machinery.
Fire extinguishers (not portable).
Heating plants.
Hedges.
Lighting plants.
On-hand rooms.
Partitions, permanent.
Pumps.
Radiators.
Railings.
Shelving, permanent.
Signs, permanent.
Standpipes.
Steampipes.
Switchboards and parts.
Vaults and vault doors.
Washbowls.
Water coolers, stationary.
Water and gas pipes and connections.

NOTE: The cost of maintaining buildings which are rented to other companies or individuals shall be charged to the income account in which is included the rent received for use of the buildings.

5 Cars; repairs.

This account shall include the cost (less salvage) of repairing, painting, varnishing, finishing, and lettering express cars of all classes, and cost of repairing and renewing appurtenances thereof. (See Instruction 0–2.)

LIST OF CARS

Express cars.
Fruit cars.
Horse cars.
Refrigerator cars.
Ventilator cars.

LIST OF APPURTENANCES TO CARS

Air-brake equipment and hose.
Brake gear.
Coal boxes.
Coat hooks.
Desks.
Gas gauges.
Gas tanks.
Heating equipment and steam-heat hose.
Horse stalling, if part of a car.
Ice boxes.
Ice tanks.
Lamps and fixtures.
Lighting equipment.
Pigeonholes.
Racks.
Radiators.
Speed recorders.
Train-signal equipment, including hose.
Water tanks.

10 Automobiles; repairs.

This account shall include the cost (less salvage) of repairing, painting, varnishing, and lettering automobiles of all classes, and cost of repairing and renewing tires and other appurtenances thereof. (See Instruction 0–2.)

13 Wagons and sleighs; repairs.

This account shall include the cost (less salvage) of repairing, painting, varnishing, and lettering wagons and sleighs, and cost of repairing and renewing appurtenances thereof. (See Instruction 0–2.)

16 Harness equipment; repairs.

This account shall include the cost (less salvage) of repairing harness and accessories used in collection and delivery service. (See Instruction 0–2.)

DETAILS OF ACCESSORIES

Breast collars and traces.
Covers.
Fly nets.
Hitch straps and weights.
Holdback straps.
Horse blankets.
Horse collars.
Lap robes.
Sleigh bells.
Storm aprons.

18 Office furniture and equipment; repairs.

This account shall include the cost (less salvage) of repairing, painting, and varnishing office furniture, and cost of repairing and renewing office appurtenances and fittings not considered a part of the building. (See Instruction 0–2.)

LIST OF OFFICES

General.
Local.
Garage.
Stable.
Depot.
General managers'.
Division.
Department.
Shop.
Transfer.

DETAILS OF OFFICE FURNITURE AND EQUIPMENT

Adding machines.
Addressing machines.
Addressographs.
Awnings.
Bedsteads.
Bill booths, portable.
Bookcases.
Cabinets.
Calculating machines.
Carpets.
Cases.
Chairs.
Clocks.
Comptometers.
Copy-press baths.
Copying presses and wringers.
Counter desks.
Counters.
Cupboards.
Desks, including roll-top, high, low, and typewriter desks.
Dictating machines.
Electric fans.
Envelope sealers.
Filing and card indexes.
Filing cases.
Fire extinguishers, portable.
Gangplanks.
Guns.
Hat racks, wardrobe.
Horse skids.
Hose and hose wagons.
Ladders.
Lamps, desk, portable.
Matting.
Mimeographs.
Motors.
Numbering machines.
On-hand shelving, movable.
Partitions, movable.
Percentage machines.
Pigeonholes.
Pinch bars.
Punching machines.
Railings.
Revolvers.
Rugs.
Scales.
Seal presses, lead or wax.
Settees.
Shelves.
Signs (not a part of the building).
Stands, typewriter.
Stools.
Stoves.
Tables.
Tarpaulins.
Trays, coin.
Typewriters.
Wardrobes.
Water coolers.

20 Office safes; repairs.

This account shall include the cost of repairing, painting, varnishing, and lettering safes used in general, local, depot, general managers', division, department, stable, garage, transfer, and shop offices, but not safes used as transportation equipment. (See Instruction 0–2.)

22 Trucks; repairs.

This account shall include the cost (less salvage) of repairing, painting, varnishing, and lettering trucks and

wheeled conveyances for moving express matter in offices, on platforms, and elsewhere, except trucks provided for in account No. 24. (See Instruction 0–2.)

LIST OF TRUCKS AND WHEELED CONVEYANCES

Carts.	Trucks, platform.
Trucks, coin.	Trucks, hamper.
Trucks, electric motor.	Trucks, warehouse.

24 Stable and garage equipment; repairs.

This account shall include the cost (less salvage) of repairing, painting, and varnishing stable and garage equipment; also stable and garage fittings not considered a part of the building. (See Instruction 0–2.)

DETAILS OF STABLE AND GARAGE EQUIPMENT

Appliances, pneumatic.	Jacks, wagon.
Blankets, stable.	Jacks, automobile.
Carts, stable.	Odometers.
Charging panels.	Partitions, movable.
Feed-chopping machines.	Railings.
Feed-cleaning machines.	Scales.
Grain bins.	Signs (not a part of the building).
Halters.	Tanks, gasoline.
Harness press.	Tools, chauffeurs'.
Heaters, stove and water.	Trucks for stable or garage use.
Horse-clipping machines.	Wagon-washing machines.
Hose and hose wagons.	Wardrobes.
	Wheelbarrows.

26 Line equipment; repairs.

This account shall include the cost (less salvage) of repairing, painting, varnishing, and lettering line equipment and furniture and fittings of messenger quarters. (See Instruction 0–2.)

DETAILS OF LINE EQUIPMENT

Crates, package.	Kit boxes.
Guns and revolvers for protection of goods in transit.	Money chests.
Horse stallings (when not part of a car).	Safes (car), stationary and portable.
	Safes, messenger.
	Treasure boxes.
	Trunks, package.

DETAILS OF FURNITURE AND FITTINGS FOR MESSENGER QUARTERS

Bedsteads.	Rugs.
Carpets.	Stoves.
Chairs.	Tables.
Clocks.	Wardrobes.

28 Shop equipment; repairs.

This account shall include the cost (less salvage) of repairing and painting equipment of blacksmith, harness, wagon, automobile, trunk, carpenter, and printing shops and equipment for like use located elsewhere. (See Instruction 0–2.)

DETAILS OF SHOP EQUIPMENT

Anvils.	Harness-repair machinery.
Bellows.	Heating appartus.
Belting.	Lathes.
Blacksmithing tools.	Lighting apparatus.
Blowers.	Motors.
Boiler for furnishing power.	Planers.
Drilling machines.	Printing presses.
Drop tables.	Shafting.
Forges.	Switchboards.
Harness-making machinery.	Tools.
	Vises.

29 Miscellaneous equipment; repairs.

This account shall include the cost (less salvage) of repairing, painting, varnishing, and lettering bicyles, motorcycles, and all other miscellaneous equipment. (See Instruction 0–2.)

30 Retirements.

This account shall include the cost of demolishing, tearing down, dismantling, removing, or otherwise disposing of carrier property, recovering salvage, and filling in the excavations of structures removed.

31 Depreciation.

(a) This account shall include charges covering the current loss through depreciation of buildings and equipment. (See Instruction 01–2(b).)

(b) The carrier's records shall be kept in such manner that charges for depreciation may be shown separately for each depreciable building and equipment account.

32 Other expenses.

This account shall include all expenses in connection with the maintenance of equipment which are not properly chargeable to other accounts for such maintenance.

TRAFFIC

NOTE: The primary accounts in this general account are designed to show the expenses incurred for directing the procurement of traffic, for advertising, and for preparing and distributing tariffs governing such traffic.

33 Superintendence; traffic.

This account shall include:

(a) *Pay of officers.* The pay of officers directly in charge of or primarily engaged in supervising the procurement of traffic and the preparation and distribution of tariffs, classifications, and rates.

LIST OF OFFICERS

Vice president in charge of traffic.
General traffic managers.
Superintendents of traffic.
Superintendents of money orders in charge of money order agents, foreign exchange, and correspondents.
Assistant general traffic managers.
Superintendent of tariffs.
Traffic managers.

(b) *Rent of offices.* Rent of offices occupied by officers whose pay is chargeable to this account, including taxes on the rented property assumed by the carrier.

(c) *Pay of clerks and attendants.* The pay of clerks and other employees in the offices of officers whose pay is chargeable to this account.

LIST OF EMPLOYEES

Attendants.	Clerks.
Chief clerks.	Stenographers.

(d) *Office and other expenses.* Office and other expenses of officers and employees whose pay is chargebale to this account, and a proportion of the expenses of associations performing like services.

ITEMS OF EXPENSE AND SUPPLIES

Atlases and maps.	Lighting.
Books for office use.	Periodicals.
Fees and dues in traffic and other associations.	Telegraph service.
	Telephone service.
	Traveling expenses.
Heating.	Water and ice.

34 Advertising.

This account shall include:

(a) *Pay of advertising staff.* The pay of advertising managers and others engaged exclusively in advertising the carriers' business; also pay of clerks and attendants in their offices.

(b) *Payments for advertising.* The cost of advertising for the purpose of securing traffic.

ITEMS OF ADVERTISING EXPENSE

Advertising in newspapers.	Freight and express charges.
Advertising in periodicals.	Handbills.
Bill posting.	Maps used for advertising.
Bulletin boards.	Pamphlets.
Cardcases.	Photographs and views.
Display and other advertising cards.	Postage.
Distributing general notices to shippers.	Posters.
	Printing.
Dodgers.	Publishing advertising matter.
Donations to carnivals.	Racks.
Folders.	Small advertising signs for buildings.
Frames for advertising matter.	

(c) *Rent of offices.* Rent of offices occupied by officers whose pay is chargeable to this account, including taxes on the rented property assumed by the carrier.

(d) *Office and other expenses.* Office and other expenses of officers and employees whose pay is chargeable to this account.

ITEMS OF EXPENSE

Atlases and maps.	Lighting.
Books for office use.	Periodicals.
Fees and dues in traffic and other associations.	Telegraph service.
	Telephone service.
	Traveling expenses.
Heating.	Water and ice.

35 Stationery and printing.

This account shall include the cost of stationery and printing used in connection with securing traffic.

STATIONERY AND PRINTING ITEMS

Binder boards.	Dating stamps and ribbons.
Binders.	Division sheets.
Blankbooks.	Emery cloth.
Blotter holders.	Envelopes.
Blotters.	Erasers.
Blotting paper.	Eyelet punches.
Blue-print paper.	Eyelets.
Brass fasteners.	File boxes, letter.
Bristol board.	Forms, blank and printed.
Calendars.	Index cards.
Carbon paper.	Indexes.
Cardboard.	Ink.
Cards, blank and printed.	Inkwells.
Chalk.	Invoice books.
Circulars.	Ledgers.
Classifications.	Legal cap paper.
Clip boards.	Letter paper.
Clips, paper.	Letter trays.
Copy (impression) books.	Manifold paper.
Copying brushes.	Mucilage.
Copying cloth.	Mucilage brushes.
Crayons.	Note paper.

Notices.
Oil board.
Oil paper.
Pads.
Paper.
Paper baskets.
Paper cutters.
Paper fasteners.
Paper files.
Paper weights.
Parchment paper.
Paste.
Pencils.
Penholder racks.
Penholders.
Pens.
Perforators.
Pins.
Postage.
Rubber bands.
Rubber stamps.
Rulers.
Scrapbooks.
Sealers.
Sealing wax.
Seals.
Shears.
Shipping tags.
Shorthand note-books.
Sponge cups.
Sponges, desk.
Stamp racks.
Stamps, impression.
Stencil brushes.
Tablets, blank and printed.
Tape.
Tariffs.
Telegraph blanks.
Tracing paper.
Tissue (impression) paper.
Wax tapers.
Wrapping paper.

NOTE: The cost of dictionaries, periodicals, technical books, etc., shall be charged to appropriate superintendence accounts.

36 Other expenses.

This account shall include all expenses in connection with traffic which are not properly chargeable to other traffic expense accounts.

TRANSPORTATION

NOTE: The primary accounts in this general account are designed to show the expenses incurred for collecting, transporting, safeguarding, and delivering freight and valuables; also the expense of performing services connected with other operations of the carrier.

37 Superintendence; transportation.

This account shall include:

(a) *Pay of officers.* The pay of officers directly in charge of or engaged in conducting transportation.

LIST OF OFFICERS

Vice president in charge of operations.
General managers.
Assistant general managers.
General superintendents.
Assistant general superintendents.
Division superintendents.
Efficiency superintendents.
Assistant division superintendents.
Chief special agents.
Special agents.
Chief route agents.
Route agents.
Traveling agents.

(b) *Pay of clerks and attendants.* The pay of clerks and other employees in the offices of officers whose pay is chargeable to this account.

LIST OF EMPLOYEES

Attendants.
Chief clerks.
Clerks.
Messengers.
Stenographers.
Telephone and telegraph operators.

(c) *Rent of offices.* Rent of offices occupied by officers whose pay is chargeable to this account, including taxes on the rented property assumed by the carrier.

(d) *Office and other expenses.* Office and other expenses of officers and employees whose pay is chargeable to this account.

ITEMS OF EXPENSE

Atlases and maps.
Books for office use.
Fees and dues to associations.
Heating.
Lighting.
Periodicals and newspapers.
Telegraph service.
Telephone service.
Traveling expenses
Water and ice.

38 Office employees.

This account shall include the pay of agents, clerks, and attendants engaged in the operations of local offices, except those paid on a commission basis.

The details of this account shall be so kept that the pay of each class of employment named below can be determined.

(a) *Pay of agents and clerks.* Pay of agents, assistant agents, depot agents, cashiers, clerks, watchmen, and other employees engaged in office work at agencies, except those paid on a commission basis.

(b) *Pay of solicitors.* Pay of agency employees engaged in soliciting business.

(c) *Pay of platform and house men.* Pay of freight handlers, callers, scale men, loaders and unloaders, and other employees whose duties involve the handling of express matter at agencies, depots, sheds, and platforms.

LIST OF EMPLOYEES

Agents.
Assistant cashiers.
Attendants.
Bill makers.
Cashiers.
Chief clerks.
City solicitors.
Clerks.
Collectors.
Commercial agents.
Customs clerks.
Depot agents.
Depot foremen.
Elevator operators.
Freight callers.
General agents.
House men.
Janitors.
Local accountants.
Platform men.
Relief agents.
Scale men.
Stenographers.
Telephone operators.
Tellers.
Traveling solicitors.
Watchmen.

39 Commissions.

This account shall include amounts paid to agents, branch agents, and others employed on a commission basis. The details of this account shall be so kept that commissions paid on each class of business named below can be determined:

(a) Express business.
(b) Financial business.

CLASSES OF BUSINESS, COMMISSIONS ON WHICH ARE INCLUDED IN THIS ACCOUNT

C.O.D. checks.
Letters of credit.
Limited and unlimited cheques.
Money orders.
Foreign postal remittances.
Telegraph and cable transfers.
Transportation of freight, money, and valuables.
Travelers cheques.

NOTE: Wagon service separately paid on commission basis shall be charged to account No. 45, "Drayage."

40 Office supplies and expenses.

This account shall include:

(a) *Heating.* The cost of fuel, water, steam, and supplies used in heating local offices, depot offices, warehouses, and similar buildings.

(b) *Lighting.* The cost of fuel, water, gas, oil, electricity, lamp globes, lamp chimneys, wicks, lamp carbons, incandescent lamps, and miscellaneous supplies used in lighting local offices, depot offices, warehouses, and street approaches thereto.

(c) *Other expenses.* The cost of miscellaneous office supplies and expenses.

ITEMS OF EXPENSE

Bridge tolls.
Car tickets.
Cleaning cesspools and vaults.
Cleaning offices and office windows.
Employees' expenses.
Express charges.
Fees for membership in business associations.
Ferry tickets.
Freight charges.
Ice for reicing perishables awaiting delivery.
Material for packing.
Payments to warehouse companies for storage.
Postage on C.O.D. checks.
Power for freight and passenger elevators.
Rent of automatic weighing and recording devices.
Reports of commercial standing.
Sprinkling about offices.
Telegraph service.
Telephone service.
Towel service.
Uniforms and badges for office employees.
Water and ice.

ITEMS OF SUPPLIES

Acid.
Alcohol.
Atlases and maps.
Axes.
Bags, lock.
Bags, coin.
Baskets.
Bedding and bed linen.
Blocking.
Brooms.
Brushes.
Buckets.
Burners, gas.
Buzzers.
Call cards.
Candles.
Cartridges.
Cash boxes.
Chains.
Chair cushions.
Chamois.
Chimneys, gas.
Cleaners, window.
Clocks.
Coat trees.
Cold chisels.
Counter brushes.
Cups.
Cuspidors.
Dextrine.
Dippers.
Directories.
Dustpans.
Electric lamps, incandescent.
Electric-light supplies.
Feather dusters.
Fire buckets.
Flags.
Gas.
Hampers.
Hatches.
Haversacks.
Hooks.
Ice.
Ice buckets.
Ice tongs.
Keys.
Lamp burners.
Lamp chimneys.
Lamp fittings.
Lamp globes.
Lamp mantles.
Lampblack.
Lamps (not permanently attached to buildings).
Lanterns and fittings.
Letter boxes.
Linoleum.
Locks.
Mail bags.
Marking brushes.
Marking pots.
Matches.
Mats, rubber.
Mirrors.
Mops.
Nails.
Oil.
Oil cans.
Oilcloth.
Padlocks.
Pails.
Punches.
Reflectors.
Sawdust.
Scrubbing brushes.
Sealing leads.
Sealing wax.
Shovels.
Signs, small (not advertising signs).
Soap.
Spades.
Sponges.
Sprinkling cans.
Stove blacking.
Stove zincs.
Sweepers, carpet.
Tacks.
Thermometers.
Tongs.
Towels.
Traps.
Twine.
Wallets, leather.
Washbasins.
Waste baskets.
Water barrels.
Water bowls.
Water cans.
Wax seals.
Whiskbrooms.
Wicks.
Wrenches.

41 Rent of local offices.

This account shall include rents paid for buildings used for local and depot offices, sheds, and platforms, including taxes on the rented property assumed by the carrier.

NOTE A: Rent (amount applicable to the investment in the property) for joint offices owned by another carrier shall be charged to account No. 318, "Rent for real property and equipment used jointly." (See Instruction 0-7.)

NOTE B: Amounts received as subrents of offices rented shall be credited to account No. 107, "Rents of buildings and other property."

42 Vehicle employees.

This account shall include the pay of chauffeurs, drivers, helpers, guards, conductors, and others employed on automobiles and other vehicles used for collecting, transferring, and delivering express.

43 Stable and garage employees.

This account shall include the pay of superintendents, foremen, hostlers, wagon washers, mechanicians, electricians, automobile washers, watchmen, and others employed at stables and garages.

44 Stable and garage supplies and expenses.

This account shall include:

(a) *Rent.* Rents for buildings used for stable and garage purposes, including taxes on the rented property assumed by the carrier.

(b) *Heating.* The cost of fuel, water, steam, and supplies used for heating stables and garages.

(c) *Lighting.* The cost of fuel, water, gas, oil, electricity, lamp globes, lamp chimneys, wicks, lamp carbons, incandescent lamps, and miscellaneous supplies used in lighting stables, garages, and approaches thereto.

(d) *Feed and bedding.* The cost of hay, oats, straw, corn, bran, shavings, and other feed and bedding for horses and other draft animals used in the conduct of the carrier's business; also freight charges, demurrage, labor in handling, and storage thereon.

(e) *Horse board.* Payments to boarding and livery stables and others for board of horses and other draft animals used by the carrier.

(f) *Other expenses.* The cost of miscellaneous supplies and expenses.

ITEMS OF STABLE AND GARAGE SUPPLIES

Aprons, rubber.
Axes.
Axle grease.
Binders, hay.
Blankets, stable.
Blackoline.
Boots.
Branding irons.
Brooms.
Brushes.
Buckets.
Cans, ash.
Carbolite.
Chamois.
Currycombs.
Curtains.
Cushions.
Forks.
Gasoline.
Gloves, rubber.
Halters.
Knives, clipper.
Lamps.
Lanterns.
Medicines.
Motor grease.
Oat cleaners.
Oil cans.
Pails.
Pneumatic appliances.
Prestolite.
Small tools.
Soap.
Surgical instruments.
Water.

ITEMS OF STABLE AND GARAGE EXPENSES

Bridge tolls.
Charging automobile batteries.
Chauffeurs' licenses.
Cleaning cesspools and vaults.
Ferry tickets.
Freight charges.
Hauling manure.
Hire of automobiles, except as provided in account No. 45.
Hire of horses, except as provided in account No. 45.
Hire of wagons, except as provided in account No. 45.
Horse clipping.
Horseshoeing.
Housing automobiles.
Licenses for storing gasoline.
Power for elevator service.
Sprinkling about stable buildings.
Telegraph service.
Telephone service.
Towel service.
Uniforms and badges for vehicle employees.
Veterinary services.
Wagon licenses.
Washing wagons.

NOTE A: Amounts received from sale of manure, for boarding horses, and for housing automobiles not owned by the carrier shall be credited to revenue account No. 116, "Miscellaneous."

NOTE B: License fees for the operation of automobiles shall be charged to account No. 317, "Express taxes."

45 Drayage.

This account shall include amounts paid for drayage, hauling, and other similar services involving the services of drivers or chauffeurs not directly employed by the carrier and the use of horses and vehicles not owned by the carrier, including vehicle service separately paid for on commission basis.

46 Train employees.

This account shall include the pay of messengers, helpers, guards, and others similarly employed on boat, stage, or train. To this account shall be credited amounts received from railway and other companies for services of express messengers who act as baggagemen.

47 Train supplies and expenses.

This account shall include:

(a) *Rent.* Rents for quarters for messengers, helpers, and guards employed on trains, including taxes on the rented property assumed by the carrier.

(b) *Other expenses.* The cost of miscellaneous supplies and expenses.

ITEMS OF SUPPLIES AND EXPENSES

Attendance, linen, laundry, and incidental expenses of messengers' sleeping rooms.
Badges.
Caps.
Car stalling, temporary.
Cleaning cars.
Employees' expenses.
Feed and water for live animals in transit.
Feed boxes.
Hatchets.
Holsters and straps.
Ice for reicing goods in transit.
Lock bag keys.
Lock bags.
Meat hooks.
Messenger hand bags.
Nails.
Pistol permits.
Portfolios.
Railway fares.
Rent of car stalls.
Sanding cars.
Sawdust for cars.
Shavings for cars.
Telegrams.
Tools.
Transfers on account of wrecks and washouts.
Transfer sacks.
Uniforms.

48 Stationery and printing.

This account shall include:

(a) *Supervisory offices.* The cost of stationery and printing used in offices of officers whose pay is chargeable to superintendence accounts.

(b) *Agencies.* The cost of stationery and printing used at local agencies and depots.

(c) *Line.* The cost of stationery and printing used by messengers and other employees on trains.

STATIONARY AND PRINTING ITEMS

Binder boards.
Binders.
Blankbooks.
Blotter holders.
Blotters.
Blotting paper.
Blue-print paper.
Brass fasteners.
Bristol board.
Calendars.
Carbon paper.
Cardboard.
Cards, blank and printed.
Chalk.
Circulars.
Clip boards.
Clips, paper.
Copy (impression) books.
Copying brushes.
Copying cloth.
Crayons.
Dating stamps and ribbons.
Division sheets.
Emery cloth.
Envelopes.
Erasers.
Eyelet punches.
Eyelets.
File boxes, letter.
Forms, blank and printed.
Index cards.
Indexes.
Ink.
Ink wells.
Invoice books.
Ledgers.
Legal cap paper.
Letter paper.
Letter trays.
Manifold paper.
Mucilage.
Mucilage brushes.
Note paper.
Notices.
Oil board.
Oil paper.
Pads.
Paper.
Paper baskets.
Paper cutters.
Paper fasteners.
Paper files.
Paper weights.
Parchment paper.
Paste.
Pencils.
Penholder racks.
Penholders.
Pens.
Perforators.
Pins.
Postage.
Rubber bands.
Rubber stamps.
Rulers.
Scrap books.
Sealers.
Sealing wax.
Seals.
Shears.
Shipping tags.
Shorthand notebooks.
Sponge cups.
Sponges, desk.
Stamp racks.
Stamps, impression.
Stencil brushes.
Tablets, blank and printed.
Tape.
Telegraph blanks.
Tissue (impression) paper.
Tracing paper.
Wax papers.
Wrapping paper.

NOTE: The cost of dictionaries, periodicals, technical books, etc., shall be charged to appropriate superintendence accounts.

49 Loss and damage.

This account shall include:

(a) *Pay of employees.* Pay of claim agents, clerks, and other employees (other than agency employees) exclusively engaged in recording, investigating, and adjusting claims for loss or damage; and pay of special officers, special agents, detectives, and others operatives employed by the carrier for the detection and apprehension of theives, robbers, burglars, defaulters, absconders, and other criminals.

(b) *Freight and valuables.* Payments made and expenses incurred on account of delay, damage, loss, or destruction of express freight, including valuables carried under merchandise rates, and livestock; expenses on account of damage, loss, or destruction of company material in transit; cost of packing and boxing damaged goods; payments of express charges to other carriers on lost, damaged, or delayed shipments; pay and expenses of witnesses in lawsuits in connection with loss and damage claims; expenses incurred in selling "over without mark," refused, damaged, and unclaimed shipments; other expenses directly incident to loss and damage to freight and valuables, such as pay and expenses of employees and others while engaged as witnesses in suits concerning

loss and damage of freight and valuables; and uncollected tariff charges on u..claimed and refused shipments of freight and valuables transported in accordance with shipping contract.

(c) *Money.* Payments made and expenses incurred on account of delay, damage, loss, or destruction of money, bullion, securities, or similar shipments under the money classification; losses of company's funds or securities in transit and expenses in connection therewith; payment of express charges to other carriers on lost, damaged, or delayed shipments; pay and expenses of witnesses in lawsuits in connection with loss and damage claims; other expenses directly incident to loss and damage of money, bullion, securities, or similar shipments, such as pay and expenses of employees and others while engaged as witnesses in suits concerning loss and damage of money, bullion, securities, or similar shipments; and uncollected tariff charges on unclaimed and refused shipments of money transported in accordance with contract of shipment.

To this account shall be credited insurance recovered on damaged or destroyed shipments, proceeds from the sale of all freight and valuables "over without mark," refused, damaged, or unclaimed, and amounts of cash in unclaimed packages.

NOTE: Expenses incident to suits growing out of loss and damage claims, not otherwise provided for, shall be included in account No. 56, "Law expenses."

50 Damage to property.

This account shall include payments and expenses on account of damage or destruction of buildings, fences, vehicles, equipment, or other property not belonging to the carrier and not in course of transportation by it; also pay and expenses of employees and others while engaged as witnesses in suits.

NOTE: Expenses incident to suits growing out of claims for damage to property, and not otherwise provided for, shall be included in account No. 56, "Law expenses."

51 Injuries to persons.

This account shall include payments and expenses on account of injuries to persons. To this account shall be charged services of employees and others called in consultation in relation to the adjustment of personal injury claims; pay and expenses of employees while engaged as witnesses at inquests and in lawsuits in connection with such claims; and salary allowances to employees while absent from duty on account of injuries received while on duty.

To this account shall be credited casualty or employers' liability insurance collected.

ITEMS OF EXPENSE

Artificial limbs.
Carriage fees.
Compensation for injuries.
Donations made to hospitals.
Final judgments, including plaintiffs' court costs.
Funeral expenses.
Hospital attendance.
Medical and surgical services.
Medical and surgical supplies.
Notarial fees.
Nursing.
Railway transportation.
Undertakers' services.
Undertakers' supplies.
Witnesses' services at inquest and lawsuits.

NOTE: Expenses incident to suits growing out of personal injury claims, and not otherwise provided for, shall be included in account No. 56, "Law expenses."

52 Other expenses.

This account shall include all expenses in conducting transportation and other business which are not properly chargeable to other transportation accounts.

ITEMS OF EXPENSE

Loss of office funds by burglary when not covered by insurance.
Losses (less fidelity insurance) on money orders and other financial paper through forgery.
Losses (less fidelity insurance) through embezzlement not provided for otherwise.

GENERAL

NOTE: The primary accounts in this general account are designed to show expenses of a general character, not immediately chargeable to Maintenance, Traffic, or Transportation; also expenses for the general supervision of the carrier's business and finances, the auditing of its accounts, and the conduct of its law and tax departments.

53 Salaries and expenses of general officers.

This account shall include:

(a) *Salaries.* The pay of all general officers not provided for otherwise.

(b) *Expenses.* The traveling and other expenses of officers whose pay is included in this account, and cost of their membership fees and dues in railway, express, and other associations.

LIST OF OFFICERS

Chairman of the board.
President.
Assistant to president.
Vice president.
Assistant to vice president.
Secretary.
Assistant secretary.
Treasurer.
Assistant treasurer.
Comptroller.
Local treasurer.
Real estate agent.
Assistant real estate agent.
Tax commissioner.
Assistant comptroller.
General auditor.
Auditor.
Assistant auditor.
Efficiency expert.
General accountant.
Registrar of stock.
Registrar of bonds.
Transfer agent.
Superintendents of money orders in charge of auditing.

NOTE A: When officers' duties are restricted to one department their salaries and expenses shall be charged to that department under the accounts for superintendence or for law expenses, as may be appropriate. When officers have immediate supervision over more than one operating department, their salaries and expenses shall be apportioned equitably among the departments under their jurisdiction.

NOTE B: The pay and expenses of purchasing agents, assistant purchasing agents, supply agents, assistant supply agents, their clerks and attendants, shall be charged to clearing account "Supply expenses," and distributed in accordance with rules provided for that account. (See Instruction 0-9.)

54 Salaries and expenses of clerks and attendants.

This account shall include the pay and expenses of assistants, clerks, and attendants of the officers whose salaries are included in account No. 53, "Salaries and expenses of general officers."

(a) *Pay of clerks.* The pay of persons employed in accounting and other general service not provided for elsewhere.

LIST OF CLERKS

Cashiers (not at agencies).
Chief accountants.
Chief clerks.
Clerks.
Special accountants.
Stenographers.
Traveling accountants.
Traveling auditors.

(b) *Pay of attendants.* The pay of persons employed in attendance at general offices.

LIST OF ATTENDANTS

Attendants.
Bank messengers.
Cleaners.
Custodians of buildings.
Elevator operators.
Engineers, stationary.
Firemen, stationary.
Janitors.
Telegraph operators.
Telephone operator.
Watchmen.

(c) *Expenses.* The traveling and other expenses of employees designated above.

55 General office supplies and expenses.

This account shall include the office expenses of officers designated in account No. 53, "Salaries and expenses of general officers."

(a) *Rent of offices.* Rent of buildings and offices occupied as general offices of the carrier, including taxes on the rented property assumed by the carrier.

(b) *Expenses.* The office expenses of officers designated in account No. 53, "Salaries and expenses of general officers."

ITEMS OF EXPENSE

Atlases and maps.
Books for office use.
Cable tolls.
Cleaning offices.
Express and freight charges.
Heating.
Lighting.
Local messenger service.
Periodicals and newspapers.
Reports of commercial standing.
Telegraph service.
Telephone service.

56 Law expenses.

This account shall include the pay and the office and other expenses, when not provided for elsewhere, of officers and employees of the law department, the cost of suits, and the payments of special law fees.

(a) *Pay of officers and employees.* The pay of officers and employees of the law department not provided for elsewhere.

LIST OF OFFICERS AND EMPLOYEES

Vice presidents and assistants, when directly in charge of law department.
Commerce counsel.
Counsel.
Solicitors.
Attorneys.
Clerks.
Office attendants.

(b) *Rent of offices.* Rent of offices occupied by officers and employees of the law departments, including taxes on the rented property assumed by the carrier.

(c) *Expenses.* The traveling and other expenses of officers and employees designated above.

ITEMS OF EXPENSE

Arbitrators' services.	Notarial fees not provided for elsewhere.
Cost of taking depositions.	Office expenses.
Cost of testimony.	Printing of briefs.
Cost of suits.	Special fees.
Court expenses.	Telegraph service.
Express charges.	Telephone service.
Fees and retainers.	Traveling expenses.
Filing papers.	Witness fees not provided for elsewhere.
Law books.	
Legal forms.	
Legal reports.	
Membership fees and dues in law associations.	

NOTE: See notes under accounts No. 49, "Loss and damage," and No. 51, "Injuries to persons."

57 Insurance.

This account shall include all premiums, except reinsurance premiums, for insuring the accounting carrier against lost through fire, accident, or similar causes; also all amounts charged for self-insurance against such hazards.

CLASSES OF INSURANCE

Accident.	Fire.
Boiler.	Marine.
Burglary.	Wreck.

NOTE: Amounts charged by a carrier for self-insurance shall be credited in its books to an insurance reserve account to which the amounts of all claims for loss covered by insurance shall be charged. To such account shall be charged all reinsurance premiums paid insurance companies, and to it shall be credited all amounts recovered from insurance companies under reinsurance policies.

58 Fidelity bond premiums.

This account shall include all premiums paid by a carrier to its fidelity fund and all premiums on fidelity bonds paid by a carrier to bonding and surety companies for guaranteeing the carrier against loss by embezzlement, theft, or culpable negligence on the part of its employees.

NOTE A: The premiums paid by a carrier to its bonding fund shall be credited on its books to account "Fidelity reserve," to which reserve shall be charged the amounts of all losses covered by fidelity bonds, and all reinsurance or rebonding premiums paid bonding companies. To it shall be credited all amounts of reimbursements by surety companies for losses.

NOTE B: Appropriations made by a carrier to a fidelity reserve through Income Account shall be credited directly to its fidelity reserve account.

59 Pensions.

This account shall include pensions or gratuities paid out of the carrier's funds to retired employees or their heirs, and the expenses in connection therewith.

60 Stationery and printing.

This account shall include the cost of stationery and printing used in general offices and not chargeable to other accounts.

STATIONERY AND PRINTING ITEMS

Annual reports.	Note paper.
Binders.	Notices.
Blank books.	Oil board.
Blotter holders.	Oil paper.
Blotters.	Orders.
Blotting paper.	Paper.
Blue-print paper.	Paper baskets.
Bristol board.	Paper cutters.
Carbon paper.	Paper fasteners.
Cardboard.	Paper files.
Cards, blank and printed.	Paperweights.
Calendars.	Parchment paper.
Chalk.	Pencils.
Circulars.	Penholder racks.
Clip boards.	Penholders.
Clips, paper.	Pens.
Computing tables.	Perforators.
Contracts.	Pins.
Copy (impression) books.	Postage.
Copying brushes.	Rubber bands.
Copying cloth.	Rubber stamps.
Crayons.	Rulers.
Dating stamps and ribbons.	Scrapbooks.
Drawing paper.	Sealing wax.
Emery cloth.	Seals.
Envelopes.	Shears.
Erasers.	Shipping tags.
Eyelet punches.	Shorthand notebooks.
Eyelets.	Sponge cups.
Forms, blank and printed.	Sponges, desk.
Franks.	Stamps, impression.
Index cards.	Stencil brushes.
Indexes.	Stock certificates.
Ink.	Tablets, blank and printed.
Inkwells.	Tape.
Invoice books.	Telegraph blanks.
Ledgers.	Tissue (impression) paper.
Legal cap paper.	Tracing cloth.
Letter paper.	Tracing paper.
Manifold paper.	Wage tables.
Mucilage.	Water colors.
Mucilage brushes.	Wax tapers.
	Wrapping paper.

NOTE: The cost of printing briefs, legal forms, testimony, legal reports, etc., for the law department shall be included in account No. 56, "Law expenses."

61 Valuation expenses.

This account shall include expenses incident to the ascertainment (in accordance with the Act to Regulate Commerce, as amended March 1, 1913, or with other Federal or State requirements) of the value of property owned or used by the carrier, such expenses including pay, and office, traveling, and other expenses of officers specially employed or assigned to such work, and of their assistants, clerks, and attendants, and the cost of stationery and printing.

NOTE: No charge shall be made to this account for the salaries of officers or of their clerks and attendants for incidental services in connection with valuation work, but special office, clerical, traveling, and incidental expenses incurred by these officers on account of such work may be included as a part of the cost of the work.

62 Other expenses.

This account shall include incidental general expenses not chargeable to any of the foregoing accounts.

ITEMS OF EXPENSE

Annual reports in newspapers.	Fees and expenses paid to directors.
Corporate and financial notices of general character.	Filing copies of reports.
Donations on account of catastrophes, epidemics, etc.	Notices of dividends declared.
Exchange on company remittances.	Notices of election of directors.
	Notices of stockholders' meetings.

SPECIAL INSTRUCTIONS, OPERATING REVENUE ACCOUNTS

1–1 Accounts for operating revenues.

The accounts provided for in this classification are designed to show amounts of money which a carrier becomes entitled to receive, or which accrue to its benefits for the transportation of freight, money, or valuables by express, for the transfer of credits and for services in general as agent.

1–2 Deductions from revenue.

Amounts paid as shipping or forwarding agent to other transportation agencies and amounts paid to other carriers under agreements granting the right to carry on operations over their lines (express privileges) are to be considered as deductions from revenue and shall be included in accounts No. 102, "Express—Foreign," and No. 104, "Express privileges—Dr."

1–3 Uncollectible charges.

No charge shall be made against the accounts of this classification for amounts representing tariff charges which for any cause are uncollected, the service for which the charge is made having been properly performed and individuals or companies being liable for the charges.

Uncollectible accounts against individuals and companies, representing tariff charges for transportation service rendered, when such individuals and companies are liable for the charges, shall be included in income account No. 316, "Uncollectible revenue from transportation." This includes such items as uncollectible undercharges discovered after the service has been rendered, and charges where credit is extended and the consignor or consignee becomes insolvent.

Uncollected tariff charges on unclaimed and refused shipments of freight, money, and valuables shall be charged to operating expense account No. 49, "Loss and damage." Such charges to that account will be offset to the extent of proceeds from the sale of unclaimed and refused shipments which are creditable to that account.

The carrier's tariff charges on lost, destroyed, or damaged shipments, for which neither shippers nor consignees are liable, shall be charged to the revenue accounts previously credited.

1–4 Overcharges.

Overcharges found to be unrefundable within a reasonable time after discovery shall be cleared to profit and loss account No. 405, "Unrefundable overcharges."

1–5 Interpretation of item lists.

Lists of items to be credited and of items to be charged have been given as a part of the text of this classification for the purpose of clearly indicating the application of the accounting rules. They shall not be considered as comprising all the items creditable or chargeable to the several accounts, but merely as representative of them.

The items contained in the lists of items to be charged to the respective revenue accounts are chargeable only when such items have been, for convenience in accounting or through oversight, included in the credits to the accounts, or they are items of revenue payable to others for service rendered under the tariff rates upon which the credits to the several accounts have been based.

OPERATING REVENUE ACCOUNTS

TRANSPORTATION

NOTE: The primary accounts under this general account are designed to show amounts of money which a carrier becomes entitled to receive or which accrue to its benefit for service rendered in the transportation of freight, money, or valuables by express.

101 Express; domestic.

This account shall include revenue from the transportation of freight, money, or valuables within the United States and adjacent foreign countries, upon the basis of authorized tariff rates.

ITEMS TO BE CREDITED

The carrier's proportion of revenue upon the basis of through tariff rates.

Revenue from wagon hauls. When not under tariff rates, revenue from such service shall be credited to account No. 103, "Miscellaneous."

Amounts received from other express companies for handling express matter under tonnage agreements.

ITEMS TO BE CHARGED

Amounts paid to other express companies for handling express matter under tonnage agreements.

Amounts paid to other carriers for switching the lighterage charges.

The carrier's proportion of uncollected revenue on freight lost or destroyed in transit.

The carrier's proportion of uncollected revenue on damaged shipments for which charges neither shipper nor consignee is liable.

Overcharges resulting from the use of erroneous rates, weights, classifications, or calculations.

Amounts paid to other carriers for hauling express matter on freight trains in emergency cases.

NOTE: Other carrier's proportions of revenue paid by the carrier on freight lost or destroyed in transit shall be charged to operating expense account No. 49, "Loss and damage."

102 Express; foreign.

This account shall include amounts received or receivable for services rendered and transportation charges advanced or assumed a shipping or forwarding agent, when the express company attends to the preliminaries of the shipping of goods to, from, or within foreign countries not adjacent to the United States, and arranges for the subsequent delivery, but is not in charge while the actual transportation service is being performed by mail, steamer, railway, or other transportation agency.

To this account shall be charged amounts paid or payable by the express company for transportation service performed by railways, steamers, or other carriers in foreign countries or to or from the same.

ITEMS TO BE CHARGED

Ocean freight.
Parcel-post charges.
Railway freight.
Registered mail charges.
Transfers between wharves and steamers.

103 Miscellaneous.

This account shall include all revenue from hauling mail between depots and post offices, from cartage in connection with foreign shipments, and from the transportation of property not provided for in accounts Nos. 101 and 102.

CONTRACT PAYMENTS

104 Express privileges; Dr.

To this account shall be charged all amounts paid or accrued to companies, firms, or individuals for the privilege of conducting an express business over transportation lines.

OPERATIONS OTHER THAN TRANSPORTATION

NOTE: The primary accounts under this general account are designed to show amounts of money which a carrier becomes entitled to receive or which accrue to its benefit for services of a general character as agent (except as provided for in account No. 102, "Express—Foreign,"), and for the transfer of credits.

105 Customs brokerage fees.

This account shall include manifest fees and revenue from brokerage service in connection with clearance of goods, and baggage through customhouses.

NOTE: Transportation charges upon the goods cleared shall be credited to account No. 101, "Express—Domestic" or No. 102, "Express—Foreign," as may be appropriate.

106 Order and commission.

This account shall include revenue, other than transportation revenue, from the selling of goods on behalf of patrons and from the performance of commissions such as making purchases, filing papers, paying taxes, and redeeming goods in pawn.

107 Rents of buildings and other property.

This account shall include revenue from rents of buildings, land, and other property owned, when such property is used in connection with operations and the expense of maintaining and operating the portion rented out can not be separated from the expense of the portion used by the carrier; also subrents received for property the rent for which is included in Operating Expenses. This applies to such buildings and land as depot offices and grounds, general and other offices, and rooms rented at stations, warehouses, wharves, and ferry landings.

NOTE: If the expenses of the property leased can be separated from the expenses of the portion used by the carrier, the rents shall be credited to account No. 304, "Miscellaneous rent income."

108 Money orders.

This account shall include revenue from the sale of money orders.

NOTE: Revenues from the issuance of money orders representing the proceeds of collections made for shipper shall be credited to account No. 109, "C.O.D. checks."

109 C.O.D. checks.

This account shall include revenue from the issuance of checks or money orders representing the proceeds of collections for shippers, made on goods, bills (including bills of lading), notes, and documents.

110 Limited and unlimited cheques.

This account shall include the revenue from the issuance of limited and unlimited cheques.

111 Travelers cheques.

This account shall include revenue from the sale of travelers cheques.

112 Telegraph and cable transfers.

This account shall include revenue from the transfer of money by telegraph and cable.

113 Letters of credit.

This account shall include revenue from the issuance of letters of credit.

114 Foreign postal remittances.

This account shall include revenue from the delivery of money to consignees in foreign countries, delivery being effected by foreign agents.

115 Profit on exchange and other financial revenue.

This account shall include revenue from the purchase and sale of foreign money or commercial paper, and from other sources of financial revenue not provided for elsewhere.

116 Miscellaneous.

This account shall include revenue from operation not provided for elsewhere.

LIST OF ITEMS

Amounts received from shippers or consignees for marine insurance.

Fees as foreign representative of domestic carriers.

Revenue from boxing and shipping automobiles by freight.

Revenue from sale of railway and steamship tickets.

Revenue from the storage of baggage.

Revenue from the storage of freight.

SPECIAL INSTRUCTIONS, REAL PROPERTY AND EQUIPMENT ACCOUNTS

2–1 Application of this classification.

The accounts prescribed in this classification are designed to exhibit the investment of the carrier in property used in the operation of the express business and in operation incident thereto. These accounts shall include:

(a) The total cost of fully equipping new lines for operation.

(b) The total cost of new units of property added to the existing plant.

(c) The total cost of units of property placed in use to replace units retired.

(d) The cost of improvements representing physical changes in existing units of property, such as additions to buildings and other structures, and additional devices applied to facilities. (The cost of rearranging or altering the existing property in the process of making improvements shall be charged to operating expenses. (See Instruction 01–3 (c).)

These accounts shall also include the necessary credits to represent the ledger value (estimated if not known), of units of equipment or of other property abandoned, sold, or otherwise retired, whether replaced by property of like purpose or not. (See Instruction 01–3(a) (3), (4).)

2–2 Basis of charges.

The charges to the accounts of this classification shall be based upon the cost of the property and the improvements. The term cost as used in the accounts means the actual cost in money of labor and materials used, the actual cost in money of property acquired, or, if the consideration is other than money, the actual money value of such other consideration at the time of the purchase. It also includes transportation charges paid to other companies.

2–4 Land retired.

When any land, the cost of which is included in account No. 201, "Land," is retired, the ledger value shall be credited to this account. If the land is retained by the carrier, its estimated value shall be charged to balance-sheet account No. 503, "Miscellaneous physical property," and the necessary adjustment of the difference, if any, between the record value and the estimated value at the time of its retirement from transportation service shall be made through Profit and Loss. If sold, the difference between the ledger value credited to the account "Land" and the amount received for the land shall be adjusted in Profit and Loss.

2–8 Interpretations of item lists.

Lists of "Items," "Details," etc., have been given as a part of this classification for the purpose of clearly indicating the application of the accounting rules in specific cases. The lists in every case shall be considered as merely representative, and not as excluding from any account analogous items which happen to be omitted from the list appended. On the other hand, the appearance of an item in a list warrants the inclusion of the item in the account concerned only when the text of the account also indicates inclusion, inasmuch as the same item frequently appears in more than one list.

Real Property and Equipment Accounts [1]

LAND

Note: This general account is designed to show the cost of land owned by the carrier and used in its express operations and operations incident thereto.

201 Land.

This account shall include the cost of land acquired for use directly in connection with the operations of the carrier, and the expenses incident to the purchase thereof.

ITEMS OF EXPENSE

Abstracts.
Appraisals.
Commissions paid to others.
Cost of examination and registration fees.
Damages to abutting property.
Judgments and decreed costs to clear or defend titles.
Notarial fees.
Plats.
Recording deeds.
Removal and relocation of buildings and other structures not purchased.
Salaries and expenses of employees, when especially engaged in the selection or purchase of land.
Taxes accrued and assumed at time of purchase.

BUILDINGS

Note: The primary accounts in this general account are designed to show the cost of buildings and structures, including fixtures, owned by the accounting carrier and used in its express operations and operations incident thereto, and the cost of improvements to and permanent fixtures in similarly used buildings not owned, when the title of the carrier to such improvements and fixtures may reasonably be expected to be good over a term of years.

202 Buildings and appurtenances on land owned.

This account shall include the cost of buildings and structures owned by the carrier, used in its operations, and situated on land owned, and cost of their fixtures (including those for heating and lighting) and appurtenances when considered a part of the building; also cost of establishing grounds, including the footways and driveways to such buildings and structures, architects' fees, and commissions paid to real estate brokers.

LIST OF BUILDINGS AND STRUCTURES

Bins for material.
Depot buildings.
Dwellings.
Fences.
Foundations.
Fuel houses.
Garages.
General office buildings.
Grading.
Hay houses.
Hose houses.
Icehouses.
Local office buildings
Milk stands.
Outhouses.
Paving.
Platforms, freight.
Platforms, transfer.
Powerhouses.
Reading rooms.
Rooms for Y.M.C.A.
Shops.
Sidewalks.
Stables.
Storehouses.
Toolhouses.
Transfer houses.
Walls.
Warehouses.
Washrooms.
Wharves.

DETAILS OF FIXTURES AND APPURTENANCES

Armatures and fields.
Ash baskets.
Belt carriers.
Belting.
Bill booths.
Boilers.
Bunks.
Call bells.
Counters.
Drainage and sewer systems.
Dynamos and parts.
Electric wiring.
Elevators and machinery.
Fire extinguishers (not portable).
Heating plants.
Hedges.
Lighting plants.
On-hand rooms.
Partitions, permanent.
Pumps.
Radiators.
Railings.
Shelving, permanent.
Signs, permanent.
Standpipes.
Steampipes.
Switch boards and parts.
Vaults and vault doors.
Washbowls.
Water and gas pipes and connections.
Water coolers, stationary.

203 Buildings and appurtenances on land not owned.

This account shall include the cost of buildings and structures owned by the carrier, used in its operations, and situated on land not owned, and cost of their fixtures (including those for heating and lighting) and appurtenances when considered a part of the building; also cost of establishing grounds, including the footways and driveways to such buildings and structures, architects' fees, and commissions paid to real estate brokers.

LIST OF BUILDINGS AND STRUCTURES

Bins for material.
Depot buildings.
Dwellings.
Fences.
Foundations.
Fuel houses.
Garages.
General office buildings.
Grading.
Hay houses.
Hose houses.
Icehouses.
Local office buildings.
Milk stands.
Outhouses.
Paving.
Platforms, freight.
Platforms, transfer.
Powerhouses.
Reading rooms.
Rooms for Y.M.C.A.
Shops.
Sidewalks.
Stables.
Storehouses.
Toolhouses.
Transfer houses.
Walls.
Warehouses.
Washrooms.
Wharves.

DETAILS OF FIXTURES AND APPURTENANCES

Armatures and fields.
Ash baskets.
Belt carriers.
Belting.
Bill booths.
Boilers.
Bunks.
Call bells.
Counters.
Drainage and sewer systems.
Dynamos and parts.
Electric wiring.
Elevators and machinery.
Fire extinguishers (not portable).
Heating plants.
Hedges.
Lighting plants.
On-hand rooms.
Partitions, permanent.
Pumps.
Radiators.
Railings.
Shelving, permanent.
Signs, permanent.
Standpipes.
Steampipes.
Switchboards and parts.
Vaults and vault doors.
Washbowls.
Water and gas pipes and connections.
Water coolers, stationary.

204 Improvements to buildings not owned.

This account shall include the cost of improvements to and permanent fixtures in buildings not owned, but used by the carrier in its operations, when the improvements or fixtures will become the property of the owners of such buildings upon the expiration of the lease or contract, the term of which extends through more than 1 year. At the expiration of the lease or contract proper credits shall be made to this account for all property affected by such lease or contract and concurrent charges made to balance-sheet account No. 548, "Accrued depreciation—Buildings and equipment."

[1] For list of accounting units, see note following Account No. 218.

DETAILS OF IMPROVEMENTS AND FIXTURES

Armatures and fields.
Belt carriers.
Belting.
Bill booths.
Bins for material.
Boilers.
Bunks.
Call bells.
Coal bins.
Counters.
Drainage and sewer systems.
Dynamos and parts.
Electric wiring.
Elevators and machinery.
Fences.
Fire extinguishers (not portable).
Foundations.
Grading.
Heating plants.
Hedges.
Icehouses.
Lighting plants.
On-hand rooms.
Partitions, permanent.
Paving.
Platforms.
Pumps.
Radiators.
Railings.
Shelving, permanent.
Sidewalks.
Signs, permanent.
Standpipes.
Switchboards and parts.
Vault and vault doors.
Washbowls.
Water and gas pipes, and connections.
Water coolers, stationary.

EQUIPMENT

NOTE: The several primary accounts in this general account are designed to show the cost of the several classes of equipment owned by the accounting carrier.

To the appropriate primary acocunts under this general account shall be charged the cost of all equipment, such as cars, horses, automobiles, wagons, and sleighs, harness equipment, office furniture and equipment, office safes, trucks, stable equipment, garage equipment, line equipment, and shop equipment, and the necessary appurtenances and fittings, including the cost of inspection, setting up and trying out, transportation charges paid other carriers, and customs duties; also the cost of additions, such as vestibules, heating apparatus, and lighting apparatus for cars, and tops and brakes to automobiles, wagons, sleighs, and other vehicles.

205 Cars.

This account shall include the cost of express cars of all classes, including all appurtenances and fixtures necessary to equip them for service, and cost of inspection.

LIST OF CARS

Express cars.
Fruit cars.
Horse cars.
Refrigerator cars.
Ventilator cars.

LIST OF APPURTENANCES TO CARS

Air-brake equipment and hose.
Brake gear.
Coal boxes.
Coat hooks.
Desks.
Gas gauges.
Gas tanks.
Gun racks.
Heating equipment and steam-heat hose.
Horse stalling, if part of a car.
Ice boxes.
Ice tanks.
Lamps and fixtures.
Lighting equipment.
Pigeonholes.
Racks.
Speed recorders.
Stoves.
Train-signal equipment, including hose.
Water tanks.

206 Horses.

This account shall include the cost of all horses and other draft animals owned by the carrier and used in the conduct of its business.

NOTE: The cost of feeding and caring for horses between dates of purchase and dates of placing in service shall be charged to account No. 44, "Stable and garage supplies and expenses."

207 Automobiles.

This account shall include the cost of automobiles, including all appurtenances necessary to equip them for service. The details of this account shall be so kept that the cost of each class of automobiles named below can be determined:

(a) Automobiles, gasoline.
(b) Automobiles, electric.

208 Wagons and sleighs.

This account shall include the cost of vehicles, including all appurtenances necessary to equip them for service. The details of this account shall be so kept that the cost of each class of vehicles named below can be determined:

(a) Wagons, double.
(b) Wagons, single.
(c) Sleighs.
(d) Buggies.

209 Harness equipment.

This account shall include the cost of harness and other accessories used in collection and delivery service. The details of this account shall be so kept that the cost of each class of equipment named below can be determined:

(a) Harness; double.
(b) Harness; single.
(c) Miscellaneous.

DETAILS OF MISCELLANEOUS

Breast collars and traces.
Covers.
Fly nets.
Hitch straps and weights.
Holdback straps.
Horse blankets.
Horse collars.
Lap robes.
Sleigh bells.
Storm aprons.

210 Office furniture and equipment.

This account shall include the cost of all furniture and office equipment not considered a part of the building.

LIST OF OFFICES

General.
Local.
Depot.
General managers'.
Division.
Department.
Garage.
Stable.
Ship.
Transfer.

DETAILS OF OFFICE FURNITURE AND EQUIPMENT

Adding machines.
Addressing machines
Awnings.
Bedsteads.
Bill booths, portable.
Bookcases.
Cabinets.
Calculating machines.
Carpets.
Cases.
Chairs.
Clocks.
Comptometers.
Copy press baths.
Copy presses.
Cots.
Counter desks.
Counters.
Cupboards.
Desks, including roll-top, high, low and typewriter desks.
Dictating machines.
Envelope sealers.
Fire extinguishers, portable.
Fans, electric.
Filing and card indexes.
Filing cases.
Gangplanks.
Guns.
Hat racks, wardrobe.
Horse skids.
Hose and hose wagons.
Ladders.
Lamps, desk, portable.
Matting.
Mimeographs.
Motors.
Numbering machines.
On-hand shelving, movable.
Partitions, movable.
Percentage machines.
Pigeonholes.
Pinch bars.
Punching machines.
Railings.
Revolvers.
Rugs.
Scales.
Seal presses, lead or wax.
Settees.
Shelves.
Signs (not a part of the building).
Stands, typewriter.
Stools.
Stoves.
Tables.
Tarpaulins.
Typewriters.
Trays, coin.
Wardrobes.
Water coolers, portable.
Wringers.

211 Office safes.

This account shall include the cost of safes used in general, local, depot, general managers', division, department, stable, garage, transfer, and shop offices.

212 Trucks.

This account shall include the cost of trucks and other wheeled conveyances for moving express matter in buildings and on platforms, and not provided for in accounts Nos. 213 and 214.

LISTS OF TRUCKS AND WHEELED CONVEYANCES

Carts.
Trucks, coin.
Trucks, electric motor.
Trucks, platform.
Trucks, hamper.
Trucks, warehouse.

213 Stable equipment.

This account shall include the cost of stable equipment and fittings not considered a part of the building.

DETAILS OF STABLE EQUIPMENT

Blankets, stable.
Carts, stable.
Feed-chopping machines.
Feed-cleaning machines.
Grain bins.
Halters.
Harness press.
Heaters, stove and water.
Horse-clipping machines.
Hose and hose wagons.
Jacks, wagon.
Partitions, movable.
Railings.
Scales.
Signs (not a part of the building).
Trucks for stable use.
Wagon-washing machines.
Wardrobes.
Wheelbarrows.

214 Garage equipment.

This account shall include the cost of garage equipment and fittings not considered a part of the building.

DETAILS OF GARAGE EQUIPMENT

Appliances, pneumatic.
Charging panels.
Hose and hose wagons.
Jacks, automobile.
Odometers.
Partitions, movable.
Signs (not a part of the building).
Stoves.
Tanks, gasoline.
Tools, chauffeurs'.
Trucks, for garage use.
Wardrobes.

215 Line equipment.

This account shall include the cost of train, boat, and stage equipment not considered part of the conveyance, and the cost of furniture and fittings for messenger quarters. The details of this account shall be so kept that the cost of each class of line equipment named below can be determined:

(a) Line equipment.
(b) Furniture and fittings for messenger quarters.

DETAILS OF LINE EQUIPMENT

Crates, package.
Guns and revolvers for protection of goods in transit.
Horse stalling (when not part of a car).
Kit boxes.
Money chests.
Safes (car), stationary and portable.
Safes, messenger.
Treasure boxes.
Trunks, packing.

DETAILS OF FURNITURE AND FITTINGS FOR MESSENGER QUARTERS

Bedsteads.
Carpets.
Chairs.
Clocks.
Rugs.
Stoves.
Tables.
Wardrobes.

216 Shop equipment.

This account shall include the cost of equipment for blacksmith, harness, wagon, automobile, carpenter, trunk, and printing shops and equipment for like use located elsewhere.

DETAILS OF SHOP EQUIPMENT

Anvils.
Bellows.
Belting.
Blacksmithing tools.
Blowers.
Boilers for furnishing power.
Drilling machines.
Drop tables.
Forges.
Harness making and repair machinery.
Heating apparatus.
Lathes.
Lighting apparatus.
Motors.
Planers.
Printing presses.
Shafting.
Switchboards.
Tools.
Vises.

217 Miscellaneous equipment.

This account shall include the cost of motorcycles and bicycles, and all other equipment for carrier's use not provided for elsewhere.

218 Minor equipment.

This account shall include the cost of office furniture and equipment, safes, trucks, garage equipment, line equipment, shop equipment, and miscellaneous equipment of classes generally having an average original cost of $50 or less per unit. As of December 31, 1935, there shall be included in this account the ledger value of such items of equipment then owned by the carrier. Such equipment purchased thereafter shall be charged to Operating Expenses.

NOTE: The depreciation reserve applicable to property, the cost of which is includible in this account as of December 31, 1935, shall be segregated in the accrued depreciation account and held as a permanent reserve.

If, at any time, a change in operation involves a substantial increase in the number of units of minor equipment this account shall be debited for the additional units at the average cost thereof. If, at any time, a change in operation involves a substantial decrease in the number of units of minor equipment this account shall be credited with the amount of the reduction and the charge shall be appropriately distributed between the appropriate operating expense accounts and the segregated accrued depreciation account.

NOTE: The following list of units of real property and equipment is established for the purpose of designating items of physical property included in each depreciable account the ledger value of which shall be credited to the respective accounts at time of retirement (see Instruction 01-3) for instructions applicable to minor items, and the text of account No. 218, "Minor equipment," for those applicable to equipment of classes having an average original cost of $50 or less per unit):

202, 203. Buildings and appurtenances:
- A complete building or structure.
- A complete roof.
- A complete heating, lighting, ventilating, water-supply, air-conditioning, plumbing, drainage, or elevator system.
- A motor, generator, steam engine, pump, ventilating fan, air washer, elevator drum, machine tool, or similar items of equipment.

204. Improvements to buildings not owned:
- A complete heating, lighting, ventilating, water-supply, air-conditioning, plumbing, drainage, or elevator system.
- A motor, generator, steam engine, pump, ventilating fan, air washer, elevator drum, machine tool, or similar items of equipment.

205. Cars:
- A complete car.
- A car body with or without underframe.
- A complete underframe.

206. Horses:
- A horse or mule.

207. Automobiles:
- A complete automobile or truck.
- A tractor.
- A trailer.
- A semi-trailer.
- An electric power storage battery.

208. Wagons and sleighs:
- A wagon.
- A sleigh.
- A cart.

209. Harness equipment:
- A complete set of harness.

210. Office furniture and equipment:
- A desk, typewriter, billing machine, davenport, computing machine, bookcase, filing cabinet, rug, carpet, or other similar items of equipment.

211. Office safes:
- A safe.

212. Trucks:
- A truck.
- A storage battery.

213. Stable equipment:
- A machine, or other similar item of stable equipment.

214. Garage equipment:
- A machine tool, testing equipment, generator, engine, motor, truck, storage battery, tank, or other similar items of garage equipment.

215. Line equipment:
- A gun, safe, or other similar items of line equipment.

216. Shop equipment:
- A machine tool, boiler, motor generator, truck, or other similar items of equipment.

217. Miscellaneous equipment:
- A bicycle.
- A motorcycle.

INCOME ACCOUNTS

3-1 Special instructions.

Income accounts are those designed to show, for each fiscal period, the total amount of money that a carrier becomes entitled to receive for services rendered, the returns accrued upon investments, the accrued costs paid or payable for the services rendered, the amounts accrued for the use of moneys and for the use of the properties of others, and the appropriations made from income during that period. The net balance of income (or loss) shall be carried to Profit and Loss.

When the title and definition of an income account clearly indicate that it is a summary of other accounts, it is not required that a special ledger account shall be kept under such a title to include the balances from the accounts usually carried in the ledger, but in such case the titles of the subaccounts in the ledger shall give a reference by number or title, or both, to the account prescribed herein of which they are subdivisions.

300 Form of income statement.

EXPLANATORY NOTE: The classified form of income statement is designed to show the financial changes resulting from transportation operations and other business of the accounting company during any specified period.

I. Operating income:
- 301. Charges for transportation.
- 314. Express privileges—Dr.
  Revenue from transportation.
- 302. Revenue from operations other than transportation.
  Total operating revenues.
- 315. Operating expenses.
  Net operating revenue (or deficit).
- 316. Uncollectible revenue from transportation.
- 317. Express taxes.
  Operating income (or loss).

II. Other income:
- 303. Rent from real property and equipment used jointly.
- 304. Miscellaneous rent income.
- 305. Net income from miscellaneous physical property.
- 306. Separately operated properties—Profit.
- 307. Dividend income.
- 308. Income from funded securities.
- 309. Income from unfunded securities and accounts.
- 310. Income from sinking and other reserve funds.
- 311. Release of premiums on funded debt.
- 312. Contributions from other companies.
- 313. Miscellaneous income.
  Total other income.
  Gross income (or loss).

III. Deductions from gross income:
- 318. Rent for real property and equipment used jointly.
- 319. Miscellaneous rents.
- 320. Miscellaneous taxes.
- 321. Net loss on miscellaneous physical property.
- 322. Separately operated properties—Loss.
- 323. Interest on funded debt.
- 324. Interest on unfunded debt.
- 325. Amortization of discount on funded debt.
- 326. Income transferred to other companies.
- 327. Miscellaneous income debits.
  Total deductions from gross income.
  Net income (or loss).

IV. Disposition of net income:
- 328. Income applied to sinking and other reserve funds.
- 329. Dividend appropriations of income.
- 330. Income appropriations for investment in physical property.
- 331. Stock discount extinguished through income.
- 332. Miscellaneous appropriations of income.
  Total appropriations.
  Income balance transferred to credit (or debit) of Profits and Loss Account.

CREDITS

301 Charges for transportation.

This account shall include charges for transportation service, as shown in general account Transportation provided in the classification of operating revenues.

302 Revenue from operations other than transportation.

This account shall include revenue from services shown in general account Operations Other than Transportation provided in the classification of operating revenues.

303 Rent from real property and equipment used jointly.

This account shall include amounts receivable accrued representing the rent (amount applicable to the investment in the property) of real property and equipment owned by the accounting company and used jointly with other companies.

Amounts receivable from other companies in reimbursement of taxes on property jointly used shall be accredited to this account.

304 Miscellaneous rent income.

This account shall include the amounts accrued as rent of real property and equipment the cost of which appears in balance-sheet account No. 501, "Real property and equipment," and the rents of which are not provided for elsewhere. To it shall be charged the cost of maintenance of the property rented, also incidental expenses in connection with such property, such as the cost of negotiating contracts, advertising for tenants, fees paid conveyancers, collectors' commissions, and analogous items.

To this account shall be credited rent receivable for property the rent payable for whch is chargeable to account No. 319, "Miscellaneous rents," when such property is sublet by the accounting company.

NOTE A: If the expenses of the property leased cannot be separated from the expenses of property used in the company's operations, the rents shall be credited to revenue account No. 107, "Rents of buildings and other property."

NOTE B: Taxes on property, the rent of which is credited to this account, shall be charged to account No. 317, Express taxes."

NOTE C: The rent of property carried in balance-sheet account No. 503, "Miscellaneous physical property," shall not be included in this account, but in account No. 305, "Net income from miscellaneous physical property," or No. 321, "Net loss on miscellaneous physical property."

305 Net income from miscellaneous physical property.

This account shall include the net credit balance of the revenues or income from, and the expenses (including depreciation but excluding taxes) of, physical property the cost of which is carried in balance-sheet account No. 503, "Miscellaneous physical property."

NOTE: If the net balance is a debit it shall be shown under account No. 321, "Net loss on miscellaneous physical property."

306 Separately operated properties; profit.

This account shall include amounts receivable under the terms of agreements or contracts whereby the surplus resulting from the operation by others of properties of other companies having a separate corporate existence is to be paid, in whole or in part, to the accounting company.

In determining the amount receivable by the accounting company, consideration shall be given not only to the operating revenues and operating expenses, but also to other items of income or deduction which affect that amount.

NOTE A: The amount payable by the operating company shall be charged by it to account No. 326, "Income transferred to other companies."

NOTE B: Dividends or other returns upon securities issued by separately operated companies, and held or controlled by the accounting company, shall be included in account No. 307, "Dividend income"; No. 308, "Income from funded securities"; No. 309, "Income from unfunded securities and accounts," or No. 310, "Income from sinking and other reserve funds," as may be appropriate.

307 Dividend income.

This account shall include dividends declared on railway and other stocks, the income from which is the property of the accounting company, whether such stocks are owned by the accounting company and held in its treasury or deposited in trust or are controlled through lease or otherwise. Accruals of guaranteed dividends may be included in this account if their payment is reasonably assured.

NOTE A: This account shall not include credits for dividends on stocks issued or assumed by the accounting company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other reserve funds.

NOTE B: Dividends on stocks of other companies held in sinking or other reserve funds shall be credited to account No. 310, "Income from sinking and other reserve funds."

308 Income from funded securities.

This account shall include interest on funded securities of railway and other companies, the income from which is the property of the accounting company, whether such securities are owned by the accounting company and held in its treasury, deposited in trust, or controlled through lease or otherwise. Interest accrued shall not be credited unless its payment is reasonably assured by past experience, guaranty, anticipated provision, or otherwise. In other cases the credit to this account shall be based upon the interest actually collected.

At the option of the accounting company there may be included in this account the portion, applicable to the fiscal period, of the amount requisite to extinguish during the interval between the date of acquisition and the date of maturity the discount or premium on funded securities of other companies owned.

NOTE A: Amounts credited or charged for the purpose of extinguishing discount or premium shall be concurrently charged or credited to the account in which the cost of the securities is carried.

NOTE B: The term funded securities, here used, means all unmatured bonds, notes, and other evidences of indebtedness (except open accounts for advances), none of which, by the terms of the creation of the debt, matures until more than one year after the date of such creation.

NOTE C: This account shall not include interest on funded securities issued or assumed by the accounting company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other reserve funds.

NOTE D: Interest on funded securities of other companies held in sinking or other reserve funds shall be included in account No. 310, "Income from sinking and other reserve funds."

NOTE E: Interest accruing after maturity on any securities not in sinking or other reserve funds shall be included in account No. 309, "Income from unfunded securities and accounts."

309 Income from unfunded securities and accounts.

This account shall include interest on unfunded securities (notes and other evidences of indebtedness of others payable on demand or having dates of maturity 1 year or less from the date of issue) interest on matured funded securities of other companies, interest on bank balances and on open accounts, and other analogous items, including discount on short-term notes.

NOTE A: Interest on assets held in sinking and other reserve funds shall be included in account No. 310, "Income from sinking and other reserve funds."

NOTE B: Discounts on bills for material and supplies purchased shall be credited to the accounts which were charged originally with the cost of the material and supplies on which the discount is allowed.

310 Income from sinking and other reserve funds.

This account shall include the income accrued on cash, securities (not issued or assumed by the accounting company), and other assets held in sinking and other reserve funds.

At the option of the accounting company there may be included each year in this account the portion, applicable to the fiscal period, of the amount requisite to extinguish, during the interval between the date of acquisition and the date of maturity, the discount or premium on funded securities of other companies held in sinking and other reserve funds.

NOTE A: Amounts credited or charged for the purpose of extinguishing discount or premium shall be concurrently charged or credited to the account in which the cost of securities is carried.

NOTE B: Charges to reserve fund accounts representing income on reserve funds retained therein shall be concurrently charged to account No. 328, "Income applied to sinking and other reserve funds," and credited to balance-sheet account No. 553, "Reserves from income and surplus."

311 Release of premiums on funded debt.

This account shall include, during each fiscal period, such proportion of

the premiums on outstanding funded debt obligations as may be applicable to that period. The proportion shall be determined in accordance with Instruction 5-4.

NOTE: The amounts credited to this account shall be concurrently charged to the accounts in which the respective premiums are carried.

312 Contributions from other companies.

This account shall include amounts received or receivable from other companies or individuals, representing the whole or a part of the net deficit of the accounting company, when, under the terms of agreements or contracts, no obligation is incurred for subsequent reimbursement.

In determining the amount receivable by the accounting company consideration shall be given not only to the operating revenues and operating expenses but also to other items of income or deduction which affect that amount.

NOTE A: The amount payable shall be charged by the contributing company to account No. 322, "Separately operated properties—Loss."

NOTE B: This account shall not include advances covered by balance-sheet accounts Nos. 531 and 537.

313 Miscellaneous income.

This account shall include all items, including amounts received from hire of cars owned by the carrier, properly creditable to Income Account during the fiscal period, and not provided for elsewhere.

DEBITS

314 Express privileges; Dr.

This account shall include all amounts paid or accrued to companies, firms, or individuals for the privilege of conducting an express business over domestic transportation lines as shown in account No. 104 in the classification of operating revenues.

315 Operating expenses.

This account shall include the total expenses of express operations as shown in the accounts provided in the classification of operating expenses.

316 Uncollectible revenue from transportation.

This account shall include the amount of uncollected revenue charges against individuals and companies, representing tariff charges for transportation service rendered, including the accounting carrier's revenue charges and also revenue charges advanced to other carriers, when, during the period for which the Income Account is made, such amounts have been determined to be uncollectible.

NOTE A: This account shall not be construed to relieve the carrier from its responsibility to collect the lawfully established rates.

NOTE B: This account shall not include amounts for transportation service not performed in accordance with transportation contract, and, on that account, not lawfully collectible from individuals or companies, such as express charges on lost or destroyed shipments.

NOTE C: Uncollectible charges on unclaimed and refused freight, money, or valuables shall be charged to account No. 49, "Loss and damage."

317 Express taxes.

This account shall include accruals for taxes relating to express property used in operations, or to express operations and privileges, whether based on the valuation of the property, on the amount of stocks or bonds issued or outstanding, on the gross or net earnings, on length of line over which operations are conducted or on other bases.

NOTE A: Taxes on property not used in operation and taxes on operations and privileges other than express shall be charged to account No. 320, "Miscellaneous taxes."

NOTE B: Special assessments for street and other improvements, and special benefit taxes, such as water taxes and the like, shall be included in operating expense accounts or investment accounts, as may be appropriate.

NOTE C: Amounts received in reimbursement of taxes on property jointly used shall be credited to account No. 303, "Rent from real property and equipment used jointly." Amounts paid in reimbursement of such taxes shall be charged to account No. 318, "Rent for real property and equipment used jointly."

318 Rent for real property and equipment used jointly.

This account shall include amounts payable accrued representing the rent (amount applicable to the investment in the property) of real property and equipment owned by other companies, and in the joint use of which the accounting company participates.

Amounts payable by the accounting company in reimbursement of taxes on property jointly used shall be charged to this account.

319 Miscellaneous rents.

This account shall include rents accrued on property owned by others but used by the carrier, such as horse, refrigerator, or other cars in which shipments are forwarded by express, when such rents are not properly chargeable to other accounts.

NOTE A: This account shall not include rents provided for in the classification of operating expenses.

NOTE B: If property, the rent of which is chargeable to this account, is sublet by the accounting company to others, the rent from the sublease shall be credited to account No. 304.

320 Miscellaneous taxes.

This account shall include accruals for taxes not provided for elsewhere, such as taxes on securities owned, taxes on income from securities owned, and taxes on physical property the cost of which is includible in account No. 503, "Miscellaneous physical property."

NOTE: When the proper separation of any particular tax is not ascertainable the entire amount shall be included in account No. 317, "Express taxes."

321 Net loss on miscellaneous physical property.

This account shall include the net debit balance of the revenues or income from and the expenses (including depreciation but excluding taxes) of physical property the cost of which is carried in balance-sheet account No. 503, "Miscellaneous physical property."

NOTE: If the net balance is a credit, it shall be shown under account No.305, "Net income from miscellaneous physical property."

322 Separately operated properties; loss.

This account shall include amounts payable under the terms of agreements or contracts whereby the deficit resulting from the operation by others of properties of other companies having a separate corporate existence is to be paid, in whole or in part, by the accounting company.

In determining the amount payable by the accounting company consideration shall be given not only to the operating revenues and operating expenses but also to other items of income or deduction which affect that amount.

NOTE A: The amount receivable by the operating company shall be credited by it to account No. 312, "Contributions from other companies."

NOTE B: Dividends or other returns upon securities issued by separately operated companies and held or controlled by the accounting company shall not be included in this account to offset a deficit payable, but in account No. 307, "Dividend income"; No. 308, "Income from funded securities"; No. 309, "Income from unfunded securities and accounts"; or No. 310, "Income from sinking and other reserve funds," as may be appropriate.

323 Interest on funded debt.

This account shall include the current accruals of interest on all classes of unmatured funded debt (as defined in balance-sheet account No. 530, "Funded debt unmatured,") issued or assumed by the accounting company, and also the interest on receiver's certificates issued for a term of more than 1 year.

NOTE: This account shall not include charges for interest on funded debt obligations issued or assumed by the accounting company and owned by it, whether pledged as collateral or held in the treasury, in special deposits, or in sinking or other reserve funds. (See account No. 328, "Income applied to sinking and other reserve funds.")

324 Interest on unfunded debt.

This account shall include interest accrued on unfunded debt, such as short-term notes payable on demand or having dates of maturity 1 year or less from date of issue, interest on matured funded securities and open accounts, discounts on short-term notes, and analogous items.

325 Amortization of discount on funded debt.

This account shall be charged during each fiscal period with the proportion of the discount and expense on funded debt obligations applicable to that period. This proportion shall be determined according to a rule the uniform application of which through the interval between the date of sale and the date of maturity will extinguish the discount

and expense on funded debt. The charge to this account for any period shall not be either greater or less than the proportion applicable to that period, so long as any portion of the discount and expense remains unextinguished. (See Instruction 5-4.)

NOTE A: The accounting company may, at its option, charge to account No. 413, "Debt discount extinguished through surplus," all or any portion of the discount and expense on funded debt remaining at any time unextinguished.

NOTE B: The amounts charged to this account shall be concurrently credited to the discount and premium accounts in which the respective discounts are carried.

326 Income transferred to other companies.

This account shall include the whole or any portion of the income of the accounting company payable to another company under the terms of agreements or contracts and without obligation for reimbursement.

In determining the amount payable by the accounting company, consideration shall be given not only to operating revenues and operating expenses, but also to other items of income or deduction which affect that amount.

NOTE A: The amount receivable by the other company shall be credited by it to account No. 306, "Separately operated properties—Profit."

NOTE B: Dividends or other payments upon securities issued or assumed by the accounting company shall not be included in this account.

327 Miscellaneous income debits.

This account shall include the amount of uncollected revenue charges against individuals and companies for foreign and nontransportation services when, during the period for which the income account is made, such amounts have been determined to be uncollectible, and shall include all items properly chargeable to Income Account for the current fiscal period and not provided for elsewhere.

328 Income applied to sinking and other reserve funds.

This account shall include amounts applied to sinking and other reserve funds from income, whether such amounts are definite appropriations from income, are allotments or payments of definite amounts from income under the terms of mortgages, deeds of trust, or other contracts that provide for such allotments or payments, or are accretions representing interest or other returns accrued on the contents of such funds and required to be retained therein.

NOTE A: The amounts charged to this account shall be concurrently credited to balance-sheet account No. 553, "Reserves from income and surplus."

NOTE B: Appropriations for direct payments made from surplus shall be charged to account No. 409, "Surplus applied to sinking and other reserve funds."

329 Dividend appropriation of income.

This account shall include amounts definitely declared payable, from the income of the current fiscal period, as dividends on actually outstanding stock issued or assumed by the accounting company. If a dividend is not payable in cash, the consideration shall be described in the entry with sufficient particularity to identify it.

This account shall be subdivided so as to show separately the dividends on the various classes of capital stock. (See definition of the several classes of capital stock in balance-sheet account No. 528, "Capital stock.")

NOTE A: This account shall not include charges for dividends on capital stock issued or assumed by the accounting company and owned by it, whether pledged as collateral, or held in its treasury, in special deposits, or in sinking or other reserve funds. (See account No. 328, "Income applied to sinking and other reserve funds.")

NOTE B: This account shall be used when the appropriations are definitely made chargeable to Income. Similar appropriations made from surplus shall be charged to account No. 410, "Dividend appropriations of surplus."

330 Income appropriations for investment in physical property.

This account shall include amounts definitely appropriated from income to be applied for the acquisition of real property and equipment, for additions to or betterment of property carried in the real property and equipment accounts, or for the acquisition of property the cost of which is includible in account No. 503, "Miscellaneous physical property."

Records of the accounting carrier shall be so kept that the appropriations charged to this account for any fiscal period may be distinguished as relating to real property or equipment used in operation, or to property shown under account No. 503, "Miscellaneous physical property" and as relating to (a) amounts expended during preceding fiscal periods, (b) amounts expended during the current fiscal period, and (c) amounts held in reserve.

NOTE A: Similar appropriations made from surplus shall be charged to profit and loss account No. 411, "Surplus set aside for investment in physical property."

NOTE B: The amounts charged to this account shall be concurrently credited to balance-sheet account No. 552, "Additions to property through income and surplus," or to account No. 553, "Reserves from income and surplus," as may be appropriate."

331 Stock discount extinguished through income.

This account shall include amounts definitely appropriated from income to reduce or extinguish the amount of discount on capital stock issued by the accounting company. (See balance-sheet account No. 523, "Discount on capital stock.")

NOTE: Similar appropriations made from surplus shall be charged to account No. 412, "Stock discount extinguished through surplus."

332 Miscellaneous appropriations of income.

Except as provided in account No. 328, "Income applied to sinking and other reserve funds," this account shall include amounts definitely appropriated from income for the discharge of the principal (less any discount suffered at time of sale) of any indebtedness incurred in the acquisition or improvement of property carried in the real property and equipment accounts, amounts similarly appropriated to provide a reserve for doubtful accounts, and amounts appropriated for other purposes not provided for elsewhere.

NOTE: Similar appropriations made from surplus shall be charged to account No. 414, "Miscellaneous appropriations of surplus."

PROFIT AND LOSS ACCOUNTS

4-1 Special instructions.

Profit and loss accounts are those designed to show the changes in the corporate surplus or deficit during each fiscal period, resulting from the operations and business transactions during that period, as well as changes effected by appropriations of surplus made at the option of the company, by accounting adjustments not properly attributable to the period, or by miscellaneous losses or gains not provided for elsewhere, and to show also the unappropriated surplus of the company at the date of the balance sheet.

When the title and definition of a profit and loss account clearly indicate that it is a summary of other accounts it is not required that a special ledger account shall be kept under such a title to include the balances from the accounts usually carried in the ledger, but in such case the titles of the subaccounts in the ledger shall give a reference by number or title, or both, to the account prescribed herein of which they are subdivisions.

CREDITS

401 Credit balance (at beginning of fiscal period).

This account shall include the net credit balance in the Profit and Loss Account at the beginning of the fiscal period.

402 Credit balance transferred from income.

This account shall show the net credit balance brought forward from the Income Account for the fiscal period.

403 Profit on real property and equipment sold.

This account shall include the proceeds from the sale of real property and equipment in excess of the amount at which such property was carried in the property account.

404 Delayed income credits.

This account shall include relatively large credits relating to operating revenues, operating expenses, and other income items of previous fiscal periods. All entries in this account shall be made in such detail as will indicate the operating revenue, operating expense, or other income accounts to which they relate.

This account shall be used only after permission of the Commission shall have been obtained.

NOTE: Except as provided above delayed items relating to operating revenues and operating expenses, and other income items, shall be included in the appropriate revenue, expense, or income accounts for the fiscal period in which the audit of the items occurs.

405 Unrefundable overcharges.

This account shall include the amount of the revenue overcharges found to be unrefundable during the current fiscal period.

406 Miscellaneous profit and loss credits.

This account shall include amounts, not provided for elsewhere, transferred from other accounts to Profit and Loss, and amounts representing increases of resources not properly assignable to the income accounts. Among the items which shall be included in this account are—

Adjustments or cancellations of balance-sheet accounts,

Profit derived from the sale of investment securities,

Profit derived from the sale of property carried in balance-sheet account No. 503, "Miscellaneous physical property."

Credits resulting from adjustments required to bring to par securities issued or assumed by the accounting company and reacquired at a cost less than the par value.

Premiums received on capital stock at time of issue, when such stock is reacquired.

Unreleased premiums on funded debt reacquired before maturity.

DEBITS

407 Debit balance (at beginning of fiscal period).

This account shall include the debit balance in the Profit and Loss Account at the beginning of the fiscal period.

408 Debit balance transferred from income.

This account shall include the net debit balance brought forward from the Income Account for the fiscal period.

409 Surplus applied to sinking and other reserve funds.

This account shall include amounts definitely appropriated from surplus and applied to sinking and other reserve funds; and allotments or payments of definite amounts from surplus into sinking and other reserve funds under the terms of mortgages, deeds of trust, or other contracts that provide for such allotments or payments.

NOTE A: The amounts charged to the account shall be concurrently credited to balance-sheet account No. 553, "Reserves from income and surplus."

NOTE B: Similar appropriations made from income shall be charged to account No. 328, "Income applied to sinking and other reserve funds."

410 Dividend appropriations of surplus.

This account shall include amounts declared payable from surplus as dividends on actually outstanding capital stock issued or assumed by the accounting company. If a dividend is not payable in cash, the equivalent shall be described in the entry with sufficient particularity to identify it.

This account shall be subdivided so as to show separately the dividends on the various subclasses of capital stock. (See definition of the several subclasses in balance-sheet account No. 528, "Capital stock.")

NOTE A: This account shall not include charges for dividends on capital stock issued or assumed by the accounting company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other reserve funds. (See account No. 409, "Surplus applied to sinking and other reserve funds.")

NOTE B: Similar appropriations made from income shall be charged to account No. 329, "Dividend appropriations of income."

411 Surplus set aside for investment in physical property.

This account shall include amounts definitely appropriated from surplus to be applied for the acquisition of real property and equipment, for additions to or betterments of property carried in the real property and equipment accounts, or for the acquisition of property the cost of which is includible in account No. 503, "Miscellaneous physical property."

Records of the accounting carrier shall be so kept that the appropriations charged to this account for any fiscal period may be distinguished as relating to real property or equipment used in operation, or to property shown in account No. 503, "Miscellaneous physical property," and as relating to (a) amounts expended during preceding fiscal periods, (b) amounts expended during the current fiscal period, and (c) amounts held in reserve.

NOTE A: Similar appropriations made from income shall be charged to income account No. 330, "Income appropriations for investment in physical property."

NOTE B: The amounts charged to this account shall be concurrently credited to balance-sheet account No. 552, "Additions to property through income and surplus," or to account No. 553, "Reserves from income and surplus."

412 Stock discount extinguished through surplus.

This account shall include amounts definitely appropriated from surplus to reduce or extinguish the amount of discount on capital stock or shares issued by the accounting company. (See balance-sheet account No. 523, "Discount on capital stock.")

NOTE: Similar appropriations made from income shall be charged to account No. 331, "Stock discount extinguished through income."

413 Debt discount extinguished through surplus.

This account shall include appropriations of surplus made, at the option of the accounting company, to reduce or extinguish the discount and expense on funded debt. (See account No. 325, "Amortization of discount on funded debt," and account No. 524, "Discount on funded debt.")

414 Miscellaneous appropriations of surplus.

Except as provided in account No. 409, "Surplus applied to sinking and other reserve funds," this account shall include amounts definitely appropriated from surplus for the discharge of the principal (less any discount suffered at time of sale) of any indebtedness incurred in the acquisition or improvement of property carried in the real property and equipment accounts, amounts similarly appropriated to provide a reserve for doubtful accounts, and amounts appropriated for other purposes not provided for elsewhere.

NOTE: Similar appropriations made from income shall be charged to account No. 332, "Miscellaneous appropriations of income."

415 Loss on land sold.

This account shall include charges to Profit and Loss on account of land, carried in the real property accounts, which has been abandoned, sold, or otherwise disposed of.

416 Delayed income debits.

This account shall include relatively large debits relating to operating revenues, operating expenses, and other income items of previous fiscal periods. All entries in this account shall be made in such detail as will indicate the operating revenue, operating expense, or other income accounts to which they relate.

This account shall be used only after permission of the Interstate Commerce Commission shall have been obtained.

NOTE: Except as provided above, delayed items relating to operating revenues and operating expenses, and other income items, shall be included in the appropriate revenue, expense, or income accounts for the fiscal period in which the audit of the items occurs.

417 Miscellaneous profit and loss debits.

This account shall include amounts not provided for elsewhere, chargeable to Profit and Loss from other accounts, amounts written off in consequence of adjustments, and payments not properly chargeable to the income accounts. Among the items which shall be charged to this account are:

Adjustments or cancellations of balance-sheet accounts.

Losses or deficits not properly chargeable to Income, such as uncollectible bills not covering revenue charges and for which no reserve has been provided.

Losses resulting from the sale of investment securities,

Losses resulting from the sale, destruction, or abandonment of property carried in balance-sheet account No. 503, "Miscellaneous physical property."

Debits resulting from adjustments required to bring to par securities issued or assumed by the accounting company and reacquired at a cost exceeding the par value,

Discounts on stock remaining unextinguished at the time of its reacquirement,

Unextinguished discounts on funded debts reacquired before maturity.

SPECIAL INSTRUCTIONS, GENERAL BALANCE SHEET ACCOUNTS

5–1 Balance sheet accounts.

When the title and definition of a balance-sheet account clearly indicate that it is a summary of other accounts, it is not required that a special ledger account shall be kept under such a title to include the balances from the accounts usually carried in the ledger, but in such case the titles of the subaccounts in the ledger shall give a reference by number or title, or both, to the account prescribed herein of which they are subdivisions.

5–2 Designation of capital issues.

The term capital stock, when used in this classification, shall be construed as including shares of interest in joint stock associations and like organizations.

5–3 Discount and premium on capital stock.

Ledger accounts shall be provided to cover the discounts and premiums at the sale or resale of each class of capital stock issued or assumed by the company.

By the term discount is meant the excess of the par value of stocks actually issued or assumed over the actual money value of the consideration received for such stocks.

By the term premium is meant the excess of the actual money value of the consideration received for stock actually issued or assumed over the par value of such stock.

Entries in these accounts representing discounts shall be carried therein until offset (a) by premiums realized on subsequent sales of the same class of stock, (b) by assessments levied on the stockholders, (c) by appropriations of income or surplus for that purpose, or (d) by charges to Profit and Loss upon reacquirement of the stock.

Entries in these accounts representing premiums realized shall be carried therein until offset by discounts suffered on sales of the same class of stock, or by credits to Profit and Loss upon reacquirement of the stock. In case the accounting company is permitted and elects to distribute to its shareholders all or any part of the net premium on its capital stock the amount thus distributed shall be charged to these accounts.

For the purpose of this classification the premium realized at the sale of capital stock shall not be considered a profit and loss item except upon the requirement of the stock sold.

The total of the net debit balances remaining in these several accounts shall be included in account No.523, "Discount on capital stock," and the total of the net credit balances in account No. 529, "Premium on capital stock."

5–4 Discount, expense, and premium on funded debt.

Ledger accounts shall be provided to cover the discounts, expense, and premiums at the sale or resale of each class of funded debt and of receiver's certificates issued or assumed by the company.

By the term discount is meant the excess of the par value of funded debt securities issued or asumed, and the accured interest thereon, over the actual cash value of the consideration received for such securities.

By the term premium is meant the excess of the actual cash value of the consideration received for funded debt securities issued or assumed over the par value of such securities and the accrued interest thereon.

By the term expense is meant all expense in connection with the issue and sale of evidence of debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording mortgages and trust deeds; cost of engraving and printing bonds, certificates of indebtedness, and other commercial paper having a life of more than 1 year; fees paid trustees, when provided for in mortgages and trust deeds; fees and commissions paid underwriters and brokers for marketing such evidences of debt; and other like expenses.

The total of the net debit balances remaining in these several accounts shall be included in account No. 524, "Discount on funded debt," and the total of the net credit balances in account No. 546, "Premium on funded debt."

Each month there shall be charged to income account No. 325, "Amortization of discount on funded debt," a proportion (based upon the ratio of such fiscal period to the remaining life of the respective securities) of each debit balance in these accounts, and there shall also be credited to income account No. 311, "Release of premiums on funded debt," a similarly based proportion of each credit balance in these accounts. Through charges to Profit and Loss carriers may at any time extinguish all or any part of debit balances remaining in any of these accounts.

5–5 Reacquired securities.

Capital stock or funded debt liability accounts in the balance sheet are intended to include only the par value of capital stock or funded debt securities that have been actually issued to bona fide holders for value, or after such issue by another company have been assumed by the accounting company. If after such issue or assumption they have been reacquired by the carrier under circumstances which require they shall not be treated as paid or retired they shall be charged at par value to the appropriate asset account, but their amounts, though appearing on the balance-sheet statement, shall be omitted from the total of the assets and deducted from the liabilities.

In the case of securities held in sinking or other funds they shall be shown separately as a deduction from both the asset and liability accounts, in order that the asset accounts for securities owned shall include only securities of other companies and that the liability accounts for securities issued or assumed shall include only those actually outstanding.

In case, however, the premium or discount realized at the prior sale of the securities reacquired has been included in an asset account other than the premiums and discounts account, such asset account shall be concurrently adjusted through Profit and Loss to the extent of the premium or discount previously included therein with respect to the securities reacquired.

If any such securities are reacquired for more or less than their par value, the difference between the par value and the cost of reacquirement shall be debited or credited to Profit and Loss Account, together with any amounts carried in the discount and premium accounts with respect to such securities.

5–6 Book value of securities owned.

The accounting company is allowed the option of carrying its investment in securities, other than those issued or assumed by it, either at cost or at a reasonable valuation other than cost.

5–7 Contingent assets and liabilities.

Contingent assets and liabilities shall not be included in the body of the balance-sheet statement, but should be shown in detail in a supplementary statement accompanying the balance-sheet statement. Contingent assets are those without value to the accounting company until the fulfilment of conditions regarded as uncertain. Contingent liabilities include items which may, under certain conditions, become obligations of the company, but are neither direct nor assumed obligations on the date of the balance sheet.

5–8 Balance sheet accounts defined.

The term balance-sheet accounts is used to designate those titles under which the ledger accounts are combined and summarized to show the assets, liabilities, and corporate surplus or deficit of the business.

GENERAL BALANCE SHEET ACCOUNTS

500 Form of general balance sheet statement.

ASSET SIDE

Investment:
- 501. Real property and equipment.
- 502. Sinking funds—
  - Total book assets at date (in short column).
  - Carrier's own issues at date (in short column).
  - Other assets at date (in long column).
- 503. Miscellaneous physical property.
- 504. Investments in affiliated companies—
  - (a) Stocks.
  - (b) Bonds.
  - (c) Notes.
  - (d) Advances.
- 505. Other investments—
  - (a) Stocks.
  - (b) Bonds.
  - (c) Notes.
  - (d) Advances.

Total net investment.

Current assets:
- 506. Cash.
- 507. Special deposits.
- 508. Loans and notes receivable.
- 509. Traffic balances receivable.
- 510. Net balances receivable from agents and messengers.
- 511. Miscellaneous accounts receivable.
- 512. Material and supplies.
- 513. Interest, dividends, and rents receivable.

514. Working fund advances.
515. Other current assets.
Total current assets.

Deferred assets:
516. Insurance and other reserve funds—
Total book assets at date (in short column).
Carrier's own issues at date (in short column).
Other assets at date (in long column).
517. Provident funds—
Total book assets at date (in short column).
Carrier's own issues at date (in short column).
Other assets at date (in long column).
518. Fidelity and indemnity funds—
Total book assets at date (in short column).
Carrier's own issues at date (in short column).
Other assets at date (in long column).
519. Advance payments on contracts.
520. Other deferred assets.
Total deferred assets.

Unadjusted debits:
521. Rents and insurance premiums paid in advance.
522. Taxes paid in advance.
523. Discount on capital stock.
524. Discount on funded debt.
525. Other unadjusted debits.
526. Securities issued or assumed—Unpledged (in short column only).
527. Securities issued or assumed—Pledged (in short column only).
Total unadjusted debits.

LIABILITY SIDE

Stock:
528. Capital stock—
Book liability at date (in short column).
Held by or for carrier at date (in short column).
Actually outstanding at date (in long column).
529. Premium on capital stock.
Total stock liabilities.

Long-term debt:
530. Funded debt unmatured—
Book liability at date (in short column).
Held by or for carrier at date (in short column).
Actually outstanding at date (in long column).

Current liabilities:
531. Loans and notes payable.
532. Traffic balances payable.
533. Audited accounts and wages unpaid.
534. Miscellaneous accounts payable.
535. Matured interest, dividends, and rents unpaid.
536. Matured funded debt unpaid.
537. Miscellaneous advances payable.
538. Unpaid money orders, checks, and drafts.
539. Express privilege liabilities.
540. Estimated tax liability.
541. Unmatured interest, dividends, and rents payable.
542. Other current liabilities.
Total current liabilities.

Deferred liabilities:
543. Liability on account of provident funds.
544. Liability on account of fidelity and indemnity funds.
545. Other deferred liabilities.
Total deferred liabilities.

Unadjusted credits:
546. Premium on funded debt.
547. Operating and insurance reserves.
548. Accrued depreciation—Buildings.
549. Accrued depreciation—Equipment.
550. Accrued depreciation—Miscellaneous physical property.
551. Other unadjusted credits.
Total unadjusted credits.

Corporate surplus:
552. Additions to property through income and surplus.
553. Reserves from income and surplus.
Total appropriated surplus.
554. Profit and loss balance.
Total corporate surplus.

DEBITS

501 Real property and equipment.

This account shall include the balances carried showing the cost or ledger value of the investment in real property and equipment devoted to the operations of the accounting company.

502 Sinking funds.

This account shall include the amount of cash, the ledger value of securities of other companies, other assets in the hands of trustees of sinking and other funds for the purpose of redeeming outstanding obligations; also amounts deposited with such trustees on account of mortgaged property sold, when the proceeds of sale are to be held for the redemption of securities, and the par value of securities issued or assumed by the accounting company held in such funds. A separate account shall be provided for each fund.

The amounts included in this account shall be divided so as to show (a) the par value of the securities issued or assumed by the accounting company and (b) the amount in cash and the ledger value of securities of other companies.

NOTE: In stating the balance sheet in the annual reports to the Commission the total amount of the funds and the par value of securities issued or assumed by the accounting company and held in the funds shall be shown in the short columns, and the net amount of the funds (total amount less securities issued or assumed) shall be shown in the long column.

503 Miscellaneous physical property.

This account shall include the accounting company's investments in physical property other than investments properly classifiable in account No. 501.

ITEMS OF INVESTMENT

Buildings held for rent.
Coal and other mines.
Lands and buildings not used in transportation operations.
Lands and other property acquired and held in anticipation of future use.
Manufacturing plants.
Mineral and timber lands.

504 Investments in affiliated companies.

This account shall include the ledger value of the accounting company's investment advances to affiliated companies, also of its investment in securities issued or assumed by such companies, such securities not being held in special funds.

This account shall be subdivided as follows:

(a) Stocks.

(b) Bonds.

(c) Notes, including herein not only notes that run longer than 1 year but also notes payable on demand or within 1 year from the date of issue when it is mutually understood and intended that the notes shall not be enforced as current assets, also all notes held as investments.

(d) Advances.

The accounting company's records shall be kept in such manner that the ledger value of securities pledged as collateral security for any of the accounting company's funded debt or short-term loans or deposited for purposes enumerated in account No. 507, "Special deposits," and the ledger value of securities unpledged may be shown separately in the annual report to the Commission.

NOTE A: Accounts with affiliated companies which are subject to current settlements, such as charges for materials and supplies currently furnished, charges for repairs to equipment, etc., shall be classed as current assets or current liabilities, as may be appropriate.

NOTE B: The term affiliated companies includes:

(1) Controlled companies, including companies solely controlled by the accounting company, and also companies jointly controlled by the accounting company and others under a joint arrangement.

(2) Controlling companies, including both companies solely controlling the accounting company and companies which jointly control the accounting company under a joint arrangement.

(3) Companies controlled by controlled companies.

(4) Companies controlled by controlling companies.

By control is meant the ability to determine the action of a corporation.

Sole control is that which rests in one corporation.

Joint control is that which rests in two or more corporations and which is held under a joint arrangement.

NOTE C: The value of securities borrowed by the accounting company and pledged shall not be included in this account.

NOTE D: The value of securities held in special funds shall be included in account No. 502, "Sinking funds," No. 516, "Insurance and other reserve funds," No. 517, "Provident funds," or No. 518, "Fidelity and indemnity funds," as may be appropriate.

505 Other investments.

This account shall include the ledger value of the accounting company's investment advances to nonaffiliated companies; also its investment in securities issued or assumed by such companies, such securities not being held in special funds.

This account shall be subdivided as follows:

(a) Stocks.

(b) Bonds.

(c) Notes, including herein not only notes that run longer than 1 year, but also notes payable on demand or within 1 year from date of issue when it is mutually understood and intended that the notes shall not be enforced as current assets; also all notes held as investments.

(d) Advances. The accounting company's records shall be kept in such manner that the ledger value of securities pledged as collateral security for any of the accounting company's funded debt or short-term loans or deposited for purposes enumerated in account No. 507, "Special deposits," and the ledger value of securities unpledged may be shown

separately in the annual report to the Commission.

NOTE A: Accounts with nonaffiliated companies which are subject to current settlements, such as charges for materials and supplies currently furnished, charges for repairs to equipment, etc., shall be classed as current assets or current liabilities, as may be appropriate.

NOTE B: The term nonaffiliated companies includes all companies other than those defined as affiliated in Note B of account No. 504.

NOTE C: The value of securities borrowed by the accounting company and pledged shall not be included in this account.

NOTE D: The value of securities held in special funds shall be included in account No. 502, "Sinking funds," No. 516, "Insurance and other reserve funds," No. 517, "Provident funds," or No. 518, "Fidelity and indemnity funds," as may be appropriate.

506 Cash.

This account shall include current funds in the hands of financial officers and financial agents, cash in transit for which agents and messengers receive current credit, and deposits in banks or with trust companies available for use on demand.

507 Special deposits.

This account shall include amounts realized from the sale of securities and held by trustees for disbursement when the purposes for which the securities are sold are accomplished; amounts realized from the sale of property and held by trustees until the property is replaced; special deposits (other than in sinking funds) for the payment of debts, dividends, and interest; money deposited to insure the performance of contracts to be performed within one year from the date of the balance sheet; and other deposits of a special nature not provided for elsewhere.

NOTE: Securities pledged for any of the purposes enumerated in this account shall be included in account No. 504, "Investments in affiliated companies," or in account No. 527, "Securities issued or assumed—Pledged."

508 Loans and notes receivable.

This account shall include the ledger value of collectible obligations in the form of loans and notes receivable or other similar evidences (except interest coupons) of money receivable on demand or within a time not exceeding 1 year from date of issue.

NOTE: Time loans which mature more than 1 year after the date of issue and demand or short-term notes held as investments shall be included in account No. 504, "Investments in affiliated companies," and in account No. 505, "Other investments."

509 Traffic balances receivable.

This account shall include the net amounts due from other express companies against each of which there is a net debit balance in the total of the accounts representing interchange of through business; also balances resulting from tonnage agreement and interchange of traffic of all kinds.

NOTE: The amount to be entered in this account is not the balance between this account and account No. 532, "Traffic balances payable."

510 Net balances receivable from agents and messengers.

This account shall include the net balances due in current accounts from agents and messengers, including cash advanced to or retained by agents as banks or funds for current use.

NOTE: Amounts advanced to agents as working funds shall be included in account No. 514, "Working fund advances."

511 Miscellaneous accounts receivable.

This account shall include amounts due in audited accounts considered good, such as those due from the United States or other Governments for transportation of Government property, miscellaneous bills against other express companies, and bills against corporations, firms, and individuals.

NOTE A: No amount representing interest or dividends receivable shall be included in this account unless its payment is reasonably assured by past experience, anticipated provision, or otherwise.

NOTE B: The amount to be reported under this account is not the net balance between this account and account No. 534, "Miscellaneous accounts payable."

512 Material and supplies.

This account shall include the balances representing the cost, less depreciation if any, of all unapplied material, such as shop material; articles in process of manufacture by the company; and stationery, provender, and other supplies.

513 Interest, dividends, and rents receivable.

This account shall include the amount of rents under leases, and of interest on bonds owned and on loans made, accrued to the date of the balance sheet; also the amount of dividends declared on stocks owned, and of dividends accrued on such stocks when contracts require that the dividends be paid at stated times.

NOTE: No dividends or other returns on securities issued or assumed by the accounting company shall be included in this account.

514 Working fund advances.

This account shall include all amounts advanced to agents and others (not provided for in accounts Nos. 507 and 510) as working funds from which certain expenditures are to be made and accounted for.

515 Other current assets.

This account shall include items of current assets not covered by accounts Nos. 506 to 514, inclusive. It is intended to include asset items that have not reached the stage of audited accounts properly classifiable in account No. 511 and yet have advanced beyond the stage of accounts properly classifiable in account No. 525.

516 Insurance and other reserve funds.

This account shall include the amount of cash, the ledger value of securities of other companies, other assets in the hands of trustees or managers of insurance funds, depreciation funds, and other funds that have been raised and specifically set aside or invested by the company for specific purposes, not provided for elsewhere, and the par value of securities issued or assumed by the accounting company, held in such funds. A separate account shall be provided for each fund.

The amounts included in this account shall be divided so as to show (a) the par value of securities issued or assumed by the accounting company, and (b) the amount in cash, the ledger value of securities of other companies, and other assets.

NOTE: In stating the balance sheet in the annual reports to the Commission the total amount of the funds and the par value of securities issued or assumed by the accounting company and held in the funds shall be shown in the short columns, and the net amount of the funds (total amount less securities issued or assumed) shall be shown in the long column.

517 Provident funds.

This account shall include the amount of cash, the ledger value of securities of other companies, other assets, whether contributed by the accounting company, by employees, or by others, in the hands of the accounting carrier's treasurer, its trustees, or of managers acting for it in the administration of employees' pension, savings, relief, hospital, and other association funds, except fidelity or indemnity funds, and the par value of securities issued or assumed by the accounting company, held in such funds. (See account No. 543, "Liability on account of provident funds.")

The amounts included in this account shall be divided so as to show (a) the par value of the securities issued or assumed by the accounting company, and (b) the amount in cash and the record value of securities of other companies.

NOTE: In stating the balance sheet in the annual reports to the Commission the total amount of the funds and the par value of securities issued or assumed by the accounting company and held in the funds shall be shown in the short columns, and the net amount of the funds (total amount less securities issued or assumed) shall be shown in the long column.

518 Fidelity and indemnity funds.

This account shall include the amount of cash, the ledger value of securities of other companies, other assets, whether contributed by the company, or by employees, in the hands of the accounting carrier's treasurer, its trustees, or of managers acting for it in the administration of fidelity or indemnity funds, and the par value of securities issued or assumed by the accounting company, held in such funds. (See account No. 544, "Liability on account of fidelity and indemnity funds.")

The amounts included in this account shall be divided so as to show (a) the par value of the securities issued or assumed by the accounting company, and (b) the amount in cash and the ledger value of securities of other companies.

NOTE: In stating the balance sheet in the annual reports to the Commission the total amount of the funds and the par value of securities issued or assumed by the accounting company and held in the funds shall be shown in the short columns, and the net amount of the funds (total amount less securities issued or assumed) shall be shown in the long column.

519 Advance payments on contracts.

This account shall include advance payments made to railway, steamship, and other transportation lines, as part of the consideration in securing contracts for express privileges. Such payments shall be amortized during the life of the respective contracts by making equal monthly charges to operating revenue account No. 104, "Express privileges—Dr."

520 Other deferred assets.

This account shall include items of deferred assets not covered by accounts Nos. 516, 517, 518, and 519.

521 Rents and insurance premiums paid in advance.

This account shall include the balances in the accounts representing prepaid rents chargeable to the appropriate rent accounts as they accrue. It shall also include insurance premiums paid in advance of their accrual, which premiums are to be apportioned and charged, as they accrue, to appropriate expense accounts.

522 Taxes paid in advance.

This account shall include the excess of taxes paid over the accrued amount properly chargeable against income or other accounts to the date of the balance sheet.

523 Discount on capital stock.

This account shall include the total of the net debit balances in the discount and premium accounts for the several subclasses of capital stock. (See instruction 5-3.)

524 Discount on funded debt.

This account shall include the total of the net debit balances in the discount, expense, and premium accounts for the several subclasses of funded debt. (See instruction 5-4.)

525 Other unadjusted debits.

This account shall include suspense account debit balances that cannot be entirely cleared and disposed of until additional information is received, such as claims paid when found to be correct, but in advance of investigation with other carriers; debit balances in clearing accounts for shop expense and store expense; and amounts to be spread over a stated term and not provided for in accounts Nos. 519, 523, and 524, or elsewhere.

526 Securities issued or assumed; unpledged.

This account shall include the par value of that portion of securities owned and held in the treasury by the accounting company which consist of securities issued by the accounting company and securities issued by other companies the obligation for payment of which has been assumed by the accounting company. This account shall be subdivided into (a) Stocks and (b) Bonds and other evidences of funded debt, each of which divisions shall be further so divided that in the company's annual report to the Commission may be shown (1) amount nominally but not actually issued and (2) amount nominally outstanding.

NOTE A: The term securities as used in this account includes all authorized certificates of stock and evidences of indebtedness which have been signed, sealed, and, when required, certified by the trustees under the mortgage or contract, and are not short-term securities. By short-term securities are meant those which are payable on demand or which mature not more than 1 year from date of issue. (See also Notes B to accounts No. 528 and No. 530.)

NOTE B: This account shall not include securities that are merely guaranteed.

NOTE C: This account shall not include any securities held in sinking and other reserve funds.

NOTE D: In the general balance-sheet statement the balance in this account shall be stated in the short column only.

NOTE E: When any securities have been actually issued to bona fide holders for value or, after issue by another company, have been assumed by the accounting company, and after such issue or assumption are required under circumstances which require that they shall not be treated as canceled or retired, they shall be included in this account at par value; the difference between the par value and the amount paid in reacquiring such securities shall be debited (or credited, as the case may be) to Profit and Loss. If such securities are subsequently pledged, they shall be included in account No. 527, "Securities issued or assumed—Pledged."

527 Securities issued or assumed; pledged.

This account shall include the par value of that portion of securities owned by the accounting company and pledged by it as collateral security for any of its funded debt or short-term loans, or deposited for purposes enumerated in account No. 507, "Special deposits," which consists of securities issued by the accounting company and securities issued by other companies the obligation for payment of which has been assumed by the accounting company. This account shall be subdivided into (a) Stocks and (b) Bonds and other evidences of funded debt, each of which divisions shall be further so divided that in the company's annual report to the Commission may be shown (1) amount nominally but not actually issued and (2) amount nominally outstanding.

NOTE A: The term securities as used in this account includes all authorized certificates of stock and evidences of indebtedness which have been signed, sealed, and, when required, certified by the trustees under the mortgage or contract, and are not short-term securities. By short-term securities are meant those which are payable on demand or which mature not more than 1 year from date of issue. (See also Notes B to accounts No. 528 and No. 530.)

NOTE B: This account shall not include securities that are merely guaranteed.

NOTE C. This account shall not include securities which have been borrowed by the accounting company and pledged, nor any securities held in sinking and other reserve funds.

NOTE D: In the general balance-sheet statement the balance in this account shall be stated in the short column only.

NOTE E: The par value of securities issued or assumed and held in special funds shall be shown in account No. 502, "Sinking funds"; No. 516, "Insurance and other reserve funds"; account No. 517, "Provident funds," or account No. 518, "Fidelity and indemnity funds," as may be appropriate.

NOTE F: When any securities have been actually issued to bona fide holders for value, or after issue by another company have been assumed by the accounting company, and after such issue or assumption are reacquired under circumstances which require that they shall not be treated as canceled or retired, they shall be included in this account at par value; the difference between the par value and the amount paid in reacquiring such securities shall be debited (or credited, as the case may be) to Profit and Loss. If such securities are subsequently pledged, they shall be included in this account.

CREDITS

528 Capital stock.

This account shall include the total par value of certificates or receipts issued to represent permanent interests in the express company, or interests which, if terminable, are so only at the option of the company.

The amounts included in this account shall be divided so as to show the par value of certificates issued and actually outstanding, being those not held by the company, by its agents or trustees, or subject to its control; and the par value of certificates, pledged and unpledged, held in the company's treasury, held by its agents or trustees, or otherwise subject to its control, including both those reacquired after actual issue and those nominally but never actually issued.

The amounts included herein shall be further divided so as to show the amount of each class of stock issued, as follows:

(a) *Common stock.* Stocks which have no preference in the distribution of dividends.

(b) *Preferred stock.* Stocks having preference in the distribution of dividends.

(c) *Receipts outstanding for installments paid.* Receipts for payments on account of subscriptions to capital stock. When certificates are issued for amounts so paid, the par value shall be included in the account covering the class of stock for which the certificates are issued.

NOTE A: When a general levy or assessment is made against the holders of capital stock, requiring the payment of any sum for the use of the company in addition to the consideration agreed upon at the time of sale, the amount collected upon such levy or assessment shall be credited to the discount and premium account for the subclass of stock on which the assessment is made.

NOTE B: For the purposes of the balance-sheet statement, capital stock is considered to be nominally issued when certificates are signed and sealed and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the accounting company. It is considered to be actually issued when it has been sold to a bona fide purchaser for a valuable consideration, and such purchaser holds it free from all control by the accounting company.

All capital stock actually issued and not reacquired and held by or for the accounting company is considered to be actually outstanding. If reacquired by or for the accounting company under such circumstances as require it to be considered as held alive and not canceled or retired, it is considered to be nominally issued and nominally outstanding.

NOTE C: In general balance-sheet statement the total capital stock shall be shown in the first short column. The amount nominally but not actually issued and the amount nominally outstanding shall be shown in the second short column, and in the long column shall be shown the amount actually outstanding.

529 Premium on capital stock.

This account shall include the total of the credit balances in the discount and premium accounts for the several subclasses of capital stock. (See instruction 5-3.)

530 Funded debt unmatured.

This account shall include the total par value of unmatured debt maturing more than 1 year from date of issue, issued by the accounting company and not retired or canceled, and the total par value of similar unmatured debt of other companies, the payment of which has been assumed by the accounting company.

The amounts included in this account shall be divided so as to show the par value of certificates or other evidences of funded debt, pledged and unpledged, held in the company's treasury, by its agents or trustees, or otherwise subject to its control, including both those reacquired after actual issue and those nominally but never actually issued; and certificates or other evidences of funded debt issued and actually outstanding, being those not held by the company, its agents or trustees, or subject to its control.

The amounts included herein shall be further divided so as to show the amount of each class of funded debt as follows:

(a) *Collateral trust bonds.* Bonds and notes having dates of maturity of more than 1 year after date of issue, secured by liens on securities or other commercial paper; and also stock trust certificates that are similar in character to collateral trust bonds.

(b) *Miscellaneous obligations.* All funded obligations not provided for by the other subdivisions of this account, also notes, unsecured certificates of indebtedness, debenture bonds, plain bonds, real estate mortgages executed or assumed, and other similar obligations maturing more than 1 year after date of issue.

(c) *Receipts outstanding for funded debt.* Receipts for payments on account of funded debt. When certificates are issued for amounts so paid, the par value shall be included in the account covering the class of funded debt for which the certificates are issued.

Each of the above classes shall also be divided into subclasses according to differences in mortgage or other lien or security therefor, rate of interest, interest date, or date of maturity. Parts of any issue agreeing in other characteristics but maturing serially may be treated as of the same subclass.

NOTE A: Securities maturing 1 year or less from date of issue shall be included in account No. 531, "Loans and notes payable." Matured funded debt shall be included in account No. 536, "Matured funded debt unpaid."

NOTE B: For the purposes of the balance-sheet statement, funded debt securities are considered to be nominally issued when certified by trustees and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund for the accounting company. They are considered to be actually issued when they have been sold to a bona fide purchaser for a valuable consideration, and such purchaser hold them free from all control by the accounting company. All funded debt securities actually issued and not reacquired and held by or for the accounting company are considered to be actually outstanding. If reacquired by or for the accounting company under such circumstances as require them to be considered as held alive and not canceled or retired, they are considered to be nominally issued and nominally outstanding.

NOTE C: In the general balance-sheet statement the total unmatured funded debt shall be shown in the first short column. The amount normally but not actually issued and the amount nominally outstanding shall be shown in the second short column, and in the long column shall be shown the amount actually outstanding.

531 Loans and notes payable.

This account shall include the balances representing obligations outstanding in the form of loans and notes payable or other similar evidences of indebtedness (except interest coupons) payable on demand or within a time not exceeding 1 year from date of issue.

532 Traffic balances payable.

This account shall include the net amounts payable to other express companies in favor of each of which there is a net credit balance in the total of the accounts representing interchange of through business and balances payable resulting from tonnage agreements and interchange of traffic of all kinds.

NOTE: The amount to be entered in this account is not the balance between this account and account No. 509, "Traffic balances receivable."

533 Audited accounts and wages unpaid.

This account shall include the amount of audited vouchers or accounts unpaid, and of audited pay rolls unpaid on the date of the balance sheet. It shall include balances representing unclaimed wages, outstanding pay checks, and all other unpaid vouchered items, except traffic balances payable.

534 Miscellaneous accounts payable.

This account shall include outstanding drafts drawn by agents, outstanding drafts drawn on the company in settlement of claims, deposits of controlled companies, and other items of demand liabilities not covered by accounts Nos. 531, 532, 533, 535, and 536.

NOTE: The amount to be reported under this account is not the net balance between this account and account No. 511, "Miscellaneous accounts receivable."

535 Matured interest, dividends, and rents unpaid.

This account shall include the amounts of matured and unpaid interest on debt of the accounting company, and on debt of other companies when payment has been assumed by the accounting company; the amount of dividends payable on capital stock, but unpaid, uncalled-for, or unclaimed at the date of the balance sheet; unpaid dividends on the stock and unpaid interest on the funded debt of other companies when such are payable by the accounting company as part or all of the rent due under terms of leases or otherwise; and all other rents due and payable under leases.

This account shall include items as above indicated which mature on the first day following that for which the balance sheet is made.

536 Matured funded debt unpaid.

This account shall include the amount of funded debt matured and unpaid without any specific agreement for extension as to time of payment, including unpresented bonds drawn for redemption through the operation of sinking and redemption fund agreements.

537 Miscellaneous advances payable.

This account shall include advances from others not properly classifiable under account No. 531, "Loans and notes payable."

538 Unpaid money orders, checks, and drafts.

This account shall include the amounts of outstanding money orders, travelers cheques, C.O.D. checks, letters of credit, and all similar forms of sight or demand checks and drafts drawn by agents on the company.

539 Express privilege liabilities.

This account shall include all amounts due to companies, firms, or individuals, for the privilege of conducting an express business over transportation lines.

540 Estimated tax liability.

This account shall include the amount of taxes accrued and charged against income accounts No. 317, "Express taxes," and No. 320, "Miscellaneous taxes," in excess of the amounts paid.

541 Unmatured interest, dividends, and rents payable.

This account shall include the amount of interest on loans, interest or funded debt issued or assumed, and rents under leases, accrued to the date for which the balance sheet is made but not payable until after the first day following that date; also dividends declared on capital stock not payable until after the first day following the date for which the balance sheet is made.

As rents accrued there shall also be included the amount of accrued dividends on the stock and the amount of accrued interest on the funded debt of other companies when such dividends and interest are payable by the account-

ing company as a part or as all of the rent under leases from those companies.

542 Other current liabilities.

This account shall include items of current liabilities not covered by accounts No. 531 to No. 541, inclusive. It shall include liability items that have not reached the stage of audited liabilities and become actually payable, yet are obligations of the company and advanced beyond the stage of accounts properly classifiable under account No. 545, "Other deferred liabilities.

543 Liability on account of provident funds.

This account shall include the ledger balances representing the liability of the accounting carrier for the amount of the assets, whether contributed by the company, by the employees, or by others, in the hands of its treasurer or of trustees or managers acting for the company in the administration of employees' pension, savings, relief, hospital, and other association funds.

NOTE A: This account shall not include items representing funds in which the accounting company has no beneficial interest and which it holds purely as trustee.

NOTE B: In stating the balance sheet in the annual reports to the Commission, the liability for provident funds which are carried in the current cash of the company shall be included under current liabilities, in account No. 534, "Miscellaneous accounts payable."

544 Liability on account of fidelity and indemnity funds.

This account shall include the ledger balances representing the liability of the accounting carrier for the amount of the assets, whether contributed by the company, by the employees, or by others, in the hands of its treasurer or of trustees or managers acting for the company in the administration of fidelity or indemnity funds.

545 Other deferred liabilities.

This account shall include items of deferred liabilities not covered by accounts No. 543 and No. 544, such as retained percentages due contractors to be paid on completion of contracts, retained percentages on contracts for construction of buildings and similar items.

546 Premium on funded debt.

This account shall include the total of the net credit balances in the discount, expense, and premium accounts for the several subclasses of funded debt. (See instruction 5-4.)

547 Operating and insurance reserves.

This account shall include the ledger balances representing reserves created by charges to Operating Revenues or to Operating Expenses for overcharge, personal injury, and other claims and for insurance and similar purposes, such charges being made currently for the purpose of equalizing charges to operating accounts for the current accounting year.

NOTE: The credit balances in reserve accounts representing appropriations of income or surplus for sinking funds, etc., shall not be included in this account. (See account No. 553.) Accrued depreciation credit balances shall be included in account No. 548 or 550, as may be appropriate.

548 Accrued depreciation; buildings and equipment.

(a) To this account shall be credited amounts charged to account 31, "Depreciation," to cover the loss in service value (note instruction 01-1(o)) of depreciable carrier property. It shall be credited also with any amounts which the carrier may be authorized to charge to account 417, "Miscellaneous profit and loss debits," in respect to past accrued depreciation not provided for. (See instruction 01-2(f).)

(b) At the time of retirement (note instruction 01-1(r)) of depreciable carrier property this account shall be charged with the service value (note instruction 01-1(o)) of the property retired, and to it shall be credited the insurance recovered, if any.

(c) For corporate ledger and balance-sheet purposes, this account shall be regarded and treated as a single composite reserve. However, for purposes of analysis, the carrier shall maintain subsidiary records in which the depreciation reserve is broken down into component parts corresponding to the primary building and equipment accounts which include depreciable carrier property (see also instruction 01-2(d)). These subsidiary records shall show the current credits and debits in the reserve in complete detail by such primary real-property-and-equipment accounts.

550 Accrued depreciation; miscellaneous physical property.

To this account shall be credited amounts charged to the expenses of operating property the cost of which is included in account No. 503, "Miscellaneous physical property," to cover the depreciation thereon.

To this account shall be charged at the time of retirement amounts equal to amounts previously credited thereto with respect to any property destroyed, sold, or otherwise permanently retired from service.

551 Other unadjusted credits.

This account shall include the amount of suspense account credit balances that cannot be entirely cleared and disposed of until additional information is received, credit balances in clearing accounts for shop expenses and store expenses, and similar items.

552 Additions to property through income and surplus.

This account shall include such amounts of income and surplus as have been definitely appropriated or set aside and expended since June 30, 1908, in the acquisition of property the cost of which is included in property investment accounts other than those for securities.

Investments in real property, equipment, and miscellaneous physical property shall be shown separately in the accounting company's records.

NOTE: Temporary appropriations for the acquisition of property the cost of which is intended later to be met through an issue of securities shall not be included in this account.

553 Reserves from income and surplus.

This account shall include the net balances in acounts to which are credited definite appropriations of income or surplus held in reserve. This account shall be subdivided under the following heads:

(a) *Sinking fund reserves.* Appropriations of income or surplus specifically set aside in the hands of trustees for sinking and redemption funds, including income accretions to such funds retained therein.

(b) *Miscellaneous fund reserves.* Appropriations of income or surplus, not provided for elsewhere, specifically set aside in the hands of trustees, including income accretions to such funds retained therein.

(c) *Appropriations not specifically invested.* Appropriations of income or surplus for definite purposes not provided for elsewhere, and for which no specific investment or segregation of assets has been made.

554 Profit and loss balance.

This account shall include the balance at the close of the fiscal period as shown in the accounts provided in the classification of profit and loss accounts.

NOTE: The requirement that all similar transactions were to be recorded under accounts having identical captions gave rise to numerous queries, as to the proper application of the mandatory regulations in this part. Decisions upon these accounting questions are published in bulletin form under order of the Commission, and have the force of the original classifications affected. See Accounting Bulletin No. 13 for express companies.

PART 1204—PIPE LINE COMPANIES

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23 Reductions in security values—Credit.
30 Carrier property.
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33 Operating oil supply.
34 Noncarrier property.
35 Accrued depreciation—Noncarrier property.
40 Organization costs and other intangibles.
41 Accrued amortization of intangibles.
42 Unamortized discount and interest on long-term debt.
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44 Other deferred charges.
50 Notes payable.
51 Payables to affiliated companies.
52 Accounts payable.
53 Salaries and wages payable.
54 Interest payable.
55 Dividends payable.
56 Taxes payable.
57 Long-term debt payable within one year.
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60 Long-term debt payable after one year.
61 Unamortized premium on long-term debt.
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70 Capital stock.
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114, 164, 184 Office furniture and equipment.
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200 Gathering revenues.
210 Trunk revenues.
220 Delivery revenues.
230 Allowance oil revenue.
240 Storage and demurrage revenue.
250 Rental revenue.
260 Incidental revenue.

OPERATING EXPENSES

Operations

300 Salaries and wages.
310 Supplies and expenses.
320 Outside services.
330 Operating fuel and power.
340 Oil losses and shortages.

Maintenance

400 Salaries and wages.
410 Supplies and expenses.
420 Outside services.
430 Maintenance materials.

General

500 Salaries and wages.
510 Supplies and expenses.
520 Outside services.
530 Rentals.
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550 Pensions and benefits.
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580 Pipeline taxes.

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Ordinary Items

CREDIT

600 Operating revenues.
620 Income (net) from noncarrier property.
630 Interest and dividend income.
640 Miscellaneous income.

DEBIT

610 Operating expenses.
650 Interest expense.
660 Miscellaneous income charges.
670 Federal income taxes on ordinary income.

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690 Prior period items (net).
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Form of balance sheet statement.
Form of income statement.
Form of unappropriated retained income statement.

AUTHORITY: The provisions of this Part 20 issued under sec. 12, 20, 24 Stat. 383, as amended, 49 U.S.C. 12, 20.

LIST OF INSTRUCTIONS AND ACCOUNTS

(1) *Definitions.* Definitions of terms used in this system of accounts:

1. "Accounts" means the accounts prescribed in this system of accounts.

2. "Actually issued," as applied to securities issued or assumed by the carrier, means those which have been sold to bona fide purchasers or holders for a valuable consideration, those issued in exchange for other securities or other property, and those issued as dividends on stock; and the purchasers or holders secured them free from control by the carrier.

3. "Actually outstanding," as applied to securities issued or assumed by the carrier, means those which have been actually issued and are neither retired nor held by or for the carrier.

4. "Additions" means facilities, equipment, and structures added to existing property exclusive of replacements.

5. "Affiliated companies" means companies or persons that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the accounting carrier.

6. "Amortization" means the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

7. "Book cost" means the amount at which assets are recorded in the accounts without deduction of related provisions for accrued depreciation, amortization, or for other purposes.

8. "Carrier" means a common carrier by pipeline subject to the Interstate Commerce Act.

9. "Commission" means the Interstate Commerce Commission.

10. "Control" (including the terms "controlling," "controlled by," and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers or stockholders, voting trusts, holding trusts, associated companies, contract or any other direct or indirect means. When there is doubt about an existence of control in any particular situation, the carrier shall report all pertinent facts to the Commission for determination.

11. "Cost" means amount of money actually paid for property or services or the current cash value of the consideration given when it is other than money.

12. "Cost of removal" means cost of demolishing, dismantling, tearing down, or otherwise removing property including costs of handling and transportation.

13. "Date of retirement" means the date that property is withdrawn from service.

14. "Debt expense" means all expense in connection with the issuance and sale of evidences of debt, such as fees for drafting mortgages and trusts; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds, certificates of indebtedness, and other evidences of debt; fees paid to

trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing evidences of debt; fees and expenses of listing on exchanges; and other like costs.

15. "Depreciation" means the loss in service value not restored by current maintenance and incurred in connection with the consumption or prospective retirement of property in the course of service from causes against which the carrier is not protected by insurance, and the effect of which can be forecast with a reasonable approach to accuracy.

16. "Discount," as applied to securities issued or assumed by the carrier, means the excess of the par or face value of the securities plus interest or dividends accrued at the date of the sale over the cash value of the consideration received from their sale.

17. "Group plan" means the plan under which depreciation charges are computed on the book cost of all property included in each depreciable account by application of a composite rate of depreciation based on the weighted average service lives of such property.

18. "Improvements" means alterations or changes in structural design of property which result in increased service life or efficiency.

19. "Minor items of property" means the associated parts or items of which units of property are composed.

20. "Net salvage value" means salvage value of property retired less the cost of removal.

21. "Nominally issued," as applied to securities issued or assumed by the carrier, means those which have been signed, certified, or otherwise executed, and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the accounting company.

22. "Nominally outstanding," as applied to securities issued or assumed by the carrier, means those which, after being actually issued, have been reacquired by or for the accounting company under such circumstances which require them to be considered as held alive and not retired and canceled.

23. "Premium," as applied to securities issued or assumed by the carrier, means the excess of the cash value of the consideration received from their sale over the sum of their par (stated value of no-par stocks) or face value and interest or dividends accrued at the date of sale.

24. "Property retired" means units of property which have been removed, sold, abandoned, destroyed, or which for any cause have been withdrawn from service; also, minor items of property not replaced.

25. "Replacement" means the substitution of a part or of a complete unit of property with a new part or unit.

26. "Salvage value" means the amount received or estimated to be received for property retired less any expenses incurred in connection with the sale or preparing the property for sale; or, if retained, the value at which the recovered material is chargeable to the material and supplies account or other appropriate account.

27. "Service life" means the period between the date that property is placed in service and the date of its retirement.

28. "Service value" means the book cost less the actual or estimated net salvage value of property.

29. "Straight-line method," as applied to depreciation and amortization accounting, means the plan under which the service value of property is charged to expense and credited to the related accrued depreciation or amortization account through equal monthly charges during the service life of the property.

GENERAL INSTRUCTIONS

1–1 *Classification of accounts.* Accounts are prescribed to record the cost of property used in transportation and related operations and for revenues, expenses, taxes, rents, and other items of income for such operations. Separate accounts are prescribed for cost of property not used in transportation operations and for income and expenses pertaining thereto; for other investments and related income; for extraordinary and prior period items, including applicable income taxes; and for assets and liabilities.

In addition, stockholders' equity accounts, designed to segregate directly contributed capital from appropriated and unappropriated retained income, are provided. Retained income accounts form the connecting link between the income account and the equity section of the balance sheet. They are provided to record the transfer of net income or loss for the year; certain capital transactions; and, when authorized by the Commission, other items.

1–2 *Records.* (a) Carriers shall keep their accounts and records in accordance with the prescribed accounts. In addition, clearing accounts, temporary accounts, and subdivisions of any account may be kept provided the integrity of the prescribed accounts is not impaired. Each carrier shall keep its books of account, and all other books, records and memoranda which support the entries in such books of account, so as to be able to furnish readily full information as to any item included in any account. Each entry shall be supported by such detailed information as will permit ready identification, analysis, and verification of all facts relevant thereto.

(b) The books and records referred to herein include not only accounting records in a limited technical sense, but all records, such as minute books, stock books, reports, correspondence, memorandums, etc., which may be useful in developing the history of or facts regarding any transaction.

(c) Carriers shall not destroy any books or records unless the destruction thereof is permitted by The Regulations to Govern the Destruction of Records of Pipeline Companies, Part 1224 of this chapter.

1–3 *Accounting period.* (a) Each carrier shall keep its books on a monthly basis so that all transactions, as nearly as may be ascertained, shall be entered in the accounts not later than 60 days after the last day of the period for which the accounts are stated, except that the time within which the final entries for the year ending December 31 shall be made may be extended to such date in the following March as shall not interfere with the preparation and filing of the annual report.

(b) Changes shall not be made in the accounts for periods covered by reports that have been filed with the Commis- authorized by the Commission.

1–4 *Accounting method.* (a) This system of accounts shall be kept by the accrual method of accounting. The basis used for accruing income and expense items each month shall be consistently applied and any change in such basis or any unusual accruals involving material amounts shall be promptly reported to the Commission.

(b) When the amount of any transaction cannot be accurately determined in time for inclusion in the applicable month's accounts, an estimated amount shall be entered in the proper accounts. Appropriate adjustments shall be made as soon as the actual amounts become known or at the time a substantial change is indicated. Carriers are not required to anticipate minor items which do not appreciably affect the accounts.

1–5 *Delayed items.* Ordinary delayed items and adjustments arising during the current year which are applicable to prior years shall be included in the same account which would have been charged or credited if the item had been taken up or the adjustments made in the year to which it pertained. When the amount of a delayed item or adjustment is relatively so large that its inclusion in net income for a single month would seriously distort the accounts for the month (but not for the year), such amount may be distributed in equal monthly charges or credits, as the case may be, to the remaining months of the calendar year. See instruction 1–6 for instructions covering extraordinary and prior period items of a nonrecurring nature.

1–6 *Extraordinary and prior period items.* (a) All items of profit and loss recognized during the year are includible in ordinary income except nonrecurring items which in the aggregate for the same class are both material in relation to operating revenues and ordinary income for the year and are not clearly identified with or do not result from usual business operations of the year. Important items of the kind which occur from time to time and which, when material in amount, are to be excluded from ordinary income are those resulting from unusual sales of property and investment securities other than temporary cash investments, from company bonds reacquired, from change in application of accounting principles, and from prior period items (other than ordinary adjustments of a recurring nature). Material items are those which, unless excluded from ordinary income, would

distort the accounts and impair the significance of ordinary income for the year. Items so excludible from ordinary income are to be entered directly in the income accounts provided for extraordinary and prior period items upon approval of the Commission.

(b) Adjustments, constituting items of a character typical of customary business activities or representing corrections or refinements resulting from the natural use of estimates inherent in the accounting process, shall not be considered extraordinary or prior period items regardless of size.

(c) In determining materiality, items of a similar nature should be considered in the aggregate; dissimilar items should be considered individually. As a general standard, an item to qualify for inclusion as an extraordinary or prior period item should exceed one percent of total operating revenues and ten percent of ordinary income for the year.

1-7 *Items in texts of accounts.* Items appearing in instructions and in the texts of various accounts are merely representative and are not intended to cover all of the items includible therein.

1-8 *Depreciation accounting—Carrier property.*

(a) *Method.* Monthly depreciation charges shall be made by the straight-line method to operating expenses in conformity with the group plan of accounting applicable to all carrier property except property included in accounts 101, 151, 171, Land, and 187, Construction Work in Progress.

(b) *Rates.* (1) Separate composite annual percentage rates will be prescribed for each depreciable account except that the Commission may authorize the use of component rates upon specific request from a carrier. Carriers becoming subject to this system of accounts and carriers acquiring property for which no rates have been previously prescribed shall file, within six months, composite annual percentage rates applicable to the book cost of each class of depreciable carrier property as will distribute the service value, by the straight-line method, in equal annual charges to operating expenses during the service life of the property. These rates shall be used by the carrier until the rates prescribed by the Commission become effective. Such rates shall, for each primary account comprised of more than one class of property, produce a depreciation charge equal to the sum of the amounts that would otherwise be chargeable for each of the various classes of property included in the account. Carriers shall base these percentage rates on estimated service values and service lives developed from engineering and other studies. The rates filed shall be accompanied by a statement showing the bases and the methods employed in the rate determination.

(2) Carriers shall be prepared at any time upon the direction of the Commission to compute and submit revised percentage rate studies. When a carrier believes that any rate prescribed by the Commission is no longer applicable, it shall submit the rate which it believes should be established supported by full particulars for consideration by the Commission.

(3) A carrier shall keep records of property and property retirements that will reflect the service life of property which has been retired, or will permit the determination of service life indications by mortality, turnover, or other appropriate methods; and also such records as will reflect the percentage of net salvage value for property retired from each class of depreciable carrier property.

(c) *Charges.* In computing monthly charges, the annual percentage rates shall be applied to the depreciation base as of the first of each month and the result divided by twelve.

(d) *Retirements.* Except as provided in paragraph (e) of this section, upon the retirement of depreciable property the service value shall be charged in its entirety to account 31, Accrued Depreciation—Carrier Property. Any amounts of insurance recovered from casualty losses involving depreciable property retired shall be credited thereto.

(e) *Special accounting authority.* (1) When circumstances indicate that newly acquired property should be subject to amortization, or that the prescribed depreciation rates based on the service lives of certain property are no longer applicable, because the source of traffic will be exhausted before the end of the physical service life, the carrier shall submit to the Commission for approval amortization or depreciation rates based on the estimated remaining service life of the property accompanied by full information justifying the request.

(2) A carrier may request, or the Commission may direct, that special accounting be applied in situations causing undue inflation or deflation of depreciation reserves, such as premature or unusual retirements or sales of depreciable property, or related insurance recoveries. A carrier's request for special accounting shall contain full particulars concerning the situation, including the basis for its proposal. Alternative accounting techniques shall be applied to the extent approved or directed by the Commission.

1-9 *Depreciation accounting—Noncarrier property.* Monthly depreciation charges for all depreciable property recorded in account 34, Noncarrier Property, shall be made to account 620, Income from Noncarrier Property, with concurrent credits to account 35, Accrued Depreciation—Noncarrier Property. The depreciation charges shall be such as to distribute the service values equitably over the service life of the property.

1-10 *Amortization of intangibles.* Monthly charges shall be made to account 540, Depreciation and Amortization, to amortize the cost of fixed life intangibles such as permits, patents and franchises which are directly related to pipeline operations. Monthly charges shall be made to account 660, Miscellaneous Income Charges, to amortize the cost of intangibles such as goodwill which are not directly associated with pipeline operations. The amortization charges shall be such as to distribute the cost by the straight-line method in equal annual charges over the life or expected period of benefit.

1-11 *Interpretation of rules.* To maintain uniformity of accounting, carriers shall submit questions of doubtful interpretation to the Commission for consideration and decision.

INSTRUCTIONS FOR BALANCE SHEET ACCOUNTS

2-1 *Current assets.* In the group of accounts designated as current assets shall be included cash and other assets or resources commonly identified as those which are reasonably expected to be realized in cash or sold or consumed within a one-year period. There shall not be included any amount the collection of which is not reasonably assured by the known financial condition of the debtor or otherwise. Items of current character but of doubtful value shall be written down or written off to account 510, Supplies and Expenses, or to account 660, Miscellaneous Income Charges, as appropriate.

2-2 *Investments and special funds.* (a) This group of accounts shall include the cost of long-term investments in securities other than those of the accounting carrier, investment advances, sinking and other funds, cash value of life insurance policies, and other items of similar nature.

(b) Investment in securities shall be recorded at cost at time of acquisition excluding amounts paid for accrued interest and dividends. When securities with a fixed maturity date are purchased at a discount or premium, such discount or premium shall be amortized over the remaining life of the securities by periodical debits or credits to the account in which the cost of the securities is recorded with corresponding credits or debits to interest income. If the amount of the discount or premium is minor, the investment may be maintained at actual cost without adjustment, and the amount of discount or premium recorded in the interest income account at the time the securities mature.

(c) The accounting carrier shall write down the value of any securities to the extent of impairment in their value or write off entirely if there is no reasonable prospect of realizing any value therefrom, but fluctuations in market value are not to be recorded. Adjustments in the values of securities shall not be delayed beyond the year in which a loss is claimed for income tax purposes. Account 23, Reductions in Security Values, is provided for adjustments in values of securities.

2-3 *Tangible property.* The cost of property owned that is devoted to transportation service shall be recorded in account 30, Carrier Property, and in account 33, Operating Oil Supply. This includes carrier's investment in jointly-owned transportation property in which it has an undivided ownership interest. The cost of other property not directly

associated with pipeline operations shall be included in account 34, Noncarrier Property. Property used in both carrier and noncarrier services shall be classified in account 30 or account 34 according to its dominant use.

2-4 *Other assets and deferred charges.* Account 40, Organization Costs and Other Intangibles, is prescribed for organization costs and other intangible assets, such as patents and franchises. These intangible assets shall be recorded at cost. Accounts are also prescribed for assets not otherwise provided for and for charges applicable to future periods.

2-5 *Current liabilities.* In this group of accounts shall be included obligations which are payable on demand or mature or become due within one year from the date of the balance sheet.

2-6 *Noncurrent liabilities.* Includible under this category of account are those obligations which are not due to be liquidated within one year from the date of the balance sheet. Estimates of future fire losses or other contingencies shall not be accounted for as current expenses or recorded as liabilities. Such contingencies may be provided for by appropriations of retained income, the losses to be recognized in income when sustained.

2-7 *Contingent assets and liabilities.* Contingent assets and liabilities shall not be shown in the balance sheet but shall be explained in detail in a footnote or in a supplementary statement. Contingent assets are those which may be a possible source of value to the carrier dependent upon the fulfillment of conditions regarded as uncertain. Contingent liabilities are those which may under certain conditions become obligations of the carrier but which are neither direct nor assumed liabilities at the date of the balance sheet.

INSTRUCTIONS FOR CARRIER PROPERTY ACCOUNTS

3-1 *Property acquired.* (a) The carrier property accounts shall be charged with the cost of property purchased or constructed and with the cost of additions and improvements.

(b) The cost of purchased property is the net price paid on a cash basis, or if other than money is given, the current value of that consideration. Cost includes the purchase price; sales, use and excise taxes, and ad valorem taxes during periods of construction; transportation charges; insurance in transit; installation charges; and expenditures for testing and final preparation for use.

(c) Property acquired from an affiliated company through purchase or transfer shall be recorded together with the related accrued depreciation and liabilities assumed, if any, in the appropriate property accounts at the same amount that it was recorded on the books of the affiliate. When the purchase price exceeds the net book value of the property acquired, the difference shall be charged to retained income. When the purchase price is less than the net book value, the difference shall be credited to account 73, Additional Paid-in Capital. This does not apply to small miscellaneous purchases or transfers.

(d) The purchase of a proportionate share of a pipeline system or facility owned in undivided interests shall be recorded at the amount that the percentage of interest acquired bears to the whole. Any excess or deficiency of purchase price over the amount so recorded shall be debited to account 44, Other Deferred Charges, or credited to account 63, Other Noncurrent Liabilities, as appropriate, and amortized in equal periodic amounts over the remaining service life of the system or facility through income.

3-2 *Minimum rule.* (a) To avoid undue refinement in accounting, carriers shall charge to operating expenses acquisitions of property (other than land) including additions and improvements costing less than $500. Expenditures made under a general plan shall not be parceled to meet the minimum nor shall unrelated items be combined to avoid the minimum.

(b) An amount of less than $500 may be adopted for purposes of this rule provided the carrier first notifies the Commission of the amount it proposes to adopt and thereafter makes no change in the amount unless authorized to do so by the Commission.

3-3 *Cost of property constructed.* The cost of constructing property chargeable to the carrier property accounts shall include direct and other costs as described hereunder:

(1) Cost of labor includes the amount paid for labor performed by the carrier's own employees and officers. This includes payroll taxes, vacation pay, pensions, holiday pay and traveling and other incidental expenses of employees. No charge shall be made to these accounts for pay and expenses of officers and employees who merely render services incidentally in connection with extensions, additions or replacements.

(2) Cost of material and supplies includes the purchase price (less purchase and trade discounts) of material and supplies, including small tools, at the point of free delivery; costs of inspection and loading borne by the carrier; transportation charges; sales, use and excise taxes; and when applicable a proportionate share of stores expenses. In calculating the cost of material and supplies used, proper allowance shall be made for the value of unused portions and other salvage, for the value of the material recovered from temporary scaffolding, cofferdams and other temporary structures used in construction; and for the value of small tools recovered and used for other purposes.

(3) (i) Cost of special machine service includes the cost of labor expended and of materials and supplies consumed in maintaining and operating vehicles, equipment, and other machines used in construction work; and rents paid for the use of such machines.

(ii) When machines are purchased primarily for a construction project, their cost shall be charged to account 187, Construction Work in Progress. Upon completion of the construction project, account 187 shall be credited with amounts received for machines sold or the book cost (less a fair allowance for depreciation during the construction period) of machines retained for use in carrier service. The net book cost shall be included in the appropriate carrier property accounts.

(iii) The cost of repairs to vehicles and other work equipment and of machine tools and machinery which are used both in construction and maintenance work shall be apportioned equitably to the work in connection with which the equipment is used.

(4) Cost of transportation includes the amounts paid to other companies or individuals for the transportation of employees, material and supplies, special machine outfits, appliances, and tools in connection with construction and also the cost of hauling performed by the carrier's own forces and facilities. The cost of the transportation of construction material to the point where material is received by the carrier shall be included, so far as practicable, as a part of the cost of such material.

(5) Cost of contract work includes amounts paid for construction work performed under contract by other companies, firms, or individuals, and cost incident to the award of the contract.

(6) Cost of protection includes expenditures for protection in connection with construction. This includes the cost of protection against fires, cost of detecting and prosecuting incendiaries, amounts paid to municipal corporations and others for fire protection, cost of protecting property of others from damages, and analogous items.

(7) Cost of injuries and damages includes expenditures for injuries to persons or damage to property when incident to construction projects, and shall be included in the cost of the related construction work. It also includes that portion of premiums paid for insuring property prior to the completion or coming into service of the property insured. Insurance recovered for compensation paid for injuries to persons incident to construction shall be credited to the accounts to which such compensation is charged. Any insurance recovered for damages to property incident to construction shall be credited to the accounts chargeable with the expenditures necessary for restoring the damaged property. The cost of injuries and damages in connection with the removal of old structures which are encumbrances on newly acquired lands shall be included in the cost of land, or rights of way.

(8) Cost of privileges and permits includes compensation for temporary privileges, such as the use of private or public property or of streets, in connection with construction work.

(9) Taxes include taxes on property during construction and before the facilities are completed and ready for service. This includes taxes on land held under a definite plan for its use in pipeline service for the period prior to the completion of pipeline facilities thereon and other taxes separately assessed on property during construction, or assessed

under conditions which permit separate identification or allocation of the amount chargeable to construction.

(10) Rent includes payments for use of facilities, such as motor vehicles, special tools or machines, and quarters used for construction work.

(11) (i) Interest during construction includes interest expense on bonds, notes and other interest bearing debt incurred in the construction of carrier property (less interest, if any, earned on funds temporarily invested) after such funds become available for use and before the receipt or the completion or coming into service of the property. The interest shall be included in the accounts charged with the cost of the property to which related.

(ii) There shall be deducted from such interest charges a proportion of premium on securities sold. There shall be added a proportion of discount and expense on funded debt issued for the acquisition or construction of carrier property. The amount of premium and discount and expense thus related shall be determined by the ratio which the period between the date the proceeds from the securities issued become available and the receipt, completion, or coming into service of the property bears to the entire life of the securities issued.

(12) Cost of disposing of excavated material shall be included in the cost of construction except that when such material is used for filling, the cost of loading, hauling, and dumping shall be equitably apportioned between the work for which removal is made and the work for which the material is used.

3-4 *Additions.* Cost of additions to existing property shall be included in the appropriate primary property accounts except as provided in the minimum rule.

3-5 *Improvements.* Costs of improvements, subject to the minimum rule, shall be accounted for as follows:

(a) The cost of items replaced shall be retired and the cost of the improvement shall be charged to the appropriate property account except that the related labor expense shall be charged to the maintenance expense account.

(b) If the improvement does not involve a replacement, the cost of the improvement shall be charged to the appropriate property account.

3-6 *Replacements.* Replacements are substitutions of a part or of a complete unit of property with a new part or unit. Costs of replacements shall be accounted for as follows:

(a) In replacing a complete unit of property, the old unit shall be retired and the cost of the replacement recorded in the appropriate primary property account, subject to the minimum rule.

(b) In replacing a minor item without improvement, the cost of such replacement shall be charged to the maintenance expense account.

3-7 *Retirements.* The retirement of carrier property shall be accounted for as follows:

(a) *Land.* The book cost of land retired shall be removed from the property accounts. Gain or loss on the sale of land shall be recorded in account 640, Miscellaneous Income, or account 660, Miscellaneous Income Charges. However, if such gain or loss qualifies as an extraordinary item pursuant to instruction 1-6, it shall be included in account 680, Extraordinary Items.

(b) *Property.* (1) The book cost of units of property retired and of minor items of property retired and not replaced shall be written out of the property account as of date of retirement, and the service value shall be charged to account 31, Accrued Depreciation—Carrier Property.

(2) In case of casualty loss, insurance proceeds recovered shall be credited to account 31, Accrued Depreciation—Carrier Property, in an amount not to exceed the book cost of the property involved. Any excess amount shall be credited to account 640, Miscellaneous Income.

(3) Carrier property no longer used nor held for carrier operations but used or intended for use in noncarrier operations shall be transferred, along with the amount of past accrued depreciation, estimated if necessary, to noncarrier property.

3-8 *Salvage.* (a) When retired property is salvaged for material or parts which are to be reused by the carrier, the salvage shall be priced at current second-hand value, not to exceed original cost, and charged to account 17, Material and Supplies, or other appropriate account.

(b) When retired property is held without being dismantled, the estimated value of the salvage less the estimated cost of salvaging shall be included in account 19, Other Current Assets, if to be recovered within a year, otherwise, in account 43, Miscellaneous Other Assets.

3-9 *Relocation of line.* (a) If a line is relocated in the same gathering field serving the same lease or purpose, all of the relocating expenses whether or not a unit of property is involved shall be charged to maintenance expense, provided that the same size pipe is used in such relocation. Resulting increases or decreases in the length of the line shall be accounted for as additions or retirements of property.

(b) In accounting for relocation of trunk lines involving units of property, the replaced property shall be retired and the cost of the new property included in the appropriate primary property accounts. When public improvement projects are involved, the cost of the new property shall be (1) the book cost less depreciation or amortization of the replaced property, less the net salvage value recovered, plus (2) costs incurred by the carrier, less any amounts contributed by governmental agencies or others.

3-10 *Property contributed.* (a) The value of contributions or property received from others including governmental agencies shall not be recorded in the property accounts; however, momorandum entries should be made in the records of the carrier describing the property received, the value thereof, and all other pertinent information related thereto.

(b) Property contributed by an affiliate shall be recorded in the property accounts together with the related accrued depreciation at the same amounts that were recorded on the books of the affiliate provided, however, that the amount of contribution made by noncarrier affiliates shall not exceed the fair value of the property received.

3-11 *Acquisition by merger, consolidation or purchase.* Accounting for property acquired by business combination of two or more corporations shall depend on whether there has been (1) a merger or consolidation in a "pooling of interests" or (2) a "purchase." A "pooling of interests" may exist when holders of all or substantially all of the ownership interests, usually common stock, in the constituent corporations or entities become the owners of a surviving corporation or a new corporation which owns the assets and businesses of the constituent corporations or entities directly or through one or more subsidiaries. However, when the stockholders of one of the constituent corporations obtain 90 percent or more of the voting interest in the combined enterprise; or when there is a plan or firm intention and understanding to retire a substantial part of the capital stock issued to the owners of one or more of the constituent corporations or substantial changes in ownership which occurred shortly before or planned to occur shortly after the combination, the combination may be considered a "purchase."

(a) *Accounting under a "pooling of interests."* (1) In accounting for a "pooling of interests," no new basis of accountability arises. The assets and liabilities of the constitutent companies or entities and the related accrued depreciation and amortization accounts along with the retained income or deficit accounts shall be carried forward, adjusted, if necessary, to conform with the accounting rules of the Commission.

(2) When the total par value or stated value of no-par capital stock of the succeeding corporation is greater than that of the constituent corporations, the excess shall be charged first to the amount in account 73, Additional Paid-in Capital, that is not otherwise restricted, and the Balance to account 75, Unappropriated Retained Income.

(3) When the par value or stated value of no-par capital stock of the succeeding corporation is less than that of the constituent corporations, the difference shall be credited to account 73, Additional Paid-in Capital.

(b) *Accounting under a "purchase."* In accounting for a "purchase," the assets shall be recorded on the books of the acquiring carrier at cost as of the date of acquisition or, if other than money is given, at the fair value of such consideration. Liabilities assumed shall be recorded in the appropriate accounts according to the accounting rules of the Commission.

(c) *Approval of accounting.* (1) Tentative journal entries recording the acquisition of pipeline properties shall

be submitted to the Commission for consideration and approval. The entries shall give a complete description of the property purchased and the basis upon which the amounts of the entries have been determined.

(2) When the costs of individual or groups of transportation property are not specified in the agreement or in supporting documents the total purchase price shall be equitably apportioned among the appropriate primary property accounts based on the percentage relationship between the purchase price and the original cost of property shown in the valuation records of the Commission or the fair market value of the properties supported by independent appraisal or such other information as the Commission may consider appropriate. In no event shall amounts recorded for physical properties and other assets acquired exceed the total purchase price.

(3) Where the purchase price is in excess of amounts recorded for the net assets acquired, such excess shall be included in account 40, Organization Costs and Other Intangibles.

3-12 *Reorganizations.* When a carrier is involved in receivership or bankruptcy so as to effect a reorganization, all accounting relating to the plan of reorganization shall be submitted to this Commission for consideration and approval.

3-13 *Disposition of former Account 193, Acquisition Adjustment.* Amounts included in former account 193, Acquisition Adjustment, attributable to mergers, consolidations, reorganizations, and purchases of property shall be cleared from that account as the Commission may authorize or direct upon submission of proposal for distribution of the amounts therein.

3-14 *Accounting units of property.* (a) This list of units is established for the purpose of designating the items of property, the cost of which shall be written out of the property accounts when the property is retired and replaced.

(b) When property is retired and not replaced the cost thereof shall be written out of the accounts whether or not designated a unit of property.

(c) A carrier desiring to include in any account an appropriate unit not now specified therein may, upon approval of the Commission, make such authorized addition to this list of units.

102, 152, RIGHT OF WAY

A section of right of way.

103, 153, LINE PIPE

1,500 feet of pipe 6 inches in diameter or larger contained in a continuous section.

3,000 feet of pipe of less than 6 inches in diameter contained in a continuous section.

104, 154, LINE PIPE FITTINGS

Fittings for pipe lines 6 inches or more in diameter contained in a continuous section of 1,500 feet of line pipe.

Fittings for pipe lines less than 6 inches in diameter contained in a continuous section of 3,000 feet of line pipe.

105, 155, PIPELINE CONSTRUCTION

The construction cost pertaining to a unit of line pipe.

106, 156, 176, BUILDINGS

A complete building.
An entire roof with or without supporting members.
A complete fire escape.
A complete heating system.
An elevator complete with operating mechanism.

107, 157, BOILERS

A complete boiler.

108, 158, PUMPING EQUIPMENT

A complete engine with or without foundation.
A complete pump with or without foundation.
A power-transmission system.

109, 159, 179, MACHINE TOOLS AND MACHINERY

A machine tool.
A foundation special to a machine.
A motor, generator, steam engine, pump, ventilating fan, or other similar equipment.
A coal-handling system.
An ash-handling system.
A furnace.
A boiler.

110, 160, OTHER STATION EQUIPMENT

Each complete item of property, the book cost of which was charged to the carrier property account.

111, 161, OIL TANKS

A complete oil tank with or without grade and fire walls.
A fire wall.
A tank grade.

112, 162, DELIVERY FACILITIES

A motor, generator, engine, pump, or similar equipment.
A delivery-pipe system.
A complete wharf.
A section of wharf.
A pile cluster or dolphin.
A complete loading or unloading rack.
A complete railroad siding.

113, 163, 183, COMMUNICATION SYSTEMS

TELEGRAPH AND TELEPHONE TERMINAL EQUIPMENT

A complete switchboard.

TELEGRAPH AND TELEPHONE OUTSIDE PLANT

A continuous section of 1 mile of aerial wire.
A section of 1,000 feet of aerial cable.
A section of 500 feet of submarine cable.
A section of 500 feet of conduit.
A continuous section of 35 poles.
A case of equipment, such as loading coil or autotransformer.

RADIO AND WIRELESS EQUIPMENT

A transmitting set.
A receiving set.
An antenna, complete, or without supports.

114, 164, 184, OFFICE FURNITURE AND EQUIPMENT

Each complete item of furniture or equipment the book cost of which was charged to the carrier property account, such as: A desk, chair, table, davenport, typewriter, computing machine; a section of bookcase, filing cabinet; rug, carpet, or other floor covering for one room.

115, 165, 185, VEHICLES AND OTHER WORK EQUIPMENT

Each complete item of equipment the original cost of which was charged to the carrier property account, such as: A passenger automobile or truck with or without body; a tractor; a pole derrick, power winch, earth-boring machine, or trailer.

116, 166, 186, OTHER PROPERTY

Each complete item of property the book cost of which was charged to the carrier property account.

INSTRUCTIONS FOR OPERATING REVENUES AND OPERATING EXPENSES

4-1 *Detail of accounts.* The carrier shall keep the prescribed accounts with sufficient particularity to permit the reporting of operating revenues and expenses for crude oil lines and for product lines separately, and to permit the allocation of operating expenses by service functions (see 4-3 Operating Expenses).

4-2 *Operating revenues.* The operating revenue accounts are designed to show the amount of money which the carrier becomes entitled to receive or which accrues to its benefit for transportation and services incidental thereto.

4-3 *Operating expenses.* The operating expense accounts are designed to show the costs of pipeline operations by service functions. The expenses of pipeline operations are to be allocated to the following functions:

(a) *Gathering.* This includes the gathering and collection of oil, oil products and other commodities from oil field, refinery, or other source (other than carrier's own terminal and delivery facilities), and transmission to point of connection to meters, working or storage tanks, or intake side of the manifold at the trunk line receiving site or station, or at a terminal.

(b) *Trunk.* This includes the trunk line transportation of crude oil, oil products and other commodities from origin or receiving station to point of connection with other carriers, consignee facilities at destination, or to the discharge side of the manifold or connection to working or storage tanks at the destination station.

(c) *Delivery.* This includes the receiving, storage, and delivering at terminal and delivery facilities of crude oil, oil products and other commodities from or to railroads, motor carriers, water carriers, and others prior or subsequent to movement by pipeline.

4-4 *Expense classification.* The primary expense accounts are to be reported under the following classifications:

(a) *Operations expense.* This group of accounts includes all costs directly associated with the operation of facilities devoted to pipeline operations including scheduling, dispatching, movement, and delivery of crude oil, oil products and other commodities.

(b) *Maintenance expense.* This group of accounts includes all costs directly associated with repairs and maintenance of property devoted to pipeline operations.

(c) *General expense.* This group of accounts includes general and administrative expense and all other expenses not directly allocable to operations and maintenance expenses.

4-5 *Expense distribution.* The several classes of expenses shall be directly allocated to applicable service functions

to the fullest possible extent. Expenses common to two or more functions and system expenses shall be equitably apportioned to the service functions. The basis for apportionment and the underlying records in support thereof shall be readily available for inspection by the Commission's examiners.

BALANCE SHEET ACCOUNTS

10 Cash.

This account shall include money, checks, sight drafts and sight bills of exchange, money in banks or in other depositories subject to withdrawal on demand, and other similar items. The amount of checks and sight drafts transmitted to payees which are unpaid at the close of the accounting period shall be credited to this account.

11 Temporary investments.

This account shall include the cost of securities and other collectible obligations acquired for the purpose of temporarily investing cash, such as United States Treasury certificates, marketable securities, time drafts receivable, demand loans, time loans, time deposits with banks and trust companies, and other similar investments of a temporary character.

12 Notes receivable.

This account shall include the book cost, not includible elsewhere, of all collectible obligations in the form of notes receivable, contracts receivable, and similar evidences (except interest coupons) of money receivable on demand or within a time not exceeding one year from date of the balance sheet. Notes receivable from affiliates shall be included in account 13, Receivables from Affiliated Companies.

13 Receivables from affiliated companies.

This account shall include amounts receivable due and accrued from affiliated companies subject to settlement within one year from date of the balance sheet. This includes receivables for items such as revenue for services rendered, material furnished, rent, interest and dividends, advances and notes.

14 Accounts receivable.

This account shall include amounts receivable due and accrued from other than affiliates which are subject to settlement within one year from date of the balance sheet. This includes items such as revenue for services rendered, material furnished, rent, accounts of officers and employees, miscellaneous accounts with others.

15 Interest and dividends receivable.

(a) This account shall include the amount of interest due and accrued as of the date of the balance sheet on all interest-bearing obligations held by the carrier. This account shall also include the amount of dividends declared on stocks owned.

(b) Interest and individends receivable from affiliated companies or on the carrier's own securities shall not be included in this account.

16 Oil inventory.

(a) This account shall include the cost of oil purchased and the value of oil acquired through tariff allowances and operating gains. Amounts paid preceding carriers for transportation, customs duties, or similar charges shall be charged to account 230, Allowance Oil Revenue. Additions to inventory from tariff allowances shall be credited to revenue at current value. Additions resulting from operating gains shall be credited against operating oil losses and shortages.

(b) The cost or value of oil owned by the carrier and used to maintain lines and working tanks in condition for transportation operations shall be included in account 33, Operating Oil Supply.

17 Material and supplies.

(a) This account shall include the cost, including sales, use and excise taxes and transportation costs to point of delivery, less purchase and trade discounts, of all unapplied material and supplies, such as line pipe, line pipe fittings, fuel, tools, and other pipeline supplies. The value of items being manufactured by the carrier and the fair value of salvaged material shall also be included herein.

(b) Carriers shall take annual inventories of material and supplies and shall make the adjustments necessary to reconcile the books to the inventory figures. To the extent practicable, adjustments shall be made directly to the same accounts to which such material and supplies were charged during the period. Differences that cannot be directly allocated shall be equitably apportioned among the accounts to which material was charged since the last inventory.

18 Prepayments.

This account shall include the amount of expenses paid in advance of accrual such as insurance, rent, and taxes, the benefits of which are to be realized in subsequent periods. Monthly transfers shall be made to the appropriate expense or other accounts for the expired portion of the prepayments applicable to that month.

19 Other current assets.

This account shall include such items as estimated tax refunds receivable, legally enforceable, balances dues on subscriptions to capital stock, temporary guaranty and other deposits, and all other current assets due within one year which are not includible in the other current asset accounts.

20 Investments in affiliated companies.

This account shall include the cost of investments in securities (other than securities held in special funds) and investment advances made to affiliated companies. Separate records shall be maintained to show the securities pledged and the following classes of investments in each affiliated company:

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

21 Other investments.

This account shall include the cost of investments in securities of (other than securities held in special funds) and advances made to other than affiliated companies. Separate records shall be maintained to show the securities pledged and the following classes of investments in each nonaffiliated company:

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

22 Sinking and other funds.

(a) This account shall include cash and cost of investment in securities and other assets, trusteed or otherwise restricted, that have been segregated in distinct funds for purposes of redeeming outstanding obligations; purchasing or replacing assets; paying pensions, relief, hospitalization, and other similar items. This account shall also include the cash value of life insurance policies on the lives of employees and officers to the extent that the carrier is the beneficiary of such policies. Separate subsidiary records shall be maintained for each distinct fund.

(b) Securities issued or assumed by the accounting company shall be recorded at par or stated value.

23 Reductions in security values—Credit.

This account shall include provisions for losses in value of securities held as investments in affiliated or other companies, and including securities in funds. Concurrent charges shall be made to account 660, Miscellaneous Income Charges, or account 680, Extraordinary Items, as appropriate.

30 Carrier property.

This account shall include the cost of tangible property used in carrier service, or held for such use within a reasonable time under a definite plan for pipeline operations. Separate primary accounts are prescribed for each class of carrier property.

31 Accrued depreciation—Carrier property.

This account shall be credited with amounts charged to operating expenses or other accounts representing the loss in service value of depreciable carrier property. The service value of depreciable property retired shall be charged to this account. It shall also include other entries as may be authorized by the Commission. Detail of this account shall be maintained by primary property accounts.

32 Accrued amortization—Carrier property.

This account shall be credited with amounts charged to operating expenses or other accounts representing the loss in service value of carrier property sub-

ject to amortization accounting as authorized by the Commission. Upon the retirement of property subject to amortization this account shall be charged with the amount included herein applicable to the specific property at the time the property is retired. Subsidiary records shall be maintained for each group of property items under a separate amortization authorization.

33 Operating oil supply.

This account shall include the cost of oil purchased and the value of oil added through tariff allowances and operating gains which is used to maintain lines and tanks in working condition. Additions to operating supply from tariff allowances shall be credited to revenue at current value. Additions resulting from operating gains shall be credited against operating oil losses and shortages.

34 Noncarrier property.

This account shall include the cost of tangible property not used in carrier pipeline operations.

35 Accrued depreciation—Noncarrier property.

This account shall be credited with amounts charged to income, representing the loss in service value of depreciable noncarrier property.

40 Organization costs and other intangibles.

This account shall include the cost of intangible assets such as organizing the carrier, patents, permits, franchises, and goodwill. Organization costs include the legal expense, taxes, fees, stationery and printing, original capital stock expense and costs of economic feasibility studies made prior to initial operation of the carrier. Separate subsidiary records shall be maintained for each class of intangible asset.

41 Accrued amortization of intangibles.

This account shall be credited with the amounts charged to operating expenses or income representing the expired cost of intangible property. When the period of benefit of intangible property is fully expired, or assets are retired to which the intangible relates, this account shall be charged with the amount herein applicable to the specific property.

42 Unamortized discount and interest on long-term debt.

This account shall include the amount of discount on long-term debt, and the amount of interest expressly provided for and included in the face amount of obligations issued or assumed and not amortized as of the date of the balance sheet. The amount of discount or interest applicable to each issue of debt obligation shall be amortized over the life of the respective debt by charge to interest expense.

43 Miscellaneous other assets.

This account shall include such items as accounts receivable, utility deposits, guaranty deposits and other similar assets which are not expected to be realized or returned to the carrier within one year from date of the balance sheet. The estimated net salvage value of retired carrier property held without being dismantled shall be included in this account.

44 Other deferred charges.

This account shall include items that cannot be disposed of until further information is received and items of a deferred nature, not provided for elsewhere, to be amortized to expense or other accounts in future periods. This includes such items as engineering surveys and studies and debt expense.

50 Notes payable.

This account shall include outstanding obligations in the form of notes, and other similar evidences of indebtedness payable on demand or within one year from the date of issue except those payable to affiliated companies.

51 Payables to affiliated companies.

This account shall include amounts payable due and accrued to affiliated companies (except interest and dividends) subject to settlement within one year from date of the balance sheet. This includes payables for items such as services and material received, rent, advances and notes.

52 Accounts payable.

This account shall include amounts payable due and accrued (except those to affiliated companies) subject to settlement within one year from the date of the balance sheet. This includes payables for items such as joint revenue, material and supplies, services received, rents, claims, taxes collected from employees and others for account of taxing entities, and other similar items.

53 Salaries and wages payable.

This account shall include salaries and wages payable due and accrued including vacation pay and unclaimed salaries and wages as of the balance sheet date. Unclaimed salaries and wages outstanding for more than one year may be written off to income unless the amount unclaimed escheats to the state.

54 Interest payable.

This account shall include interest accrued or payable on all obligations.

55 Dividends payable.

This account shall include the amount of dividends (other than stock dividends) declared but unpaid as of the date of the balance sheet.

56 Taxes payable.

This account shall include all Federal, state, and local taxes (except taxes withheld from employees) accrued and payable, estimated if necessary, as of the balance sheet date. Prepaid taxes shall be shown as current assets in account 18, Prepayments. Subsidiary records shall be maintained to allow analyses of this account by matured and unmatured taxes and by type of tax and taxing entity.

57 Long-term debt payable within one year.

This account shall include the amount of long-term debt which will mature and become payable within one year from date of balance sheet for which arrangements for refunding have not been made.

58 Other current liabilities.

This account shall include all other current liabilities not provided for elsewhere that are payable within one year from date of balance sheet.

60 Long-term debt payable after one year.

This account shall include the total par value of the carrier's outstanding obligations maturing more than one year from the date of the balance sheet. This account shall be divided to show the face value of (1) debt issued and actually outstanding, and (2) debt "nominally issued" and "nominally outstanding." These accounts shall be further divided by the following classes of debt: mortgage bond, collateral trusts, income bonds, miscellaneous obligations and nonnegotiable debt to affiliated companies.

61 Unamortized premium on long-term debt.

This account shall include the premium received and not yet amortized on the issuance of long-term debt. The amount of premium received on each issue of bonds, mortgages, notes, and other long-term debt shall be amortized over the life of the debt by credit to interest expense.

63 Other noncurrent liabilities.

This account shall include such items as deferred revenue from rents or leases that will not be realizable as income within one year, and the liability for amounts contributed by employees or others for pensions, savings, and similar items. This account shall also include the amount accrued for pensions in which the employees have a vested right and which are administered by the carrier.

70 Capital stock.

(a) This account shall include the par value of par value stock, stated value of no-par stock, and the amount received for no-par stock without stated value, which have been issued to bona fide purchasers and have not been reacquired and canceled, also shares of stock nominally issued, and reacquired shares which have not been canceled. When other than cash is received for no-par value stock, the fair market value of the consideration shall be entered in this account.

(b) This account shall be divided so as to show separately each class of stock issued, subdivided between (1) issued and actually outstanding, and (2) nominally issued and nominally outstanding.

(c) Shares of capital stock that were actually issued and reacquired by the

carrier by market purchase, call, contribution, or in some other manner and retained without formal cancellation shall be included in this account at par or stated value or at a proportionate value for no-par stock. The difference between the amount paid for reacquired stock and the amount recorded in this account including any premiums applicable to its original issue shall be included in account 73, Additional Paid-in Capital; provided that the excess of a debit amount over the balance in account 73 with respect to the particular class of stock shall be charged to account 720, Other Debits to Retained Income.

(d) When reacquired stock is resold, the difference between the net sales price and the amount included herein shall be included in account 73, Additional Paid-in Capital; provided that the excess of a debit amount over the balance in account 73 with respect to the particular class of stock shall be charged to account 720, Other Debits to Retained Income.

(e) When reacquired capital stock is retired, this account shall be cleared of amounts included in subdivisions herein.

71 Premiums on capital stock.

This account shall include the excess of the actual cash value of the consideration received at the time of the original sale over the par or stated value of the stock issued.

72 Capital stock subscriptions.

This account shall include the full amount of the par value, stated value, or price agreed upon for no-par stock which has been subscribed under a legally binding purchase agreement. The difference between the par value or stated value, plus any premiums or the amount agreed upon for no-par stock, and the down payment or installments received, shall be recorded as a current asset in account 19, Other Current Assets. Appropriate subaccounts shall be kept to record separately the transactions for each class and series of stock involved.

73 Additional paid-in capital.

This account shall include gains from purchase and resale of reacquired stock. Credits attributable to reductions in the par or stated value of capital stock may be included in this account only when approved by the Commission. Separate subaccounts shall be maintained for each class and series of stock. Also include herein contributions to capital made by stockholders and others.

74 Appropriated retained income.

This account shall include retained income which has been appropriated and set aside under contractual or legal requirements and for other specific purposes, such as the retirement of bonded indebtedness, contingencies, redemption of preferred capital stock; fire losses; plant replacement and additions; miscellaneous employee benefits; and similar items. Appropriations shall be released when their respective purposes have been served. Separate subaccounts shall be maintained for each specific purpose for which retained income is appropriated.

75 Unappropriated retained income.

(a) This account shall include retained income which has not been appropriated or set aside for specific purposes. There shall be no transfers to or from account 73, Additional Paid-in Capital, to this account unless so authorized by the Commission.

(b) The balance of accounts 700 to 750, inclusive, shall be closed to this account at the end of each calendar year.

CARRIER PROPERTY ACCOUNTS

The following table lists the prescribed primary property accounts and indicates those accounts which contain similar items of property for which a single text is provided. The accounts are to be kept separately for crude oil lines and for product lines.

Account Number			Account Title
Gathering Lines	Trunk Lines	General	
101	151	171	Land.
102	152	.....	Right of Way.
103	153	.....	Line Pipe.
104	154	.....	Line Pipe Fittings.
105	155	.....	Pipeline Construction.
106	156	176	Buildings.
107	157	.....	Boilers.
108	158	.....	Pumping Equipment.
109	159	179	Machine Tools and Machinery.
110	160	.....	Other Station Equipment.
111	161	.....	Oil Tanks.
112	162	.....	Delivery Facilities.
113	163	183	Communication Systems.
114	164	184	Office Furniture and Equipment.
115	165	185	Vehicles and Other Work Equipment.
116	166	186	Other Property.
		187	Construction Work in Progress.

101, 151, 171 Land.

(a) This account shall include the cost of land held in fee and used in pipeline operations. Land not used in carrier service shall be recorded in account 34, Noncarrier Property. Irregular parcels of land without commercial value acquired with rights of way shall not be transferred to account 34 solely to make right-of-way boundaries regular.

(b) The cost of land and buildings acquired together shall be equitably separated and recorded. When land is acquired with buildings, structures, or other encumbrances that must be removed before the land is usable, demolition cost, less salvage, shall be added to the book cost of the land. Net proceeds from the sale of timber, minerals and improvements which were part of the land cost when purchased by the carrier, shall be credited to this account up to the amount of the purchase price allocated as their cost. Any excess shall be credited to account 640, Miscellaneous Income, or, when qualifying as extraordinary pursuant to instruction 1-6, shall be included in account 680, Extraordinary Items.

(c) Costs of filling, clearing, grading or leveling land, when such work is not directly associated with construction or a definite plan for construction, shall be charged to this account.

(d) All direct or incidental costs associated with the acquisition of the land and any taxes and public assessments assumed at the time of purchase, shall be included in this account.

(e) Special assessments for public improvements and also costs borne by the carrier for public improvements constructed by it shall be included in this account.

102, 152 Right of way.

This account shall include the cost of obtaining rights of way used in pipeline operations. Periodic rents paid for the use of a right of way shall be charged to operating rents. Costs of filling, clearing, grading or leveling of a right of way when such work is not directly associated with construction or a definite plan for construction, shall be charged to this account.

103, 153 Line pipe.

This account shall include the cost of all line pipe actually laid in pipe lines devoted to transportation service.

104, 154 Line pipe fittings.

This account shall include the cost of the line pipe fittings, including manifolds, used in pipe lines devoted to transportation service.

105, 155 Pipeline construction.

(a) This account shall include all the costs of constructing pipe lines except the cost of line pipe and fittings provided for in accounts 103, 153, Line Pipe, and 104, 154, Line Pipe Fittings.

(b) Includible shall be the cost of labor and materials such as casing and vent pipe, pipe coatings of all kinds, river weights, support structures, sand bags, valve boxes, cathodic protection devices, mile posts, right-of-way markers, excavating and backfilling, pipeline pits, and the cost of damages paid for the destruction of crops, timber, and other property during construction. The cost of reopening the trenches for repairs, or installation of casing, coating or cathodic protection, and the necessary backfilling shall be charged to maintenance expense.

106, 156, 176 Buildings.

This account shall include the cost of all buildings including the foundations, fixtures, and appurtenances thereto. This includes such items as architects' fees, sidewalks, driveways, fences, permanent water rights, grading and preparing grounds before and after construction, utility lines and other service piping. Cost of restoring grounds after repair work shall be charged to maintenance expense.

107, 157 Boilers.

This account shall include the cost of boilers, including accessories and attachments such as injectors, water gages, steam gages and fittings, and the cost of special boiler foundations and installations.

108, 158 **Pumping equipment.**

This account shall include the cost of engines, motors, pumps, and all other pumping equipment, and the cost of special foundations and installation.

109, 159, 179 **Machine tools and machinery.**

This account shall include the cost of machine tools and machinery, including the cost of their special foundations and installation.

110, 160 **Other station equipment.**

This account shall include the cost of all station equipment not provided for elsewhere, such as electric light, gas, and refrigeration equipment, manifolds, and miscellaneous equipment and fittings. It shall also include the carrier's investment in tracks if located at and used in connection with a station.

111, 161 **Oil tanks.**

This account shall include the cost of oil tanks, including grades, roofs, fire banks, steam coils, swing pipes, inlet valves, and outlet valves.

112, 162 **Delivery facilities.**

This account shall include the cost of facilities for receiving or delivering oil and oil products from or to water carriers, railroads, motor carriers, and others, such as delivery racks, wharves (including buildings thereon), docks, and slips, including piling, pile protection, cribs, cofferdams, walls, and other necessary devices and apparatus for the operation or protection of such property. It shall also include the cost of engines, pumps, and boilers at loading racks and on wharves, the construction of oil-pipe lines between oil tanks and delivery facilities, and the carrier's investment in tracks if located at and used in connection with delivery facilities.

113, 163, 183 **Communication systems.**

This account shall include the cost of telegraph, wireless, telephone, and radio equipment.

114, 164, 184 **Office furniture and equipment.**

This account shall include the cost of all office furniture, equipment and fixtures, including such items as safes, desks, chairs, typewriters, accounting machines, cabinets, file cabinets, floor coverings, portable air conditioners, drinking fountains, and other similar items that are not an integral part of a building.

115, 165, 185 **Vehicles and other work equipment.**

This account shall include the cost of motor and other vehicles, motor and other portable work equipment, garage equipment, and portable tools and machines such as drills, hoists, jacks, power mowers, stocks and dies, laying tongs, vises, air compressors, welding machines, valve reseating machines, pipe-cleaning machines, and concrete mixers, not specifically provided for in other accounts.

116, 166, 186 **Other property.**

This account shall include the cost of property used in pipeline operations not provided for elsewhere.

187 **Construction work in progress.**

This account shall include the cost of carrier property under construction and the cost of land acquired for such construction as of the date of the balance sheet. It includes interest and taxes during construction, material and supplies delivered to the construction site, and other expenditures that will eventually be part of the cost of the completed property. When construction work is completed, the cost included in this account shall be transferred to the appropriate primary property accounts. Subsidiary records shall be maintained for each construction project. When part of a project under construction is completed and put into service, the costs applicable to that portion shall be transferred to the appropriate property account.

OPERATING REVENUES

200 **Gathering revenues.**

This account shall include revenues on the basis of tariff charges for the gathering or collection of crude oil, oil products and other commodities.

210 **Trunk revenues.**

This account shall include revenues on the basis of tariff charges for trunk line transportation of crude oil, oil products or other commodities.

220 **Delivery revenues.**

This account shall include revenues on the basis of tariff charges for receiving, delivering, unloading and loading fees at carrier terminal and delivery facilities.

230 **Allowance oil revenue.**

(a) This account shall include the current value of oil acquired through tariff allowances taken into inventory or retained in the line for operating oil supply, and the selling price of such oil sold not previously recorded in inventory or operating oil supply.

(b) Profits and losses on sales of allowance oil from inventory or operating supply shall be included in this account.

240 **Storage and demurrage revenue.**

This account shall include revenues on the basis of tariff charges for the storage of oil; also demurrage charges incident to failure of consignees to receive shipments promptly.

250 **Rental revenue.**

This account shall include the revenues from renting or subrenting property, the cost of which is included in the accounts for investment in carrier property.

260 **Incidental revenue.**

This account shall include revenues incidental to carrier operations and not includible in other revenue accounts.

OPERATING EXPENSES

Operations

300 **Salaries and wages.**

This account shall include the salaries and wages (including pay for holidays, vacations, sick leave, and similar payroll disbursements) of supervisory and other personnel directly engaged in transportation operations.

310 **Supplies and expenses.**

This account shall include the cost of supplies consumed and expended in operations, including the expenses of aircraft and vehicle operation; travel and other expenses of operating employees; and other related expenses of operations.

320 **Outside services.**

This account shall include the cost of operating services provided by other than company forces under contract, agreement or other arrangement. The cost of services performed by affiliated companies shall be segregated within the account.

330 **Operating fuel and power.**

This account shall include the cost of fuel and power consumed and expended in operations. The cost of normal utilities services shall be included herein when such costs are directly allocable to operations.

340 **Oil losses and shortages.**

(a) This account shall include the cost of settlements with shippers for oil lost or undelivered due to operating causes during the course of transportation.

(b) The value of oil gains from operations shall be credited to this account at current value at time of determination of gain and charged to oil inventory or operating supply.

Maintenance

400 **Salaries and wages.**

This account shall include the salaries and wages (including pay for holidays, vacations, sick leave, and similar payroll disbursements) of supervisory and other personnel directly engaged in the maintenance and repair of transportation property.

410 **Supplies and expenses.**

This account shall include the cost of supplies consumed and expended in support of the maintenance activity, including the expenses of operating aircraft, vehicles, and work equipment; travel and other expenses of maintenance employees; and other related maintenance expense.

420 **Outside services.**

This account shall include the cost of maintenance services provided by other than company forces under contract, agreement or other arrangement. The cost of services performed by affiliated companies shall be segregated within the account.

430 Maintenance materials.

This account shall include the cost of materials applied in the repair and maintenance of transportation property. The salvage value of materials recovered in maintenance work shall be credited to this account.

General

500 Salaries and wages.

This account shall include the salaries and wages (including pay for holidays, vacations, sick leave, and similar payroll disbursements) of executives and general officers, general office personnel, and of other employees whose wages cannot be directly allocated to operations or maintenance.

510 Supplies and expenses.

This account shall include the cost of supplies consumed and expended for administration and general services, including the expenses of aircraft and vehicles used for general purposes; travel and other expenses of general employees and officers; utilities services; and all other incidental general expenses.

520 Outside services.

This account shall include the cost of management and general and administrative services provided by other than company forces under contract, agreement or other arrangement. The cost of services performed by affiliated companies shall be segregated within the account.

530 Rentals.

This account shall include the cost of renting property used in carrier transportation service, such as a complete pipeline or segment thereof, office space, land and buildings, and other equipment and facilities.

540 Depreciation and amortization.

This account shall include charges for the depreciation and amortization of transportation property. Charges for the amortization of fixed term intangibles relating to common carrier operations shall also be included herein.

550 Pensions and benefits.

This account shall include the cost to the carrier of annuities and pensions for active or retired employees, their beneficiaries or designees. Contributions to health or welfare funds or payment for similar benefits to or on behalf of employees shall be included herein. Premiums, to the extent borne by the carrier, for group life, health, accident and other beneficial insurance for employees shall also be included in this account.

560 Insurance.

This account shall include the cost of commercial insurance to protect the carrier against losses and damages in its pipeline operations such as injuries to or deaths of employees and other persons, damages to or destruction of carrier property or the property of others, and other business risks and hazards pertaining to transportation operations.

NOTE: Insurance or other reimbursement for loss or damage shall be credited to the same account charged with the loss or expense.

570 Casualty and other losses.

(a) This account shall include the amount of expense sustained by the carrier on account of loss or damage to oil or other commodity entrusted to it for transportation or storage resulting from fire, flood, or other casualty.

(b) Expenses on account of damage and destruction to property of others from all causes; and the expense of repairing damages to transportation property caused by casualty shall also be included herein.

(c) This account shall also include expenses incurred on account of injury to or death of employees or other persons including related medical, hospital and funeral expenses.

NOTE: The cost of oil lost or undelivered through operating causes shall be charged to account 840, Oil Losses and Shortages.

580 Pipeline taxes.

(a) This account shall include accruals for taxes of all kinds, excepting Federal income taxes, relating to carrier property, operations, privileges and licenses.

(b) The detail of this account shall show separately the amounts levied by the Federal government and by each state.

INCOME ACCOUNTS

Ordinary Items

CREDIT

600 Operating revenues.

This account shall include the total revenues included in the operating revenue accounts for the calendar year.

620 Income (net) from noncarrier property.

(a) This account shall include all noncarrier revenues and expenses from property carried in account 34, Noncarrier Property.

(b) All expenses related to noncarrier property, such as operation and maintenance expenses, depreciation, taxes (except Federal income taxes) and similar expenses, are includible herein.

630 Interest and dividend income.

(a) This account shall include interest accruing to the carrier on securities of others, loans, notes and advances, deposits, and all other interest bearing assets. Also include the amount of amortized premium or discount related to such assets.

(b) This account shall also include the amount of dividends declared on stocks of others owned by the carrier.

(c) Income shall not be included in this account unless receipt thereof is reasonably assured.

640 Miscellaneous income.

(a) This account shall include income not provided for elsewhere creditable to income accounts for the current year, such as unclaimed wages written off, profit on sales of land and noncarrier property, profit on sales of investment securities and profit from company bonds reacquired.

(b) When the profit from sale of land, noncarrier property, or investment securities other than temporary cash investments, or from the reacquisition of the company's own bonds is of an amount sufficiently large to constitute an extraordinary item pursuant to instruction 1–6, such profit shall be credited to account 680, Extraordinary Items.

DEBIT

610 Operating expenses.

This account shall include the total expenses included in the operating expense accounts for the calendar year.

650 Interest expense.

This account shall include interest expense on all classes of debt except interest pertaining to construction of property. This account shall also include the amortization of long-term debt premium and discount. Charges for interest on carrier debt obligations previously issued and now held by or for the carrier shall not be recorded in this account.

660 Miscellaneous income charges.

(a) This account shall include income charges not provided for elsewhere chargeable to income accounts for the current year, such as amortization of debt expense, losses on sale or disposition of land and noncarrier property, losses on sales or reductions in value of investment securities, bad debts, losses on company bonds reacquired, taxes (other than Federal income taxes) on investment securities, trust management expenses, amortization of intangibles which are not restricted to a fixed term, and the difference between the premium and the added cash surrender value of life insurance on officers and employees when the carrier is beneficiary.

(b) When the loss on the sale of land, noncarrier property, or investment securities other than temporary cash investments, or on the reacquisition of the company's own bonds is of an amount sufficiently large to constitute an extraordinary item pursuant to instruction 1–6, such loss shall be included in account 680, Extraordinary Items.

670 Federal income taxes on ordinary income.

(a) Accruals for Federal income taxes applicable to ordinary income shall be included in this account. See the texts of account 695, Federal Income Taxes on Extraordinary and Prior Period Items, account 710, Other Credits to Retained Income, and account 720, Other Debits to Retained Income, for recording other income tax consequences.

(b) Details pertaining to the tax consequences of other unusual and significant items, and also cases where tax consequences are disproportionate to related amounts included in income accounts, shall be submitted to the Com-

mission for consideration and decision as to proper accounting.

(c) Federal income taxes which are refundable or reduced as the result of carry-back or carry-forward of operating loss shall be credited to this account, if a carry-back, in the year in which the loss occurs or, if a carry-forward, in the year in which such loss is applied to reduce taxes. However, when the amount constitutes an extraordinary item pursuant to instruction 1–6, it shall be included in account 690, Prior Period Items.

Extraordinary and Prior Period Items

680 Extraordinary items (net).

(a) This account shall include extraordinary items accounted for during the current accounting year in accordance with the provisions of instruction 1–6, upon approval of the Commission. Among the items which shall be included in this account are:

(1) Net gain or loss on sale of (a) land used for transportation purposes, (b) timber, minerals, and improvements related thereto, and (c) noncarrier property.

(2) Net gain or loss on sale of securities acquired for investment purposes, and charges to write down the ledger value of such securities because of impairment of value.

(3) Net gain or loss on reacquisition of company bonds.

(4) Changes in application of accounting principles.

(b) This account shall be maintained in a manner sufficient to identify the nature and gross amount of each debit and credit.

(c) Federal income tax consequences of charges and credits to this account shall be recorded in account 695, Federal Income Taxes on Extraordinary and Prior Period Items.

690 Prior period items (net).

(a) This account shall include unusual delayed items accounted for during the current accounting year in accordance with the provisions of instruction 1–6, upon approval of the Commission. Among the items which shall be included in this account are:

(1) Unusual adjustments, refunds, or assessments of Federal income taxes of prior years.

(2) Unusual adjustments of reserves of prior years determined to be excessive or deficient.

(3) Similar items representing transactions of prior years which are not identifiable with or do not result from business operations of the current year.

(b) This account shall be maintained in a manner sufficient to identify the nature and gross amount of each debit and credit.

(c) Federal income tax consequences of charges and credits to this account shall be recorded in account 695, Federal Income Taxes on Extraordinary and Prior Period Items.

695 Federal income taxes in extraordinary and prior period items.

This account shall include the estimated Federal income tax consequences (debit or credit) assignable to the aggregate of items of both taxable income and deductions from taxable income which, for accounting purposes, are classified as unusual and extraordinary, and are recorded in accounts 680, Extraordinary Items, and 690, Prior Period Items, as appropriate.

Retained Income Accounts

700 Net balance transferred from income.

This account shall include net income (or deficit) for the calendar year.

710 Other credits to retained income.

This account shall include other credit adjustments, net of assigned Federal income taxes, not provided for elsewhere in this system but only after such inclusion has been authorized by the Commission.

720 Other debits to retained income.

This account shall include losses from resale of reacquired capital stock, and charges which reduce or write off discount on capital stock issued by the company, but only to the extent that such charges exceed credit balances in account 73, Additional Paid-In Capital, for shares reacquired. This account shall also include other debit adjustments, net of assigned Federal income taxes, not provided for elsewhere in this system of accounts, but only after such inclusion has been authorized by the Commission.

740 Appropriations of retained income.

This account shall include appropriations made from retained income during the calendar year. Appropriations charged to this account shall be credited to account 74, Appropriated Retained Income.

750 Dividend appropriations of retained income.

This account shall include the amount of dividends declared during the calendar year on all classes of outstanding capital stock. Stock reacquired and owned by the carrier shall not be subject to dividends. Subsidiary records shall be kept to show separately the dividends declared on each type and class of capital stock. When dividends are paid in other than money, complete detail of each transaction shall be maintained.

Form of Balance Sheet Statement

Assets

Current Assets

10 Cash.
11 Temporary Investments.
12 Notes Receivable.
13 Receivables from Affiliated Companies.
14 Accounts Receivable.
15 Interest and Dividends Receivable.
16 Oil Inventory.
17 Material and Supplies.
18 Prepayments.
19 Other Current Assets.
Total current assets

Investments and Special Funds

20 Investments in Affiliated Companies.
21 Other Investments.
22 Sinking and Other Funds.
23 Reductions in Security Values—Credit.
Total investments and special funds.

Tangible Property

30 Carrier Property.
31 Accrued Deprication—Carrier Property.
32 Accrued Amortization—Carrier Property.
33 Operating Oil Supply.
34 Noncarrier Property.
35 Accrued Depreciation—Noncarrier Property.
Total tangible property.

Other Assets and Deferred Charges

40 Organization Costs and Other Intangibles.
41 Accrued Amortization of Intangibles.
42 Unamortized Discount and Interest on Long-Term Debt.
43 Miscellaneous Other Assets.
44 Other Deferred Charges.
Total other assets and deferred charges.
Total Assets.

Liabilities and Stockholders' Equity

Liabilities

Current Liabilities

50 Notes Payable
51 Payables to Affiliated Companies
52 Accounts Payable
53 Salaries and Wages Payable
54 Interest Payable
55 Dividends Payable
56 Taxes Payable
57 Long-Term Debt Payable Within One Year
58 Other Current Liabilities
Total current liabilities

Noncurrent Liabilities

60 Long-Term Debt Payable After One Year
61 Unamortized Premium on Long-Term Debt
63 Other Noncurrent Liabilities
Total noncurrent liabilities
Total Liabilities

Stockholders' Equity

70 Capital Stock
71 Premiums on Capital Stock
72 Capital Stock Subscriptions
73 Additional Paid-In Capital
74 Appropriated Retained Income
75 Unappropriated Retained Income
Total Stockholders' Equity
Total Liabilities and Stockholders' Equity

Form of Income Statement

Income Statement

Ordinary Items

Carrier Operating Income

600 Operating Revenues
610 Operating Expenses
Net carrier operating income

Other Income and Deductions

620 Income (Net) from Noncarrier Property
630 Interest and Dividend Income
640 Miscellaneous Income
650 Interest Expense
660 Miscellaneous Income Charges
Total other income and deductions.
Ordinary income before Federal income taxes.
670 Federal income taxes on ordinary income.
Ordinary income.

EXTRAORDINARY AND PRIOR PERIOD ITEMS

680 Extraordinary items (net).
690 Prior period items (net).
695 Federal income taxes on extraordinary and prior period items.
Total extraordinary and prior period items.
Net income (or loss).

FORM OF UNAPPROPRIATED RETAINED INCOME STATEMENT

Unappropriated Retained Income Statement

75 Unappropriated retained income (beginning of year).
700 Net balance transferred from income.
710 Other credits to retained income.
720 Other debits to retained income.
740 Appropriations of retained income.
750 Dividend appropriations of retained income.
75 Unappropriated retained income (end of year).

PART 1205—REFRIGERATOR CAR LINES

General Instructions

1 Persons or companies for whom this system of accounts is prescribed.
2 Definitions.
3 Classification of accounts.
4 Records.
5 Accounting period.
6 Accrual method of accounting.
7 Unaudited items.
8 Delayed items.
9 Operating reserves.
10 Item lists.
11 Submission of questions.

Property Accounts Instructions

12 Items to be charged.
13 Minimum rule applicable to additions to property.
14 Land.
15 Structures.
16 Equipment.
17 Components of construction cost.
18 Additions to and retirements of units of property.
19 Additions and retirements of other than units of property.
20 Units of property rebuilt or converted.

Maintenance and Operation Expense Instructions

21 Items to be charged to maintenance expense.
22 Equalization of car maintenance.
23 Supervision expenses.
24 Rent expense.
25 General expenses.

Clearing Accounts Instructions

26 Items to be charged.
27 Boarding house operations.
28 Ice plant operations.
29 Power plant operations.
30 Production cost of ice.
31 Material and stationery store expenses.
32 Shop expenses.

Depreciation Accounts Instructions

33 Method.
34 Rates of depreciation.
35 Depreciation records to be kept.

Income and Balance Sheet Accounts Instructions

36 Current assets.
37 Book value of securities owned.
38 Discount, expense, and premium on debt.
39 Discount, premium, and assessment on capital stock.
40 Joint liabilities.
41 Contingent assets and liabilities.

Property Accounts Texts

51 Land.
52 Public improvements.
53 Rolling stock.
54 Miscellaneous equipment.
55 Tracks.
56 Car shop buildings and machinery.
57 Work equipment.
58 Ice manufacturing plants.
59 Natural ice plants.
60 Ice storage plants.
61 Precooling plants.
62 Icing platforms.
63 Transmission systems.
64 Testing apparatus.
65 Miscellaneous structures.
66 Mechanical protective service units.
67 Mechanical protective service facilities.
70 Organization expenses.

Operating Revenue Accounts Texts

100 Operating revenue accounts.

Car Service

101 Car mileage.
102 Car rental.
104 Cleaning cars.
108 Other car service revenue.

Icing Protective Service

110 Ice and salt.
111 Supervision.
112 Refrigerating device damage.
113 Top or body ice damage.
114 Precooling.
115 Other icing service revenue.

Mechanical Protective Service

116 Mechanical protective service units.
117 Inspecting, service, and supervision.
118 Fuel.
119 Other mechanical protective service revenue.

Heater Service

120 Car heaters.
121 Heater fuel.
122 Servicing heaters.
123 Supervision.
124 Preheating cars.
128 Other heater service revenue.

Other Services

130 Ventilation service.
132 Other ice and salt.
133 Miscellaneous.

Operating Expense Accounts Texts

200 Operating expense accounts.

Car Service

201 Supervision.
203 Rents; car service facilities.
205 Car distribution.
208 Cleaning and conditioning cars.
210 Car repairs.
211 Other repairs.
221 Injuries to persons.
222 Insurance.
223 Stationery and printing.
229 Other expenses.
230 Equalization; car repairs.
236 Depreciation; rolling stock.
237 Depreciation; other car service facilities.
238 Retirements; car service facilities.

Icing Protective Service

251 Ice purchased.
252 Ice produced.
253 Rents; icing facilities.
254 Icing operations.
255 Repairs; icing facilities.
256 Injuries to persons.
257 Insurance.
258 Other expenses.
265 Depreciation; icing facilities.
270 Retirements; icing facilities.
275 Salt.

Other Icing Service

281 Supervision.
282 Rents; icing service facilities.
283 Repairs; icing service facilities.
284 Precooling service.
285 Injuries to persons.
286 Insurance.
287 Stationery and printing.
290 Other expenses.
295 Depreciation; icing service facilities.
296 Retirements; icing service facilities.

Mechanical Protective Service

301 Supervision.
302 Rents.
303 Fuel.
305 Inspecting and servicing.
306 Supplies and repairs.
307 Injuries to persons.
308 Insurance.
309 Stationery and printing.
315 Other expenses.
320 Depreciation; mechanical service facilities.
321 Retirements; mechanical service facilities.

Heater Service

351 Supervision.
353 Rents; heater service facilities.
357 Heater fuel.
358 Inspecting and servicing of heaters.
360 Repairs; heater service facilities.
361 Preheating service.
371 Injuries to persons.
372 Insurance.
373 Stationery and printing.
379 Other expenses.
386 Depreciation; heater service facilities.
388 Retirements; heater service facilities.

Miscellaneous

401 Ventilation service.
405 Curtain service.
408 Papering cars.
410 Loss and damage claims.
414 Diversions and reconsignments.
415 Other expenses.

General

450 Salaries and expenses of general officers and clerks.
451 General office supplies and expenses.
452 Rents.
454 Law expenses.
459 Pensions and relief.
460 Insurance.
461 Stationery and printing.
462 Repairs; general.
465 Depreciation; general.
466 Retirements; general.
469 Other expenses.

Income Accounts Texts

ORDINARY ITEMS

CREDITS

501 Car line operating revenues.
502 Revenues from miscellaneous operations.
510 Miscellaneous rent income.
511 Income from nonoperating property.
513 Dividend income.
514 Interest income.
516 Income from sinking and other reserve funds.
517 Release of premiums on funded debt.
519 Miscellaneous income.

DEBITS

531 Car line operating expenses.
532 Car line tax accruals.
533 Rent payable for cars.
534 Expenses of miscellaneous operations.

535 Taxes on miscellaneous operating property.
543 Miscellaneous rents.
544 Miscellaneous tax accruals.
546 Interest on funded debt.
547 Interest on unfunded debt.
548 Amortization of discount on funded debt.
551 Miscellaneous income charges.

EXTRAORDINARY AND PRIOR PERIOD ITEMS

570 Extraordinary items (net).
580 Prior period items (net).
590 Federal income taxes on extraordinary and prior period items.
599 Form of income statement.

Retained Income Accounts Texts

CREDITS

601 Credit balance (at beginning of calendar year).
602 Credit balance transferred from income.
606 Other credits to retained income.

DEBITS

611 Debit balance (at beginning of calendar year).
612 Debit balance transferred from income.
616 Other debits to retained income.
620 Appropriations for sinking and other reserve funds.
621 Appropriations for other purposes.
622 Appropriations released.
623 Dividends.

General Balance Sheet Accounts Texts

DEBITS

701 Cash.
702 Temporary cash investments.
703 Special deposits.
704 Loans and notes receivable.
705 Mileage accounts receivable.
707 Miscellaneous accounts receivable.
708 Interest and dividends receivable.
709 Accrued accounts receivable.
710 Working fund advances.
711 Prepayments.
712 Material and supplies.
713 Other current assets.
715 Sinking funds.
716 Capital and other reserve funds.
717 Insurance and other funds.
721 Investments in affiliated companies.
722 Other investments.
723 Reserve for adjustment of investment in securities—Cr.
731 Cars or protective service property.
733 Acquisition adjustment.
735 Accrued depreciation—Cars or protective service property.
736 Amortization of defense projects—Cars or protective service property.
737 Miscellaneous physical property.
738 Accrued depreciation—Miscellaneous physical property.
741 Other assets.
742 Unamortized discount on long-term debt.
743 Other deferred charges.

CREDITS

751 Loans and notes payable.
753 Audited accounts and wages payable.
754 Miscellaneous accounts payable.
755 Interest matured unpaid.
756 Dividends matured unpaid.
757 Unmatured interest accrued.
758 Unmatured dividends declared.
759 Accrued accounts payable.
760 Federal income taxes accrued.
761 Other taxes accrued.
763 Other current liabilities.
764 Equipment obligations and other debt due within one year.
765 Funded debt unmatured.
766 Equipment obligations.
767 Receiver's and trustee's securities.
768 Debt in default.
769 Amounts payable to affiliated companies.
771 Pension and welfare reserves.
772 Insurance reserves.
773 Equalization reserves.
774 Casualty and other reserves.
781 Interest in default.
782 Other liabilities.
783 Unamortized premium on long-term debt.
784 Other deferred credits.
791 Capital stock issued.
792 Stock liability for conversion.
793 Discount on capital stock.
794 Premiums and assessments on capital stock.
795 Paid-in surplus.
796 Other capital surplus.
797 Retained income—Appropriated.
798 Retained income—Unappropriated.
799 Form of general balance sheet statement.

AUTHORITY: The provisions of this Part 1205 issued under sec. 12, 24 Stat. 383, as amended, sec. 20(6), 54 Stat. 517; 49 U.S.C. 12, 20(6).

General Instructions

1 Persons or companies for whom this system of accounts is prescribed.

This system of accounts is prescribed for refrigerator car lines which are railroad owned or controlled and are operated in interstate commerce subject to provisions of section 20(6) of the Interstate Commerce Act furnishing cars or protective services against heat or cold. This system of accounts is not designed to meet the requirements of persons or companies, except those "railroad owned or controlled", which furnish cars but not protective service, to or on behalf of any carrier by railroad or express company subject to Part I of the Act.

2 Definitions.

(a) "Accounts" means the accounts prescribed in this system of accounts.

(b) "Actually issued" as applied to securities issued or assumed, means those which have been sold to a bona fide purchaser for a valuable consideration and those issued as dividends on stock.

(c) "Actually outstanding" as applied to securities issued or assumed by the accounting company means those which have been actually issued and are neither retired nor held by or for the accounting company.

(d) "Affiliated companies" means companies or persons that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the accounting company.

(e) "Amortization" means the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

(f) "Book cost" means the amount at which assets are recorded in the accounts of the company without deduction of any related reserves or other items. If the book cost of units and minor items of property retired cannot be determined definitely from the company's records, the book cost of such items shall be estimated.

(g) "Book liability" means the amount at which liabilities (including securities issued or assumed by the company) are recorded in the accounts of the company.

(h) "Cars or protective service" means the furnishing of cars or protective service against heat or cold to or on behalf of any carrier by railroad or express company and services incident thereto. "Cars or protective service property" means property devoted to such service.

(i) "Company," when not otherwise indicated in the context, means the persons to which this system of accounts is applicable.

(j) "Commission" means the Interstate Commerce Commission.

(k) "Control" (including the terms "controlling," "controlled by," and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority of minority ownership or voting of securities, common directors, officers or stockholders, voting trusts, holding trusts, associated companies, contract or any other direct or indirect means.

(l) "Cost of removal" means cost of demolishing, dismantling, tearing down or otherwise removing property.

(m) "Debt expense" means all expenses in connection with the issuance and initial sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds and certificates of indebtedness; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.

(n) "Discount" as applied to the securities issued or assumed by the accounting company means the excess of the par (stated value of no-par stocks) or face value of the securities plus interest or dividends accrued at the date of the sale over the cash value of the consideration received from their sale.

(o) "Ledger value of property" means the value at which the property is carried in the property investment account in the general ledger of the company. In case the value of any item of property is not shown separately in the ledger the ledger value of that item shall be its proportionate share of the value of the entire group in which the particular property is included.

(p) "Minor items of property" means the associated parts or items of which units of property are composed.

(q) "Nominally issued" as applied to securities issued or assumed by the company, means those which have been signed, certified, or otherwise executed, and placed with the proper officer for

sale and delivery, or pledged, or otherwise placed in some special fund of the accounting company.

(r) "Nominally outstanding" as applied to securities issued or assumed by the accounting company, means those which, after being actually issued, have been reacquired by or for the accounting company under such circumstances which require them to be considered as held alive and not retired.

(s) "Persons" means those who furnish cars or protective service against heat or cold to or on behalf of any carrier by railroad or express company, and includes an individual, firm, copartnership, corporation, company, association or joint-stock association; also a trustee, receiver, assignee, or personal representative thereof.

(t) "Premium" as applied to securities issued or assumed by the company, means the excess of the cash value of the consideration received from their sale over the sum of their par (stated value of no-par stocks) or face value and interest or dividends accrued at the date of sale.

(u) "Property retired" means property which has been removed, sold, abandoned, destroyed, or which for any cause has been withdrawn from service.

(v) "Protective service contracts" means those entered into with any common carrier by railroad or express company under the provisions of paragraph 14(b) of section 1 of the Interstate Commerce Act for furnishing protective services against heat or cold to property transported in interstate or foreign commerce.

(w) "Service life" means the period between the date when property is placed in service and the date of its retirement.

(x) "Service value" means the ledger value less the value of the salvage, including insurance, recovered therefrom.

(y) "Value of salvage" means the amount received for property retired and disposed of, or the amount at which material recovered will be charged if reused.

3 Classification of accounts.

Accounts are prescribed to cover cost of property used in furnishing cars or protective service and for revenues, expenses, taxes and income from such service. Separate accounts are prescribed for investment in property not used in such services and for other investments and income therefrom; for extraordinary and prior period items, including applicable income taxes; and for assets, liabilities and capital includible in the balance sheet statement. Retained income accounts form the connecting link between the income account and the equity section of the balance sheet. They are provided to record the transfer of net income or loss for the year; certain capital transactions; and, when authorized by the Commission, other items.

All items of profit and loss recognized during the year are includible in ordinary income except nonrecurring items which in the aggregate for the same class are both material in relation to operating revenues and ordinary income for the year and are clearly not identified with or do not result from usual business operations of the year. Important items of the kind which occur from time to time and which, when material in amount, are to be excluded from ordinary income are those resulting from unusual sales of property and investment securities other than temporary cash investments, from company bonds reacquired, from change in application of accounting principles, and from prior period items (other than ordinary adjustments of a recurring nature). Material items are those which, unless excluded from ordinary income, would distort the accounts and impair the significance of ordinary income for the year. Items so excludible from ordinary income are to be entered directly in the income accounts provided for extraordinary and prior period items upon approval of the Commission.

Adjustments constituting items of a character typical of customary business activities or representing corrections or refinements resulting from the natural use of estimates inherent in the accounting process, shall not be considered extraordinary or prior period items regardless of size.

In determining materiality, items of a similar nature should be considered in the aggregate; dissimilar items should be considered individually. As a general standard, an item to qualify for inclusion as an extraordinary or prior period item shall exceed 1 percent of total operating revenues and ten percent of ordinary income for the year.

All charges to the accounts prescribed for operating revenues, operating expenses and other accounts for furnishing cars or protective service shall be just, reasonable and necessary to the honest and efficient operation and management of the company's business. Payments or allowances in excess of such just and reasonable charges shall be included in account 551, "Miscellaneous income charges."

4 Records.

(a) Each company shall keep its books of account, and all other books, records, and memoranda which support the entries in such books of account so as to be able to furnish readily full information as to any item included in any account. Each entry shall be supported by such detailed information as will permit ready identification, analysis, and verification of all facts relevant thereto.

The books and records referred to herein include not only accounting records in a limited technical sense, but all other records, such as minute books, stock books, reports, correspondence, memoranda, etc., which may be useful in developing the history of or facts regarding any transaction.

(b) In addition to prescribed accounts, clearing accounts, temporary or experimental accounts, and subdivisions of any accounts, may be kept, provided the integrity of the prescribed accounts is not impaired. The titles of all subdivisions or subaccounts shall refer by number or title to the accounts prescribed herein of which they are subdivisions.

(c) The "Regulations to Govern the Destruction of Records of Railroad Companies" prescribed by this Commission, part 1220 of this chapter, are applicable to persons and companies subject to this system of accounts.

5 Accounting period.

Each company shall keep its books on a monthly basis so that for each month all transactions applicable thereto, or nearly as may be ascertained, shall be entered in the books of the company. The final entries for any month shall be made not later than 60 days after the last day of the month for which the accounts are stated, except that the period within which the final entries for the month of December shall be made may be extended to such date in the following March as shall not interfere with the preparation and filing of annual report.

6 Accrual method of accounting.

The accounting for operating revenues, operating expenses and income each month and year shall be, as nearly as practicable, upon the basis of accruals in conformity with generally accepted accounting principles consistently applied. Any change in practice of accounting for accruals or any unusual accruals involving material amounts shall be reported promptly to the Commission.

7 Unaudited items.

When it is known that a transaction has occurred which affects operating revenues, operating expenses or other income account but the amount involved and its effect upon the accounts cannot be determined with absolute accuracy, the amount thereof shall be estimated and included in the appropriate income and balance sheet accounts. Such estimate shall be adjusted in the following month or as soon thereafter as the actual amount can be determined. If the estimate is not adjusted in the following month, the amount shall be revised whenever and at the time a substantial change is indicated and the amounts in the balance sheet accounts with respect to such items shall be kept separately in the records until settled and adjusted. The company is not required to anticipate items which do not appreciably affect the accounts.

8 Delayed items.

Ordinary delayed items and adjustments arising during the current year which are applicable to prior years shall be included in the same account which would have been charged or credited if the item had been taken up or the adjustment made in the year to which it pertained. When the amount of a delayed item or adjustment is relatively so large that its inclusion in net income for a single month would seriously distort the accounts for the month (but not for the year), such amount may be distributed in equal monthly charges or credits, as the case may be, to the remaining months of the calendar year. See instruc-

tion 3 for provisions covering delayed items of a nonrecurring nature.

9 Operating reserves.

Accretions to reserve accounts made by charges to operating expenses, operating revenues, or income shall not exceed a reasonable provision for expenses or other costs incurred during the accounting period. Balances for each year in each reserve account shall be kept separately until the items have been settled and adjusted and amounts shall not be diverted from the purpose for which provided unless permission of the Commission is first obtained.

10 Item lists.

Lists of "items" appearing in the texts of the accounts or elsewhere herein are for the purpose of more clearly indicating the application of the prescribed accounting. The lists are intended to be representative, but not exhaustive. The appearance of an item in a list warrants the inclusion of the item in the account mentioned only when the text of the account also indicates inclusion inasmuch as the same item frequently appears in more than one list. The proper entry in each instance must be determined by the texts of the accounts.

11 Submission of questions.

To maintain uniformity of accounting questions of doubtful interpretation shall be submitted to the Commission for consideration and decision.

Property Accounts Instructions

12 Items to be charged.

To the property accounts shall be charged the cost of purchasing land, the cost of purchasing and constructing buildings, facilities and equipment, and the cost of additions and improvements of property owned and used by the company in furnishing cars or protective service or leased to others for such services. "Cost" means the amount of money actually paid for property or services. When the consideration given for the property is other than cash in a purchase and sale transaction, as distinguished from a transaction involving the issuance of capital stock in reorganization or a merger and pooling of interest, the value of the consideration shall be determined on a cash basis. The company shall be prepared to furnish the Commission the particulars of its determination of the actual cash value of the consideration if other than money.

Suitable records shall be maintained showing expenditures for property constructed or purchased; for mergers, purchases and reorganizations; for additions and betterments; and credits for property retired.

13 Minimum rule applicable to additions to property.

An exception to the foregoing rule is that when the cost of acquisition of units of property and of additions and betterments to existing units of property (other than land) is less than $500.00, such cost shall be charged to operating expenses. The company shall not parcel expenditures under a general plan for the purpose of bringing the accounting for such expenditures within this minimum rule. An amount of less than $500.00 may be adopted for purposes of this rule provided the company first notifies the Commission of the amount it proposes to adopt and thereafter makes no change in the amount unless authorized to do so by the Commission.

14 Land.

Accounts are provided for the cost of land used in furnishing cars or protective service and also for land used for other purposes. When land is no longer used in furnishing cars or protective service but is retained by the company, the estimated value of such land, not to exceed original cost, shall be transferred to the account prescribed for property used in other than furnishing cars or protective service. When any land, the cost of which is included in the accounts, is sold or otherwise retired, the ledger value shall be credited to the appropriate property investment account. The profit or loss from sale or retirement of land shall be included in the accounts prescribed for such amounts.

15 Structures.

Accounts are provided for the cost of several classes of buildings and facilities, including fixtures permanently attached to and made a part thereof. When a building or other structure is used primarily for furnishing cars or protective service and is an integral part of the company's plant, but a part thereof is held or used for commercial purposes such as for rental to others or for use in other than furnishing cars or protective service by the company, the entire cost of the building or other structure is includible in the accounts for cars or protective service property. When a building or other structure is used or held primarily for commercial purposes or for use in other than car line operations by the carrier, the entire cost of the building or structure is includible in account 737, "Miscellaneous physical property." The accounting for costs of maintenance, taxes, other operating costs, and for revenues and rentals shall be consistent with the classification of the building or other structure.

16 Equipment.

Accounts are provided for several classes of equipment, such as rolling stock, work equipment, miscellaneous equipment and the necessary appurtenances, furniture, and fixtures first to equip for service, including the cost of inspection, setting up, and trying out, and transportation over foreign lines; also the cost of additions and betterments, such as improved appliances, parts, or appurtenances. In case retired equipment is held without being torn down, the estimated value of the salvage therefrom shall be included in account 741, "Other assets," until the salvage is recovered.

17 Components of construction cost.

The cost of constructing property includible in the property accounts shall include the direct and other costs as listed and defined hereunder.

(a) Cost of labor: This includes the amount paid for labor performed by the company's own employees. The salaries and expenses of engineers and other officers specifically assigned to construction work shall be included in the accounts appropriate for the cost of the property in connection with which their services are rendered. No charge shall be made to these accounts for the pay of operating officers and members of their staffs who merely render service incidentally in connection with construction work.

NOTE: The office, traveling, and other personal expenses of officers and employees shall be included in the accounts to which their pay is chargeable, except that traveling and incidental expenses incurred by operating officers and members of their staffs while rendering service incidentally in connection with construction work shall be included in the cost of the work upon which they are incidentally engaged.

(b) Cost of material, supplies, and small tools: This includes the purchase price at the point of free delivery, plus costs of royalties, inspection, loading, transportation, and an equitable proportion of store expenses.

In determining the cost of material used, proper allowance shall be made for the value of unused portions, small tools recovered and used for other purposes, and all other salvage.

NOTE: The cost of individual items of small value ($25.00 or less) or of short life, including small tools, shall not be charged to the cost of construction unless the correctness of the accounting therefor is verified by current inventories, but shall be charged to operating expenses.

(c) Cost of special machine service: This includes the cost of material and supplies used in operating the company's machines and work equipment; it also includes expenditures for the rental, maintenance, and operation of machines and equipment of others.

NOTE: No charge shall be made to these accounts to cover a return upon the company's investment in special machines or work equipment used in construction service.

(d) When an important construction project necessitates the purchase of machines to be used exclusively thereon, the cost shall be included in the accounts to which the cost of the work is charged, which accounts shall be credited with the amount realized from any subsequent sale, or the appraised value of the machines if retained after the completion of the special work for which they were purchased. The appraised value of machines retained shall be debited to the appropriate primary equipment accounts.

(e) Cost of contract work: This includes amounts paid for work performed under contract by other companies, firms, or individuals, and costs incident

to the award of the contracts, and the inspection of such work.

(f) Cost of protection from casualties: This includes expenditures for protection against fire, payments for discovery or extinguishment of fires, cost of detecting incendiaries, witness fees in relation thereto, amounts paid to municipal corporations and others for fire protection, including the cost of protecting the property of others from damage when in connection with construction work, and other analogous items.

(g) Cost of injuries and damages: This includes expenditures on account of injuries to persons or damage to property, less insurance recovered, when incident to construction. Such costs shall be included in the cost of the work in connection with which the injury or damage occurs. They shall include also that portion of premiums paid for insuring against casualties applicable to the period prior to the completion of the property insured. The cost of injuries and damages in connection with the removal of old structures which are encumbrances on newly acquired lands shall be included in account 51, "Land."

(h) Taxes: Taxes on physical property belonging to the company assessed during construction and before the facilities are completed and placed in service shall be included in the accounts appropriate for the cost of the property so taxed.

(i) Interest during construction: This includes the net cost of borrowed funds used for construction purposes. Such interest shall be charged to the accounts appropriate for the cost of the property in connection with which the funds are expended. The period for which interest may be charged shall be limited to the period of construction. The interest includible in these accounts is:

(1) Interest on bonds, notes and other evidences of indebtedness sold, and on any interest-bearing debt incurred for the acquisition or construction of property. It includes the interest accruing on that part of the debt representing the cost of property acquired (less interest, if any, allowed to companies on unexpended balances) after such funds become available for use and before the receipt or the completion of the property so acquired. Interest on bonds, notes, or other evidences of indebtedness accruing before the proceeds from the sale of the securities become available for use shall not be included in these accounts nor shall there be included in these accounts any interest accruing after the property with respect to which the proceeds are expended is received or becomes available for service.

(2) There shall be deducted from or added to such interest charges a proportion of premium, or discount and expense on securities sold. The amount of premium deducted or discount and expense added shall be determined by the ratio which the period between the date the proceeds from the securities issued become available and the receipt, completion, or coming into service of the property bears to the entire life of the securities issued. In no case except as provided in this paragraph shall discount and expense be included in the property accounts.

(j) Overhead construction costs: (a) This includes such overhead construction costs as engineering, supervision, legal expenses, insurance, injuries, damages, taxes (except payroll taxes) and interest shall be distributed equitably to the work benefited, so that the entire cost of construction, both direct and indirect, may be included in the appropriate primary accounts. These instructions should not be interpreted as permitting the addition to cost of property of arbitrary percentages or amounts to cover assumed overhead costs, but as requiring the assignment to the cost of each particular project of the actual and necessary overhead costs.

(k) Disposing of material: The cost of disposing of material excavated, including privilege of wasting in connection with construction, shall be considered as a part of the cost of the work, except that when such material is used for filling, the cost of loading, hauling, and dumping shall be equitably apportioned between the work in connection with which the removal occurs and the work in connection with which the material is used.

18 Additions to and retirements of units of property.

When a unit of property is added to the plant, the cost thereof shall be included in the appropriate primary account. When a unit of property is retired, with or without replacement, the cost thereof shall be credited to the property account at time of retirement. The amount credited to the primary property accounts for property retired from service shall be charged concurrently as follows:

(a) Where the group plan of depreciation is used, the service value of units and minor items of depreciable property accounted for as retired, shall be charged to account 735, "Accrued depreciation—Cars or protective service property."

Where the unit plan of depreciation is used, an amount equal to the credit balance in account 735, "Accrued depreciation—Cars or protective service property," with respect to the property retired shall be charged to that account and the remainder (less salvage and insurance recovered, if any) shall be charged to the appropriate retirement accounts in operating expenses.

(b) The value of salvage from retired property shall be charged to the account appropriate according to the disposition made thereof. If retired property is held temporarily without being torn down, the estimated value of the salvage recoverable therefrom shall be included in account 743, "Other deferred charges", until the property is dismantled or otherwise disposed of. If retired property is held for other than furnishing cars or protective service, its appraised value shall be included in account 737, "Miscellaneous physical property."

(c) The cost of demolishing retired property shall be charged to the appropriate retirement account in operating expenses.

19 Additions and retirements of other than units of property.

When an item of property, other than a complete unit, is added to the plant and the addition is not a replacement, the cost thereof shall be accounted for in the same manner as an addition of a complete unit of property, subject to the $500 minimum rule. When an item of property other than a complete unit is replaced, independent of the complete unit of which it is a part, the cost of replacement shall be treated as maintenance and charged to operating expenses; except that, when the replacement effects a substantial betterment, the primary aim of which is to make the property affected more useful, more efficient, of greater durability, or of greater capacity, the excess cost of the replacement over the estimated cost of replacing without betterment shall be charged to the appropriate primary property account.

NOTE: The term "estimated cost of replacing" shall not be construed as requiring an estimate based on the current price of material identical with the material replaced when such material is no longer obtainable at reasonable price or would not be used if replacement without betterment were undertaken. In such cases the estimated cost shall be based on the fair and reasonable cost of material comparable to the material being replaced.

20 Units of property rebuilt or converted.

A unit of property shall be treated as rebuilt and such unit shall be accounted for as an addition and the old unit accounted for as retired from service when: (a) The cost of renewals of a unit of property, exclusive of the expense of dismantling, exceeds fifty percent of the replacement cost of a unit of the kind and class as rebuilt at the time of rebuilding; or (b) a car undergoes general reconditioning and a new body is constructed in substitution for the old body under a plan consistently followed in order to prolong the useful life of the unit.

The charge to the appropriate property account for rebuilt or converted units shall be the sum of (a) the cost (estimated if necessary), less recorded depreciation, or salvage value, whichever is lower, of the parts reused and (b) the cost of labor expended in rebuilding or in the conversion process and the cost of additional material applied. In no case shall the total amount charged to the property accounts for such units exceed the estimated cost of units of the same kind and class with fair allowance for depreciation.

Maintenance and Operation Expense Instructions

21 Items to be charged to maintenance expense.

The accounts provided for maintenance of property and equipment are designed to show the cost of repairs and also the loss through depreciation of the property used in furnishing cars or pro-

tective service, including expenses resulting from ordinary wear and tear of service, exposure to the elements, inadequacy, obsolescence, or other depreciation, or from accident, fire, flood, or other casualty.

These accounts shall include the cost of labor, materials and supplies, special machine service, contract work, privileges, protection from casualties, and other analogous items of expense in connection with the maintenance of property used in furnishing cars or protective service. The cost of materials and supplies, which shall include small tools, shall include the cost at the point of free delivery plus freight charges of foreign lines, and the costs of inspection and loading assumed by the company; also a proportion of store expenses. Royalties for patent rights on mechanical appliances used in repairs of equipment shall be included in the cost of the repairs. The cost of boarding, traveling, and other incidental expenses of employees shall be included in the accounts to which the pay of the employees is chargeable, except where otherwise specified in the text of the accounts.

Distinct maintenance accounts have been provided for expenses of a general character, such as superintendence, stationery and printing, and injuries to persons, which, on account of established practice, it is deemed advisable to segragate.

The cost of repairs shall include the cost of inspecting to determine the repairs necessary, and of adjusting or repairing parts; the cost of inspecting and testing after repairs have been made to determine whether the repairs have been properly made; incidental costs of repairs; cost of mowing and beautifying grounds around buildings; repairing fences, sidewalks, driveways, and streets within or adjacent to such grounds; cost of removing snow from roofs of buildings (when not removed by those employed in the buildings); cost of periodical restoration of seasonal features, such as gardens, shrubbery, and lawns; cost of operating hothouses in connection with the work of beautifying grounds; and cost of clearing and removing casual incumbrances, such as ice, snow, and fallen timber.

22 Equalization of car maintenance.

The cost of car repairs shall be included in account 210, "Car repairs", in the month in which the expense is incurred. In case the company adopts a budget or estimate for all or a part of the calendar year of car repair expense includible in account 210, an equitable monthly proportion of the difference between the budgeted or estimated expenses and the actual expenses chargeable each month may be debited or credited as appropriate to account 230, "Equalization-Car repairs," with contra entries to account 773, "Equalization reserves." Amounts included in account 773, "Equalization reserves," in accordance with the foregoing paragraph, shall be cleared therefrom at the close of each calendar year through the accounts originally charged or credited.

23 Supervision expenses.

(a) The supervision expenses includible in operating expenses shall consist of the pay and expenses, including transportation, lodgings, meals, and other incidental expenses, of the officers, clerks, attendants and other employees and consultants engaged in supervising and directing the maintenance and operation of the various services or functions; also the office expenses, including supplies, services, books, periodicals, repairs of office furniture and equipment, etc.

(b) When the officers and other employees are engaged in supervising more than one service and it is found impracticable to segregate all of the pay and expenses by services currently to the appropriate supervision accounts, such expenses as are common to two or more services may be included in a clearing account, and allocated to the respective supervision accounts annually, or more frequently, if required. A similar method of allocation may be used with respect to any other common expenses relating to two or more services, where it is impracticable to segregate such expenses currently.

24 Rent expense.

Expense accounts are provided under each service in which to include the amounts payable for the use of property leased from others. These accounts shall be charged each month with the amounts payable as rent of the property and facilities used in performing the various services. If the amount of rent is in payment for property used in more than one service, such amount shall be apportioned to the appropriate rent or clearing accounts on an actual, or if necessary, on an estimated basis.

25 General expenses.

The company shall be prepared to report to the Commission annually or more frequently, if required, the allocation of general expenses (accounts 450 to 469, inclusive) to the respective services.

Clearing Account Instructions

26 Items to be charged.

In recognition of the fact that certain expenditures incident to the construction and the operation of property are not chargeable directly to any particular property investment or expense account, clearing accounts have been provided for the purpose of securing an equitable distribution of such items to the proper primary accounts, as hereinafter set forth.

27 Boarding house operations.

This clearing account shall include the cost of commissary supplies and the expenses incurred in purchasing, storing and disbursing such supplies; also, the cost of supervision, labor, and other expenses incurred in the maintenance and operation of boarding houses. The account shall be cleared each month to the appropriate operating expense or other accounts and shall be apportioned among the various accounts affected upon the basis of the relative proportion which the balance in the account bears to the directly distributed labor. Expenses assignable to this account include pay and expenses of officers and employees engaged in purchasing, servicing, maintenance and operation; cost of fuel, light and water; and other commissary supplies, including food. To this account shall be credited the value of free meals served and amounts collected direct or deducted from wages of employees for meals and other items.

28 Ice plant operations.

This clearing account shall include the cost of supervision, labor, material and other costs, except production cost of ice, incurred in the maintenance and operation of ice manufacturing plants, natural ice plants and ice storage plants (including icing platforms and precooling facilities operated in conjunction with such ice plants). The account shall be cleared each month to the appropriate operating expense accounts. (See accounts 284, "Precooling service," and 252, "Ice produced.") Expenses assignable to this account include pay and expenses of officers and employees directly in charge of maintenance and operation at ice plants; cost of material and labor used for maintenance of buildings, machinery, ice ponds, wells and reservoirs; cost of repairing ice tools and appliances; expenses incident to injuries to persons at ice plants; rental paid for property used in ice plant operations; cost of fuel, oil, electricity; water purchased except when used in manufacturing or producing steam; also supplies for and maintenance of automotive equipment; cost of labor and power, icing cars; loading ice; and other maintenance and operation expenses at ice plants not otherwise provided for. This account shall also include depreciation charges on facilities; the cost of dismantling and recovering salvage from buildings and other facilities retired; and the undepreciated service value of the property at time of retirement. To this account shall be credited maintenance and operation expenses applicable to precooling service, etc., the directly distributed charges for which are made to the clearing account "Ice plant operations."

29 Power plant operations.

This clearing account shall include the supervision, labor, material and other expenses incurred in the maintenance and operation of power plants operated to produce electric or other power. The account shall be cleared each month in accord with disposition of the power produced.

30 Production cost of ice.

This clearing account shall include the direct costs entering into the production and storage of ice at ice manufacturing plants, natural ice plants and ice storage plants. The account shall be cleared each month to the appropriate operating expense or other accounts. (See accounts 284, "Precooling service," and 252, "Ice produced.") Expenses assignable to this account include wages, power

room, tank room, ice storeroom employees, (except when engaged in maintenance work); the cost of electric energy and fuel; the cost of ammonia, water and other supplies used in the production of ice; cost of fuel, power, and labor engaged in flooding ponds, bucking snow, cutting and running ice, and conveying ice to storerooms and to cars. This account shall also include contractual payments for purchase or storage of ice; transportation charges on stored ice; and other expenses applicable to production of ice not otherwise provided for. To this account shall be credited the production cost applicable to precooling service and to the protection of perishable commodities in storerooms rented to others, the directly distributed charges for which are made to clearing account, "Production cost of ice."

31 Material and stationery store expenses.

To clearing accounts called "Material store expenses" and "Stationery store expenses" shall be charged expenses in connection with purchasing, handling and storing material and stationery in and distributing it from material stores including the pay of officers and employees in the purchasing and store departments and their traveling, office, and other expenses; also expenses, including wages of operators, fuel, repairs and supplies, of motor trucks, tractors and trailers, "truck-lifts," locomotive and other power cranes, etc., used in handling material. The pay and expenses of men employed in purchasing or inspecting a single class of material, such as lumber, shall be added as store expenses to the cost of that particular material.

The total amount of expenses charged to these accounts shall be so distributed among the accounts to which material and stationery has been charged that the amounts thus distributed will be, for each account, in proportion to the value of the items issued chargeable thereto, except that the amount representing the purchasing department expenses shall be apportioned on the value of the items issued which were purchased by that department. To avoid monthly fluctuations in the ratio of store expenses to the value of material and stationery purchased or issued, the company may make a monthly apportionment on the basis of fair percentage rates, provided the store expense accounts are adjusted and closed out at the end of each year.

32 Shop expenses.

A clearing account entitled "Shop expenses" shall be kept to which shall be charged items of expense at car repair shops, and other places at which mechanical work is done, not assignable directly to specific accounts. Such expenses shall be apportioned among the various amounts affected. The basis of distribution shall be the relative proportion which the total amount of charges to "Shop expenses" bears to the total of the directly distributed labor. To avoid monthly fluctuations in the ratio of shop expenses to the total of distributed labor, the monthly apportionment may be made on the basis of a percentage of the distributed labor, provided the shop expense account is adjusted and closed out at the end of each year.

The expenses assignable to this account shall include the pay of foremen (who exercise supervision over all departments), their clerks, and other employees engaged in general work in and about shops; costs of heat, light and power; cost of small tools and supplies and water and power purchased; also cost of removal of snow and ice from transfer tables and shop yards, and other incidental shop expenses. To this account shall be charged expenses, including wages, fuel and supplies, of operating motor trucks, tractors and trailers.

Depreciation Accounts Instructions

33 Method.

(a) There shall be charged monthly to the appropriate operating expense accounts or other appropriate accounts and credited to account 735, "Accrued depreciation—Cars or protective service property," during the service life of depreciable property amounts which will approximate the loss in service value not restored by current repairs or covered by insurance, except that such charges covering property used seasonally, such as ice and heater facilities, shall be spread over the period when such facilities are used. The charges for currently accruing depreciation shall be computed in conformity with the group plan for rolling stock and the unit plan for all other depreciable property, by applying to the book cost, such percentage rates as will distribute the service value by the straightline method in equal monthly charges to operating expenses or other accounts during the estimated life of the property.

(b) In computing monthly charges the annual percentage rates shall be applied to the book cost of depreciable property as of the first of each month and the result divided by twelve, except for property used seasonally.

(c) The term "group plan" means the method under which the depreciation charges are accrued upon the basis of the book cost of depreciable property included in each primary account using the service life thereof properly weighted.

(d) For the purpose of depreciation accounting the following primary accounts are classed as depreciable accounts:

52. Public improvements.
53. Rolling stock.
54. Miscellaneous equipment.
55. Tracks.
56. Car shop buildings and machinery.
57. Work equipment.
58. Ice manufacturing plants.
59. Natural ice plants.
60. Ice storage houses and equipment.
61. Precooling plants.
62. Icing platforms.
63. Transmission systems.
64. Testing apparatus.
65. Miscellaneous structures.
66. Mechanical protective service units.
67. Mechanical protective service facilities.

34 Rates of depreciation.

The company shall compute annual percentage rates estimated to be applicable to the book cost of the property in each depreciable primary account. These percentage rates shall be based on the estimated service values and service lives of the depreciable property developed by a study of the company's history and experience and such engineering and other information as may be available with respect to future conditions. Such percentage rates shall, for each primary account comprised of more than one class of property, produce a charge for depreciation based on book cost or estimated book cost of the depreciable property included in such account equal to the sum of the amounts that would otherwise be chargeable as depreciation for each of the various classes of property included in such account.

35 Depreciation records to be kept.

The company shall maintain for each class of property in convenient and accessible form data bearing on prospective service lives, and shall keep such records of depreciable property and property retirements as will reflect the service life of property which has been retired, or will permit the determination of service life indications by mortality, turnover, or other appropriate methods; also such records as will reflect the percentage of value of the salvage for property retired from each class of depreciable property. For purposes of analysis the company shall maintain subsidiary records in which the reserve is broken down into component parts corresponding to each primary property account.

Income and Balance Sheet Accounts

36 Current assets.

In the group of accounts designated as current assets shall be included cash, those assets which are readily convertible into cash or are held for current use in operations, current claims against others and amounts accruing to the company which are subject to current settlement. There shall not be included in this group of accounts any item the collection of which is not reasonably assured by the known financial condition of the debtor. Items of current character but of doubtful value previously credited to operating revenue, operating expense or income accounts shall be written down or written off by charging those accounts. If there has been any impairment in value, such items shall be included in account 741, "Other assets," at an amount not in excess of a reasonable estimate of future value. If it is desired to retain a record of assets written off they shall be recorded at a nominal value in account 741, "Other assets."

37 Book value of securities owned.

The investment in securities other than those issued or assumed by the accounting company shall be recorded in these accounts at the money value, at the time of acquisition, of the consider-

ation given therefor by the accounting company, but excluding amounts paid for accrued interest and accrued dividends. The accounting company shall write down the ledger value of any securities to the extent of impairment in their value or write off entirely if there is no reasonable prospect of realizing any value therefrom. Fluctuations in market value shall not be recorded. Adjustments in the ledger values of securities shall not be delayed beyond the year in which a loss is claimed for income tax purposes. Reserves may be created to provide for depreciation in the value of securities by credits to account 723, "Reserve for adjustment of investment in securities—Cr."

The amount of the adjustment for the loss in value written off shall be charged to account 551, "Miscellaneous income charges", or to account 570, "Extraordinary items", as appropriate.

Under no circumstances shall securities be stated in these accounts at an amount in excess of their cost to the accounting company.

38 Discount, expense, and premium on debt.

Ledger accounts shall be provided to cover the discounts, expense, and premiums at the sale or resale of each subclass of funded debt and of receivers' and trustees' securities issued for the benefit of or assumed by the company. (For explanation of "subclass" see account 765, "Funded debt unmatured.") The net debit balances remaining in these ledger accounts shall be included in account 742, "Unamortized discount on long-term debt," and the total of the net credit balances in account 783, "Unamortized premium on long-term debt."

Each fiscal period there shall be charged to income account 548, "Amortization of discount on funded debt," a proportion (based upon the ratio of such fiscal period to the remaining life of the respective securities reckoned from the beginning of the period to the date of maturity of the debt to which the charges relate) of each of the debit balances in these accounts, and correspondingly there shall be credited to income account 517, "Release of premiums on funded debt," a similar proportion of each of the credit balances in these accounts. When the total discount and expense applicable to any particular issue of securities does not exceed $25,000, accounting company may charge the entire amount to account 548, "Amortization of discount on funded debt," at the time of issue.

When any funded debt which has been actually issued to bona fide holders for value is reacquired by the accounting company, that proportion of the balance remaining in the accounts containing discount, expense and premium on funded debt for the subclass of the security reacquired applicable to the portion reacquired shall be credited or charged thereto, as may be appropriate, and concurrently charged or credited to account 519, "Miscellaneous income", account 551, "Miscellaneous income charges", or to account 570, "Extraordinary items", as may be appropriate, in accordance with the text of these accounts. Such proportion shall be based upon the ratio of the par value of the security reacquired to the par value of all the securities of the subclass actually outstanding immediately before such reacquirement.

39 Discount, premium, and assessment on capital stock.

Separate ledger accounts shall be provided for each subclass of capital stock issued or assumed by the accounting company to cover discount suffered and premium realized at the sale or resale of capital stock. General levies or assessments against stockholders shall be credited to the appropriate ledger accounts for the subclass of capital stock against which the levy or assessment is made.

The total of net debit balances in these ledger accounts shall be included in account 793, "Discount on capital stock," and the total of net credit balances in account 794, "Premiums and assessments on capital stock."

Discount on each subclass of capital stock may be offset or reduced by charges to account 794, "Premiums and assessments on capital stock," to the extent that net gains from premiums or assessments have been included therein or to account 795, "Paid-in surplus," to the extent that net gains from reacquisition and resale or retirement of capital stock applicable to such subclass have been included therein. Any remaining discount may be amortized by charge to account 616, "Other debits to retained income," or may be retained and carried in account 793, "Discount on capital stock," until the stock to which the discount applies is retired.

In case the accounting company is permitted and elects with the approval of the Commission, to distribute all or any part of the net balance of paid-in surplus to its stockholders, the amount thus distributed shall be charged to account 795, "Paid-in surplus."

When an issue of capital stock, or any part thereof, is reacquired either by purchase or through donations by shareholders, and is not canceled, or held as treasury stock, it shall be charged at its par value or if stock without par value at the proportionate amount at which the particular class of stock is included in account 791, "Capital stock issued," to account 715, "Sinking funds"; 716, "Capital and other reserve funds"; 717, "Insurance and other funds"; as may be appropriate.

The difference between the amount at which such reacquired stock was recorded in account 791, "Capital stock issued," and the amount paid by the accounting company for such stock, including any premium or discount applicable to such subclass carried in account 794, "Premiums and assessment on capital stock," or in account 793, "Discount on capital stock," and the commissions and expenses in connection with its reacquisition shall be included in account 795, "Paid-in surplus"; *Provided, however*, That the excess of a debit over the amount of accumulated net gains applicable to such subclass included in paid-in surplus shall be charged to account 616, "Other debits to retained income."

When reacquired capital stock is resold at a price in excess of the amount included in capital stock account such excess shall be included in account 795, "Paid-in surplus"; *Provided, however*, That the excess of a debit over the amount of accumulated net gains applicable to each subclass of capital stock resold included in paid-in surplus shall be charged to account 616, "Other debits to retained income."

40 Joint liabilities.

The accounting company shall state as a liability in its balance sheet the difference between the total par value of securities jointly or severally issued by it and others and the portion of such liability which, under the joint arrangement, it is expected will be liquidated by the other party or parties to the joint arrangement. The amount of the jointly or severally issued securities it is expected will be liquidated by the other party or parties shall be shown as a contingent liability in accordance with Instruction 41, Contingent assets and liabilities.

41 Contingent assets and liabilities.

Contingent assets and liabilities shall not be included in the body of the balance-sheet statement, but shall be shown in detail in a supplementary statement to the balance-sheet. Contingent assets are those without value to the accounting company until the fulfillment of conditions regarded as uncertain. Contingent liabilities include items which may, under certain conditions, become obligations of the company, but are neither direct nor assumed obligations on the date of the balance sheet. Examples of contingent liabilities are items which may become obligations as a result of pending or threatened litigation, assessments or possible assessments of additional taxes, guarantees of indebtedness of others, and agreements or obligations to repurchase securities or property. Where the outcome is reasonably foreseeable, such as probable tax assessment which the carrier may not reasonably expect to contest successfully, such liabilities are to be reflected in the accounts and are not to be treated as contingent liabilities.

Property Accounts Texts

51 Land.

(a) This account shall include the cost of land used or held for use in furnishing cars or protective service, including:

(1) Cost of rights to occupy permanently land not purchased outright.

(2) Cost of grounds for buildings and other fixed improvements and of the land for ingress to or egress from such grounds.

(3) Cost of "ground rents."

(4) Cost of riparian or littoral rights.

(5) Cost of removing and locating elsewhere the property of others (including cost of land for relocation of property when such cost is assumed by the company).

(b) Proceeds from the sale of timber or of improvements purchased with the land, or of minerals known to be in the land when purchased and considered in the purchase price thereof, less any cost of removal, shall be credited to this account.

DETAILS

(1) Abstracts and guarantees of title.
(2) Appraisals.
(3) Commissions paid.
(4) Compensation and expenses of land agents when specifically assigned to and solely engaged in acquiring land—not arbitrary apportionments for incidental services.
(5) Condemnation expenses, including court costs, and special counsel fees; also fees of commissioners appointed by the court to assess damages in condemnation proceedings.
(6) Costs, including agreed settlements, judgments, witness fees, and decreed court costs in proceedings to clear or defend titles against defects antedating the company's acquisition of property.
(7) Cost of filling submerged or low land to establish a general level and grading land to render it usable for construction of fixed improvements.
(8) Cost of making changes in or relocating property of others, when borne by the company in order to secure permanent rights to locations the cost of which is includible in this account; also the cost of securing sites for such relocations.
(9) Ditches for waterways when part of consideration.
(10) Easements, granting right of permanent occupancy.
(11) Land for control of watersheds to obtain water.
(12) Lump-sum payments for right to use in perpetuity or for a period of years public property. Amounts paid for the right to use such property for a period of years shall be amortized through account 532, "Car line tax accruals," during the period of use.
(13) Notarial fees.
(14) Payments to vendors to secure release from restrictive provisions of original deeds.
(15) Plats.
(16) Premiums on commendation bonds.
(17) Recording deeds and easements.
(18) Removal and relocation of buildings and other structures not purchased.
(19) Surveys in connection with the purchase of the land.
(20) Taxes and assessments for public improvements accrued and assumed at time of purchase.

NOTE A: When the acquisition of land involves also the purchase of land not to be used in furnishing cars or protective service, the charges to this account shall be based upon the cost of the land purchased, less the estimated fair market value of that portion which will not be so used.

NOTE B: The cost of land acquired for purposes other than furnishing cars or protective service shall be included in account 737, "Miscellaneous physical property." The cost of land acquired for which there is a definite plan for use in furnishing cars or protective service shall be included in this account.

NOTE C: The net proceeds from the sale of minerals or timber, in excess of the amount contracted for in the purchase price shall be credited to account 519, "Miscellaneous income", or to account 570, "Extraordinary items", as appropriate.

NOTE D: Periodical payments for the use of land held under "ground rents" shall be accounted for as rent.

NOTE E: When land together with buildings thereon, is acquired, each shall be separately appraised and the cost shall be apportioned between the land and the buildings on the basis of such appraisals. If the plan of acquisition contemplates the removal of the buildings, the total cost of the land and buildings shall be accounted for as the cost of land and the salvage value of the buildings less any cost of removal when disposed of shall be deducted from the cost of the land so determined.

NOTE F: Held for use referred to in paragraph (a) of this section implies the ability of the company to substantiate by plans or policy its characterization of the probable future use which is to be made of the land within a reasonable period of time.

52 Public improvements.

This account shall include amounts assessed on cars or protective service property by governmental authority to cover the cost of constructing public improvements, when such assessments are made against property within defined areas of taxing districts. It shall include also the cost borne by the company of public improvements constructed by it under governmental requirements.

DETAILS

Curbing streets and highways.
Drainage systems.
Flood protection.
Grade eliminations.
Grading streets and highways.
Guttering streets and highways.
Irrigation systems.
Levees.
Paving streets and highways.
Sewer systems.
Sidewalks.
Street-lighting systems.
Viaducts carrying streets and highways over terminal property.
Waterworks.

(a) The cost to the company of assessments on cars or protective service property for maintaining or renewing public improvements shall be included in operating expenses.

(b) Any portion of the cost of public improvements which is included in the general tax levy for a regular taxing district shall be included in the account appropriate for taxes.

(c) When an assessment for the construction of public improvements is to be paid in installments over a period of more than one year, the full amount thereof shall be charged to this account when the assessment is levied and the amount of the deferred payments shall be credited to account 765, "Funded debt unmatured." The installments of the assessments shall be charged to that account as they become due and payable. Interest on the assessments shall be included in account 546, "Interest on funded debt."

(d) Penalties imposed for failure to pay assessments within the allotted time shall be charged to account 547, "Interest on unfunded debt."

(e) Assessments on miscellaneous physical property for the cost of constructing public improvements shall be charged to account 737, "Miscellaneous physical property."

53 Rolling stock.

This account shall include the cost of refrigerator and other railroad cars owned or held under agreement for purchase, which are used or held for use in furnishing cars or protective service including all appurtenances, furniture and fixtures necessary to equip them for service and the cost of inspection and transportation to point where placed in service.

54 Miscellaneous equipment.

This account shall include the cost of automobiles, trucks, tractors, trailers, and other highway vehicles, including the cost of car curtains and car heaters which are used or held for use in furnishing cars or protective service, and the cost of transporting them to the point where placed in such service.

55 Tracks.

This account shall include the cost of clearing and grading roadway, whether by excavations or embankments, including ditching and protection of embankments, cuts and slopes and the cost of labor engaged in and material used in laying, ballasting and surfacing of tracks used for the movement and storage of locomotives and cars, including cleaning, storage, loading, unloading and repair tracks.

56 Car shop buildings and machinery.

(a) This account shall include the cost of buildings to be used as shops and storehouses; foundations; apparatus; furniture and fixtures; sewerage and water supply systems and plants for heat and light.

DETAILS

Air brake test shops.
Blacksmith shops.
Carpenter shops.
Car repair sheds.
Engine houses.
Fire hose houses.
Foot bridges.
Garages.
Hose houses.
Lumber sheds.
Machine shops.
Material docks, bins and shelving.
Material reclaiming sheds.
Material and supply storehouses.
Mill buildings.
Office, shop.
Oil houses.
Paint shops.
Pump houses.
Scrap docks and bins.
Tin shops.
Tool houses.
Transformer houses.
Wash rooms.

Watchmen's houses.
Welding shops.
Wells.

(b) This account shall also include the cost of machinery and other apparatus in car shops, including the cost of special foundations and installation, and cost of hand tools necessary to equip shops.

DETAILS

Air brake test apparatus.
Air compressors.
Belting.
Blowers.
Boilers.
Boring machines.
Cars, push.
Conveyors.
Cranes.
Dripping tanks and apparatus.
Drilling machines and presses.
Electric meters, motors, starters, etc.
Fire pumps.
Forges.
Furnaces.
Galvanizing tanks and apparatus.
Gas engines.
Grinding and polishing machines.
Hammers, riveting, air or electric.
Hoists.
Incinerators.
Lathes.
Lifting magnets.
Locomotives.
Material elevators.
Milling machines.
Oil tanks.
Paint tanks.
Pipe threading and cutting machines.
Planers.
Portable power tools.
Pumps.
Scales, platform and track.
Saws.
Shafting.
Shapers.
Slotters.
Welding outfits.
Wheel presses.
Wood working machines.

NOTE: The cost of grading and preparing grounds both before and after the construction of shop buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings.

57 Work equipment.

This account shall include the cost of machines and equipment provided for the construction and maintenance of tracks, buildings and other structures.

DETAILS

Boilers, portable.
Concrete mixers.
Dirt plows.
Dirt scrapers.
Donkey engines.
Dump carts.
Electric motors.
Engines, portable.
Hoists.
Portable forges.
Shafting.
Shaft boxes and pulleys.
Sheave wheels.
Steam shovels.
Tractors.
Tower equipment.

58 Ice manufacturing plants.

(a) This account shall include the cost of ice manufacturing plant buildings and structures; foundations; apparatus; furniture and fixtures, drainage, sewerage, and water supply systems; and plants for heat and light.

DETAILS

Bicycle sheds.
Blacksmith shops.
Carpenter shops.
Coal storage and bins.
Engine houses.
Fire houses.
Garages.
Hose houses.
Ice freezing tank buildings.
Ice power plant buildings.
Machine shops.
Material bins and shelving.
Material storehouses.
Office buildings.
Oil houses.
Pump houses.
Salt storehouses.
Time clock houses.
Toilet buildings.
Tool houses.
Transformer houses.
Watchmen's houses.
Welding shops.
Wells.

(b) This account shall also include the cost of machinery and apparatus in ice manufacturing plants, including cost of special foundations and installation, and cost of hand tools necessary to equip ice manufacturing plants.

DETAILS

Accumulators.
Air compressors.
Agitators.
Ammonia compressors.
Ammonia coils.
Automatic drops.
Belting.
Boilers.
Boiler feed pumps and heaters.
Boiler stacks.
Brine tanks.
Circulating pumps.
Clutches.
Coils.
Conveyors.
Cranes.
Electric generators.
Electric controllers.
Electric meters.
Electric motors.
Electric starter boxes.
Elevator baskets.
Expansion coils and fittings.
Fire pumps.
Fire coolers.
Fuel oil tanks.
Gas engines.
Gears.
Heaters.
Ice cans.
Ice can covers, dumps and fillers.
Ice chain.
Ice chain flights and sprockets.
Mechanical coal handling equipment.
Oil burners.
Oil feed pump.
Oil tanks.
Pipe.
Pipe covering fittings and hangers.
Pipe trenches and conduits.
Pumps.
Raw water agitating system.
Shafting.
Sheave wheels.
Steam condensers.
Suction lines.
Sumps.
Take-ups.
Vertical elevators.
Winter machine conveyors.

NOTE: The cost of grading and preparing grounds before and after the construction of ice manufacturing plant buildings, and cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings.

59 Natural ice plants.

(a) This acount shall include the cost of natural ice plant buildings and structures; foundations; furniture, fixtures; drainage, sewerage and water supply systems; and heating and lighting systems.

DETAILS

Barns and stables.
Blacksmith shops.
Boarding houses.
Bunk houses.
Carpenter shops.
Coal storehouses and bins.
Engine houses.
Fire houses.
Foot bridges.
Garages.
Lunch houses.
Machine shops.
Material bins and shelves.
Material storehouses.
Office buildings.
Oil houses.
Power plant buildings.
Pump houses.
Salt storehouses.
Scrap docks and bins.
Toilet buildings.
Tool houses.
Wash rooms.
Watchmen's houses.

(b) This account shall also include the cost of grading and constructing natural ice ponds including intakes and outlets, spillways, canals, aqueducts, pipe lines, flumes, etc.

DETAILS

Concrete work.
Embankments.
Excavating and filling.
Flumes.
Grading.
Intake gates and valves.
Outlet gates and valves.
Pipe.
Piling.
Retaining walls.
Spillways.
Trestles.
Water rights.

(c) This account shall also include the cost of machinery, apparatus, implements and tools used in connection with the harvesting of ice and the operation of natural ice plants.

DETAILS

Chutes.
Clutches.
Electric motors.
Gas engines.
Gears.
Ice chains.
Ice conveyors.
Ice plows.
Ice saws.
Pinions.
Shafting.
Shaft collars and boxes.
Shaft pulleys.
Sheave wheels.
Snow scrapers.
Take-ups.

NOTE A: The cost of grading and preparing grounds both before and after the construction of natural ice plant buildings, and the cost of constructing sidewalks, driveways,

and fences thereon, shall be included in the cost of the buildings.

NOTE B: The cost of facilities used solely for supplying water to car shops, ice manufacturing plants, ice storage houses and office buildings, shall be included in the appropriate accounts relating to the property so supplied.

60 Ice storage plants.

This account shall include cost of ice storage plants; buildings; structures; foundations; machinery, equipment and apparatus used in the operation of ice storage houses, including furniture, fixtures, tools and equipment; also drainage, sewerage and water supply system and heating and lighting systems.

NOTE: The cost of grading and preparing grounds before and after the construction of ice storage houses, and the cost of constructing sidewalks, driveways and fences thereon shall be included in the cost of the houses.

61 Precooling plants.

(a) This account shall include the cost of precooling buildings and sheds; foundations; furniture and fixtures; drainage, sewerage and water supply systems; and heating and lighting systems.

(b) This account shall also include the cost of precooling equipment, implements and tools at precooling plants, including cost of installation.

DETAILS

Belting.
Blowers.
Butterfly valves.
Electric controllers.
Electric motors.
Electric starter boxes.
Fans.
Gears.
Pipe.
Pipe fittings.
Precooler ducts.
Precooler duct doors.
Shafting.
Shaft collars and boxes.
Shaft pulleys.
Take-ups.

NOTE: The cost of grading and preparing grounds before and after the construction of precooling plant buildings, and the cost of constructing sidewalks, driveways and fences thereon shall be included in the cost of the buildings.

62 Icing platforms.

(a) This account shall include the cost of icing platforms; ice loading and unloading platforms; foundations; including furniture and fixtures; drainage; sewerage and water supply systems, and heating and lighting systems.

(b) This account shall also include the cost of machinery, apparatus, tools and implements at icing platforms, including cost of installation.

DETAILS

Clutches.
Electric motors.
Gas engines.
Gears.
Ice chains.
Ice chains flights.
Ice chain sprockets.
Incline conveyors.
Pinions.
Retarding conveyors.
Shafting.
Shaft pulleys.
Shaft collars and boxes.
Sheave wheels.
Take-ups.

NOTE: The cost of grading and preparing grounds before and after the construction of platforms, and the cost of constructing sidewalks, driveways and fences thereon shall be included in the cost of the platforms.

63 Transmission systems.

This account shall include the cost of transmission systems for transmitting electric current, steam and compressed air to car shops, ice plants, icing platforms, ice houses, or other similar facilities, including the cost of transformers, main switch boards, conduits, poles, cross arms, pole fixtures and other structures.

DETAILS

Air pipe-lines.
Cables.
Compressed air storage tanks.
Conduits.
Cross arms.
Cut-outs.
Electric wire.
Insulation.
Poles.
Steam pipe-lines.
Switches.
Switch boards.
Span wires.
Towers.
Transformers.

NOTE: The cost of transmissions or distribution systems located within buildings and grounds of car shops, ice plants, icing platforms, ice houses, and other similar facilities, shall be included in the cost of the structures.

64 Testing apparatus.

This account shall include the cost of special testing and other instruments and apparatus used to test machinery, secure temperatures, and analogous purposes.

DETAILS

Anamometers.
Brine and ammonia testing sets.
Current transformers.
Electric measuring instruments.
Electric resistance thermometers, coils.
Electric thermometer.
Hydrometers.
Galvanometers.
Steam indicators.
Planometers.
Portable wattmeters.
Recording thermometers.
Voltmeters.

65 Miscellaneous structures.

This account shall include the cost of permanent structures not provided for elsewhere, including foundations, equipment, furniture, fixtures and tools; drainage, sewerage and water supply systems; and heating and lighting systems.

DETAILS

Carheater storage houses.
Charcoal storage houses.
Dwellings.
Fruit warehouses.
Heater service buildings.
General office buildings.

NOTE: The cost of grading and preparing grounds before and after the construction of miscellaneous buildings and cost of constructing sidewalks, driveways and fences thereon, shall be included in the cost of the buildings.

66 Mechanical protective service units.

This account shall include the cost of mechanical protective service units, and of appurtenances and fixtures necessary to equip them for service, including inspection, setting up and trying out after receipt from builders, and transportation charges.

67 Mechanical protective service facilities.

This account shall include the cost of special facilities used in the maintenance and operation of mechanical protective service units and services, including building and structures, complete with foundations, furniture and fixtures; water supply, drainage, and sewer systems; and heating and lighting systems.

This account shall also include the cost of machinery and appurtenances in special facilities used in the maintenance and operation of mechanical protective service units and service, including cost of special foundations and installations, and cost of hand tools necessary to equip such facilities.

70 Organization expenses.

This account shall include all fees paid to Government, State or Municipal authorities and like bodies for the privilege of incorporation, and office and other expenditures incident to organizing the corporation and putting it in readiness to do business; cost of preparing and distributing prospectuses; soliciting subscriptions to stock; special counsel fees; cost of preparing and issuing certificates of stock; cost of procuring the necessary certificates from State authorities and other like costs.

Operating Revenue Accounts Texts

100 Operating revenue accounts.

The primary accounts included in this general account are designed to show the amount of money which the company becomes entitled to receive from the furnishing of cars or protective service against heat or cold including service incidental thereto. Adjustments of overcharges or undercharges shall be accomplished through these accounts.

Car Service

101 Car mileage.

This account shall include amounts receivable for the use of cars owned, leased, or otherwise under the control of the accounting company, while in service on railroad companies' lines based on the number of miles traveled. The records shall be so kept that the revenue from each class of cars for which different mileage rates are fixed may be determined.

102 Car rental.

This account shall include amounts of rental receivable for use of cars on the basis of fixed charge per trip, per day, per month, or basis other than miles traveled.

104 Cleaning cars.

This account shall include amounts receivable for cleaning cars for loading.

108 Other car service revenue.

This account shall include car service revenues not otherwise provided for, including compensation for special equipment of cars.

Icing Protective Service

110 Ice and salt.

This account shall include revenue from ice and salt delivered in bunkers or bodies of refrigerator cars for protection of perishable freight.

111 Supervision.

This account shall include revenue from inspecting and supervising the icing, salting, and other protective services furnished car-carriers, in connection with perishable freight transported under icing service, at unit prices specified in protective service contracts.

112 Refrigerating device damage.

This account shall include allowances at unit prices specified in protective service contracts, or under other arrangements, to cover repairs to refrigerating devices and cleaning of tanks and drains and around hatchways of refrigerator cars.

113 Top or body ice damage.

This account shall include allowances at unit prices specified in protective service contracts, or under other arrangements, to cover damage to refrigerator cars caused by top or body or package ice loaded in the bodies of the cars for the protection of perishable freight, including cleaning occasioned solely by that service.

114 Precooling.

This account shall include revenue from precooling refrigerator cars at unit prices specified in protective service contracts.

115 Other icing service revenue.

This account shall include icing service revenues not otherwise provided for.

Mechanical Protective Service

116 Mechanical protective service units.

This account shall include revenue from the use of mechanical protective service units installed in cars owned, leased, or otherwise under the control of the accounting company while in service on railroad companies' lines.

117 Inspecting, servicing, and supervision.

This account shall include revenue from inspecting and servicing mechanical protective service units while in service on railroad companies' lines for protection of perishable freight, and revenue from supervising such service.

118 Fuel.

This account shall include revenue from fuel furnished mechanical protective service units while in service on railroad companies' lines for the protection of perishable freight.

119 Other mechanical protective service revenue.

This account shall include revenues from mechanical protective service operations not otherwise provided for.

Heater Service

120 Car heaters.

This account shall include revenue from the use of car heaters owned, leased, or otherwise under the control of the accounting company, while in service on railroad companies' lines for the protection of perishable freight, at unit prices specified in protective service contracts.

121 Heater fuel.

This account shall include revenue from heater fuel furnished incident to heater service performed for the protection of perishable freight at unit prices specified in protective service contracts.

122 Servicing heaters.

This account shall include revenue from the servicing of car heaters, while in service on railroad companies' lines for the protection of perishable freight, at unit prices specified in protective service contracts.

123 Supervision.

This account shall include revenue from inspecting and supervising all protective services furnished carriers, in connection with perishable freight under protective service against cold, at unit prices specified in protective service contracts.

124 Preheating cars.

This account shall include revenue from the use of special equipment such as stoves, salamanders, oil heaters, etc., in preheating cars for carriers in connection with perishable freight under protective service against cold, at unit prices specified in protective service contracts.

128 Other heater service revenue.

This account shall include heater service revenues not otherwise provided for.

Other Services

130 Ventilation service.

This account shall include revenue from inspecting and supervising the protective services furnished carriers, in connection with perishable freight under ventilation service, at unit prices specified in protective service contracts.

132 Other ice and salt.

This account shall include the revenues from furnishing ice and salt other than that delivered in bunkers or bodies of cars in connection with protective services to perishable freight.

133 Miscellaneous.

This account shall include amounts of miscellaneous revenue from sources not otherwise provided for.

Operating Expense Accounts Texts

200 Operating expense accounts.

The primary accounts included in this general account are designed to show expenses of furnishing cars or protective service against heat or cold, and services incidental thereto, including the expenses of maintenance (repairs, depreciation and amortization) of the property used in such service.

Car Service

201 Supervision.

This account shall include the cost of supervising and directing the maintenance and operation of car service.

203 Rents; car service facilities.

This account shall include all rents except as otherwise provided of property of others used, occupied, or operated in connection with furnishing car service.

205 Car distribution.

This account shall include the pay, travel, office and other expenses of officers, clerks and attendants, general, district and local agents and other employees in charge of or engaged in the distribution of cars to loading points, including keeping car records, reporting movements of cars; also cost of telephone and telegraph services in connection therewith.

208 Cleaning and conditioning cars.

This account shall include the cost to the company, including amounts payable to others, for cleaning and conditioning cars; also maintenance and rental of tracks used for such purpose.

210 Car repairs.

This account shall include the cost of repairing cars and their appurtenances, including cost of small hand tools, amounts paid others for repairs to cars for which the company is liable and cost of transporting cars to shops and repair tracks for repairs.

NOTE: The cost of repairs to refrigerating devices in cars and repairs of damage to cars caused by top or body ice shall be charged to account 283, "Repairs-icing service facilities," or account 306, "Supplies and repairs," as appropriate.

211 Other repairs.

This account shall include cost of repairing shops, buildings and other car service facilities, including drainage, water, gas, and sewer pipes and connections; machinery and other apparatus; also cost of maintaining grounds appurtenant to such facilities.

221 Injuries to persons.

This account shall include payments on account of injuries to persons when caused directly in connection with car service and not recoverable through insurance including expenses of physicians and surgeons, nurses, hospital service, medical and surgical supplies, artificial limbs, undertaking and funeral expenses, transportation expenses of in-

jured persons and attendants; also expenses of employees and others while engaged as adjusters and witnesses in connection with such claims.

222 Insurance.

This account shall include the cost of premiums, except reinsurance premiums, for insuring the company against loss through injuries to persons, damage to, destruction or loss of property when such loss or damage would be chargeable to car service; also premiums or fidelity bonds of employees whose pay is charged to car service.

223 Stationery and printing.

This account shall include the cost of all stationery and printing, rentals of and repairs to office appliances and office machines used in connection with furnishing car service.

229 Other expenses.

This account shall include all expenses in connection with car service operations not otherwise provided for.

230 Equalization; car repairs.

This account shall include adjustments of the differences between the actual and the estimated cost of car repairs as provided in Instruction 22. The amounts included in this account shall be concurrently debited or credited to account 773, "Equalization reserves."

236 Depreciation; rolling stock.

This account shall include the amount of depreciation charges applicable to the accounting period relating to rolling stock.

237 Depreciation; other car service facilities.

This account shall include the amount of depreciation charges applicable to the accounting period relating to all car service property, except rolling stock.

238 Retirements; car service facilities.

This account shall include the cost of dismantling retired car service property and recovering the salvage therefrom. It shall also include the undepreciated service value of car service property at the time of its retirement, which was accounted for under the unit plan of depreciation accounting.

Icing Protective Service

251 Ice purchased.

This account shall include the cost (including transportation charges and cost of storage, if stored at company expense) of ice purchased from individuals and companies and placed in the bunkers or bodies of cars for refrigeration purposes; also transportation charges, if any, transporting ice to icing platforms.

252 Ice produced.

This account shall include the cost (including transportation charges, if any, and cost of storage, if stored at company expense) of ice manufactured or harvested at ice plants operated by the company, which is placed in the bunkers or bodies of cars for refrigeration purposes; also transporting ice to icing platforms.

NOTE: The cost per ton of producing ice shall be determined and distributed to this account through a clearing account.

253 Rents; icing facilities.

This account shall include all rents of property of others used, occupied, or operated in connection with the operation of icing facilities.

254 Icing operations.

This account shall include the pay and expenses of employees engaged in placing ice and salt in bunkers or bodies of cars for refrigeration of shipments, whether at icing platforms or sheds, or elsewhere. It shall also include telephone service, heat, light, water, power for ice handling machinery, and other supplies and incidental expenses in connection with operating icing platforms and sheds; also cost of labor and other platform expenses incurred at points where ice is purchased from others and the expense of unloading shipments of ice from cars to platform and delivery to bunkers or bodies of cars.

255 Repairs; icing facilities.

This account shall include the cost of repairing icing platforms, machinery and sheds including equipment; fixtures, and appurtenances thereto; and electric wiring, conveyors, and motors, used in connection with icing shipments; also the cost of cleaning facilities and lubricating equipment; and maintaining grounds appurtenant to the facilities.

256 Injuries to persons.

This account shall include payments on account of injuries to persons when caused directly in connection with icing operations and not recoverable through insurance, including expenses of physicians and surgeons, nurses, hospital service, medical and surgical supplies, artificial limbs, undertaking and funeral expenses, transportation expenses of injured persons and attendants; also expenses of employees and others while engaged as adjusters and witnesses in connection with such claims.

257 Insurance.

This account shall include the cost of premiums, except reinsurance premiums, for insuring the company against loss through injuries to persons, damage to, destruction of or loss of property when such loss or damage would be chargeable to icing operations; also premiums on fidelity bonds of employees whose pay is chargeable to icing operations.

258 Other expenses.

This account shall include all expenses in connection with the icing of shipments, not otherwise provided for.

265 Depreciation; icing facilities.

This account shall include the amount of depreciation charges applicable to the accounting period relating to all icing facilities.

270 Retirements; icing facilities.

This account shall include the cost of dismantling retired icing facilities and recovering the salvage therefrom. It shall also include the undepreciated service value of icing facilities at the time of their retirement.

275 Salt.

This account shall include the cost of salt supplied to cars in connection with icing shipments, including the cost of placing salt in the bunkers of the cars.

NOTE: When salt is placed in refrigerator cars incidental to regular icing operations, the costs in connection therewith, when not readily separable, may be included in account 254, "Icing operations."

Other Icing Service

281 Supervision.

This account shall include the cost of supervising and directing the maintenance and operation of icing service.

282 Rents; icing service facilities.

This account shall include all rents except as otherwise provided of property of others used, occupied, or operated in connection with furnishing icing service.

283 Repairs; icing service facilities.

This account shall include the cost of repairing buildings, machinery, fixtures, and other apparatus used in connection with furnishing icing service; also cost of cleaning facilities and lubrication equipment; and maintaining grounds appurtenant to the facilities. It shall also include the cost repairs to ice bunkers in cars and repairs of damage to cars caused by top or body ice.

284 Precooling service.

This account shall include the cost of precooling refrigerator cars for loading with shipments at precooling plants or elsewhere.

285 Injuries to persons.

This account shall include payments on account of injuries to persons when caused directly in connection with icing service operations and not recoverable through insurance, including expenses of physicians and surgeons, nurses, hospital service, medical and surgical supplies, artificial limbs, undertaking and funeral expenses, transportation expenses of injured persons and attendants; also expenses of employees and others while engaged as adjusters and witnesses in connection with such claims.

286 Insurance.

This account shall include the cost of premiums, except re-insurance premiums, for insuring the company against loss through injuries to persons, damage to or destruction or loss of property when such loss or damage would be chargeable to icing service operations; also premiums on fidelity bonds of employees whose pay is charged to such service.

287 Stationery and printing.

This account shall include the cost of all stationery and printing, rentals of and repairs to office appliances and ma-

chines used in connection with furnishing icing service.

290 **Other expenses.**

This account shall include all expenses in connection with icing service operations not otherwise provided for.

295 **Depreciation; icing service facilities.**

This account shall include the amount of depreciation charges applicable to the accounting period relating to icing service property.

296 **Retirements; icing service facilities.**

This account shall include the cost of dismantling retired refrigeration service property and recovering the salvage therefrom. It shall also include the undepreciated service value of icing service property at the time of its retirement.

Mechanical Protective Service

301 **Supervision.**

This account shall include the cost of supervising and directing the maintenance and operation of mechanical protective service.

302 **Rents.**

This account shall include all rents of property of others used, occupied, or operated in connection with furnishing mechanical protective service.

303 **Fuel.**

This account shall include the cost of fuel (including transportation charges and cost of storage, if stored at company expense) delivered to mechanical protective service units, including the labor cost (when separable) of delivering such fuel to the units.

NOTE: When fuel is used in mechanical protective service units during inspections and repairs, the *labor* costs in connection therewith, when not readily separable, may be included in account 305, "Inspecting and servicing," or account 306, "Supplies and repairs," as appropriate.

305 **Inspecting and servicing.**

This account shall include the pay of employees engaged in inspecting and servicing mechanical protective service units, both preparatory to loading cars and while under load, to place and keep the units in proper operating condition for protection of the lading, including setting thermostats, refueling, and (when not separable) furnishing supplies.

NOTE: The costs of inspecting and servicing mechanical protective service units in the process of repairing or otherwise maintaining the units are chargeable to account 306, "Supplies and repairs."

306 **Supplies and repairs.**

This account shall include the cost of supplies, other than fuel, used in mechanical protective service units, including freon, anti-freeze, lubricating oil, and supplies for standby service, and shall include the cost of maintaining and repairing such units. For this purpose the cost of repairs shall include the cost of inspecting and servicing incidental thereto, and the maintenance of buildings and other structures (including grounds appurtaining thereto), machinery, fixtures, and other facilities used in furnishing mechanical protective services.

This account shall also be charged with amounts paid to others for expenses as detailed above which were incurred for units for which the company is liable, and credited with amounts billed against others for similar expenses as to units not owned or controlled by the company.

NOTE: The cost of dry ice (solidified carbon dioxide) used as a refrigerant, when a mechanical unit fails to provide the necessary protection, shall be charged to account 315, "Other expenses," to which account shall also be credited amounts collected from others for similar emergency protection.

307 **Injuries to persons.**

This account shall include payments on account of injuries to persons when caused directly in connection with mechanical protective service maintenance and operations and not recoverable through insurance, including expenses of physicians and surgeons, nurses, hospital service, medical and surgical supplies, artificial limbs, undertaking and funeral expenses, and transportation expenses of injured persons and their attendants; also expenses of employees and others while engaged as adjusters and witnesses in connection with claims for such injuries.

308 **Insurance.**

This account shall include the cost of premiums, except reinsurance premiums, for insuring the company against loss through injuries to persons, damage to or destruction or loss of property when such injuries, damage, or loss would be chargeable to mechanical protective service maintenance and operations; also premiums on fidelity bonds of employees whose pay is charged to such service.

309 **Stationery and printing.**

This account shall include the cost of all stationery and printing, and rentals of and repairs to office appliances and machines, used in connection with mechanical protective service maintenance and operations.

315 **Other expenses.**

This account shall include all expenses in connection with mechanical protective service maintenance and operations not otherwise provided for.

320 **Depreciation; mechanical service facilities.**

This account shall include the amount of depreciation charges applicable to the accounting period relating to mechanical protective service property. (See provisions of Instruction 33.)

321 **Retirements; mechanical service facilities.**

This account shall include the cost of dismantling retired mechanical protective service units and facilities, and recovering the salvage therefrom. It shall also include the undepreciated service value of mechanical protective service units and facilities at the time of their retirement.

Heater Service

351 **Supervision.**

This account shall include the cost of supervising and directing the maintenance and operation of heater service.

353 **Rents; heater service facilities.**

This account shall include all rents except as otherwise provided of property of others used, occupied or operated in connection with furnishing heater service.

357 **Heater fuel.**

This account shall include the cost, including freight, express and handling charges of charcoal, charketts, coal, coke, briquets, oil, solidified alcohol or other fuel, but excluding fuel for special equipment for preheating cars, to be used in heating cars moving or to move under protective service against cold; also the cost of unloading and placing such fuel in buildings or other regular storage facilities.

This account shall be credited with the value of heater fuel reclaimed in the servicing of car heaters.

NOTE: The cost of fuel used in special equipment for preheating cars shall be charged to account 361, "Preheating service."

358 **Inspecting and servicing of heaters.**

This account shall include the pay, travel and other expenses of employees, other than those included in accounts 351, "Supervision," and 360, "Repairs—heater service facilities," engaged in servicing cars containing shipments moving under any form of heater service, the installation, lighting, fueling, adjusting, extinguishing, and cleaning of heaters in cars and removing heaters from cars either during the progress of or after the completion of the movement, when placed therein for protection of the lading of the cars against cold. It shall also include the cost of opening, closing or otherwise manipulating car ventilators, plugging drains, stacking and wiring ice grates, applying heater warning and other cards to cars; also the cost of lanterns, flashlights, ladders, ropes and other tools, supplies and expenses used in or incident to performing such services.

360 **Repairs; heater service facilities.**

(a) This account shall include the cost of repairing car heaters; also the cost of handling and transporting heaters between storage houses and distributing or other points where normally held for service or repairs.

(b) This account shall also include the cost of cleaning, protecting, and repairing heater facilities, such as buildings and other structures for the handling, storing, and repairing of car heaters and the storing of heater fuel, tools, and other supplies, including fixtures, machinery, and other appurtenances of the building; also the cost of maintaining grounds appurtenant to such buildings.

361 Preheating service.

This account shall include all expenses incident to the preheating of cars prior to installation of car heaters in cars, to be moved under any form of heater service, with special equipment such as salamanders, stoves, or oil heaters. Such expenses include the cost of all fuel and supplies used in this equipment and the cost of installing, fueling, firing, checking, extinguishing, and removing the equipment from cars; also the cost of handling, repairing, storing and moving the equipment when not in use, and the traveling and other expenses of employees engaged in preheating cars.

371 Injuries to persons.

This account shall include payments on account of injuries to persons when caused directly in connection with heater service and not recoverable through insurance, including expenses of physicians and surgeons, nurses, hospital service, medical and surgical supplies, artificial limbs, undertaking and funeral expenses, transportation expenses of injured persons and attendants; also expenses of employees and others while engaged as adjusters and witnesses in connection with such claims.

372 Insurance.

This account shall include the cost of premiums, except reinsurance premiums for insuring the company against loss through injuries to persons, damage to or destruction or loss of property when such loss or damage would be chargeable to heater service; also premiums on fidelity bonds of employees whose pay is chargeable to heater service.

373 Stationery and printing.

This account shall include the cost of all stationery and printing, rentals of and repairs to office appliances and office machines used in connection with furnishing heater service.

379 Other expenses.

This account shall include all expenses in connection with heater service operations not provided for elsewhere.

386 Depreciation; heater service facilities.

This account shall include the amount of depreciation charges applicable to the accounting period relating to heater service property.

388 Retirements; heater service facilities.

This account shall include the cost of dismantling retired heater service property and recovering the salvage therefrom. It shall also include the undepreciated service value of heater service property at the time of its retirement.

Miscellaneous

401 Ventilation service.

This account shall include all expenses incurred in connection with furnishing ventilation service.

405 Curtain service.

This account shall include all expenses incurred in connection with furnishing curtains placed in cars for the purpose of separating shipments moving under more than one class of protective service.

408 Papering cars.

This account shall include all expenses incurred in papering cars to be used for shipments transported under protective service.

410 Loss and damage claims.

This account shall include payments for loss, damage, delay or destruction of perishable freight moving under protective service when not recoverable through insurance; also the pay, travel, office, and other expenses of employees and others engaged in supervising, investigating, adjusting, and settling loss and damage claims, including notarial fees in connection with claims, expenses of employees, and others serving as witnesses in law suits, and all other expenses directly incident to the handling of loss and damage claims.

414 Diversions and reconsignments.

This account shall include the pay, and travel and other expenses of employees engaged in handling and maintaining records of diversions and reconsignments of shipments moving under protective service, including furnishing passing information, and all other expenses incident to diversion or reconsignment of such shipments.

415 Other expenses.

This account shall include any expenses of an incidental nature incurred in connection with furnishing protective service not otherwise provided for.

General

450 Salaries and expenses of general officers and clerks.

This account shall include:

(a) *Salaries of officers.* The pay of general officers and assistants authorized to act for such officers, including salaries and fees of receivers and trustees and commissions paid to general officers in lieu of salaries.

(b) *Salaries of clerks and attendants.* The pay of clerks and attendants in the offices of the general officers whose pay is chargeable to this account.

(c) *Expenses.* Traveling and other expenses of employees whose pay is chargeable to this account.

NOTE: The pay and expenses of purchasing agents, storekeepers and their clerks and attendants shall be included in clearing accounts for material store expenses and stationery store expenses.

451 General office supplies and expenses.

This account shall include the office expenses of general officers, and of their clerks and attendants.

452 Rents.

This account shall include all rents, except rent of office machines, payable for the property of others used, occupied, or operated in connection with the general administrative functions of the company.

454 Law expenses.

(a) This account shall include the pay of officers directly in charge of the law department, and of solicitors and attorneys, their clerks and attendants, and fees and retainers for services of attorneys not regular employees of the company.

(b) Traveling expenses of officers specified above and of their clerks; cost of law books, printing briefs, legal forms, testimony, reports, and similar items of expense and supplies.

(c) The cost of suits and payments of special fees, notarial and witness fees not provided for under accounts for "Loss and Damage," and "Injuries to Persons," and fees paid arbitrators for settlement of disputed questions, and all law and court costs not provided for elsewhere.

459 Pensions and relief.

This account shall include pensions or gratuities paid out of the company's funds to retired employees or the heirs of former employees and the expenses incurred solely in connection therewith.

It shall also include premiums on policies under which employees are insured and they or their heirs are the beneficiaries; and expenses incurred and amounts contributed towards funds or otherwise for the relief of employees.

NOTE: If under a contractual pension plan which definitely establishes the payment of pensions to employees regularly retired for superannuation or disability, the company elects to set aside in an irrevocable trust fund each month, amounts determined through the application of equitable factors, which together with interest accruals thereon, will as nearly as may be, meet its liabilities for the payment of pensions or for the purchase of annuities, it shall concurrently charge this account and credit account 771, "Pension and welfare reserves," with amounts equal to those paid into the trust fund.

460 Insurance.

This account shall include the cost of premiums, except reinsurance premiums, for insuring the company against loss or damage, when such loss or damage would be chargeable to general expenses; also premiums on fidelity bonds of employees whose pay is chargeable to general expenses.

461 Stationery and printing.

This account shall include the cost of stationery, stationery supplies, printing, tabulatory cards, books and blank forms used in connection with general administrative functions of the company including contracts, leases, and all stationery and printing of the law department except cost of law books and cost of printing briefs, legal forms, testimony, and reports of that department. It shall also include the rent and repair cost of labor-saving office machines used in connection with the general administrative functions of the company.

462 Repairs; general.

This account shall include the cost of repairs to general office buildings and other property used in connection with the general administrative functions of the company.

465 Depreciation; general.

This account shall include the amount of depreciation charges applicable to the accounting period relating to general administrative facilities.

466 Retirements; general.

This account shall include the cost of demolishing retired general administrative property and recovering the salvage therefrom. It shall also include the undepreciated service value of such property at the time of its retirement.

469 Other expenses.

This account shall include all expenses in connection with the general administrative functions of the company not provided for elsewhere.

LIST OF EXPENSES

Annual audits or investigations.
Annual reports.
Association membership.
Bank charges for services.
Contributions for charitable, social or community welfare purposes.
Corporate and fiscal notices of general character.
Donations to fire departments.
Donations to YMCA and similar institutions.
Electing directors.
Exchange, domestic, on checks cashed or deposited.
Exchange on domestic drafts.
Fees and expenses paid directors.
Loss by burglary of funds, defalcations or fire when not recoverable from insurance.
Loss from acceptance of counterfeit money.
Notice of dividends declared.
Premiums, less cash surrender value of insurance, on lives of officers when company is the beneficiary.
Stockholders' meetings.

Income Accounts Texts

ORDINARY ITEMS

CREDITS

501 Car line operating revenues.

This account shall include the total revenues derived from operations as shown in the primary revenue accounts provided in this part.

502 Revenues from miscellaneous operations.

This account shall include the total revenues derived from the operation of miscellaneous operating physical property, such as that the cost of which is includible in balance-sheet account 737, "Miscellaneous physical property."

NOTE: The income from miscellaneous nonoperating physical property shall be included in account 511, "Income from nonoperating property."

510 Miscellaneous rent income.

This account shall include such rents of property owned and controlled by the accounting company as are not provided for in the foregoing accounts.

To this account shall be charged the cost of maintenance of the property rented, also specific incidental expenses in connection with such property, such as the cost of negotiating contracts, advertising for tenants, fees paid conveyancers, collectors' commissions, and analogous items.

NOTE A: If property the rent of which is chargeable to account 543, "Miscellaneous rents," is sublet by the accounting company, the rent receivable therefor shall be credited to this account.

NOTE B: Taxes on property the rent of which is creditable to this account shall be charged to account 532, "Car line tax accruals."

NOTE C: The rent from property carried in balance-sheet account 737, "Miscellaneous physical property," shall not be included in this account, but in account 511, "Income from nonoperating property."

NOTE D: Rent and other income from real estate acquired for additions and betterments shall be credited to the appropriate property and equipment accounts until the completion or coming into service of the property.

511 Income from nonoperating property.

This account shall include the net credit balance of the nonoperating revenues or income from, and the expenses (including depreciation, but excluding taxes) of, physical property the cost of which is carried in balance-sheet account 737, "Miscellaneous physical property."

NOTE: The revenues from the operation of miscellaneous operating physical property shall be included in income account 502, "Revenues from miscellaneous operations," and the expenses of operation shall be included in account 534, "Expenses of miscellaneous operations."

513 Dividend income.

This account shall include dividends declared on stocks of other companies, the income from which is the property of the accounting company, whether such stocks are owned by the accounting company and held in its treasury or deposited in trust, or are controlled through lease or otherwise.

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

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

NOTE A: This account shall not include credits for dividends on stocks issued or assumed by the accounting company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other reserve funds.

NOTE B: Dividends on stocks of other companies held in sinking or other reserve funds shall be credited to account 516, "Income from sinking and other reserve funds."

514 Interest income.

This account shall include the interest on securities and debenture stock of other companies, the income from which is the property of the accounting company, whether such securities are owned by the accounting company and held in its treasury or deposited in trust, or are controlled through lease or otherwise. It shall include also, interest on notes and other evidences of indebtedness and interest on bank balances, open accounts, and other analogous items, including discount on short-term notes. Interest accrued shall not be credited prior to actual collection unless its payment is reasonably assured by past experience, guaranty, anticipated provision, or otherwise. (See Note C to account 708, "Interest and dividends receivable.")

At the option of the accounting company there may be included each year in this account the portion applicable to the fiscal period, of the amount requisite to extinguish, during the interval between the date of acquisition and the date of maturity, the discount or premium on securities of other companies owned (other than short-term notes). Amounts thus credited or charged shall be concurrently charged or credited to the account in which the cost of the securities is carried. The discount on short-term notes shall be distributed through equal monthly credits, over the terms of the notes.

NOTE A: This account shall not include interest on securities issued or assumed by the accounting company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other reserve funds.

NOTE B: Interest on securities, other than those of the accounting company, and on other assets held in sinking or other reserve funds shall be included in account 516, "Income from sinking and other reserve funds."

NOTE C: Discount on bills for material purchased shall be credited to the accounts to which is charged the cost of the material with respect to which the discount is allowed.

516 Income from sinking and other reserve funds.

This account shall include the income accrued on cash, securities, and other assets (not including securities issued or assumed by the accounting company) held in sinking and other reserve funds. (See Note C to account 708, "Interest and dividends receivable.")

At the option of the accounting company there may be included each year in this account the portion, applicable to the fiscal period, of the amount requisite to extinguish, during the interval between the date of acquisition and the date of maturity, the discount or premium on funded securities held in sinking or other reserve funds. Amounts thus credited or charged shall be concurrently charged or credited to the account in which the cost of the securities is carried.

NOTE: Credits to fund reserve accounts representing income on reserve funds shall be concurrently charged to account 620, "Appropriations for sinking and other reserve funds."

517 Release of premiums on funded debt.

This account shall include, during each fiscal period, such proportion of the premiums on outstanding funded debt as may be applicable to the period.

This proportion shall be determined in accordance with Instruction 38.

519 Miscellaneous income.

This account shall include all items not provided for elsewhere properly creditable to income accounts during the current year. Among the items which shall be included in this account are:

Cancellation of balance-sheet accounts representing unclaimed wages and vouchered accounts written off because of the company's inability to locate the creditor.

Profit from sale of securities acquired for temporary cash investments.

Profits from sale of investment securities.

Profit from sale of land and from sale of other property. (See note.)

Profit from company bonds reacquired. (See note.)

NOTE: When the profit from sale of investment securities (exclusive of temporary cash investments), from sale of land and other property, and from company bonds reacquired is of an amount sufficiently large to constitute an extraordinary item, such profit shall be credited to account 570, "Extraordinary items". (See instructions 3 and 18.)

DEBITS

531 Car line operating expenses.

This account shall include the total expenses caused by operations, as shown in the primary expense accounts provided in these regulations.

532 Car line tax accruals.

This account shall include accruals for taxes of all kinds relating to car line property, operations, and privileges, whether based upon the valuation of the property, amount of stocks and bonds or other evidences of debt issued or outstanding; gross or net earnings, dividends declared, rolling stock operated or owned, or other basis.

The taxes on leased property shall be included in this account by the accounting company obligated to assume such expenses under the terms of the lease.

Accruals for Federal income taxes applicable to ordinary income shall be included in this account. See texts of account 590, "Federal income taxes on extraordinary and prior period items", account 606, "Other credits to retained income", and account 616, "Other debits to retained income", for recording other income tax consequences. Details pertaining to the tax consequences of other unusual and significant items, and also cases where tax consequences are disproportionate to related amounts included in income accounts, shall be submitted to the Commission for consideration and decision as to proper accounting. Federal income taxes which are refundable or reduced as the result of carry-back or carry-forward of operating loss shall be credited to this account, if a carry-back, in the year in which the loss occurs or, if a carry-forward, in the year in which such loss is applied to reduce taxes. However, when the amount constitutes an extraordinary item pursuant to instruction 3, it shall be included in account 580, "Prior period items".

NOTE A: Taxes on leased property paid by one party to the lease and chargeable to the other party to the lease shall be charged directly to the party bearing the expense and not included in the income account of the party first making payment.

NOTE B: Taxes on other than car line property, operations, and privileges shall be charged to account 544, "Miscellaneous tax accruals," when the amount is separable from the taxes chargeable to this account.

NOTE C: Special assessments for street and other improvements, and special benefit taxes, such as water taxes and the like, shall be included in operating expense accounts or investment acounts, as may be appropriate.

NOTE D: Taxes accruing on property acquired for addition or betterment purposes before the facilities become available for service shall be charged to property and equipment accounts.

533 Rent payable for cars.

This account shall include amounts payable for use of cars, rented or leased from others, while in car line operations of the company.

534 Expenses of miscellaneous operations.

This account shall include the total expenses caused by the operation of miscellaneous physical property the cost of which is includible in balance-sheet account 737, "Miscellaneous physical property."

NOTE: The expenses of miscellaneous nonoperating physical property shall be included in account 511, "Income from nonoperating property."

535 Taxes on miscellaneous operating property.

This account shall include accruals of taxes paid or payable upon miscellaneous operating property, such as that the cost of which is includible in account 737, "Miscellaneous physical property."

NOTE: Taxes upon miscellaneous nonoperating physical property shall be included in account 544, "Miscellaneous tax accruals."

543 Miscellaneous rents.

This account shall include rents payable accrued on property held by the accounting company under lease or other agreement and not properly chargeable to any of the foregoing accounts.

NOTE A: This account shall not include rents provided for in the operating expense accounts.

NOTE B: If property, the rent of which is chargeable to this account, is sublet to others the rent from the sublease shall be credited to the appropriate rent income account, depending on the classification of the property as car line or non-car line, in the same manner as rent from property owned by the company.

NOTE C: Payments for the exclusive use of miscellaneous property maintained by the lessor and used by the accounting company shall be divided into two portions: One, representing the cost of maintenance, shall be charged to the appropriate operating accounts, and the other, representing rent (amount applicable to the investment in the property), shall be charged to this account. The bill rendered by the creditor shall show the distribution of the payments as between maintenance and rent, and such distribution shall be adhered to by the debtor.

544 Miscellaneous tax accruals.

This account shall include all accruals for taxes not provided for elsewhere, such as taxes on securities owned, taxes on income from securities owned, and taxes on miscellaneous nonoperating physical property the cost of which is includible in balance-sheet account No. 737, "Miscellaneous physical property."

NOTE A: When the proper separation of any particular tax is not ascertainable the entire amount shall be included in account 532, "Car line tax accruals."

NOTE B: Taxes upon miscellaneous operating property shall be charged to account 535, "Taxes on miscellaneous operating property."

546 Interest on funded debt.

This account shall include the current accruals of interest on all classes of long-term debt, the principal of which is includible in account 765, "Funded debt unmatured"; 766, "Equipment obligations"; 767, "Receivers' and trustees' securities"; 768, "Debt in default"; and 769, "Amounts payable to affiliated companies," also interest accruals on debenture stock. This account is to be kept in such form that the interest on debenture stock, on receivers' and trustees' securities, and on other classes of funded debt shall be shown separately.

NOTE A: This account shall not include charges for interest on funded debt obligations issued or assumed by the accounting company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other reserve funds.

NOTE B: When funded debt is incurred for addition and betterment purposes, the accruals of interest on such funded debt (less interest received on unexpended balances), to the date of completion or coming into service of the property so acquired shall be included in the property and equipment accounts.

NOTE C: This account shall be maintained so as to show separately: (a) Fixed interest which will be paid, or for which provision for payment will be made, when the interest matures; (b) interest in default; and (c) contingent interest accrued.

547 Interest on unfunded debt.

This account shall include interest accrued on unfunded debt, such as short-term notes payable on demand or having dates of maturity one year or less from dates of issue, and open accounts including discount and expense on demand and short-term loans, interest on receipts outstanding for installments paid on capital stock, interest on deferred payments for public improvements, and other analogous items. The discount on short-term notes, if of a considerable amount, shall be distributed through equal monthly charges, over the term of the notes.

NOTE: When short-term notes or other evidences of unfunded indebtedness are issued for addition and betterment purposes the accrual of interest to the date of completion or coming into service of the

property shall be included in the property and equipment accounts.

548 Amortization of discount on funded debt.

This account shall be charged during each fiscal period with the proportion of the discount and expense on funded debt obligations applicable to that period. This proportion shall be determined according to a rule the uniform application of which through the interval between the date of sale and the date of maturity will extinguish the discount and expense on funded debt. The charge to this account for any period must not be either greater or less than the proportion of the balance remaining unamortized applicable to that period so long as any portion of the discount and expense remains unextinguished, except that if the total discount and expense applicable to any particular issue of securities does not exceed $25,000, the entire amount may be charged to this account at time of issue.

551 Miscellaneous income charges.

This account shall include items not provided for elsewhere properly chargeable to income accounts during the current year. Among the items which shall be included in this account are:

Interest on tax deficiencies, and on court awards.

Income tax upon the interest on the accounting company's funded debt when these taxes are assumed by the company.

Payments of old accounts previously written off.

Penalties and fines for violation of the Interstate Commerce Act or other Federal and State laws when not specifically provided for elsewhere.

Loss on sale of securities acquired as temporary cash investments.

Loss on sale of investment securities, and on sale of land and other property, and also charges to write down the ledger value of investment securities because of impairment in their value. (See note.)

Loss from company bonds reacquired.

NOTE: When the loss on sale of investment securities (exclusive of temporary cash investments) from sale of land and other property, from write-down in ledger value of investment securities and from company bonds reacquired is of an amount sufficiently large to constitute an extraordinary item, such loss shall be included in account 570, "Extraordinary items". (See instructions 3 and 18.)

EXTRAORDINARY AND PRIOR PERIOD ITEMS

570 Extraordinary items (net).

(a) This account shall include extraordinary items accounted for during the the current accounting year in accordance with instruction 3, upon approval of the Commission. Among the items which shall be included in this account are:

Net gain or loss on sale of land used for transportation purposes, and of noncarrier property. (See instruction 18.)

Net gain or loss on sale of securities acquired for long-term investment purposes, and charges to write down the ledger value of such securities because of impairment of value.

Net gain or loss on reacquisition of company bonds.

Loss on sale or retirement of transportation property for which depreciation reserve has not been provided.

Change in application of accounting principles.

(b) Federal income tax consequences of charges and credits to this account shall be included in account 590, "Federal income taxes on extraordinary and prior period items".

(c) This account shall be maintained in a manner sufficient to identify the nature and gross amount of each debit and credit.

580 Prior period items (net).

(a) This account shall include unusual delayed items accounted for during the current accounting year in accordance with the text for instruction 3, upon approval of the Commission. Among the items which shall be included in this account are:

(1) Unusual adjustment, refunds or assessments of income taxes of prior years.

(2) Unusual adjustments of reserves of prior years determined to be excessive or deficient.

(3) Similar items representing transactions of prior years which are not identifiable with or do not result from business operations of the current year.

(b) Federal income tax consequences of charges and credits to this account shall be included in account 590, "Federal income taxes on extraordinary and prior period items".

(c) This account shall be maintained in a manner sufficient to identify the nature and gross amount of each debt and credit.

590 Federal income taxes on extraordinary and prior period items.

This account shall include the estimated Federal income tax consequences (debit or credit) assignable to the aggregate of items of both taxable income and deductions from taxable income which, for accounting purposes, are classified as unusual and extraordinary and are recorded in accounts 570, "Extraordinary items", and 580, "Prior period items", as appropriate.

599 Form of income statement.

The classified form of income statement is designed to show the financial changes resulting from furnishing cars or protective service and other business of the accounting company during any specified period.

ORDINARY ITEMS

II. CAR LINE OPERATING INCOME

501	Car line operating revenues	$
531	Car line operating expenses	
532	Car line tax accruals	
533	Rent payable for cars	
	Car line operating income (or loss)	

II. OTHER INCOME

502	Revenues from miscellaneous operations
510	Miscellaneous rent income
511	Income from nonoperating property
513	Dividend income
514	Interest income
516	Income from sinking and other reserve funds
517	Release of premiums on funded debt
519	Miscellaneous income
	Total other income
	Total income (or loss)

III. MISCELLANEOUS DEDUCTIONS FROM INCOME

534	Expenses of miscellaneous operations
535	Taxes on miscellaneous operating property
543	Miscellaneous rents
544	Miscellaneous tax accruals
551	Miscellaneous income charges
	Total miscellaneous deductions
	Income available for fixed charges (or loss)

IV. FIXED CHARGES AND OTHER DEDUCTIONS

546	Interest on funded debt:
	(a) Fixed interest not in default
	(b) Interest in default
	(c) Contingent interest
547	Interest on unfunded debt
548	Amortization of discount on funded debt
	Total fixed charges and other deductions
	Ordinary income (or loss)

EXTRAORDINARY AND PRIOR PERIOD ITEMS

570	Extraordinary (net)	
580	Prior period items (net)	
590	Federal income taxes on extraordinary and prior period items	
	Total extraordinary and prior period items	
	Net income (or loss)	$

Retained Income Accounts Texts

CREDITS

601 Credit balance (at beginning of calendar year).

This account shall include the net credit balance in the retained income account at the beginning of the calendar year.

602 Credit balance transferred from income.

This account shall show the net credit balance brought forward from the income account for the calendar year.

606 Other credits to retained income.

This account shall include other credit adjustments, net of assigned Federal income taxes, not provided for elsewhere in this system but only after such inclusion has been authorized by the Commission.

DEBITS

611 Debit balance (at beginning of calendar year).

This account shall include the net debit balance in the retained income account at the beginning of the calendar year.

612 Debit balance transferred from income.

This account shall show the net debit balance brought forward from the income account for the calendar year.

616 Other debits to retained income.

(a) This account shall include losses from resale of reacquired capital stock and charges which reduce or write off discount on capital stock issued by the company, but only to the extent that such charges exceed credit balances in capital surplus for shares reacquired. (See instruction 39.)

(b) This account shall also include other debit adjustments, net of assigned Federal income taxes, not provided for elsewhere in this system but only after such inclusion has been authorized by the Commission.

620 Appropriations for sinking and other reserve funds.

This account shall be charged and account 797, "Retained income—Appropriated," shall be credited with amounts appropriated pursuant to provisions of reorganization plans, mortgages, deeds of trust, or other contracts requiring payments into sinking funds, capital funds, and other funds.

621 Appropriations for other purposes.

This account shall be charged and account 797, "Retained income—Appropriated," shall be credited with the amount of appropriations for corporate purposes not provided for elsewhere. The appropriations shall be released when their respective purposes have been served.

622 Appropriations released.

This account is provided to return to unappropriated retained income the amount of appropriations no longer required as segregations of retained income. The account shall be subdivided to show the nature of the appropriations being released and the circumstances of the release shall be fully described.

623 Dividends.

This account shall be charged with the amount of dividends declared on actually outstanding capital stock issued or assumed by the company, other than debenture stock. If the dividend is not payable in cash, the securities or other property to be distributed shall be described with sufficient particularity to identify the distribution. The account shall be subdivided to show separately the dividends declared on the various subclasses of capital stock.

NOTE A: Interest on debenture stock shall be charged to account 546, "Interest on funded debt."

NOTE B: This account shall not include charges for dividends on capital stock issued or assumed by the company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other reserve funds.

General Balance Sheet Accounts

DEBITS

701 Cash.

This account shall include money, checks, sight drafts, and sight bills of exchange in the hands of the accounting company's financial officers and agents. It shall include, also, deposits with banks and trust companies available for use on demand, and savings accounts subject to the usual clause reserving the right to defer payment for a specified number of days.

NOTE: The amount of checks and drafts, which have been transmitted to payees and which remain unpaid at the close of the accounting period, shall be credited to this account. When the amount of such checks and drafts cannot be determined with absolute accuracy an estimate of the amount shall be used.

702 Temporary cash investments.

This account shall include the cost of securities and other collectible obligations acquired for the purpose of temporarily investing cash, such as United States Treasury certificates, marketable securities, time drafts receivable, demand loans, time loans, time deposits with banks and trust companies, and other similar investments of a temporary character.

703 Special deposits.

This account shall include funds specifically deposited for the payment of dividends, interest, and other current liabilities; also other deposits subject to current withdrawal for specific purposes only.

NOTE: Deposits available for general company purposes shall be included in account 701, "Cash."

704 Loans and notes receivable.

This account shall include the book value of all collectible obligations in the form of demand or time loans and notes receivable, or other similar evidences (except interest coupons) of money receivable within a time not exceeding one year from date of issue.

NOTE A: Obligations held as investments which mature more than one year after date of issue shall be included in accounts 721, "Investments in affiliated companies"; or 722, "Other investments," as may be appropriate.

NOTE B: Loans and notes receivable acquired for the purpose of temporarily investing cash shall be included in account 702, "Temporary cash investments."

705 Mileage accounts receivable.

This account shall include amounts receivable (other than amounts covered by bills collectible) for mileage, per diem, or rental earned from the use of cars owned, leased, or otherwise under the control of the company, while in service on railroad companies' lines.

707 Miscellaneous accounts receivable.

This account shall include amounts due in audited accounts considered good, such as miscellaneous bills against other companies, corporations, firms, and individuals; and other similar items.

NOTE: The amount to be entered in this account is not the net balance between this account and account 754, "Miscellaneous accounts payable."

708 Interest and dividends receivable.

This account shall include the amount of interest accrued to the date of the balance sheet on bonds owned and on loans made, the amount of dividends declared on stocks owned, and dividends accrued on such stocks when contracts require that the dividends be paid at stated times.

NOTE A: No amount representing interest or dividends receivable shall be included in this account unless its payment is reasonably assured by past experience, anticipated provision, or otherwise.

NOTE B: No dividends or other returns on securities issued or assumed by the accounting company shall be included in this account.

NOTE C: If settlement of amounts included in this account is not made when due either in cash or with other tangible assets of equal money value, such amounts shall be cleared from this account and charged to the income account originally credited. If notes are taken in settlement of amounts included in this account, the amounts thereof shall be charged to account 704, "Loans and notes receivable," or account 741, "Other assets," as may be appropriate, but such amounts shall not be credited to income (or if previously credited to income shall be cleared

therefrom as provided in the first sentence of this note), unless inclusion therein is justified by the current asset position of the obligor. If such notes are of doubtful value, the amount at which they are charged to account 741, "Other assets," shall be credited to account 784, "Other deferred credits," and income shall not be credited until payment is received, and then only with the amount collected. If long-term notes are taken in settlement of current assets, the credit to income shall be canceled and account 741, "Other assets," shall be charged with their true values, and a like sum shall be credited to account 784, "Other deferred credits."

709 Accrued accounts receivable.

This account shall include estimates of all unaudited current items receivable by the company to the date of the balance sheet, including those which are creditable to revenue, expense, or income accounts in accordance with the instruction relating to unaudited items.

Examples of items to be included:

Rents receivable which are not includible in account 707, "Miscellaneous accounts receivable." See Note C to account 708, "Interest and dividends receivable."

Amounts receivable from others for unreported car mileage.

Amounts receivable from others for use of facilities, including equipment, for which bills have not been rendered.

Amounts receivable from others for services for which bills have not been rendered.

710 Working fund advances.

This account shall include amounts advanced to officers, agents, and other employees, as working funds from which certain expenditures are to be made and accounted for.

711 Prepayments.

This account shall include the balances in the accounts representing prepaid rents chargeable to the appropriate rent accounts as the term is consumed for which the rents are paid; also interest and insurance premiums paid in advance of their accrual, which are to be apportioned and charged, as they accrue, to the appropriate accounts.

NOTE: Expenditures by the company for improvements to office buildings and other facilities rented for more than one year, title to which will pass to the lessor at the end of the rental period, shall be charged to account 743, "Other deferred charges," and amortized over the rental period as additional rent.

712 Material and supplies.

This account shall include the balances representing the cost, less depreciation, if any, of all unapplied material, such as shop material, articles in process of manufacture by the accounting company, fuel, stationery, and other supplies. In determining the cost of material and supplies suitable allowance shall be made for any discounts allowed in the purchase thereof.

NOTE: An inventory of material and supplies shall be taken during each calendar year and the necessary adjustments to bring this account into harmony with the actual inventory balances shall be made in the accounts of the year in which the inventories are taken. In effecting this adjustment determined differences in accounting for important classes of material shall be equitably assigned among the accounts to which the classes of material are ordinarily chargeable. Other differences shall be equitably apportioned among the primary accounts to which material has been charged since the last inventory.

713 Other current assets.

(a) This account shall include items of current assets not covered by accounts 701 to 712, inclusive.

(b) It shall include asset items not includible in any of the foregoing asset accounts that have been advanced beyond the stage of deferred assets.

715 Sinking funds.

This account shall include the amount of cash, the ledger value of live securities of other companies, and other assets which are held by trustees of sinking and other funds for the purpose of redeeming outstanding obligations, including such assets so held in the hands of the accounting company's treasurer when the assets are segregated in a distinct fund; also amounts deposited with such trustees on account of mortgaged property sold, the proceeds of which are to be held for the redemption of securities, and the par value or with respect to no par stock, the amounts recorded in account 791, "Capital stock issued," relating thereto, of live securities issued or assumed by the accounting company and held in such funds. A separate account shall be kept for each fund. The title of each such account shall designate the obligation in support of which the fund is created.

NOTE: In stating the balance sheet in the annual reports to the Commission the total amount of the funds and the par value or with respect to no par stock, the amounts recorded in account 791, "Capital stock issued," relating thereto, of securities issued or assumed by the accounting company and held in the funds shall be shown in the short columns, and the net amount of the funds (total amount less securities issued or assumed) shall be shown in the long column.

716 Capital and other reserve funds.

(a) This account shall include cash and the ledger value of other assets held by trustees or by the accounting company's treasurer when segregated in distinct funds that have been (1) realized from the sale of equipment obligations or other long-term obligations and not yet applied toward the specific purposes for which the obligations were incurred, and (2) set aside in accordance with governmental, mortgage, or contractual requirements in connection with reorganizations or otherwise. This account shall also include funds deposited with trustees to be held until mortgaged property sold is replaced.

(b) An appropriate record shall be maintained for securities issued or assumed by the accounting company and held in the funds, identifying those that are nominally issued or nominally outstanding.

NOTE A: Funds specifically set aside for sinking fund purposes shall be included in account 715, "Sinking funds." If one purpose of a capital fund is to provide contributions to a sinking fund under specified conditions, the entire amount of the fund shall be included in this account until the contributions to the sinking fund are made, at which time the amounts thereof shall be transferred to account 715.

NOTE B: The ledger value of assets of the character indicated in paragraph (a)(2) of this section, shall be transferred to the appropriate current asset account when the assets are definitely assigned in advance of expenditure to the payment of interest or other current liabilities payable within one year.

NOTE C: Bank deposits subject to current withdrawal for specific purposes only, shall be included in account 703, "Special deposits." Deposits available for general company purposes shall be included in account 701, "Cash."

717 Insurance and other funds.

This account shall include the amount of cash and the ledger value of securities of other companies and other assets which are in the hands of trustees or managers of insurance, employees' pension, savings, relief, hospital, and other funds which have been raised and specifically set aside or invested for specific purposes not provided for elsewhere; also the par value or with respect to no par stock, the amounts recorded in account 791, "Capital stock issued," relating thereto, of securities issued or assumed by the accounting company and held in such funds. A separate account shall be kept for each fund.

NOTE A: Sinking funds and capital and other reserve funds are provided for in accounts 715 and 716, respectively.

NOTE B: In stating the balance sheet in the annual reports to the Commission the total amount of the funds and the par value or with respect to no par stock, the amounts recorded in account 791, "Capital stock issued," relating thereto, of securities issued or assumed by the accounting company and held in the funds shall be shown in the short columns, and the net amount of funds (total amount less securities issued or assumed) shall be shown in the long column.

NOTE C: This account shall not include funds held by the accounting company solely as trustee and in which it has no beneficial interest.

NOTE D: Bank deposits subject to current withdrawal for specific purposes only, shall be included in account 703, "Special deposits." Deposits available for general company purposes shall be included in account 701, "Cash."

721 Investments in affiliated companies.

This account shall include the ledger value of the accounting company's investment in securities issued or assumed by affiliated companies other than securities held in special deposits or special funds, and also investment advances made to affiliated companies.

This account shall be maintained in such manner as to show each of the following classes of investment in each affiliated company:

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

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

NOTE A: Accounts with affiliated companies which are subject to current settlement, if their collection is reasonably assured, shall be classed as current assets, but if settlement is deferred beyond one year such items shall be transferred to account 741, "Other assets."

NOTE B: The term "affiliated companies" include:

1. Controlled companies, including companies solely controlled by the accounting company, and also companies jointly controlled by the accounting company and others under a joint arrangement.

2. Controlling companies, including both companies solely controlling the accounting company, and companies which jointly control the accounting company under a joint arrangement.

3. Companies controlled by controlled companies.

4. Companies controlled by controlling companies.

By "control" is meant the ability to determine the action of a corporation. For the purposes of this account, the following are to be considered forms of control:

(a) Right through title to securities issued or assumed to exercise the major part of the voting power in the controlled corporation.

(b) Right through agreement of some character or through some source other than title to securities, to name the majority of the board of directors, managers, or trustees of the controlled corporation.

(c) Right to foreclose a first lien upon all or a major part in value of the tangible property of the controlled corporation.

(d) Right to secure control in consequence of advances made for construction of the operating property of the controlled corporation.

(e) Right to control only in a specific respect the action of the controlled corporation.

A leasehold interest in the property of a corporation is not to be classed as a form of control over the lessor corporation.

"Sole control" is that which rests in one corporation.

"Joint control" is that which rests in two or more corporations and which is held under a joint arrangement.

NOTE C: The value of securities "borrowed" by the accounting company and pledged shall not be included in this account.

NOTE D: The value of securities pledged for purposes other than that of security for funded debt or short-term loans shall be included in accounts 715, "Sinking funds," 716, "Capital and other reserve funds," or 717, "Insurance and other funds," as may be appropriate.

722 Other investments.

This account shall include the ledger value of the accounting company's investment in securities issued or assumed by nonaffiliated companies other than securities held in special deposits or special funds; also investment advances made to nonaffiliated companies and to individuals.

This account shall be maintained in such manner as to show each of the following classes of investment in each nonaffiliated company:

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

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

NOTE A: Accounts with nonaffiliated companies which are subject to current settlement, if their collection is reasonably assured, shall be classed as current assets, but if settlement is deferred beyond one year such items shall be transferred to account 741, "Other assets."

NOTE B: The term "nonaffiliated companies" includes all companies other than those defined as "affiliated" in Note B of account 721, "Investment in affiliated companies."

NOTE C: The value of securities borrowed by the accounting company and pledged shall not be included in this account.

NOTE D: The value of securities pledged for purposes other than that of security for funded debt or short-term loans shall be included in accounts 715, "Sinking funds," 716, "Capital and other reserve funds," or 717, "Insurance and other funds," as may be appropriate.

723 Reserve for adjustment of investment in securities—Cr.

(a) This account shall include the total of the balances in such reserves as are maintained by the accounting company for the purpose of providing for reductions in the value of securities owned and recorded in accounts 721, "Investments in affiliated companies", or 722, "Other investments". Corresponding charges shall be made to account 551, "Miscellaneous income charges", or account 570, "Extraordinary items", as appropriate.

(b) If reserves are maintained in provision for anticipated losses in specific securities, when the related assets are written down or written off, or are sold or otherwise disposed of at a loss, the reduction in the book value or the losses sustained shall be charged to this account to the extent of the credit balance in the account applicable to the particular securities involved, and the remainder, if any, shall be charged to account 551, "Miscellaneous income charges", or to account 570, "Extraordinary items", as appropriate. In case a general reserve for losses in unspecified security values is maintained, all such losses resulting from write-downs, write-offs, etc., shall be charged to this account to the extent of the total credit balance in the account, and the remainder, if any, shall be charged to account 551, "Miscellaneous income charges", or to account 570, "Extraordinary items", as appropriate.

731 Cars or protective service property.

This account, except in connection with the acquisition of property as provided for in account 733, "Acquisition adjustment," shall include the accounting company's investment in property (including that held under contract for purchase), used or held for use in connection with furnishing cars or protective service against heat or cold to or on behalf of any carrier by railroad or express company in existence at the date of the balance sheet.

When property is retired from service this account shall be credited with the ledger value of the property retired.

NOTE A: This amount shall not include any items representing titles to securities.

NOTE B: When any equipment is acquired under an agreement which provides that the cost shall be paid in installments, the cost (its money value at time of purchase) shall be charged to the appropriate property and equipment accounts at the time the equipment is delivered to the company and included in this account in the same manner as the cost of equipment purchased outright. When the par value of notes or other securities issued in payment, or in part payment, for such equipment is more (or less) than the actual cash value of the equipment at the time of the purchase, or of the proportion to which the securities are applicable, the difference between the par value of the securities and the actual cash value of the equipment, or of the proportion paid for by the securities, shall be charged (or credited) to the proper discount and premium accounts.

NOTE C: Held for use, as referred to above, implies the ability of the company to substantiate by plans or policy its characterization of the probable future use which is to be made of the property within a reasonable period of time.

733 Acquisition adjustment.

This account shall be charged with the cost of the property of another company acquired as an operating entity or system by purchase, merger, consolidation, reorganization, receivership sale or transfer, or otherwise. If the consideration or a part thereof given for the property acquired consists of securities issued by the accounting company, the cash value thereof for the purpose of determining the cost to be charged to this account shall be the sum of the par value of securities having par values and the stated or assigned values of no par securities. Where the consideration given for the property acquired is other than cash or securities issued by the accounting company, such consideration shall be valued on a current cash basis.

The accounting for assets acquired and liabilities assumed shall then be as follows:

(a) Assets acquired, except property includible in accounts 731, "Cars or protective service property," or 737, "Miscellaneous physical property," and liabilities assumed shall be recorded in their appropriate accounts in the manner provided for in classification of general balance sheet accounts.

(b) The cost to the predecessor company (estimated if not known) shall be included in accounts 731, "Cars or protective service property," and 737, "Miscellaneous physical property," as may be appropriate.

(c) Balances in accounts 736, "Amortization of defense projects—Cars or protective service property," 735, "Accrued depreciation—Cars or protective service property," and 738 "Accrued depreciation—Miscellaneous physical property," carried on the books of the predecessor company or companies at date of acquisition shall be recorded in those accounts on the books of the accounting company.

(d) This account shall concurrently be debited or credited, as appropriate, to offset asset and liability items recorded in accordance with paragraphs (a) to (c) of this section.

(e) To the extent that a credit balance is available in this account, if so authorized upon application to the Commission, retirement of nondepreciable property in existence at the date of acquisition which is not replaced may be charged hereto if the loss is not assignable to operations subsequent to date of acquisition. Other charges to this account may be made on specific approval by the Commission.

735 Accrued depreciation—Cars or protective service property.

(a) This account shall be credited with amounts concurrently charged to operating expenses or other accounts to cover the loss in service value of cars and depreciable protective service property.

(b) The service value of each unit of property retired and also of each minor item (less than a unit) retired and not replaced for which depreciation reserve has been established shall be charged to this account where the group plan of accounting for depreciation is used, and with the amount included in this account with respect to the property retired where the unit plan is used.

(c) For balance sheet purposes, this account shall be treated as a single composite reserve for property. However, for purposes of analysis, the accounting company shall maintain subsidiary records in which this reserve is broken down into components corresponding to the primary accounts for depreciable property. These subsidiary records shall show the current debits and credits to this reserve by primary accounts.

736 Amortization of defense projects—Cars or protective service property.

This account shall include the amounts of accumulated past provisions for amortization of cars or protective service property, the cost of which is included in account 731, "Cars or protective service property." This account shall be charged with the credit balance herein applicable to specific property at the time the property is retired.

737 Miscellaneous physical property.

This account shall include the accounting company's investment in physical property other than property assignable to account 731, "Cars or protective service property."

738 Accrued depreciation—Miscellaneous physical property.

This account shall be credited with amounts charged to income or other accounts to cover the depreciation of property the cost of which is included in account 737, "Miscellaneous physical property."

When any miscellaneous physical property is destroyed, sold, or otherwise retired from service, the amount included in this account with respect to the property retired shall be charged hereto.

741 Other assets.

This account shall include the estimated value of salvage recoverable from property retired when the recovery of the salvage is deferred for any reason; items of a current character but of doubtful value; other deferred assets; and assets not otherwise provided for in general balance sheet accounts.

742 Unamortized discount on long-term debt.

This account shall include the total of the net debit balances in the discount, expense, and premium accounts for the several subclasses of funded debt.

743 Other deferred charges.

This account shall include the amount of debit balances in suspense accounts that cannot be cleared and disposed of until additional information is received; debit balances in clearing accounts, such as "Ice plant operations," "Production cost of ice;" unextinguished discount on short-term notes; unadjusted debit items not otherwise provided for and similar items the proper disposition of which is uncertain.

CREDIT

751 Loans and notes payable.

This account shall include the balances representing obligations outstanding in the form of loans and notes payable or other similar evidences (except interest coupons) of indebtedness payable on demand or within a time not exceeding one year from date of issue.

This account shall be kept in such form so as to show separately the amounts of notes payable within one year from date of issue that are secured by collateral.

NOTE: This account shall not include obligations which mature more than one year after date of issue, or demand or short-term notes issued to affiliated companies and includible in account 769 "Amounts payable to affiliated companies."

753 Audited accounts and wages payable.

This account shall include the amount of audited vouchers or accounts and audited payrolls unpaid on the date of the balance sheet. It shall include balances representing unclaimed wages and outstanding pay and time or discharge checks issued in payment of wages and all other unpaid vouchered items.

NOTE: The amount of checks and drafts, which have been transmitted to payees and which remain unpaid at the close of the accounting period, shall be credited to account 701, "Cash."

754 Miscellaneous accounts payable.

This account shall include outstanding drafts drawn on the company by officers, agents and other employees, taxes collected from employees and others for the account of taxing agencies, and other items of the nature of demand liabilities not covered by accounts 751, 753, 755 and 756.

NOTE A: The amount to be reported under this account is not the net balance between this account and account 707, "Miscellaneous accounts receivable."

NOTE B: The amount of checks and drafts, which have been transmitted to payees and which remain unpaid at the close of accounting period, shall be credited to account 701, "Cash." When the amount of such checks and drafts cannot be determined with absolute accuracy an estimate of the amount shall be used.

755 Interest matured unpaid.

This account shall include the amount of matured and unpaid interest on funded debt, and other obligations of the accounting company for which provision has been made for current settlement.

Interest which matures on the first day following that for which the balance sheet is made shall be included in this account.

NOTE: Interest matured unpaid on nonnegotiable debt to affiliated companies, if not subject to current settlement, shall be included in account 769, "Amounts payable to affiliated companies."

756 Dividends matured unpaid.

This account shall include the amount of dividends payable on capital stock but unpaid, uncalled for, or unclaimed at the date of the balance sheet.

Dividends which become payable on the first day following that for which the balance sheet is made shall be included in this account.

757 Unmatured interest accrued.

This account shall include the amount of interest subject to current settlement accrued to the date the balance sheet is made, but not payable until after the first day following that date, on funded securities or obligations, debt in default, receivers' and trustees' securities, amounts payable to affiliated companies, notes payable and other indebtedness issued or assumed by the accounting company.

NOTE A: Interest accrued which is not paid when it matures shall be included in account 781, "Interest in default," unless provision has been made for current settlement. Where interest is in default, subsequent accruals shall be credited direct to account 781, "Interest in default."

NOTE B: Interest accrued on amounts recorded in account 769, "Amounts payable to affiliated companies," and not subject to current settlement, shall be included in that account.

758 Unmatured dividends declared.

This account shall include dividends declared on capital stock, but not payable until after the first day following the date of the balance sheet.

759 Accrued accounts payable.

This account shall include estimates of all unaudited items payable by the company to the date of the balance sheet, including those which are chargeable to revenue, expense, or income accounts in accordance with the instruction relating to unaudited items.

Examples of items to be included:

Rents payable under leases due subsequent to the date of the balance sheet which are not includible in account 754, "Miscellaneous accounts payable."

Amounts payable to others for use of facilities, including equipment, for which bills have not been rendered.

Amounts payable to others for services for which bills have not been rendered.

Estimated amounts payable within one year covering liability for claims for injuries to persons, loss and damage, and similar items.

760 Federal income taxes accrued.

This account shall be credited with the estimated liability for Federal income taxes which has been concurrently charged to the appropriate income or other accounts.

761 Other taxes accrued.

This account shall be credited with the accruals of all taxes, other than Federal income taxes, which have been concurrently charged to the appropriate income or other accounts for taxes. Such accruals may be based upon estimates, provided such estimates shall be adjusted so as to reflect in this account at all times the car line's estimate of its unpaid liability for each of the several classes of taxes which have not been finally settled.

Vouchers for the current payment of taxes, including taxes for which accruals have not been made previously, shall be charged to this account. Taxes paid in advance shall also be charged to this account.

The records supporting the entries in this account shall be kept to show separately by classes of taxes the amount of the tax accruals for the current year and adjustments of accruals for prior years.

763 Other current liabilities.

There shall be included in this account the principal amount of unpresented bonds drawn for redemption through the operation of sinking and redemption fund agreements, also the principal amount of unpresented funded debt obligations, and receivers' and trustees' securities which have matured (for which provision has been made for current settlement), and other current liabilities not covered by accounts 751 to 761, inclusive.

764 Equipment obligations and other debt due within one year.

This account shall include the total amount of bonds, equipment obligations and other long-term debt obligations, including obligations maturing serially or payable in installments, which are due and payable within one year, and amounts required to be expended within one year under sinking fund provisions. This account shall be subdivided according to the different classes of debt so maturing.

765 Funded debt unmatured.

This account shall include the total par value of unmatured debt (other than equipment obligations), maturing more than one year from the close of the accounting period, whether the securities were issued by the accounting company or the payment was assumed by the accounting company after being issued as the debt of other companies. (See account 764, "Equipment obligations and other debt due within one year.")

The amounts included in this account shall be divided so as to show the par value of (1) certificates or other evidences of funded debt (pledged and unpledged) held in the company's treasury, by its agents or trustees, or otherwise subject to its control, including both those reacquired after actual issue and those nominally but never actually issued; and (2) certificates or other evidences of funded debt issued and actually outstanding, being those not held by the company, its agents or trustees, or subject to its control.

The amounts included herein shall be further divided so as to show the amount of each class of funded debt, as follows:

(a) *Mortgage bonds.* Bonds secured by lien on physical property and not includible in the other subdivisions of this account.

(b) *Collateral trust bonds.* Bonds and notes secured by a lien on securities or other negotiable paper; and stock trust certificates that are similar in character to collateral trust bonds.

(c) *Income bonds.* Bonds which are a lien on a car line's revenue alone, or bonds which, while being a lien on its property, can claim payment of interest only in case interest is earned.

(d) *Miscellaneous obligations.* All funded obligations not provided for by the other subdivisions of this account, also notes, unsecured certificates of indebtedness, debenture bonds, plain bonds, real estate mortgages executed or assumed and other similar obligations maturing more than one year from date of issue, but excluding liabilities for assessments for public improvements and those evidenced by conditional or deferred equipment purchase contracts for which provision is made in account 782, "Other liabilities," and account 766, "Equipment obligations," respectively.

(e) *Receipts outstanding for funded debt.* Receipts for payments on account of funded debt. When certificates are issued for amounts so paid, the par value shall be included in the account covering the class of funded debt for which the certificates are issued.

Each of the above classes shall also be divided into subclasses according to differences in mortgage or other lien or security therefor, rate of interest, interest dates, or date of maturity. Parts of any issue agreeing in other characteristics but maturing serially may be treated as of the same subclass.

NOTE A: Securities (other than equipment obligations) maturing one year or less from date of issue shall be included in accounts 769, "Amounts payable to affiliated companies," or 751, "Loans and notes payable," except that where an issue of securities maturing serially over a period of years contains short-term obligations such obligations may be included as funded debt. Matured funded debt shall be included in account 761, "Other current liabilities," if provision has been made for current settlement. If no provision has been made for current settlement, matured funded debt shall be included in account 768, "Debt in default," except that when the collection of matured funded debt of affiliated companies is not enforced by controlling companies, the principal amount (to the extent held by a controlling company) shall be included in account 769, "Amounts payable to affiliated companies."

NOTE B: Nonnegotiable notes having a maturity of more than one year after date of issue, held by affiliated companies, shall be included in account 769, "Amounts payable to affiliated companies."

NOTE C: Securities nominally issued or reacquired and held in the company's treasury, except securities held by trustees in sinking or other funds, shall be included in a subdivision of this account. In the general balance-sheet statement the total unmatured funded debt included in the account shall be shown in the first short column. The amount nominally but not actually issued and the amount nominally outstanding shall be shown in the second short column, and in the long column shall be shown the amount actually outstanding.

766 Equipment obligations.

This account shall include the par value of equipment securities and the principal amount of contractual obligations for the purchase of equipment, excluding principal of obligations maturing serially or payable in installments within one year from the close of the accounting period. (See account 764, "Equipment obligations and other debt due within one year.")

The amounts included herein shall be divided as follows:

(a) Principal amount of equipment securities including those maturing serially, issued or assumed by the accounting company or by receivers and trustees.

(b) Principal sums of obligations for equipment purchased under conditional or deferred payment contracts.

767 Receivers' and trustees' securities.

When receivers or trustees acting under the orders of a court are in possession of the property of the company, and under the order of such court issue or assume evidences of indebtedness (other than equipment securities or obligations) the par value of such evidences shall be credited to this account.

NOTE: The par value of equipment securities or the principal amount of obligations incurred for the purchase of equipment under conditional or deferred payment contracts shall be included in account 766, "Equipment obligations."

768 Debt in default.

This account shall include amounts transferred from other accounts representing matured funded securities or obligations, receivers' and trustees' securities, equipment obligations and short-term notes, when maturity dates of such obligations have not been extended.

NOTE A: The principal amount of matured funded debt of affiliated companies, the collection of which is not enforced by the controlling company shall (to the extent of the principal amount held by the controlling company) be included in account 769, "Amount payable to affiliated companies."

NOTE B: The principal amount of unpresented funded debt obligations which have matured, and for which provision has been

made for payment shall be included in account 763, "Other current liabilities."

769 Amounts payable to affiliated companies.

This account shall include the par value of nonnegotiable notes issued to affiliated companies, matured funded debt of affiliated companies held by controlling companies where there is no agreement of an extension as to time of payment and collection of the principal is not enforced, credit balances in open accounts with such companies other than credit balances in current accounts classable as current liabilities, and interest accrued on notes, matured funded debt of affiliated companies and open accounts included in this account, when such interest is not subject to current settlements.

This account shall be divided:

(a) Notes, including herein not only nonnegotiable notes that run longer than a term of one year, but also such notes payable on demand or within one year from the date of issue when it is mutually agreed that the notes shall not be enforced as current assets by the holder.

(b) Par value of matured funded debt of affiliated companies held by controlling companies where there is no agreement for an extension of time and collection is not enforced.

(c) Open accounts not subject to current settlement.

(d) Interest accrued on amounts included in this account when not subject to current settlements.

NOTE A: Accounts with affiliated companies which are subject to current settlements, such as charges for material and supplies currently furnished, charges for repairs to equipment, etc., shall be classed as current assets or current liabilities, as may be appropriate.

NOTE B: No item shall be included in this account which is not known to be the property of an affiliated company.

NOTE C: The term "affiliated companies" includes:

1. Controlled companies, including companies solely controlled by the accounting company, and also companies jointly controlled by the accounting company and others under a joint arrangement.
2. Controlling companies, including both companies solely controlling the accounting company, and companies which jointly control the accounting company under a joint arrangement.
3. Companies controlled by controlled companies.
4. Companies controlled by controlling companies.

By "control" is meant the ability to determine the action of a corporation. For the purposes of this account, the following are to be considered forms of control:

(a) Right through title to securities issued or assumed to exercise the major part of the voting power in the controlled corporation.

(b) Right through agreement of some character or through some source other than title to securities, to name the majority of the board of directors, managers, or trustees of the controlled corporation.

(c) Right to foreclose a first lien upon all or a major part in value of the tangible property of the controlled corporation.

(d) Right to secure control in consequence of advances made for construction of the operating property of the controlled corporation.

(e) Right to control only in a specific respect the action of the controlled corporation.

A leasehold interest in the property of a corporation is not to be classed as a form of control over the lessor corporation.

"Sole control" is that which rests in one corporation.

"Joint control" is that which rests in two or more corporations and which is held under a joint arrangement.

771 Pension and welfare reserves.

This account shall include the credit balances representing the liability of the company for amounts provided by charges to operating expenses, including amounts contributed by employees, irrespective of whether carried in special funds or in the general funds of the car line, for pensions, accident and death benefits, savings, relief, hospital, or other provident purposes.

Separate subaccounts shall be kept for each kind of reserve created, and the appropriate reserve shall be charged when payments are made to retired employees, or disbursements are made for the purposes for which the reserves were created.

772 Insurance reserves.

This account shall include the net credit balance in the accounts to which are credited insurance premiums concurrently charged to operating expenses to cover self-carried risks on fire, fidelity, boiler, casualty, burglar, and other insurance, and to which are charged losses sustained on items protected by such insurance.

773 Equalization reserves.

This account shall include ledger balances representing reserves created by charges to operating expenses for maintenance of equipment under a program designed to equalize such expenses by months within a calendar year. The debit or credit balances in this account shall be closed at the end of each calendar year to the accounts through which they were created.

774 Casualty and other reserves.

This account shall include reserves created by charges to operating expenses to provide for estimated liability for injuries to persons and loss and damage claims, and reserves not otherwise provided for in balance sheet accounts.

In order that the probable liability for casualties may be shown currently, there shall be included in the appropriate casualty accounts estimates of such liabilities with concurrent credits to this account. Credits for this purpose shall not be made in excess of a reasonable provision against such losses. When the liability is admitted, either voluntarily or because of the decision of a court or other lawful authority such as workmen's compensation board, the admitted liability shall be charged to the reserve and credited to the appropriate liability account, with appropriate adjustments of the reserve.

NOTE: Estimates of amounts payable within one year covering liability for claims for injuries to persons, loss and damage, and similar items, shall be transferred from this account to account 759, "Accrued accounts payable."

781 Interest in default.

This account shall include the amount of matured and unpaid interest (for which no provision has been made for current settlement) on all indebtedness issued or assumed by the accounting company except interest which is added to the principal of the debt on which incurred. Where interest is in default, subsequent accruals shall be credited direct to this account.

782 Other liabilities.

This account shall include assessments for public improvements payable over a period longer than one year; retained percentages due contractors to be paid upon completion of contracts; other deferred liabilities; and liabilities not otherwise provided for in general balance sheet accounts.

NOTE: The amount of assessments for public improvements, if payments are to be made within one year, shall be included in account 763, "Other current liabilities."

783 Unamortized premium on long-term debt.

This account shall include the total of the net credit balances in the discount, expense, and premium accounts for the several subclasses of funded debt.

784 Other deferred credits.

This account shall include the amount of credit balances in suspense accounts that cannot be entirely cleared and disposed of until additional information is received, such as credit balances in clearing accounts, "Ice plant operations," "Production cost of ice," unadjusted credit items not otherwise provided for; and similar items, the proper disposition of which is uncertain.

791 Capital stock issued.

This account shall include the total par value of par value stock, and the total amount paid in for stock without par value, for all shares of capital stock or other form of proprietary interest in the accounting company which have been issued to bona fide purchasers and have not been reacquired and canceled, also shares of stock nominally issued, and reacquired shares which have not been canceled.

Appropriations of retained income which have been transferred to no par stock account shall also be included. The amount of the consideration received from the sale of par value stock in excess of the amount credited to this account shall be credited to account 794, "Premiums and assessments on capital stock."

When capital stock is retired or canceled, this account shall be charged with the amount at which such stock is carried in this account. In the case of no par stock the amount to be charged hereto shall be the proportion, applicable to the reacquired shares immedi-

ately prior to reacquisition of the total book liability included herein of actually outstanding shares of the particular class and series of stock of which the reacquired shares are a part.

The amounts included in this account shall be recorded so as to show:

(a) Par value of shares of par value stock and amount paid in for shares of no par stock (pledged or unpledged) held in the company's treasury, by its agents or trustees, or otherwise subject to its control, including shares nominally but never actually issued and

(b) Par value of shares of par value stock and amount paid in for shares of no par stock issued and actually outstanding, being the shares not held by the company, its agents or trustees, or subject to its control.

The amounts included herein shall be further divided so as to show the amount of each class of stock issued, separated as between par value and no par value stock, as follows:

(1) *Common stock.* Stocks which have no preference over other issues of stock in distribution of dividends or of assets.

(2) *Preferred stock.* Stocks having preference over other issues of stock in distribution of dividends or of assets.

(3) *Debenture stock.* Stocks issued under a contract to pay a specified return at specified intervals.

(4) *Receipts outstanding for installments paid.* Receipts for payments on account of subscriptions to capital stock.

When the subscriber has paid his subscription in full and is entitled to receive certificates representing the shares for which he has subscribed, the par value of stocks having par value or the agreed purchase price of stock without par value shall be included in the division appropriate for the class for which the certificates are issued.

Each of the above classes shall also be divided into subclasses according to differences in dividend or interest rights, voting rights, or conditions under which the securities may be retired.

NOTE A: When a general levy or assessment is made against the holders of capital stock, requiring the payment of any sum in addition to the consideration agreed upon at the time of sale, the amount collected upon such levy or assessment shall be credited to account 794, "Premiums and assessments on capital stock."

NOTE B: When capital stock having par value is exchanged for capital stock without par value any sums resting in account 794, "Premiums and assessments on capital stock," with respect thereto shall be cleared to account 791, "Capital stock issued," and any amounts resting in the discount account with respect thereto shall be cleared to account 795, "Paid-in surplus"; *Provided, however,* That any excess over the amount of accumulated net gains applicable to the subclass exchanged included in paid-in surplus shall be charged to account 616, "Other debits to retained income."

NOTE C: An appropriate record shall be maintained with respect to shares of capital stock showing the number of shares nominally issued, nominally outstanding, actually issued and actually outstanding.

NOTE D: For the purpose of the balance-sheet statement capital stock is considered to be nominally issued when certificates are signed and sealed and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the accounting company. It is considered to be actually issued when it has been sold to a bona fide purchaser for a valuable consideration, and such purchaser holds it free from all control by the accounting company. All capital stock actually issued and not reacquired and held by or for the accounting company is considered to be actually outstanding. If reacquired by or for the accounting company under such circumstances as required it to be considered as held alive and not canceled or retired, it is considered to be nominally outstanding.

NOTE E: Share of stock nominally issued or reacquired and held in the company's treasury, except shares held by trustees in sinking or other funds, shall be included in a subdivision of this account. In the balance-sheet statement the balance in the subaccount shall be stated in the short column only.

792 Stock liability for conversion.

This account shall include the company's liability under agreements to exchange its capital stock for the outstanding securities of companies whose physical property has been acquired under such agreements, but whose securities have not yet been surrendered for exchange.

793 Discount on capital stock.

This account shall include discount suffered in the issuance and sale of capital stock. Record supporting the entries to this account shall be kept to show the discount suffered, if any, on each subclass of capital stock.

794 Premiums and assessments on capital stock.

This account shall include the excess of the actual cash value (at the time of the sale of the stock) of the consideration received over the amounts recorded in account 791, "Capital stock issued," for par value stock plus accrued dividends, if any, also subsequent assessments against stockholders representing payments required in excess of par or other amounts recorded in account 791, "Capital stock issued," in accordance with the text of that account.

When capital stock is retired and canceled, the amount in this account with respect to the shares of such stock retired and canceled shall be charged hereto.

795 Paid-in surplus.

This account shall include such items as amount of consent dividends on the accounting company's capital stock; surplus arising from donations by the accounting company's stockholders; amounts representing reduction of the par or recorded value of the accounting company's capital stock; amounts of forfeited subscriptions to the accounting company's capital stock; gains from the acquisition, retirement, or resale of reacquired shares of the accounting company's capital stock; and long-term debt of the accounting company forgiven by stockholders.

It shall be charged with amounts included herein when capitalized by stock dividends or otherwise, and losses from retirement or resale of reacquired shares up to an amount not in excess of credits included herein applicable to the reacquired shares; and may be charged with the amortization of discount on capital stock to the extent of credits herein.

796 Other capital surplus.

This account shall include all capital surplus not provided for in account 795, "Paid-in surplus."

797 Retained income—Appropriated.

This account shall include the accumulated amount of retained income which has been appropriated and set aside pursuant to provisions of mortgages, deeds of trust, reorganization plans, or other agreements requiring payments into capital funds, sinking funds, or other funds; and also appropriations for other specific purposes. The account is to be subdivided by classes of appropriations showing the purpose for which each is made.

798 Retained income—Unappropriated.

This account shall include the net balance (debit or credit) of the amounts included in accounts 601 to 623, inclusive.

Any balance representing retained income not segregated at the date of the balance sheet shall be included in a subdivision of this account.

The balance of accounts 601 to 623, inclusive, shall be closed into this account at the end of each calendar year.

799 Form of general balance sheet statement.

The classified form of general balance sheet statement is designed to show the financial condition of the accounting company at any specified date.

ASSETS

CURRENT ASSETS

701 Cash
702 Temporary cash investments
703 Special deposits
704 Loans and notes receivable
705 Mileage accounts receivable
707 Miscellaneous accounts receivable
708 Interest and dividends receivable
709 Accrued accounts receivable
710 Working fund advances
711 Prepayments

ASSETS—Continued

CURRENT ASSETS—Continued

712	Material and supplies	
713	Other current assets	
	Total current assets	

SPECIAL FUNDS

715	Sinking funds	
716	Capital and other reserve funds	
717	Insurance and other funds	
	Total special funds	

INVESTMENTS

721	Investments in affiliated companies	
722	Other investments	
723	Reserve for adjustment of investment in securities—Cr.	
	Total investments	

PROPERTIES

731	Cars or protective service property	
733	Acquisition adjustment	
	Total cars or protective service property	
735	Accrued depreciation—Cars or protective service property	
736	Amortization of defense projects—Cars or protective service property	
	Total cars or protective service property less recorded depreciation and amortization	
737	Miscellaneous physical property	
738	Accrued depreciation—Miscellaneous physical property	
	Miscellaneous physical property less recorded depreciation	
	Total properties less recorded depreciation and amortization	

OTHER ASSETS AND DEFERRED CHARGES

741	Other assets	
742	Unamortized discount on long-term debt	
743	Other deferred charges	
	Total other assets and deferred charges	
	Total Assets	

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

751	Loans and notes payable	
753	Audited accounts and wages payable	
754	Miscellaneous accounts payable	
755	Interest matured unpaid	
756	Dividends matured unpaid	
757	Unmatured interest accrued	
758	Unmatured dividends declared	
759	Accrued accounts payable	
760	Federal income taxes accrued	
761	Other taxes accrued	
763	Other current liabilities	
	Total current liabilities (exclusive of long-term debt due within 1 year)	

LIABILITIES AND SHAREHOLDERS' EQUITY—Continued

LONG-TERM DEBT DUE WITHIN ONE YEAR

		Total issued	Held by or for respondent
764	Equipment obligations and other debt		

LONG-TERM DEBT DUE AFTER ONE YEAR

765	Funded debt unmatured	
766	Equipment obligations	
767	Receivers' and trustees' securities	
768	Debt in default	
769	Amounts payable to affiliated companies	
	Total long-term debt due after one year	

RESERVES

771	Pension and welfare reserves	
772	Insurance reserves	
773	Equalization reserves	
774	Casualty and other reserves	
	Total reserves	

OTHER LIABILITIES AND DEFERRED CREDITS

781	Interest in default	
782	Other liabilities	
783	Unamortized premium on long-term debt	
784	Other deferred credits	
	Total other liabilities and deferred credits	

SHAREHOLDERS' EQUITY

		Total issued	Held by or for company
	Capital stock (par or stated value):		
791	Capital stock issued		
792	Stock liability for conversion		
793	Discount on capital stock		
	Total capital stock		
	Capital surplus:		
794	Premiums and assessments on capital stock		
795	Paid-in surplus		
796	Other capital surplus		
	Total capital surplus		
	Retained income:		
797	Retained income—Appropriated		
798	Retained income—Unappropriated		
	Total retained income		
	Total shareholders' equity		
	Total Liabilities and Shareholders' Equity		

PART 1206—COMMON AND CONTRACT MOTOR CARRIERS OF PASSENGERS

INTRODUCTION

0-1 General.

DEFINITIONS

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1-3 Actually outstanding.
1-4 Addition.
1-5 Amortization.
1-6 Associated companies and control.
1-7 Betterment.
1-8 Book cost.
1-9 Carrier or motor carrier.
1-10 Carrier operating property.
1-11 Company.
1-12 Commission or the Commission.
1-13 Contingent assets.
1-14 Contingent liabilities.
1-15 Cost.
1-16 Cost of removal.
1-17 Current assets.
1-18 Current liabilities.
1-19 Date of retirement.
1-20 Debt expense.
1-21 Delayed items.
1-22 Depreciation.
1-23 Discount.
1-24 Distinct operating unit.
1-25 Joint facility.
1-26 Long-term obligations.
1-27 Mileage method.
1-28 Minor items.
1-29 Net book cost.
1-30 Net salvage value.
1-31 Nominally issued.
1-32 Premium.
1-33 Property retired.
1-34 Replacing or replacement.
1-35 Salvage value.
1-36 Service life.
1-37 Service value.
1-38 Straight-line method.
1-39 Unit of property.
1-40 Used.

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2-12 Discount; expense and premium on capital stock.
2-13 Discount; expense and premium on long-term obligations.
2-14 Company securities owned.
2-15 Book cost of securities owned.
2-16 Clearing accounts; purpose.
2-17 Deduction of reserves.
2-18 Contingent assets and liabilities.
2-19 Operating property to be recorded at cost.
2-20 Instruction 20, acquisition of a distinct operating unit.
2-21 Operating property retired.
2-22 Leased property; expenditures.
2-23 Transfer of property.
2-24 Common property.
2-25 Depreciation accounting.
2-26 Cost of repairs.
2-27 Insurance.
2-28 Distribution of pay and expenses of employees.
2-29 Joint expenses.
2-30 Rent and lease of carrier property.
2-31 Amortization of intangibles.

BALANCE SHEET ACCOUNTS

ASSET SIDE

Current Assets

1000 Cash.
1020 Working funds.
1040 Special deposits.
1041 Interest, special deposits.
1042 Dividend, special deposits.
1043 Miscellaneous, special deposits.
1060 Temporary cash investments.
1080 Notes receivable.
1100 Receivables from associated companies.
1120 Accounts receivable.
1140 Subscribers to capital stock.
1160 Interest and dividends receivable.
1180 Material and supplies.
1190 Other current assets.

Tangible Property

1200 Carrier operating property.
1201 Land and land rights.
1211 Structures.
1221 Revenue equipment.
1231 Service cars and equipment.
1241 Shop and garage equipment.
1251 Furniture and office equipment.
1261 Miscellaneous equipment.
1271 Improvements to leasehold property.
1281 Undistributed property.
1291 Unfinished construction.
1300 Carrier operating property leased to others.
1400 Non-carrier operating property.
1450 Non-operating property.

Intangible Property

1500 Organization, franchises and permits.
1501 Organization.
1511 Franchises.
1541 Patents.
1550 Other intangible property.

Investment Securities and Advances

1600 Investments and advances—Associated companies.
1650 Other investments and advances.

Special Funds

1701 Sinking funds.
1751 Depreciation funds.
1781 Miscellaneous special funds.

Deferred Debits

1800 Prepayments.
1880 Unamortized debt discount and expense.
1890 Other deferred debits.

Miscellaneous Debit Items

1900 Discount on capital stock.
1910 Commission and expense on capital stock.
1920 Reacquired securities.
1990 Nominally issued securities.

LIABILITY SIDE

Current Liabilities

2000 Notes payable.
2020 Matured equipment and long-term obligations.
2030 Payables to associated companies.
2050 Accounts payable.
2070 Wages payable.
2080 Unredeemed tickets.
2090 C. o. d.'s unremitted.
2100 Dividends declared.
2120 Taxes accrued.
2150 Interest accrued.
2160 Matured interest.
2180 Other current liabilities.

Long-Term Debt Due Within One Year

2190 Equipment obligations and other debt due within one year.

Advances Payable

2200 Advances payable—Associated companies.
2250 Other advances payable.

Equipment and Other Long-Term Obligations

2300 Equipment obligations.
2330 Bonds.
2360 Other long-term obligations.

Deferred Credits

2400 Unamortized premium on debt.
2450 Other deferred credits.

Reserves

2500 Reserve for depreciation—Carrier operating property.
2600 Reserve for amortization. Carrier operating property.
2610 Reserve for depreciation and amortization—Other property.
2650 Reserve for uncollectible accounts.
2660 Insurance reserves.
2680 Injuries, loss and damage reserves.
2690 Other reserves.

Capital Stock

2700 Preferred capital stock.
2710 Common capital stock.
2720 Premiums and assessments on capital stock.
2730 Capital stock subscribed.

Non-Corporate Capital

2800 Sole proprietorship capital.
2810 Partnership capital.

Unappropriated Surplus

2900 Unearned surplus.
2930 Earned surplus.
2932 Credit balance transferred from income account.
2933 Other credits to surplus.
2942 Debit balance transferred from income account.
2943 Dividend appropriations.
2944 Appropriations to reserves.
2945 Other appropriations.
2946 Other debits to surplus.
2999 Form of balance sheet statement.

INCOME ACCOUNTS

ORDINARY ITEMS

Operating Revenues

3000 Operating revenues.
3200 Passenger revenue.
3210 Special bus revenue.
3220 Baggage revenue.
3300 Mail revenue.
3400 Express revenue.
3500 Newspaper revenue.
3600 Miscellaneous station revenue.
3900 Other operating revenue.

Operation and Maintenance Expenses

4000 Operation and maintenance expenses.
4100 Equipment maintenance and garage expenses.
4110 Supervision of shop and garage.
4121 Repairs to shop and garage equipment.
4122 Operation and maintenance of service equipment.
4128 Repairs to shop and garage buildings and grounds.
4131 Light, heat, power and water for shops and garages.
4132 Other shops and garage expenses.
4140 Repairs to revenue equipment.
4150 Servicing of revenue equipment.
4160 Tires and tubes—Revenue equipment.
4191 Joint garage expenses—Debit.
4196 Joint garage expense—Credit.
4200 Transportation expense.
4210 Supervision of transportation.
4220 Drivers' wages and bonuses.
4230 Fuel for revenue equipment.
4240 Oil for revenue equipment.

4250 Purchased transportation.
4261 Road expense.
4262 Bridge, tunnel and ferry tolls.
4263 Wages of miscellaneous transportation employees.
4264 Other transportation expenses.
4300 Station expense.
4311 Salaries and commissions.
4314 Supplies and expenses.
4319 Repairs to station buildings and equipment.
4331 Commissions paid.
4332 Other expenses allowed.
4340 Interline commissions paid.
4350 Interline commissions earned—Credit.
4360 Collection and delivery.
4370 Purchased collection and delivery.
4391 Joint station facilities—Debit.
4396 Joint station facilities—Credit.
4400 Traffic, solicitation and advertising expense.
4410 Salaries and expenses.
4430 Tariffs and schedules.
4440 Tickets and baggage checks.
4450 Other traffic expenses.
4470 Advertising.
4500 Insurance and safety expense.
4510 Salaries and expenses—Insurance and safety.
4520 Public liability and property damage insurance.
4530 Injuries and damages.
4541 Workmen's compensation—Insurance.
4546 Workmen's compensation—Self insurer.
4550 Baggage and express insurance.
4560 Baggage and express loss and damage.
4570 Fire and theft insurance.
4580 Other insurance.
4600 Administrative and general expense.
4611 Salaries of general officers.
4612 Expenses of general officers.
4613 Salaries of general office employees.
4616 Expenses of general office employees.
4620 Law expenses.
4630 General office supplies and expenses.
4640 Communication service.
4651 Outside auditing expenses.
4652 Employees' welfare expenses.
4655 Purchasing and store expenses.
4656 Other general expenses.
4660 Management and supervision fees and expenses.
4671 Franchise requirements—Debit.
4672 Franchise requirements—Credit.
4673 Other regulatory commission expenses.
4680 Uncollectible revenues.
4691 Joint operating expense—Debit.
4696 Joint operating expense—Credit.

Depreciation Expense

5000 Depreciation expense.

Amortization Expense

5100 Amortization of carrier operating property.

Taxes and licenses

5200 Operating taxes and licenses.
5210 Gasoline, other fuel and oil taxes.
5220 Vehicle license and registration fees.
5230 Real estate and personal property taxes.
5240 Social security taxes.
5250 Other taxes.

Operating Rents

5300 Operating rents—Net.
5310 Equipment rents—Debit.
5320 Other operating rents—Debit.
5340 Joint facility rents—Debit.
5350 Equipment rents—Credit.
5360 Rent from owned land and structures.
5370 Sublease rental income.
5390 Joint facility rents—Credit.

Lease of Carrier Property

5400 Rent for lease of carrier property—Debit.
5500 Income from lease of carrier property—Credit.

Other Income

6000 Net income from non-carrier operations.
6100 Net income from non-operating property.
6200 Interest income.
6300 Dividend income.
6400 Income from sinking and other funds.
6500 Other non-operating income.

Income Deductions

7000 Interest on long-term obligations.
7100 Other interest deductions.
7200 Taxes assumed on interest.
7300 Amortization of debt discount and expense.
7400 Amortization of premium on debt—Credit.
7500 Other deductions.

Income Taxes

8000 Income taxes on ordinary income.

EXTRAORDINARY AND PRIOR PERIOD ITEMS

9010 Extraordinary items (net).
9030 Prior period items (net).
9050 Income taxes on extraordinary and prior period items.
9999 Form of income statement.

AUTHORITY: The provisions of this Part 1206 issued under 49 Stat. 546, as amended, 563, as amended, 564, as amended; 49 U.S.C. 304, 320, 322.

INTRODUCTION

0–1 General.

Each Class I common and contract motor carrier of passengers, as such carriers are classified in the Uniform System of Accounts for Class I Common and Contract Motor Carriers of Passengers, as modified and amended in this part and each receiver, trustee, executor, administrator, or assignee of and such carrier, is hereby required to comply with said amended system of accounts; and said amended system of accounts is prescribed for use in the keeping and recording of their accounts by such Class I common and contract motor carriers of passengers; and each such carrier and each and every receiver, trustee, executor, administrator, or assignee of such motor carrier is required to keep all accounts in conformity therewith.

DEFINITIONS

1–1 Accounts.

Accounts as used in this part means the accounts prescribed in this system of accounts.

1–2 Actually issued.

Actually issued, as applied to securities, means those which have been sold to bona fide purchasers for a valuable consideration (including those issued in exchange for other securities or other property) so that the purchasers secured them free from control by the issuing carrier, also securities issued as dividends on stock, and those which have been issued in accordance with contractual requirements direct to trustees of sinking and other funds.

1–3 Actually outstanding.

Actually outstanding, as applied to securities issued or assumed by the carrier, means those which have been actually issued and are neither retired nor held by or for the carrier; *Provided, however.* That securities held by trustees shall be considered as actually outstanding.

1–4 Addition.

Addition means structures, facilities, or equipment added to those in service and not taking the place of anything previously existing.

1–5 Amortization.

Amortization means the gradual extinguishment of an amount in an account by prorating such amount over either a fixed period dependent on the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

1–6 Associated companies and control.

(a) Associated companies or affiliated companies means companies or persons that directly or indirectly, through one or more intermediaries, control or are controlled by, or are under common control with the accounting carrier.

(b) Control (including the terms "controlling," "controlled by," and "under common control") as used in this part, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, firm or corporation, whether through the ownership of voting securities, by contract or otherwise. If in any instance the existence of control is or may be open to reasonable doubt, the carrier shall report to the Commission all of the material facts pertinent to the possible existence of control.

1–7 Betterment.

Betterment means the enlargement or improvement of existing structures, facilities, and equipment.

1–8 Book cost.

Book cost means the amount at which property is recorded on the books of the carrier without deduction of related reserves.

1–9 Carrier or motor carrier.

Carrier or motor carrier includes both a common carrier by motor vehicle and a contract carrier by motor vehicle, subject to Part II of the Interstate Commerce Act.

1–10 Carrier operating property.

Carrier operating property means the property which is used (see definition 40) by the carrier in the conduct of its motor carrier operations or leased to others for such operations, and which has an expectation of life in service of more than 1 year from date of installation. This includes land, structures, equipment, and facilities necessary for

such operations and services incidental thereto.

1–11 Company.

Company means any individual, firm, copartnership, corporation, association, or joint-stock association; and includes any trustee, receiver, assignee, or personal representative thereof.

1–12 Commission or the Commission.

Commission or the Commission means the Interstate Commerce Commission.

1–13 Contingent assets.

Contingent assets means a possible source of value to the carrier dependent upon the fulfillment of conditions regarded as uncertain.

1–14 Contingent liabilities.

Contingent liabilities means items which may under certain conditions become obligations of the carrier but which are neither direct nor assumed liabilities at the date of the balance sheet.

1–15 Cost.

Cost means the amount of money actually paid for property or services, or the cash value at the time of the transaction of any consideration other than money.

1–16 Cost of removal.

Cost of removal means the cost of demolishing, dismantling, tearing down, or otherwise removing operating property, including the cost of transportation and handling incident thereto.

1–17 Current assets.

Current assets means cash as well as those assets that are readily convertible into cash or are held for current use in operations or construction; current claims against others, payment of which is reasonably assured; and other amounts accruing to the carrier which are subject to settlement within one year from the date of the balance sheet.

1–18 Current liabilities.

Current liabilities means those obligations the amount of which is definitely determined or closely estimated which are either matured at the date of the balance sheet or become due within 1 year from date of issuance or assumption or upon demand.

1–19 Date of retirement.

Date of retirement, as applied to operating property, means the date at which such property is permanently withdrawn from service.

1–20 Debt expense.

Debt expense means all expense in connection with the issuance and sale of evidences of long-term debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds, certificates of indebtedness, and other evidences of debt; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesman for marketing evidences of debt; fees and expenses of listing on exchanges; and other like costs.

1–21 Delayed items.

Delayed items means items relating to transactions which occurred before the current calendar year. It includes adjustments of errors in the income, operating revenue, and operating expense accounts of prior years.

1–22 Depreciation.

Depreciation, as applied to depreciable operating property, means the loss in service value (see definition 37) not restored by current maintenance, incurred in connection with the consumption or prospective retirement of property in the course of service from causes against which the carrier is not protected by insurance, which are known to be in current operation. Among the causes to be given consideration are wear and tear, decay, action of the elements, obsolescence, changes in the art, inadequacy, changes in demand, and requirements of public authority.

NOTE A: Unit plan means the plan under which depreciation charges are computed and the records maintained so that the total amount of depreciation accrued applicable to each unit can be determined.

NOTE B: Group plan means the plan under which depreciation charges are accrued upon the basis of the sum total of the book cost balances at the close of each month (or 4-week period) of all property included in each account or subdivision thereof, at rates determined from the average service life of the property included therein, and upon the retirement of any such property its full service value is charged to the depreciation reserve whether or not the particular item has attained the average service life.

1–23 Discount.

Discount, as applied to securities issued or assumed by the carrier, means the excess of the par or face value of the securities, plus interest or dividends accrued at the date of the sale over the cash value of the consideration received from the sale.

1–24 Distinct operating unit.

Distinct operating unit means all or any portion of a route or routes covered by a certificate of convenience and necessity or a permit and operated as a separate entity, including the physical property used in the operation thereof.

1–25 Joint facility.

Joint facility means any property occupied or used jointly by the carrier and one or more other carriers under a definite arrangement whereby the costs are shared between the parties to the joint agreement. Portions of a structure or other property used exclusively by each of two or more carriers are not joint facilities.

1–26 Long-term obligations.

Long-term obligations means obligations having a life of more than 1 year from date of creation or assumption, and all unmatured bonds and receivers' or trustees' certificates.

1–27 Mileage method.

Mileage method, as applied to depreciation of vehicles, means the plan under which the service value is charged to depreciation expenses and credited to depreciation reserves at a fixed rate per mile run.

1–28 Minor items.

Minor items, as applied to carrier operating property (see definition 10), means the associated parts or elements of which units of property (see definition 39) are composed. (See instruction 21(c).)

1–29 Net book cost.

Net book cost, when applied to property, means the book cost (see definition 8) less related depreciation and amortization reserves.

1–30 Net salvage value.

Net salvage value means the salvage value (see definition 35) of property retired after deducting the cost of removal.

1–31 Nominally issued.

Nominally issued, as applied to securities issued or assumed by the carrier, means those which have been signed, certified, or otherwise executed and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the carrier, but which have not been sold or issued direct to trustees of sinking funds in accordance with contractual requirements.

1–32 Premium.

Premium, as applied to securities issued or assumed by the carrier, means the excess of the cash value of the consideration received from their sale over the sum of their par (stated value of no-par stocks) or face value of the securities plus interest or dividends accrued at the date of sale.

1–33 Property retired.

Property retired, as applied to operating property, means property which has been removed, sold, abandoned, destroyed, or which for any cause has been permanently withdrawn from service.

1–34 Replacing or replacement.

Replacing or replacement, when not otherwise indicated in the context, means the acquisition, construction, or installation of property in place of property of like purpose retired, together with the removal of the property retired.

1–35 Salvage value.

Salvage value means the amount received for property retired, less any expenses incurred in connection with the sale or in preparing the property for sale; or, if retained, the amount at which the material recovered is chargeable to account 1180, Material and Supplies, or other appropriate account.

1–36 Service life.

Service life means the period between the date when carrier operating property (see definition 10) is placed in service

and the date of its retirement. (See definition 33.)

1-37 Service value.

Service value means the difference between the book cost (see definition 8) and the net salvage value (see definition 30) of carrier operating property.

1-38 Straight-line method.

Straight-line method, as applied to depreciation accounting, means the plan under which the service value (see definition 37) of property is charged to depreciation expenses or other appropriate accounts and credited to the depreciation reserves through equal periodic charges as nearly as may be during its service life.

1-39 Unit of property.

Unit of property, for the purpose of this system of accounts, means any item of property which on sale, abandonment, disposal or replacement is written out of the property accounts as provided for in instruction 21.

1-40 Used.

Used, as applied to operating property, means actually and necessarily in current service or ready for and reasonably required to be currently held for future service.

INSTRUCTIONS

2-1 Classification of carriers.

(a) For purposes of the accounting regulations common and contract carriers of passengers subject to the Interstate Commerce Act are grouped into the following three classes:

Class I. Carriers having average gross operating revenues (including interstate and intrastate) of $200,000 or over annually, from passenger motor carrier operations.

Class II. Carriers having average gross operating revenues (including interstate and intrastate) of $50,000 or over, but under $200,000 annually, from passenger motor carrier operations.

Class III. Carriers having average gross operating revenues (including interstate and intrastate) of less than $50,000 annually, from passenger motor carrier operations.

(b) Class I carriers shall keep all the accounts prescribed in this part, where applicable. Separate systems of accounts will be prescribed for Class II and Class III carriers.

(c) The class to which any carrier belongs shall be determined by the average of its annual gross operating revenues derived from motor carrier operations for the 3 calendar years immediately preceding the effective date of this system of accounts. If, at the end of any calendar year following the effective date of this system of accounts, the average of its annual gross operating revenues from motor carrier operations for the 3 preceding years is greater than the maximum or less than the minimum for the class in which the carrier has been grouped, it shall automatically be grouped in the higher or lower class in which it falls because of such increased or decreased average annual gross operating revenues. Any carrier which begins new operations or extends its existing operations subsequent to the effective date of this system of accounts may be classified in accordance with a reasonable estimate of its prospective annual gross operating revenues.

(d) Any carrier may, at its option, place itself in any group higher than the one in which it falls on the basis of its average annual gross operating revenues. Notice of such action shall be promptly filed with the Commission.

2-2 Records.

(a) All the accounts defined in this system of accounts must be kept by the double entry method. Each carrier shall keep its general accounting books and all other books, records and memoranda which support in any way the entries to such accounting books and analyses of general ledger account balances so that it can furnish at any time full information as to any account. Moreover, it shall support each entry to each account with such detailed information as will provide a ready analysis and verification of the facts recorded therein. All expenditures must be definitely supported by vouchers, payrolls, receipted bills, canceled checks, receipts for petty cash payments, or other evidences of the expenditures incurred.

(b) The books referred to in this part include not only books of account in a limited technical sense but all other records such as minute books, stock books, reports, correspondence, memoranda, etc., which will be useful in developing the history of or facts regarding any transaction.

(c) Carriers shall not destroy any books, records, memoranda, etc., which support entries to its accounts unless the destruction thereof is specifically provided for in Part 1226 of this chapter.

(d) Subdivisions of any account in this system of accounts may be kept, provided that such subdivisions do not impair the integrity of the accounts prescribed. The Commission reserves the right to order any carrier to subdivide any account in this system of accounts. The title of each such subdivision shall clearly indicate the account of which it is a part. When an account is subdivided in the general ledger, an account need not be maintained for the total of the subdivisions. When such subdivisions are carried in subsidiary ledgers, however, the general ledger shall contain the controlling accounts therefor so that a complete general ledger trial balance may be obtained.

2-3 Accounting period.

Each carrier shall keep its books on a calendar year basis and for each month (or 4-week period) all transactions applicable thereto, as nearly as can be ascertained (see instruction 8) shall be written up, posted to the general ledger and balanced. The final entries for any month (or 4-week period) shall be made in the general ledger not later than 60 days after the last day of the accounting period for which the accounts are stated, unless otherwise authorized by the Commission, except that the period within which the final entries for the last period in the calendar year shall be made may be extended to such date in the following March as shall not interfere with the preparation and filing of annual reports as required by paragraph (a) of section 220 of Part II of the Interstate Commerce Act.

2-4 Submission of questions.

To maintain uniformity of accounting, carriers shall submit all questions of doubtful interpretation to the Commission for consideration and decision.

2-5 Item lists; interpretation.

Lists of items appearing in the texts of the several accounts are given for the purpose of indicating the application of the prescribed accounting in specific cases. The lists are not to be considered as comprising all items includible in the several accounts, but merely as representative of them. On the other hand, the appearance of an item in a list warrants the inclusion of such item in the account concerned only when the text of the account also indicates inclusion, inasmuch as the same item frequently appears in more than one list. The proper entry in each instance must be determined by the texts of the accounts.

2-6 Opening entries.

As of the effective date of this system of accounts the accounts prescribed herein shall be opened by appropriately transferring thereto the balances carried in the accounts previously maintained by the carrier. The carrier is authorized to make such subdivisions, reclassifications, consolidations of or additions to such balances as are necessary to meet the requirements of this system of accounts.

2-7 Extraordinary and prior period items.

(a) All items of profit and loss recognized during the year are includable in ordinary income except nonrecurring items which in the aggregate for the same class are both material in relation to operating revenues and ordinary income for the year and are clearly not identified with or do not result from the usual business operations of the year. Important items of the kind which occur from time to time and which, when material in amount, are to be excluded from ordinary income are those resulting from unusual sales of property and investment securities other than temporary cash investments; from wars, earthquakes and similar calamities and catastrophes, which are not a recurrent hazard of the business and which are not usually covered by insurance; from change in application of accounting principles; and from prior period items (other than ordinary adjustments of a recurring nature). Material items are those which unless excluded from ordinary income, would distort the accounts and impair the significance of ordinary income for the year. Items so excludable from ordinary income are to be entered in the income accounts provided for extraordinary and prior

period items upon approval or direction of the Commission.

(b) In determining materiality, items of a similar nature should be considered in the aggregate; dissimilar items should be considered individually. As a general standard, an item to qualify for inclusion as an extraordinary or prior period item shall exceed 1 percent of total operating revenues and 10 percent of ordinary income for the year.

(c) Adjustments constituting items of a character typical of customary business activities or corrections or refinements resulting from the natural use of estimates inherent in the accounting process, including those arising from disposal of a unit of property sold or retired in the regular course of business operations, shall not be considered extraordinary or prior period items regardless of amount.

2–8 Unaudited items.

(a) When the amount of any item affecting these accounts can not be accurately determined in time for inclusion in the accounts of the calendar year in which the transaction occurs, the amount of the item shall be estimated and included in the proper accounts. When the item is audited the necessary adjustments shall be made through the accounts in which the estimate was recorded. If, during the interval between the date of inclusion of the item in the accounts and the date on which it is audited, a substantial difference from the initial estimate is determined, appropriate adjustments shall be made in the current accounts to cover such difference. The carrier is not required to anticipate small items which would not appreciably affect these accounts.

(b) If, owing to exceptional conditions, a carrier finds a modification of the instructions in paragraph (a) of this section necessary, it shall furnish a statement of its proposed plans to the Commission for approval before adoption.

2–9 Spreading of unusual income; revenue and expense items.

When the amount of any unusual item includible in an income, operating revenue, or operating expense account for a single period is relatively so large that its inclusion in the accounts for that period would seriously distort those accounts it may be included in account 1890, Other Deferred Debits, or account 2450, Other Deferred Credits, as appropriate, and distributed in equal amounts to the accounts for the current and remaining periods of the year. No such item shall be spread beyond the accounts of the current year without authority of the Commission.

2–10 Current assets.

(a) In the group of accounts designated as Current Assets (accounts 1000 to 1190, inclusive) there shall not be included any item the amount or collectibility of which is not reasonably assured or for which provision has not been made in a reserve. Items of current character but of doubtful value may be carried in these accounts at a nominal value or included in account 1890, Other Deferred Debits, at book cost or nominal value, or written off, as may be appropriate.

(b) Adjustments to accomplish the writing down of items of doubtful value not covered by reserves shall be made through account 4680, Uncollectible Revenues, account 7500, Other Deductions, or other appropriate ordinary income account.

2–11 Discount or premium on securities of other companies.

(See Instruction 15.)

2–12 Discount; expense and premium on capital stock.

(a) This system of accounts provides accounts for discounts, commissions and expenses on capital stock and another account for premium on capital stock. These accounts shall be subdivided for each class and series of capital stock issued by the carrier. Commission and expenses applicable to capital stock issues shall be included in the commission and expense account and shall not be deducted from premium on capital stock.

(b) In stating the balance sheet, discount on capital stock shall not be netted against premiums.

(c) General levies or assessments against stockholders shall be credited to the premium account for the particular class and series of capital stock so assessed, except that assessments with respect to nonpar stock without stated value shall be credited to the capital stock account.

(d) Discounts and expenses on capital stock may be amortized by charges to account 2900, Unearned Surplus. However, in no event shall net debits exceed the accumulated net credits in unearned surplus. Any excess of debits may be retained in account 1900, Discount on Capital Stock, or account 1910, Commission and Expense on Capital Stock, as appropriate, until the stock is reacquired or retired, or the excess debits may be charged to account 2946, Other Debits to Surplus.

(e) Discount and expenses on capital stock reacquired or retired shall be accounted for in accordance with instruction 14.

2–13 Discount; expense and premium on long-term obligations.

(a) A separate subdivision shall be maintained in account 1880, Unamortized Debt Discount and Expense, for the excess of discount and debt expense over any premium related to each class of long-term debt issued or assumed by the carrier. (See definitions 20, 23, 32.)

(b) Corresponding subdivisions shall be maintained in account 2400, Unamortized Premium on Debt, for the excess of the premium over any discount and debt expense related to each class of long-term debt issued or assumed by the carrier.

(c) Each period there shall be credited to each subdivision of account 1880, Unamortized Debt Discount and Expense, the amount applicable to such period under a plan of amortization, the application of which will equitably distribute the balance therein over the life of the security. Amounts thus credited shall be concurrently charged to account 7300, Amortization of Debt Discount and Expense.

(d) Correspondingly, each period there shall be charged to each subdivision of account 2400, Unamortized Premium on Debt, the portion of such credit balance which is applicable to that period. Amounts thus charged shall be concurrently credited to account 7400, Amortization of Premium on Debt—Credit.

(e) Except as provided in paragraphs (c) and (d) of this section, the balances in each of these accounts or subdivisions thereof shall be carried until the reacquisition of the securities to which it relates. At that time (unless otherwise ordered by the Commisison in the case of an exchange of securities) the portion of the balances in these accounts, or subdivision for the particular class of long-term debt reacquired, shall be transferred to account 6500, Other Nonoperating Income, or account 7500, Other Deductions, as appropriate. Such portion shall be based on the relation of the amount of the particular issue of long-term debt reacquired to the total outstanding before the reacquisition. This provision shall also apply to securities held alive in sinking or other funds under instruction 14.

(f) Except for such discount or expense as may be applicable to the construction period, no discount or expense on long-term debt shall be included in any account as a part of the cost of acquiring any property or as a part of the cost of operation.

2–14 Company securities owned.

(a) *Capital stock.* (1) Capital stock actually issued or assumed by the carrier which has been reacquired, shall be retired or carried in account 1920, Reacquired Securities, at the par or stated value, or the pro-rata proportion of the total of no-par stock without stated value at which it is carried in account 2700, Preferred Capital Stock, or account 2710, Common Capital Stock, unless it is required by provision of a mortgage or decision of a trustee not subject to the control of the accounting carrier that it be retained alive in sinking or other funds. The difference between the amount paid for the reacquired stock and the amount includible in account 1920, plus the premium and less the discount and expense entered in respect to the reacquired stock and not written off, shall be debited or credited as appropriate to account 2900, Unearned Surplus. In no event, however, shall net debits exceed the accumulated credits in Unearned Surplus. Any excess of debits resulting from reacquisition of capital stock over such accumulated credits in Unearned Surplus shall be charged to account 2946, Other Debits to Surplus.

(2) When reacquired capital stock is resold by the carrier, the amount included in account 1920, Reacquired Securities, shall be credited thereto and the accounting for premiums realized, dis-

counts, commissions or expenses incurred, shall be the same as provided for in connection with original sales of capital stock.

(b) *Equipment and long-term obligations.* (1) Equipment and other long-term obligations reacquired by the carrier shall be entered in account 1920, Reacquired Securities, at face value. The difference between the face value and the amounts actually paid for the reacquired obligations shall be included in account 6500, Other Nonoperating Income, or account 7500, Other Deductions, as appropriate. (See instruction 7). Likewise, any unamortized debt discount, expense or premium, applicable to the reacquired obligations, shall be adjusted through account 6500 or account 7500, as appropriate.

(2) When reacquired equipment and other long-term obligations are resold by the carrier, the amount included in account 1920, Reacquired Securities, shall be credited thereto and any difference between the total amount realized from the sale (less related commissions and expenses) and the credit to account 1920 shall be included in account 6500 or account 7500, as appropriate, unless otherwise ordered by the Commission.

2–15 Book cost of securities owned.

(a) Securities of others acquired by the carrier shall be recorded in these accounts at cost at the time of acquisition. Cost does not include any amount paid for accrued interest or dividends.

(b) The carrier may write down the book cost of any security in recognition of a decline in the value thereof. Securities shall be written off or written down to a nominal value if there be no reasonable prospect of substantial value. Fluctuations in market value shall not be recorded, but a permanent impairment in the value of the securities shall be recognized in the accounts. A reserve may be provided against declines in the value of securities by charges to account 7500, Other Deductions, or account 9010, Extraordinary Items, as appropriate. (See instruction 7.)

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

(d) When securities with a fixed maturity date are purchased at a premium (that is when the total cost including brokerage fees, taxes, commissions, etc., is in excess of par), such preminums may be amortized over the remaining life of the securities through periodic credits to the account in which the securities are carried (preferably coincident with entries recording interest accurals) and debits to the same account in which the interest revenue is recorded.

(e) Profits and losses resulting from the sale of securities of others shall be included in accounts 6500, Other Nonoperating Income, or 7500, Other Deductions, as appropriate; or, when qualifying as extraordinary pursuant to instruction 7, shall be included in account 9010, Extraordinary Items.

2–16 Clearing accounts; purpose.

(a) Clearing accounts, designed to facilitate the distribution of certain expenditures which may affect both construction and operations or which may affect transportation and other operations, may be kept when necessary in making the proper distribution of items to the appropriate accounts.

(b) Balances in clearing accounts shall be fully cleared not later that the end of the calendar year unless items held therein unquestionably relate to future periods. Items carried over shall be included in account 1890, Other Deferred Debits, or account 2450, Other Deferred Credits.

2–17 Deduction of reserves.

In stating the balance sheet, reserves shall be shown separately and shall be deducted from the specific assets to which they apply. Reserves not applicable to specific assets shall be shown on the liability side.

2–18 Contingent assets and liabilities.

The balance sheet of a carrier shall clearly state by adequate notes contingent assets or liabilities not reflected in the balance sheet accounts, including any arrears in cumulative dividends, stating the amount per share of each class of stock and in total and the facts and amounts with respect to any default in principal, interest, or sinking fund provisions if not shown in the balance sheet accounts.

2–19 Operating property to be recorded at cost.

(a) Amounts chargeable to the accounts 1200 and 1300, designated as carrier operating property accounts, shall be the actual cost to the carrier of the items properly includible therein, also including the excess cost of improvements over the estimated cost at current prices of property removed and replaced, and shall be exclusive of any cost for intangible items includible in any of the subdivisions of account 1500, Organization, Franchises and Permits, or account 1550, Other Intangible Property. (See, however, instruction 20.)

(b) The book cost of the construction or acquisition of property chargeable to the carrier operating property accounts 1200 and 1300 shall include the cost of direct labor, indirect labor, materials, transportation, contract work, rent of construction facilities, taxes and simple interest during construction; also such portion of engineering, supervision, law expenditures, injuries and damages, compensation and other insurance, as is applicable to the construction period; and other analogous elements applicable to the construction and acquisition of property.

(c) Any unit of property, including additions to or betterments of existing property, having a cost not in excess of $200.00, or having a life of 1 year or less, may be charged to the appropriate operation and maintenance expense, or clearing account and not to the property account, except that if small tools, portable equipment and similar items are consumed directly in construction work, the cost may be included as part of the cost of the constructed unit. This is not to be construed as authorizing the parceling of expenditures to bring them within this limit, or the inconsistent application of any rule or practice adopted by the carrier hereunder to the same item or class of property. If a carrier adopts a rule hereunder, changes in the rule shall be reported to the Commission.

(d) When operating property is purchased under any plan involving deferred payments, no charges shall be made to operating property accounts for interest, insurance, or other expenditures occasioned by such form of payment.

(e) When the consideration given for property is anything other than cash, the cash value of such consideration shall be used, except that where physical property is received in exchange for physical property, such property shall be recorded at the net book cost of the property given in exchange. In the journal entry recording such a transaction the actual consideration shall be described with sufficient particularity to identify it. The carrier shall be prepared to furnish to the Commission the particulars of its determination of the cash value of the consideration if other than cash.

2–20 Acquisition of a distinct operating unit.

(a) When a motor carrier system or portion thereof constituting a distinct operating unit (see definition 24) is acquired by purchase or merger or consolidation in a pooling of equity interests of stockholders the accounting therefor shall be as follows:

(1) *Purchase.* (i) when purchase is made from a non-affiliated company the assets acquired, other than carrier operating property, non-carrier operating property and other non-operating property includible in accounts 1200, 1300, 1400 and 1450, and the liabilities assumed shall be recorded in the appropriate accounts at the amounts carried on the books of the transferor at date of consummation of the transaction. Such amounts shall be adjusted, as may be necessary, to conform with the rules in this system of accounts. The carrier operating property, non-carrier operating property and other non-operating property acquired shall be recorded in the appropriate subaccounts under accounts 1200, 1300, 1400 and 1450 based upon the fair market value or the cost specified in the purchase agreement if the latter does not exceed the fair mar-

ket value of such property acquired. When the properties are recorded at cost specified in the purchase agreement or fair market value such amounts must be supported by report of a disinterested qualified appraiser and such additional evidence as the Commission may require. When an appraisal has not been obtained the original cost of carrier operating property, non-carrier operating property and other non-operating property together with the related depreciation reserves as shown in the books of seller shall be recorded in the accounts in lieu of market value.

(ii) When purchase is made from an affiliated company the assets acquired including carrier operating property, noncarrier operating property and nonoperating property, together with the related depreciation reserves and the liabilities assumed shall be recorded in the appropriate accounts at the amounts carried on the books of the affiliated transferor, adjusted, as may be necessary to conform with the rules in this system of accounts.

(iii) The amount of the consideration paid in excess of the net assets acquired shall be included in account 1550, Other Intangible Property.

Where the consideration paid is less than the net assets acquired recorded in accordance with the foregoing provisions the difference shall be credited to account 2720, Premiums and Assessments on Capital Stock, where the consideration is paid in capital stock, and to account 2900, Unearned Surplus, where the consideration is paid in other than capital stock.

(2) *Merger or consolidation in a pooling of equity interests of stockholders.* (i) When a distinct operating unit is acquired by merger or consolidation in a pooling of equity interests of stockholders, in which all or substantially all of such equity interests in the predecessor company continue, as such, in a surviving company (which may be the transferee or a new company, created for the purpose) the assets, liabilities and the earned surplus or deficit, if any, of the predecessor company shall be recorded in the accounts of the transferee at amounts carried on the books of the predecessor company at date of consummation of the transaction. Such amounts shall be adjusted, if necessary, to conform with the rules in this system of accounts. Where one of the constituent corporations is clearly dominant and its stockholders obtain 90 percent or more of the voting interest in the combined enterprise there is a presumption that the transaction is a purchase rather than a pooling of interests and the transaction shall be so accounted for unless otherwise directed or authorized by the Commission.

(ii) When the total par value or stated value of no par capital stock of the surviving company is more than the aggregate total of the capital stock of the separate companies before merger or consolidation the excess shall be charged to account 2900, Unearned Surplus, or to account 2930, Earned Surplus, if unrestricted unearned surplus is not available for such purpose.

When the total par value or stated value of no par capital stock of the surviving company is less than the aggregate total of the capital stock of the separate companies before merger or consolidation, the difference shall be credited to account 2900, Unearned Surplus.

(3) *Records.* Detailed records, including copy of appraisal reports, shall be maintained showing the basis used for computing amounts included in accounts 1200, 1300, 1400, 1450, 1550, 2900, 2930, and other accounts. Full supporting details showing the purchase price, the principals from whom the property was acquired, and agents who represented such principals shall be stated in the journal entries recording the acquisition of the property.

2–21 Operating property retired.

When carrier operating property (see definition 10) ceases to be used (see definition 40) it shall be retired. If not dismantled or otherwise disposed of, it shall be transferred to account 1400, Non-Carrier Operating Property, or account 1450, Non-Operating Property, as appropriate. (See instruction 23.)

(a) *Property under "unit plan" of depreciation.* When a unit of property on which depreciation charges were accrued under the unit plan (see § definition 22) is retired from service, the book cost of such property shall be credited to the appropriate property account and concurrently charged, together with the cost of removal, to the depreciation reserve account. Any salvage or insurance recovered, including amounts provided for in any insurance or other reserve with respect to the retired property when such reserve covers the cause of retirement, shall be credited to the depreciation reserve. Any difference remaining in the depreciation reserve after the above entries shall be charged or credited as appropriate to account 5091, Depreciation Adjustment.

(b) *Property under "group plan" of depreciation.* When a unit of property, on which depreciation charges were accrued under the group plan (see definition 22), is retired from service, the book cost thereof shall be credited to the appropriate property account and concurrently charged, together with the cost of removal, to the depreciation reserve account. Any salvage or insurance recovered, including amounts provided for in any insurance or other reserve with respect to the retired property, when such reserve covers the cause of retirement, shall be credited to the depreciation reserve account.

(c) *Minor items.* When the property retired constitutes a minor item (see definition 28), the book cost of which has been or will be accounted for by its inclusion in the unit of property of which it is a part when such unit of property is retired, no adjustment of the operating property account or depreciation reserve is required therefor. When a minor item is retired and replaced, with property of like purpose, the entire cost of replacement shall be charged to the account appropriate for the cost of repairs of the property retired, except that if the replacement effects a betterment (see definition 7), there shall be charged to the property account, the excess cost of the replacement over the estimated cost at current prices of the items retired (see instruction 19 (c)): *Provided*, That property bettered shall not be carried in excess of the current cost new of equivalent property.

(d) *Land.* When land is sold, the book cost shall be credited to the land account and any difference between the book cost and the sales price, less commissions and expenses on the sale, shall be adjusted through account 6500, Other Non-operating Income, or account 7500, Other Deductions, as appropriate. However, when the amount constitutes an extraordinary item pursuant to instruction 7, it shall be included in account 9010, Extraordinary Items.

(e) *Determination of book cost.* The book cost of operating property retired shall be the amount at which such property is included in the operating property accounts including all items set forth in instruction 19. Such costs shall be determined from the carrier's records when this can be done, as in the case of land, structures, revenue automotive equipment, service equipment, furniture, and other items of operating property for which individual cost records are available. When the actual book cost cannot be determined from the records, it shall be estimated. When it is impracticable to determine the book cost of each item due to the relatively large number and/or small cost of such items, the average book costs of all the items, with due allowance for differences in size or character, shall be used as the book cost of the items retired. The latter method may be applied in retirement of such items as spare parts ,tools, etc.

(f) *Intangibles.* The accounting for the retirement of items included in account 1511, Franchises, account 1541, Patents, and intangible elements with limited terms included in account 1201, Land and Land Rights, shall be as provided in the texts of account 2600, Reserve for Amortization—Carrier Operating Property, and account 5100, Amorization of Carrier Operating Property.

(g) *Sale of property.* When operating property used in transportation operations is sold together with the transportation business associated therewith, the book cost of the property shall be credited to the appropriate operating property accounts and the amounts carried with respect thereto in the depreciation and amortization reserve accounts, estimated if necessary, shall be charged to such reserves. The difference, if any, between (1) the net amount of such debit and credit items, and (2) the consideration received for the property, shall be included in account 6500, Other Nonoperating Income, or account 7500, Other Deductions, as appropriate. (See instruction 7.)

2-22 Leased property; expenditures.

(a) Except as provided in paragraph (b) of this section, the cost of initial improvements, including rearrangements, additions and betterments, to property leased from others made in the course of preparing the property for motor carrier operations and the cost of any subsequent additions to and betterments of such leased property, not including replacements, shall be charged to the operating property account 1271, Improvements to Leasehold Property. Depreciation on such expenditures shall be provided for in the manner set forth in instruction 25.

(b) When the cost of alterations to leased transportation property otherwise chargeable to account 1271, Improvements to Leasehold Property, is not in excess of $200.00 or the period of the lease is less than 1 year, the cost may be charged to the accounts chargeable with the cost of repairs to such property. If a carrier adopts a rule hereunder, changes in the rule shall be reported to the Commission.

2-23 Transfer of property.

Property transferred between accounts 1200, Carrier Operating Property, 1300, Carrier Operating Property Leased to Others, and accounts 1400, Non-Carrier Operating Property, 1450, Non-Operating Property, shall be charged or credited, as appropriate, to the carrier operating property accounts 1200 and 1300 at its book cost with the debits or credits to the appropriate accounts for the accrued depreciation and amortization to date of transfer.

2-24 Common property.

(a) If the carrier is engaged in forms of enterprise other than motor carrier operations and any of its carrier operating property is used in common for two or more purposes to such an extent and in such manner that it is otherwise impracticable to segregate it in the accounts, an allocation of the book cost thereof shall be made and the portion so ascertained to be assignable to motor carrier operations shall be recorded in the carrier operating property accounts 1200 and 1300. The remainder shall be recorded in accounts 1400 or 1450 as appropriate. It is not contemplated that minor or temporary changes in conditions shall necessitate frequent reallocations of common property.

(b) The carrier shall be prepared to show at any time and to report to the Commission when required, and by carrier operating property accounts 1200 and 1300 the following:

(1) The book cost of common property.

(2) The allocation of such cost to carrier operations and other purposes for which the jointly operated property is used, and

(3) The basis of the allocation.

(c) The expenses of operation, maintenance, depreciation and amortization of common property shall be recorded in the accounts prescribed in this part and the allocation of such expenses to the carrier operations shall be supported in the same manner as the allocation of the cost of such property.

2-25 Depreciation accounting.

(a) There shall be charged each month (or 4-week period) to account 5000, Depreciation Expense, and credited to account 2500, Reserve for Depreciation—Carrier Operating Property, during the service life of depreciable property, included in account 1200, Carrier Operating Property, amounts which will approximate the loss in service value not restored by current maintenance or covered by insurance, the effect of which can be forecast with a reasonable approach to accuracy. The straight-line method of computing depreciation (see definition 38) shall be used and the current depreciation charge shall be obtained by applying the applicable portion of the annual percentage rate to the book cost balances, except that the mileage method (see definition 27) may be used on automotive equipment, in which event the rate per mile shall be applied to the number of miles traveled each period. In no event, however, shall the charges based on such mileage method be less during any calendar year than would result from the application of rates based on the straight-line method.

Carriers engaged in seasonal operations may apportion the estimated annual depreciation charge over the months in which operations are actually conducted.

(b) Depreciation charges on property included in accounts

1211, Structures
1221, Revenue Equipment
1231, Service Cars and Equipment

shall be comptued on the unit plan (see definition 22) under the straight-line method. Depreciation charges on any unit of property which is depreciated under the unit plan shall cease when the estimated service value shall have been credited to the depreciation reserve.

(c) Depreciation charges on property included in accounts

1241, Shop and Garage Equipment
1251, Furniture and Office Equipment
1261, Miscellaneous Equipment

shall be computed under either the unit plan or the group plan. (See definition 22.) If the group plan is used the current depreciation charge shall be determined by applying the applicable portion of the annual percentage rate to the sum total of the book cost balances of the property included in each account, or subdivisions thereof, at the rates determined from weighted averages of service lives of the property included therein.

(d) Depreciation charges on property included in account 1271—Improvements to Leasehold Property, shall be made upon the same basis as for similar depreciable property includible in other property accounts. However, where it is reasonably certain that the lease will not be renewed and the property will revert to the lessor it should be depreciated over the remaining period of the lease or its estimated service life, whichever is less.

(e) Depreciation charges upon operating property constituting a distinct operating unit (see definition 24), leased from others under terms whereby the carrier has exclusive possession, shall be made on the same basis as for owned depreciable property. (See instruction 30.) Records shall be maintained similar to those for owned property showing the cost, service life and salvage value for each unit of depreciable operating property leased from others.

(f) Depreciation charges on operating property constituting a distinct operating unit (see definition 24) leased to others for transportation operations, when the lessee has exclusive possession, shall be charged to account 5500, Income from Lease of Carrier Property, Credit, with concurrent credits to account 2500, Reserve for Depreciation—Carrier Operating Property.

(g) Depreciation expense on non-carrier operating property and non-operating property shall be charged to the appropriate Other Income account and credited to account 2610, Reserve for Depreciation and Amortization, Other Property.

2-26 Cost of repairs.

(a) The cost of repairs chargeable to the various operation and maintenance expense accounts includes labor employed, materials used, and expenses incurred in all current maintenance (not including depreciation and amortization), such as:

(1) Inspecting, testing, and reporting on the condition of operating property specifically to determine the need for repairs, minor replacements, rearrangements, and changes.

(2) Testing for, locating, and clearing trouble.

(3) Routine work to prevent trouble, such as general overhauling, removing carbon, grinding valves, adjusting and relining brakes, adjusting shock absorbers, cleaning and adjusting engines, etc.

(4) Replacing minor items of operating property. (See also instruction 21 (c).)

(5) Rearranging and changing the location of property not retired.

(6) Restoring the condition of property damaged by wear and tear, storms, breakage, floods, fire, accident, or other casualties. (See also paragraph (b) of this section.)

(7) Training employees, for repair work.

(8) Inspecting and testing after repairs have been made.

(b) Materials recovered in connection with repairs to property shall be credited to the same account to which the repair cost was charged.

(c) If employees engaged in transportation, station or terminal service are also required to make repairs, an equitable proportion of their pay and expenses shall be charged to the account appropriate for the cost of such repairs. (See instruction 28.)

(d) If the book cost of any property is carried in account 1281, Undistributed Property, the repairs to such property shall be charged to the accounts pro-

vided for repairs to property of the same nature and use, the book cost of which is carried in other operating property accounts. Repairs to property leased from others shall be treated in like manner.

2–27 Insurance.

(a) Provision has been made under Operation and Maintenance Expenses for recording amounts of premiums paid outside insurance companies in accounts as follows:

4520, Public Liability and Property Damage Insurance.
4541, Workmen's Compensation, Insurance.
4550, Baggage and Express Insurance.
4570, Fire and Theft Insurance.
4580, Other Insurance.

Premiums paid in advance shall be charged to account 1800, Prepayments, and equitably distributed to the appropriate accounts over the period for which the premiums have been paid, except minor premiums which may be charged direct and premiums chargeable to construction.

(b) Carriers authorized by the Commission to self-insure for automobile bodily injury liability, property damage liability or other liability shall record periodic charges to the appropriate expense accounts in amounts sufficient to cover estimated losses based on the carrier's experience.

(c) The following accounts have been provided under Operation and Maintenance Expenses for the purpose of creating reserves for losses not covered by outside insurance and for losses incurred in excess of outside insurance coverage:

4530, Injuries and Damages.
4546, Workmen's Compensation, Self Insurer.
4560, Baggage and Express Loss and Damage.
4570, Fire and Theft Insurance.
4580, Other Insurance.

Reserves created for self-insurance of injuries and damages, workmen's compensation and baggage and express loss and damage shall be included in account 2680, Injuries, Loss and Damage Reserves. Reserves created for self-insurance of all other risks shall be included in account 2660, Insurance Reserves.

Periodic charges to expense accounts for the purpose of creating reserves for self-insurance liability shall be determined currently by the carrier from its best source of information and the rates used may be based on percentage of revenue, mileage of busses, amount of payrolls or other equitable basis.

2–28 Distribution of pay and expenses of employees.

The charges to investments, operation and maintenance expenses, and other accounts for services and expenses of employees engaged in activities chargeable to various accounts, shall be based upon the actual time engaged in the respective classes of work, or in case that method is impracticable, upon the basis of a study of the time actually engaged during a representative period. The pay and expenses of an employee of one department who occasionally performs incidental services involving but small expense for another department may be included in the expense of the department in which the employee is regularly employed.

2–29 Joint expenses.

Where the carrier owns the joint facility, any amounts received as reimbursement of operation and maintenance costs shall be credited to the appropriate joint facilities—credit account under maintenance and garage expenses; station and terminal expenses; or administrative and general expenses. Any amounts received for depreciation, taxes and return on the joint facility, shall be credited to account 5390, Joint Facility Rents—Credit. Similarly, any amounts paid by the carrier under joint facility arrangements for operating and maintenance costs shall be charged to the appropriate joint facilities—debit account in the operation and maintenance expense group of accounts and any amounts paid for depreciation, taxes and return on the joint facility, shall be charged to account 5340, Joint Facility Rents—Debit.

2–30 Rent and lease of carrier property.

(a) Provision is made in the several subdivisions of account 5300, Operating Rents—Net, for rents receivable and payable for use of property other than that constituting a distinct operating unit or system. (See definition 24.)

(b) Taxes payable by the lessee upon property rented or leased shall be included in account 5200, Operating Taxes and Licenses, by the lessee.

(c) Other expenses payable by the lessee shall be included in the appropriate accounts on the books of the lessee.

(d) Amounts payable for use of operating property constituting a distinct operating unit (see definition 24) leased from others under terms whereby the carrier has exclusive possession shall be apportioned between rent and depreciation. The portion covering rent shall be included in account 5400, Rent for Lease of Carrier Property—Debit, and the portion covering depreciation shall be included in account 5000, Depreciation Expense. (See instruction 25.)

(e) The lessor shall credit the amount receivable for use of the property leased to account 5500, Income from Lease of Carrier Property—Credit. The lesser shall charge the estimated depreciation accrual to account 5500 and credit account 2500, Reserve for Depreciation—Carrier Operating Property.

(f) If settlement for either rent or depreciation is not made currently the amounts thereof shall be accrued by both lessor and lessee in harmony with the instructions in paragraphs (c) and (d) of this section. The amounts accrued receivable, and payable, should be included in appropriate accounts classified under accounts 1890, Other Deferred Debits, and 2450, Other Deferred Credits, by the lessor and lessee, respectively.

2–31 Amortization of intangibles.

(a) When it becomes reasonably evident that the term of existence of an intangible, the cost of which is included in account 1550, Other Intangible Property, has become limited or its value impaired, its cost shall be amortized or entirely written off by charges to account 7500, Other Deductions, depending on the remaining estimated period of usefulness; or the entire cost, when qualifying as extraordinary pursuant to instruction 7, may be written off by debiting account 9010, Extraordinary Items, with concurrent credit to account 2600, Reserve for Amortization—Carrier Operating Property.

(b) The amount retained in account 1550, Other Intangible Property, less the amortization reserve, pursuant to the provisions of the Commission's order dated January 5, 1961, applicable to intangibles initially required to be amortized or written-off under provisions of orders heretofore entered in proceedings under sections 5 and 212(b) of the Interstate Commerce Act, shall not exceed the fair value of the intangibles as of the time of acquisition. Fair value of intangibles, as herein used, acquired in purchase of a distinct operating unit means the amount by which total consideration paid exceeds fair market value of tangible property and other net assets (except intangibles), in conformity with the principles in instruction 20.

BALANCE SHEET ACCOUNTS[1]

ASSET SIDE

Current Assets

1000 Cash.

This account shall include the amount of current funds available for use on demand in the hands of financial officers and deposits in banks or trust companies; also cash in transit for which agents or drivers have received credit.

NOTE A: This account shall be credited with the amount of checks or drafts transmitted to payees.

NOTE B: Funds subject to withdrawal restrictions: Funds subject to such restrictions and deposits in closed banks shall not be included in this account. Such funds definitely known to be available within 1 year shall be included in account 1190, Other Current Assets. Deposits in closed banks which are not available within 1 year shall be included in account 1890, Other Deferred Debits.

1020 Working funds.

This account shall include amounts advanced to officers, agents, employees, and others as petty cash or working funds from which certain expenditures are to be made and accounted for.

1040 Special deposits.

This account shall include the balance of the amounts included in accounts 1041, 1042, and 1043, for short-term deposits.

1041 Interest, special deposits.

This account shall include moneys and bank credits specially deposited in the hands of fiscal agents or others for the payment of interest on behalf of the carrier. When interest is paid from such deposits, it shall be credited to this account and charged to the appropriate ac-

[1] For form of balance sheet statement, see account 2999.

crued or matured interest account. Payments to trustees or other agents of the holders of bonds or other securities of the interest accrued thereon which operate under the terms of the securities or of mortgages supporting such securities as a release of the paying company from further liability for such interest, shall be charged to the appropriate interest accrual account.

1042 Dividend, special deposits.

This account shall include moneys and bank credits in the hands of fiscal agents or others for the payment of dividends on behalf of the carrier. When dividends are paid from such deposits they shall be credited to this account and charged to the appropriate dividend account.

1043 Miscellaneous, special deposits.

This account shall include moneys and bank credits in the hands of fiscal agents or others for special purposes other than the payment of interest or dividends. This includes cash or securities deposited with Federal, State, or municipal authorities, public utilities, or others, as a guaranty for the fulfillment of obligations. Entries to this account shall specify the purpose for which the deposit is made. When such purposes are satisfied and the deposit is released, this account shall be credited with the amount deposited.

NOTE: This account shall not include any assets available for general company purposes.

1060 Temporary cash investments.

(a) This account shall include the book cost (see instruction 15) of investments such as time drafts receivable and time loans, bankers' acceptances, United States Treasury certificates, marketable securities, and other similar investments acquired for the purpose of temporarily investing cash. Any securities included in this account must be of such a nature as to be readily convertible into cash at substantially the book value.

(b) This account shall be sub-divided to reflect separately:

(1) Temporary Cash Investments—Associated Companies.

(2) Temporary Cash Investments—Other.

NOTE A: Amounts carried in this account as pledged shall be shown separately from amounts unpledged.

NOTE B: There shall not be included in this account amounts properly includible in accounts 1600, Investments and Advances—Associated Companies, or 1650, Other Investments and Advances.

1080 Notes receivable.

(a) This account shall include the book cost, not includible elsewhere, of all collectible obligations in the form of notes receivable, contracts receivable, and similar evidences (except interest coupons) of money receivable on demand or within a time not exceeding 1 year from date of issue.

NOTE A: Notes receivable from associated companies shall be included in account 1100, Receivables from Associated Companies.

NOTE B: The amount of notes receivable discounted, sold or transferred, unless transferred without recourse, shall be credited to account 2000, Notes Payable.

(b) This account shall be sub-divided to reflect separately:

(1) Notes Receivable—Officers, Stockholders and employees.

(2) Notes Receivable—Other.

1100 Receivables from associated companies.

(a) This account shall include the total of amounts receivable from associated companies (see definition 6(a)) which are subject to current settlement (see definition 17), such as balances in open accounts for services rendered, material furnished, traffic or interline accounts, claims, rent for use of property and similar items; interest and dividends due from associated companies; and loans, notes and drafts for which associated companies are liable.

(b) This account shall be sub-divided to reflect separately:

(1) Loans and Notes Receivable—Associated Companies.

(2) Interest and Dividends Receivable—Associated Companies.

(3) Accounts Receivable—Associated Companies.

NOTE A: On the balance sheet, accounts receivable from associated companies shall be set off against accounts payable to the same companies.

NOTE B: No amount representing dividends receivable shall be included in this account unless they have been declared or guaranteed.

NOTE C: Items which are not subject to current settlement shall be included in account 160, Investment and Advances—Associated Companies.

1120 Accounts receivable.

(a) This account shall include amounts due from others (except associated companies) for material and supplies furnished and services rendered including transportation and storage charges, use of property, other matured rents, amounts owing by public authorities, amounts of collectible judgments, current accounts with officers and employees, and other accounts and claims upon which responsibility is acknowledged by solvent concerns or individuals.

(b) This account shall also include the balances due from other carriers (except associated companies), against each of which there is a net debit balance representing traffic or interline accounts; also the net balance in current accounts due from agents, drivers, and other employees and representatives charged with the collection or custody of current revenues.

(c) This account shall be sub-divided to reflect separately:

(1) Accounts Receivable—Officers, stockholders and employees.

(2) Traffic or interline account balances.

(3) Accounts receivable—Others.

NOTE A: Amounts advanced to officers, employees, or others as working funds, shall be included in account 1020, Working Funds.

NOTE B: Accounts with other carriers representing traffic and interline accounts which contain net credit balances shall be included in account 2050, Accounts Payable.

1140 Subscribers to capital stock.

(a) This account shall include the balance due from subscribers upon legally enforceable subscriptions to capital stock.

(b) The amount of each subscription shall be charged to this account at the time the subscription is accepted. Concurrently there shall be credited to account 2730, Capital Stock Subscribed, the par or stated value of the stock subscribed or the agreed purchase price in the case of non-par stock without a stated value. Appropriate entries shall likewise be recorded with respect to any discount or premium on par value stocks or non-par value stocks with a stated value.

NOTE: The records supporting the entries to this account shall be kept so that the corporation can furnish the name and address of each subscriber, the amount and kind of capital stock subscribed, the date of subscription, the date that each payment is due and the date that each is paid, the nature of each payment (whether cash or other consideration), and any other information that is necessary to make the history of the subscription complete.

1160 Interest and dividends receivable.

This account shall include the amount of current interest accrued to the date of the balance sheet on bonds, mortgages, notes, and other commercial paper owned; on loans made; open accounts; bank deposits, etc.; and the amount of dividends receivable on stocks owned. (See instruction 10.)

NOTE A: Interest and dividends receivable from associated companies shall be included in account 1100, Receivables from Associated Companies.

NOTE B: Interest which is not subject to current settlement shall be included in the account in which is carried the principal on which the interest is accrued.

NOTE C: No amount representing dividends receivable shall be included in this account unless they have been declared or guaranteed.

NOTE D: No interest or dividends on securities or obligations issued or assumed by the carrier shall be included in this account.

1180 Material and supplies.

(a) This account shall include the cost (less cash or other discounts when they can be determined) of all unapplied materials and supplies, including tools, repair parts, fuel, tires and tubes, etc. The cost shall include all specifically assignable transportation charges incurred in obtaining the delivery of such materials and supplies upon the premises of the carrier including loading and unloading and at the option of the carrier, it may include a suitable proportion of purchasing and store expenses in which case corresponding credits shall be made to the appropriate account. The cost shall also include sales and excise taxes on material purchases. Sales and excise taxes on gasoline, other motor fuels, motor oil, and tires and tubes, shall be charged to account 5200—Operating Taxes and Licenses. Other sales and excise taxes may be included in this account as part of the

cost of materials purchased, or charged to account 5200 if the tax can be readily separated from the cost of the material.

(b) When any materials or supplies, the cost of which has been charged to this account, are issued for use, the amount at which they stand charged herein shall be credited to this account and charged to the appropriate construction, operation and maintenance expense, or other account. Such amount may be based upon the average cost of all items of a given type included in this account at the beginning of the period.

(c) Materials recovered in connection with construction, maintenance, or the retirement of property shall be charged to this account as follows:

(1) Re-usable materials shall be included in this account at amounts not to exceed cost, estimated if not known.

(2) Scrap and non-usable materials shall be carried at the estimated salvage value. So far as practicable, the difference between the amounts realized from sale or disposal and the amounts at which the materials are carried in this account shall be adjusted in the depreciation reserves, repair accounts, or other accounts which were credited when the materials were charged to this account.

NOTE A: Interest charged on material bills, the payment of which is delayed, shall be charged to account 7100, Other Interest Deductions.

NOTE B: Inventories of materials and supplies shall be taken at intervals of one year or less, and the necessary adjustment shall be made to bring this account into harmony with the actual physical inventory. In effecting this adjustment, differences which may practicably be assigned to important classes of materials shall be equitably distributed among the accounts to which such classes of materials are ordinarily chargeable. Other differences shall be equitably apportioned among the operation and maintenance accounts to which materials have been charged since the last inventory. Such differences that cannot be allocated to the operation and maintenance accounts shall be included in account 4655, Purchasing and Store Expenses.

NOTE C: Sales taxes on gasoline, other motor fuels and motor oil and personal property taxes assessed on material and supplies, shall be included in account 5200, Operating Taxes and Licenses.

1190 Other current assets.

This account shall include the amount of all assets of a current nature not includible in any of the foregoing current asset accounts. (See definition 17.)

Tangible Property

1200 Carrier operating property.

(a) This account shall include the total of the amounts representing the cost (see instruction 19) of carrier operating property, included in accounts 1201 to 1291, inclusive, owned and used by the carrier in its motor carrier operations, and which has an expected life in service of more than 1 year, including such property owned by the carrier but held by nominees.

(b) When property normally having a service life of more than 1 year is installed for temporary use in motor carrier operations, it shall be accounted for in the same manner as property installed for permanent use.

(c) Records shall be kept so as to reflect separately the cost and date of acquisition of property jointly owned and property operated under a joint agreement; also the cost and date of acquisition of each structure, unit of equipment, or other major item of property (or at the option of the carrier of each body, chassis or other major part). When a major part of a unit of property, such as a body or chassis of equipment or portion of a structure has been replaced by either a new or rebuilt one, details shall appear in the supporting records showing also the cost of the property removed, the cost of the replacement, and the date of removal or replacement. If property such as a structure or unit of equipment is constructed new, or rebuilt by the carrier to increase its capacity or otherwise add to its usefulness for motor carrier service, or if parts are purchased and assembled by the carrier, the cost records for construction and assembly shall be maintained in a sufficiently complete manner to show the cost of labor, materials and other expenses incurred in such work.

(d) When a structure, unit of equipment, or other property is so rebuilt or remodeled as to create an expectation of service life fairly comparable with new property, the old property shall be retired (instruction 21). Charges to this account for the rebuilt or remodeled property shall be based upon the appraised value of the reused parts, or the net book cost at time of retirement of the retired unit, whichever is lower, plus the cost of rebuilding or remodeling. *Provided, however,* That in no event shall the total amount charged exceed the cost of similar new property.

(e) The cost of removing old appliances and replacing them with new appliances shall be charged to the proper account under operation and maintenance expenses.

(f) The cost of additions to and betterments of property leased from others shall be recorded in account 1271, Improvements to Leasehold Property. (See instruction 22.)

1201 Land and land rights.

(a) This account shall include the cost (see instruction 19) including the amount of mortgages of other liens, assumed, of land or interest in land, having a life of more than 1 year, for use directly in connection with the motor carrier operations of the carrier for such purposes as general office buildings, shops, garages, stations, terminals, waiting rooms, shelters, loading platforms, warehouses, and the like. This includes the first cost of acquiring leaseholds of land, easements, and rights-of-way, but no rents payable periodically in consideration of rights so obtained.

(b) The cost of buildings and other improvements (other than public improvements) shall not be included in the land accounts. If at the time of acquisition of an interest in land such interest extends to buildings or other improvements (other than public improvements), which are then devoted to carrier operations, the land and improvements shall be separately appraised and the cost allocated to land and buildings or improvements on the basis of the appraisals. If the improvements are removed or wrecked without being used in carrier operations, the cost of removing or wrecking shall be charged and the salvage credited to the account in which the cost of the land is recorded.

(c) Carriers shall keep their records so as to show separately the cost of each parcel of land or interest therein and the purpose or purposes for which used in motor carrier operations.

ITEMS

Clearing land of brush, trees, and debris (First cost of).
Condemnation proceedings, including court costs and special counsel fees.
Consents and abutting damages, payment for.
Conveyancers' and notaries' fees.
Easements and rights-of-way, cost of, and expenses of acquisition.
Fees and commisisons to brokers and agents.
Grading.
Land, cost of.
Leases having a life of more than 1 year, costs of expenses incidental to acquiring.
Leases, voiding, to secure possesison of land.
Relocating property of others.
Rights-of-way, including costs of locating.
Sidewalks on public streets abutting carrier's property.
Special assessments on the basis of benefits for new roads, new bridges, new pavements, new sewers, and other public improvements (but not any taxes levied to provide for maintenance of such improvements).
Surveys.
Taxes assumed, accrued prior to date of transfer of title.
Title, examining, registering, clearing, insuring and defending against claims relating to period prior to purchase.

NOTE A: When land is acquired in excess of that required for motor carrier operations, or for which there is not a definite plan for its use in such service within 1 year, the cost of such land shall be charged to account 1400, Non-Carrier Operating Property, or to account 1450, Non-Operating Property, as appropriate. If land originally charged to either of these accounts is later used for motor carrier operations, it shall be charged to Carrier Operating Property in service at its cost when acquired. (See instruction 23.)

NOTE B: Assessments for public improvements upon which payments are deferred shall be charged to this account in full and the unpaid balance carried in the appropriate liability account. Interest on unpaid balances shall be charged to the appropriate income deduction account.

1211 Structures.

(a) This account shall include the cost in place (see instruction 19) of structures used in motor carrier operations. This includes buildings or constructions to house, support, or safeguard property or persons, with all appurtenant fixtures permanently attached thereto, and improvements to land, and other structures or constructions.

(b) Carriers shall keep their records so as to show separately the cost of each structure included in this account and the purpose or purposes for which used in motor carrier operations.

ITEMS

Architect's plans.
Ash pits.
Awnings.
Boilers, furnaces, piping, wiring, fixtures and machinery for heating, lighting, signaling, ventilating and plumbing.
Bridges and culverts.
Chimneys.
Commissions and fees to brokers, agents, architects, and others.
Conduits (not to be removed).
Damages to abutting property during construction.
Door checks and door stops.
Drainage and sewerage systems.
Elevators, cranes, hoists, etc., and the machinery for operating them.
Excavation, including shoring, bracing, bridging, refill and disposal of excess excavated material.
Fences and hedges.
Fire protection systems.
Floor covering (permanently attached).
Foundations and piers for machinery constructed as a permanent part of a building or other unit listed herein.
Grading and preparing grounds for buildings, including landscaping of grounds after construction.
Leases, voiding, to secure possession of structures.
Oil pits and drainage systems.
Outside lighting systems.
Partitions, including movable.
Painting, first.
Permits and privileges, building.
Platforms, railings and gratings, when constructed as part of structure. Power boards for service to a building.
Refrigerating systems.
Retaining walls.
Scales, connected to and forming part of the structure.
Screens.
Sidewalks, pavements and driveways on building grounds.
Sprinkling systems.
Storage facilities constituting part of building.
Storage tanks.
Storm doors and windows.
Structures, cost of.
Subways, areaways, and tunnels, directly connected to and forming part of the structure.
Vaults, constructed as part of the building.
Water supply system for building or general company purposes.
Window shades and ventilators.

NOTE A: The cost of specially provided foundations not expected to outlast the machinery or apparatus for which they are provided, and the cost of angle irons, castings, etc., installed at the base of an item of equipment shall be charged to the same account as the cost of the machinery or equipment.

NOTE B: When part of a structure is removed in order to build an extension thereto, the accounting therefor shall be in accordance with instruction 21.

1221 Revenue equipment.

(a) This account shall include the cost (see instruction 19) of all units of revenue passenger equipment, and the cost of the first set of accessory equipment necessary to fit them for service, excluding tires and tubes (see account 4160, Tires and Tubes—Revenue Equipment). The term "revenue passenger equipment" includes body and chassis and all fixtures and appliances inside of or attached to the body or chassis.

(b) If revenue passenger equipment is purchased in a condition ready for service, the cost shall include the invoice or contract price (excluding tires and tubes), less discount, if any, plus freight, excise taxes, insurance in transit, unloading costs and other expenses incurred in obtaining delivery of these vehicles upon the premises of the carrier such as drive-away charges, and the cost of any additions or attachments made after delivery.

(c) This account may also include the cost of spare engines and other major units carried on hand for the purpose of temporarily replacing such units taken into the shop for overhauling, repairing, or any other reason.

ITEMS

Automobiles.
Busses.
Combination busses.
Horses and mules.
Stages.

1231 Service cars and equipment.

This account shall include the cost (see instruction 19) of automotive vehicles used in connection with keeping revenue vehicles in operation, including cars and trucks used as trouble wagons for servicing revenue vehicles on the road. This account shall also include the cost of the first set of appliances or accessory equipment, including tires and tubes, necessary to fit such vehicles for service, such as cranes, hoists and other appliances, devices and tools forming the equipment of service cars.

ITEMS

Emergency repair vehicles and appliances.
Refueling cars.
Sand and salt cars.
Snow-fighting vehicles and equipment.
Spare units for service vehicles, on hand in shop (optional).
Tow cars and appliances.
Vehicles used by officials, starters and inspectors.

1241 Shop and garage equipment.

(a) This account shall include the cost installed (see instruction 19) of machinery and equipment used in shops and garages when such machinery and equipment is not an integral part of the housing structure, together with specially provided foundations and settings not expected to outlast the machinery mounted thereon. Records shall be kept so as to show separately the cost of each major item of equipment.

(b) If the carrier has shops or garages at more than one location, the records shall be maintained to reflect the carrier's investment at each location.

ITEMS

Air compressors and hose, gauges and tanks.
Anvils.
Arbor presses.
Battery charging outfits.
Belts, shafts and countershafts.
Boring or reaming machines.
Car washing equipment.
Cranes and hoists (portable).
Creepers.
Drill presses.
Electric equipment.
Engines and boilers.
Forges.
Gasoline and oil pumps and portable tanks.
Greasing racks and pumps.
Grinders.
Jacks.
Lathes.
Lockers.
Machine tools.
Motor driven hand tools.
Motor starters.
Oil reclaiming machines.
Paint sprayers.
Pneumatic tools.
Storage bins and shelving (movable).
Store room equipment (except office equipment).
Stoves.
Testing apparatus.
Tire changing equipment.
Tool racks.
Vises.
Vulcanizing equipment.
Weighing devices.
Welding apparatus.
Wheel pullers.
Work benches.

NOTE A: The cost of small portable tools and implements of slight value or short life shall be charged to the appropriate expense account.

NOTE B: The cost of cranes, hoists, and other appliances, devices, and tools forming the equipment of service cars and trucks shall be charged to account 1231, Service Cars and Equipment.

1251 Furniture and office equipment.

(a) This account shall include the cost (see instruction 19), installed of furniture and appliances used in general offices, garage offices, stations, terminals, warehouses, and waiting rooms, when such equipment is not an integral part of the housing structure.

(b) If the carrier has equipment included in this account at more than one location, the records shall be maintained to reflect the carrier's investment at each location.

(c) If the carrier operates or owns auxiliary station facilities such as restaurants and news stands, the cost of equipment therein shall be charged to this account and carried under a special subdivision entitled "Furniture and Office Equipment—Special Facilities."

ITEMS

Book cases.
Cash registers.
Chairs, stools and benches.
Clocks.
Counters.
Desks.
Equipment in rest, dining, recreation and medical rooms.
Fans, electric.
Filing cabinets.
Fire extinguisher equipment.
Floor coverings.
Heaters and lamps (movable).
Kitchen equipment.
Lighting fixtures (movable).
Lockers.
Loud speaker systems.
Newsstand equipment.
Office equipment (mechanical).
Parcel room equipment.
Partitions and railings.
Restaurant equipment.
Safes (movable).
Show cases and shelves.
Tables and counters.
Teletypewriters.
Ticket cases.
Ticket machines.
Time clocks.
Time-table racks.
Typewriters.
Vacuum cleaners.
Water coolers.

NOTE: Small articles of slight value or of short life shall be charged to the appropriate expense accounts.

1261 Miscellaneous equipment.

This account shall include the cost (see instruction 19) of other motor carrier equipment such as miscellaneous wheeled equipment used at warehouses, stations, terminals, and loading platforms in connection with handling traffic.

ITEMS

Blocks and falls.
Canvas covers (tarpaulins).
Carts.
Chain hoists.
Dollies (platform).
Electric motor trucks.
Hamper trucks.
Platform trucks.
Rollers.
Scales.
Signal equipment.
Signs (electric and portable).
Skidboards.
Warehouse trucks.
Weighing devices.

1271 Improvements to leasehold property.

(a) This account shall include, except as provided in paragraph (b) of this section, the cost of initial improvements (including rearrangements, additions, and betterments) to property used for motor carrier operations and held under lease or through control of the carrier owning the property, and in existence at the date of the balance sheet; and the cost of any subsequent additions to and betterments of such leased or controlled property but not including replacements of other than the carrier's own improvements. Depreciation on such expenditures shall be provided for in the manner set forth in instruction 25.

(b) When the cost of alterations to leased property used in motor carrier operations otherwise chargeable to this account is not in excess of $200.00 or the period of the lease is less than 1 year, the cost may be charged to the accounts chargeable with the cost of repairs to such property. (See provisions of instruction 22.)

1281 Undistributed property.

(a) When a carrier purchases or sells any property constituting a distinct operating unit (see definition 24) or otherwise finds it necessary because of incomplete financial records to make a general readjustment of operating property records, temporary charges or credits to this account may be made with approval of the Commission, and the distribution of the amounts involved shall be made promptly to the appropriate accounts after authorization by the Commission.

(b) Balances in accounts previously carried representing property owned as of the effective date of this system of accounts may be carried temporarily in this account. Journal entries distributing such balance to the appropriate property accounts prescribed in this part shall be made and filed with the Commission not later than 1 year after the effective date of this system of accounts.

1291 Unfinished construction.

This account shall include the cost of construction projects not ready for service at the date of the balance sheet. It shall include all elements of cost as set forth in instruction 19.

NOTE: This account is intended to include only charges for new construction not involving any replacement. If, however, at the beginning of a job involving the replacement or retirement of any operating property, the accounting carrier makes full credits therefor to the appropriate property accounts, the cost of installing new property in substitution or replacement may be carried in this account pending completion of the work. (See also account 1890, Other Deferred Debits.)

1300 Carrier operating property leased to others.

(a) This account shall include the cost (see instruction 19) of carrier operating property owned by the carrier but leased to others as distinct operating units (see definition 24) or systems for use in motor carrier operations, where the lessee has exclusive possession.

(b) This account shall be subdivided so as to reflect separately the investment in each class of property as provided for under account 1200, Carrier Operating Property.

1400 Non-carrier operating property.

This account shall include the book cost of land, structures and equipment owned by the carrier and used in other than motor carrier operations and not providede for in account 1200, Carrier Operating Property, and account 1300, Carrier Operating Property Leased to Others.

1450 Non-operating property.

This account shall include the book cost of land, structures and equipment owned by the carrier, but not used in any of its operating activities.

Intangible Property

1500 Organization, franchises and permits.

This account shall include the balance of the amounts included in accounts 1501 to 1541, inclusive.

1501 Organization.

This account shall include fees paid to State or other governmental authority for the privilege of incorporation, and expenditures incident to organizing the corporation, partnership, or other enterprises, and putting it into readiness to do business.

ITEMS

Fees and expenses for incorporation.
Fees and expenses for mergers or consolidations.
Office expenses incident to organizing the company.
Stock and minute books and corporate seal.

NOTE A: This account shall not include any discounts upon securities issued or assumed; nor shall it include any costs incident to negotiating loans, selling bonds or other evidences of debt, or expenses in connection with the authorization, issuance or sale of stock. (See instructions 12, 13, and accounts 1900, Discounts on Capital Stock, and 1910, Commission and Expense on Capital Stock.)

NOTE B: Exclude from this account, and include in account 4620, Law Expenses, the cost of preparing and filing papers in connection with the extension of the term of incorporation unless the first organization costs have been written off.

NOTE C: When charges are made to this account for expenses incurred in mergers, consolidations, acquisitions or reorganizations, amounts previously included herein on the books of the retiring companies shall not be carried over. If such items represent part of the assets acquired they shall be included in account 1550, Other Intangible Property. (See instruction 20.)

1511 Franchises.

(a) This account shall include amounts actually paid to a State or political subdivision thereof or to other governmental authority in consideration of franchises, permits, consents, or certificates running in perpetuity or for a specified term of more than 1 year together with the necessary reasonable expenses incident to procuring such franchises, consents, or certificates of convenience and necessity.

(b) When a franchise, permit, consent or certificate is acquired by assignment, the charge to this account shall not exceed the actual cost to the original holder thereof. Payments in excess of the cost to the original holder, together with any expenses incurred by the acquiring carrier shall be charged to account 1550, Other Intangible Property. (See instruction 20.)

(c) When any franchises, permits, consents or certificates have expired, and are not immediately renewed, are sold or otherwise disposed of, credits to this account shall be made representing the amounts at which such items (including expenses of acquisition) are carried herein. Concurrent charges shall be made to account 2600, Reserve for Amortization—Carrier Operating Property, or to account 5100, Amortization of Carrier Operating Property, as appropriate. * * * Expenses incurred in connection with renewals shall be charged to the appropriate operation and maintenance expense account.

(d) This account shall be sub-divided to reflect separately amounts pertaining to:

(1) Perpetual franchises.
(2) Fixed-term franchises.

NOTE: Regularly recurring payments made to any political subdivision for the right to operate within its boundaries shall be charged to account 5200, Operating Taxes and Licenses.

1541 Patents.

(a) This account shall include the cost (see instruction 19) of patent rights, licenses, and privileges necessary or valuable to the economical conduct of motor carrier operations, and which have a life of more than 1 year from the date they become effective.

(b) When any right or license included herein expires or is canceled and is not immediately renewed, is sold, or otherwise disposed of, credit to this account shall be made representing the amount at which such right or license is included herein. Concurrent charge shall be made to account 2600, Reserve for Amortization—Carrier Operating Property, or to account 5100, Amortization of Carrier Operating Property, as appropriate. Ex-

penses incurred in connection with renewals shall be charged to the appropriate operation and maintenance expense account.

1550 Other intangible property.

(a) This account shall include any intangibles not provided for elsewhere, including any undistributed portion of the purchase cost of a transportation system or portion thereof, constituting a distinct operating unit (see definition 24) not includible in specific accounts provided for assets acquired or liabilities assumed. (See instruction 20.)

(b) The carrier may amortize or write off the balance carried in this account by credits hereto and concurrent charges to account 7500, Other Deductions, or the entire amount carried herein for any item may be written off to account 9010, Extraordinary Items, pursuant to instruction 31.

Investment Securities and Advances

1600 Investments and advances—Associated companies.

(a) This account shall include the book cost (see instruction 15) of the carrier's investments in securities issued or assumed by associated companies; notes of associated companies maturing later than 1 year from date of issue; and the amount of advances to associated companies not subject to current settlement including accrued interest on such advances when not subject to current settlement. Exclude from this account securities held in special funds or as temporary cash investments. (See definitions 6, 8, account 1060, Temporary Cash Investments, and instruction 15.)

(b) This account shall be subdivided to reflect separately:

(1) Common stocks.
(2) Preferred stocks.
(3) Bonds.
(4) Notes.
(5) Other investments.
(6) Advances.

NOTE A: Balances in open accounts with associated companies which are subject to current settlement shall be included in account 1100, Receivables from Associated Companies.

NOTE B: Securities pledged shall be shown separately from securities unpledged.

NOTE C: Securities borrowed by the carrier and pledged shall not be included in this account. A memorandum record shall be kept.

1650 Other investments and advances.

(a) This account shall include the book cost (see instruction 15) of the carrier's investments in securities issued or assumed by other than associated companies; notes of other companies and persons, maturing later than 1 year from date of issue; the cash surrender values of insurance policies carried on the lives of officers and employees when the carrier is beneficiary of such policies; advances to other companies and individuals not subject to current settlement, including any accrued interest on such advances when not subject to current settlement.

(b) This account shall be subdivided to reflect separately:

(1) Common stocks.
(2) Preferred stocks.
(3) Bonds.
(4) Notes.
(5) Other investments.
(6) Advances.

NOTE A: Balances in open accounts with other companies and individuals which are subject to current settlement shall be included in account 1120, Accounts Receivable.

NOTE B: Securities pledged shall be shown separately from securities unpledged.

NOTE C: Securities borrowed by the carrier and pledged shall not be included in this account. A memorandum record shall be kept.

Special Funds

1701 Sinking funds.

(a) This account shall include the amount of cash or other items when held by trustees or other fiscal agents in charge of sinking funds, or by the carrier itself when they are segregated in a distinct fund, for the purpose of redeeming outstanding obligations. (See instruction 15.)

ITEMS

Cash.
Securities of other companies or other assets, at cost except as otherwise provided herein.
Live securities, issued or assumed by the carrier, at face value. (For conditions under which such securities may be kept alive, see instruction 14.)
Amounts deposited with trustees or other fiscal agents on account of mortgaged property sold when held for the redemption of securities.
Securities of the carrier issued to trustees without intervening sale, at face value.

(b) A separate subdivision shall be kept for each fund, the title of which shall designate the obligation in support of which the fund was created.

1751 Depreciation funds.

This account shall include the amount of cash and the cost (see instruction 15) of securities of other companies and other assets which have been specifically set aside for the purpose of providing a fund for the replacement of units of depreciable property.

1781 Miscellaneous special funds.

This account shall include the amount of cash and the cost (see instruction 15) of securities of other companies and other assets in insurance, employees' pension, savings, relief, hospital, and other funds which have been raised and specifically set aside or invested for purposes not provided for elsewhere; and the face value of securities issued or assumed by the carrier which may be held alive in such funds under instruction 14. Also include in this account deposits in lieu of mortgaged property sold and other trust deposits, pending their refund when equivalent property is acquired or pending their transfer under mortgage provisions to account 1701 Sinking Funds. A separate subdivision shall be provided for each fund.

Deferred Debits

1800 Prepayments.

This account shall include the balances representing payment of items in advance of their accrual, the benefit of which is to be realized subsequent to the time of such payment. Entries shall be made each period transferring from this account to the appropriate account the portion of each prepayment which is applicable to that period. The account shall be kept so that there can be determined readily the amounts applicable to the following:

(a) Taxes and licenses.
(b) Insurance.
(c) Interest.
(d) Rents.
(e) Tires and tubes (see account 4160, Tires and Tubes—Revenue Equipment).
(f) Miscellaneous.

NOTE: Prepayments of minor items applicable to the current year may be charged directly to the appropriate operation and maintenance expense or other accounts.

1880 Unamortized debt discount and expense.

This account shall include the total of the net debit balances representing the excess of the discount and expense over the premium in connection with the issuance of each class of the carrier's outstanding long-term or equipment obligations. Separate subdivisions shall be maintained in respect of each issue of such obligations. (See instruction 13.)

1890 Other deferred debits.

(a) This account shall include all debit balances in suspense accounts that cannot be entirely cleared and disposed of until further information is received; also items of a deferred nature (except items chargeable to account 1800, Prepayments, or account 1880, Unamortized Debt Discount and Expense) which are subsequently to be amortized to the appropriate operation and maintenance expense or other accounts. This includes amounts on deposit with banks which have failed, pending determination of loss; amounts paid for options pending final disposition which are not recoverable; expenditures for plans and investigations made for determining the feasibility of projects under contemplation, pending further disposition; and expenditures for valuations, inventories, and appraisals made in connection with the contemplated purchase or sale of property. (See instruction 19.) If projects in connection with which such preliminary costs were incurred are abandoned, the expense shall be charged to account 7500, Other Deductions, or account 9010, Extraordinary Items, as appropriate.

(b) This account shall also include other debit items which are subject to amortization by order of the Commission.

(c) This account shall also include the balances in clearing accounts maintained to carry temporarily the cost of operating and maintaining such facilities as office buildings, storehouses, etc.;

and such overhead costs as it is desirable to apportion to the construction, operating, and other accounts involved. (See instruction 16.)

Miscellaneous Debit Items

1900 Discount on capital stock.

This account shall include the discounts suffered in the sale of capital stock. (See instructions 12, 14.)

1910 Commission and expense on capital stock.

This account shall include all expenses incurred in connection with the issuance and sale of capital stock. (See instructions 12, 14.)

ITEMS

Fees and expenses in obtaining permission from regulatory bodies for the issuance of stock and in filing papers of notification thereunder.
Fees paid to promoters.
Listing stock on exchanges.
Preparation and distribution of prospectuses.
Preparation and issuance of certificates of stock.
Soliciting subscriptions for stock, including fees, commissions, advertising and printing.
Taxes paid on stock issues.

1920 Reacquired securities.

This account shall include in subdivisions for each class, the face, par, or stated value of capital stock, bonds, and other forms of securities which have been actually issued or assumed by the carrier, and reacquired and are neither retired nor properly includible in sinking or other funds.

NOTE A: The accounting for the reacquisition of securities and resales thereof shall be in accordance with instruction 14.

NOTE B: This account shall be maintained so as to reflect separately securities pledged and unpledged.

NOTE C: In reports to the Commission the balance in this account shall be deducted from the securities accounts on the liability side, thereby extending into the money column the amounts to reflect the actually outstanding securities.

1990 Nominally issued securities.

(a) This account shall include in subdivisions for each class, the face value of capital stock, bonds, and other forms of securities which have been nominally but not actually issued by the carrier. (See definitions 2, 30.)

(b) When stock without par value is nominally issued, a memorandum entry shall be made to this account showing the number of shares thus issued.

NOTE A: This account shall be maintained so as to reflect separately securities pledged and unpledged.

NOTE B: In reports to the Commission, the balance in this account shall be deducted from the securities accounts on the liability side, thereby extending into the money column the amounts to reflect the actually outstanding securities.

LIABILITY SIDE

Current Liabilities

2000 Notes payable.

(a) This account shall include the face value of outstanding obligations in the form of notes, drafts, acceptances, and other similar evidences of indebtedness which by their terms do not run for a period in excess of 1 year, including the face value of notes receivable discounted or sold without releasing the carrier from liability as endorser thereon.

(b) Subdivisions shall be maintained to show separately obligations maturing upon demand from obligations bearing a specified date of maturity.

NOTE A: Notes payable to associated companies shall be included in account 2030, Payable to Associated Companies.

NOTE B: Unmatured equipment obligations shall be included in account 2190, Equipment Obligations and Other Debt Due Within One Year, or account 2300, Equipment Obligations, as appropriate.

2020 Matured equipment and long-term obligations.

This account shall include the amount (including obligations for premiums) of equipment obligations, long-term obligations and receivers' certificates matured and unpaid without any specific agreement for extension of maturity, including unpresented bonds called for redemption.

2030 Payables to associated companies.

(a) This account shall include the total of amounts payable to associated companies (see definition 6) which are subject to current settlement (see definition 17), such as credit balances in open accounts for services rendered, material furnished, traffic or interline accounts, claims, rent for use of property and similar items; interest and dividends due to associated companies; and loans, notes and drafts which are payable to associated companies.

(b) This account shall be subdivided to reflect separately:

(1) Loans and notes payable—Associated companies.

(2) Interest and dividends payable—Associated companies.

(3) Accounts payable—Associated companies.

NOTE A: On the balance sheet accounts payable to associated companies shall be set off against accounts receivable from the same companies.

NOTE B: No amount representing dividends payable shall be included in this account unless they have been declared or guaranteed.

NOTE C: Items which are not subject to current settlement shall be included in account 2200 Advances Payable—Associated Companies.

2050 Accounts payable.

(a) This account shall include amounts payable to others (except associated companies) for materials and supplies and services received, including use of property, other matured rents, amounts due to public authorities, amounts of payable judgments, current accounts with officers and employees, personal injury and property damage claims, the carrier's liability for transportation taxes and sales taxes collected from customers, deductions from employees' wages for social security and income taxes, and other similar items.

(b) This account shall also include the balances due to other carriers (except associated companies) in favor of each of which there is a net credit balance representing traffic or interline accounts.

(c) This account shall be sub-divided to reflect separately:

(1) Accounts payable—Officers, stockholders, and employees.

(2) Traffic or interline account balances.

(3) Accounts payable—Others.

NOTE: Accounts with other carriers representing traffic or interline accounts which contain net debit balances shall be included in account 1120, Accounts Receivable.

2070 Wages payable.

This account shall include the amount of wages payable or accrued pay rolls at the date of the balance sheet. Unclaimed wages should be transferred to account 2190, Other Current Liabilities.

2080 Unredeemed tickets.

Carriers using the "ticket lift basis" in recording revenues shall credit this account with the amounts received from the sale of mileage books, scrip books, tokens, strip or coupon tickets, commutation or other forms of tickets which are valid for transportation. This account shall be charged and the appropriate revenue account credited as tickets, tokens, or coupons are honored for transportation. This account shall also be charged with unused portions of tickets, tokens, or coupons with concurrent credits to cash or other appropriate account for the amount redeemed and to the appropriate revenue account for the portion not so redeemed or redeemable.

NOTE: Carriers using the "ticket sales basis" in recording revenues shall credit account 3200, Passenger Revenue with their proportion received from the sale of tickets, etc.

2090 C.o.d.'s unremitted.

This account shall be credited with amount of c.o.d.'s collected from consignees for shippers on express delivered.

This account shall be charged when remittances of amounts of c.o.d.'s are made to shippers.

NOTE: Fees for handling c.o.d.'s shall be credited to the express revenue account.

2100 Dividends declared.

This account shall include the amount of dividends declared but not paid on any issue of capital stock of the carrier. Dividends shall be credited to this account as of the day upon which they become a liability of the carrier.

NOTE: Dividends declared and payable to associated companies shall be included in account 2030, Payable to Associated Companies.

2120 Taxes accrued.

(a) This account shall be credited each period with the amount of taxes accrued during the period, with concurrent debits to the appropriate accounts for tax charges. As credits to this account will necessarily be based upon estimates, they shall be adjusted from time to time during the year so that the tax charge accounts may show as nearly as possible, the taxes applicable to the year.

Payments of taxes for which accruals have been made shall be debited to this account. Amounts representing prepayment of taxes applicable to the period subsequent to the date of the balance sheet shall be included in account 1800, Prepayments.

(b) The records supporting the entries to this account shall be kept so that the carrier can furnish information as to the amount and basis for each tax accrual, the kinds of taxes paid, the amount of each and the accounts charged with the tax accruals.

NOTE A: The liability for income taxes of sole proprietors or members of a partnership shall not be included in this account.

NOTE B: The liability for social security and income taxes deducted from employees' wages for payment to taxing bodies shall be included in account 2050, Accounts Payable.

NOTE C: The liability for Federal or State Taxes on transportation charges collectible by motor carriers shall be included in account 2050, Accounts Payable.

2150 Interest accrued.

(a) This account shall include the amount of interest accrued to the date of the balance sheet, but not payable until after that date, on all indebtedness of the carrier except interest which is added to the principal.

(b) When interest matures without being paid, it shall be charged to this account and credited to account 2030, Payables to Associated Companies, or account 2160, Matured Interest, as appropriate. Payments to trustees or other agents of the holders of bonds or other securities, of the interest accrued thereon, which operate under the terms of the securities (or of mortgages supporting such securities) as a release of the carrier from further liability for such interest, shall be accounted for in the same manner as payments of interest made directly to bondholders.

NOTE: Interest accrued upon any judgment against the carrier shall be credited to the account to which such judgment stands credited.

2160 Matured interest.

This account shall include the amount of matured and unpaid interest on obligations of the accounting carrier whether the cause of the failure to pay the interest is on the part of the creditor or for other reasons, except where such interest is added to the principal of the obligation.

NOTE: Interest payable to associated companies shall be included in account 2030, Payables to Associated Companies.

2180 Other current liabilities.

This account shall include all current and accrued liabilities not includible in any of the foregoing accounts. This includes unmatured rents accrued, unclaimed wages, and estimated amounts payable within one year covering liability for claims for injuries to persons, loss and damage, and similar items.

Long-term Debt Due Within One Year

2190 Equipment obligations and other debt due within one year.

This account shall include the total amount of bonds, equipment obligations, and other long-term debt obligations, including obligations maturing serially or payable in installments, which are due and payable within one year, and for which arrangements for refunding have not been made or for which no sinking funds have been provided. This account shall be subdivided according to the different classes of debt so maturing.

Advances Payable

2200 Advances payable—Associated companies.

(a) This account shall include the amount of advances from associated companies, whether evidenced by notes or open accounts which are not subject to current settlement, including interest accrued thereon, when such interest is not subject to current settlement.

(b) This account shall be subdivided so as to show for each creditor:

(1) Notes payable.

(2) Open accounts not subject to current settlement.

(3) Interest accrued on amounts included in this account when not subject to current settlement:

NOTE: Amounts of temporary advances which are subject to current settlement such as charges for materials and supplies currently furnished, charges for repairs to equipment, etc., shall be included in account 2030, Payables to Associated Companies.

2250 Other advances payable.

(a) This account shall include the amount of advances from individuals and companies other than associated companies, whether evidenced by notes or open accounts, which are not subject to current settlement, including interest accrued thereon when such interest is not subject to current settlement.

(b) This account shall be subdivided so as to show for each creditor:

(1) Notes payable.

(2) Open accounts not subject to current settlement.

(3) Interest accrued on amounts included in this account when not subject to current settlement.

(c) The liability for advances payable to individuals and companies, other than affiliated companies, maturing within one year of the close of the accounting period is includible in account 2190—Equipment Obligations and Other Debt Due Within One Year.

NOTE: Amounts of temporary advances which are subject to current settlement such as charges for materials and supplies currently furnished, charges for repairs to equipment, etc., shall be included in account 2050, Accounts Payable.

Equipment and other Long-term Obligations

2300 Equipment obligations.

(a) This account shall include the face value of unmatured equipment obligations issued by the carrier and maturing more than one year from the close of the accounting period or, if payable in installments, the face amount of such installments not due within one year from such closing. (See account 2190—Equipment Obligations and Other Debt Due Within One Year.) This includes equipment bonds, equipment notes; chattel mortgages, and other obligations for which equipment is pledged as security or is held under a conditional sales agreement; also the face value of equipment obligations issued by others, the payment of which has been assumed by the carrier; and of equipment obligations so issued or assumed, the maturity of which has been extended by specific agreement.

(b) This account shall be kept so as to show the face value of equipment obligation (1) nominally issued, and (2) actually outstanding. (See definitions 3, 31.)

(c) A separate subdivision shall be maintained for each class of equipment obligation and no issues shall be considered to be of the same class unless identical as to liability and nature of property covered.

NOTE A: Equipment obligations matured and unpaid without specific agreement for extension as to time of payment, including unpresented equipment obligations called for redemption shall be included in account 2020, Matured Equipment and Long-Term Obligations.

2330 Bonds.

(a) This account shall include the face value of bonds, other than equipment obligations, issued by the carrier and maturing more than one year from the close of the accounting period; also the face value of such bonds issued by others, the payment of which has been assumed by the carrier. (See account 2190—Equipment Obligations and Other Debt Due Within One Year.)

(b) This account shall be kept so as to show the face value of bonds (1) nominally issued, and (2) actually outstanding. (See definitions 3, 31.)

(c) A separate subdivision shall be maintained for each class and series of bonds, and no issue shall be considered to be of the same class unless identical as to liability and nature of property covered.

NOTE A: Bonds matured and unpaid without specific agreement for extension as to time of payment, including unrepresented bonds called for redemption, shall be included in account 2020, Matured Equipment and Long-Term Obligations.

2360 Other long-term obligations.

(a) This account shall include all long-term obligations not otherwise provided for which mature more than one year from the close of the accounting period. (See account 2190—Equipment Obligations and Other Debt Due Within One Year.) This covers such items, executed or assumed, as real estate mortgages; assessments for public improvements; receipts outstanding for long-term obligations; and other obligations

maturing more than 1 year from date of issue.

(b) This account shall also include the face value of certificates of indebtedness issued upon the property by receivers in possession of the property acting under the orders of a court.

NOTE A: Separate subdivisions shall be maintained for each class of obligation included herein, and records shall be maintained to show separately for each issue all details as to date of issue, date of maturity, interest dates and rates, security for obligations, etc.

NOTE B: Matured obligations which are unpaid shall be included in account 2020, Matured Equipment and Long-Term Obligations.

Deferred Credits

2400 Unamortized premium on debt.

This account shall include the total of all credit balances representing the excess of the premium over the discount and expense in connection with the issuance of each class of the carrier's outstanding long-term or equipment obligations. Separate subdivisions shall be maintained in respect of each issue of obligations. (See instruction 13.)

2450 Other deferred credits.

This account shall include the credit balances in suspense accounts that can not be entirely cleared and disposed of until additional information is received, and other items of a deferred nature. (See instruction 16.)

Reserves

2500 Reserve for depreciation—Carrier operating property.

(a) This account shall be credited with the following:

(1) Amounts charged to account 5000, Depreciation Expense, account 5500, Income from Lease of Carrier Property—Credit, or other accounts for currently accruing depreciation (see definition 22) of carrier operating property as provided in instruction 25.

(2) The amount of depreciation accrued to date of transfer applicable to carrier operating property acquired as distinct operating units as provided in instruction 20.

(3) The amount of depreciation accrued to date of transfer, applicable to property transferred from accounts 1400, Non-Carrier Operating Property, or 1450, Non-Operating Property, to accounts 1200, Carrier Operating Property, or 1300, Carrier Operating Property Leased to Others. (See instruction 23.)

(b) Charges to this account in connection with carrier operating property retired shall be made in accordance with instruction 21. This account shall also be charged with the amount of depreciation accrued to date of transfer applicable to property transferred from accounts 1200, Carrier Operating Property, or 1300, Carrier Operating Property Leased to Others, to accounts 1400 or 1450.

(c) This account shall be subdivided to reflect the balance applicable to each class of property as follows:

2511 Structures.
2521 Revenue Equipment.
2531 Service Cars and Equipment.
2541 Shop and Garage Equipment.
2551 Furniture and Office Equipment.
2561 Miscellaneous Equipment.
2571 Improvements to Leasehold Property.
2581 Undistributed Property.
2591 Carrier Operating Property Leased to Others.

2600 Reserve for amortization—Carrier operating property.

(a) This account shall be credited with amounts charged to account 5100, Amortization of Carrier Operating Property, or other appropriate account, for amortization of the cost of acquiring leaseholds, franchises, consents, privileges, patents, and other intangible property having a fixed term life. This account shall also be credited with amounts charged to account 7500, Other Deductions, or account 9010, Extraordinary Items, as appropriate, for the amortization or writeoff of cost of acquiring perpetual leaseholds and of intangible property which does not have a fixed term life.

(b) When any leasehold, franchise, permit, consent, privilege or patent expires, is sold or relinquished, or is otherwise retired from service, this account shall be charged with the amount previously credited hereto in respect of such property. The difference between the proceeds realized and the net book cost (see definition 29 and instruction 21) of the property retired shall be included in account 5100, Amortization of Carrier Operating Property.

(c) Records shall be maintained so as to show separatively the balances applicable to each item of intangible property which is being amortized.

(d) This account shall be credited with such amounts as are necessary to reflect, as of the effective date of this system of accounts, the expired portion of the life of franchises, permits, consents, patent rights, leaseholds, easements, rights-of-way, other interest in land, or other intangible property which has a fixed term life, the cost of which is included in operating property accounts 1200 and 1300 and intangible property accounts 1500 and 1550. To the extent that provision has not previously been made the amounts credited to this reserve shall be concurrently debited to account 2946, Other debits to Surplus.

2610 Reserve for depreciation and amortization—Other property.

This account shall include amounts provided for depreciation and amortization of properties carried in accounts 1400, Non-Carrier Operating Property, and 1450, Non-Operating Property.

2650 Reserve for uncollectible accounts.

This account shall be credited each period with amounts reserved for receivables which may become uncollectible.

NOTE A: Charges applicable to receivables for carrier operating revenues shall be included in account 4680, Uncollectible Revenues.

NOTE B: Charges applicable to other than carrier operating revenues shall be included in account 7500, Other Deductions.

NOTE C: Charges for items not applicable to motor carrier operations shall be included in accounts 6000, Net Income from Non-Carrier Operations, or 6100, Net Income from Non-Operating Property, as appropriate.

2660 Insurance reserves.

(a) This account shall be credited with amounts charged to account 4570, Fire and Theft Insurance, account 4580, Other Insurance, or other appropriate accounts to provide a reserve for losses through collision, accident, fire, flood, or other hazards to the carrier's own property or to property leased from others, which are not covered by outside insurance. (See instruction 27.) A schedule of risks covered by this reserve shall be maintained, giving a description of the property involved, the character of the risks covered and the rate used.

(b) The cost to the carrier of repairing damaged property owned or leased from others and of replacing damaged or destroyed property leased from others, shall first be charged to the account appropriate for the cost of repairs or replacement. When the risk is specifically provided for in the schedule applicable to this account, the cost of repairs or restoration of the property damaged shall be charged to this account and credited to the account previously charged. Such charges shall not exceed the amount of the risk provided for in the schedule. When carrier operating property is destroyed or so badly damaged as to require retirement, the amount provided therefor in the schedule of risks applicable to this account shall be charged hereto and credited to account 2500, Reserve for Depreciation—Carrier Operating Property.

2680 Injuries, loss and damage reserves.

(a) This account shall be credited with amounts charged to accounts 4530, Injuries and damages, 4546, Workmen's Compensation—Self Insurer, 4560, Baggage and Express Loss and Damage, or other appropriate accounts to provide a reserve against claims for deaths of or injuries to employees and others; for damages to property not owned or held under lease by the carrier; and for loss, destruction, damage, or delays to property intrusted to the carrier for transportation or storage, which are not covered by outside insurance. (See instruction 27.) A schedule of risks covered by this reserve shall be maintained in sufficient detail to indicate the character of the risks covered and the rates used.

(b) This account shall be charged with claims payable for injuries and damages when the risk is specifically provided for in the schedule applicable to this account.

(c) When liability for any injury or damage is admitted by the carrier either voluntarily or because of the decision of a court or other lawful authority such as a workmen's compensation board, industrial commission, etc., the amount shall be charged to this account. The amount of such a liability shall be credited to account 2030, Payable to Associated Companies, account 2050, Accounts Payable, or account 2450, Other Deferred Credits, as appropriate, until paid or liquidated.

(d) This account shall be subdivided to reflect:

(1) Reserve for personal injuries and property damage.

(2) Reserve for baggage and express loss and damage.

NOTE: The accounting for repairs and replacements of property owned, or leased from others, shall be as provided in paragraph (b) of account 2660, Insurance Reserves.

(e) At the close of the accounting period the estimated amounts payable within one year covering liability for claims for injuries to persons, loss and damage, and similar items shall be transferred for purposes of the balance sheet statement to account 2180—Other Current Liabilities.

2690 Other reserves.

(a) This account shall include amounts reserved by the carrier for purposes which are not provided for in any of the preceding reserves. There shall be reported hereunder such accounts as sinking fund reserves, contingency reserves and other reserves created by charges to income or surplus.

(b) This account shall be maintained in such manner as to show the amount of each separate reserve and the nature and the amounts of the debits and credits thereto.

Capital Stock

2700 Preferred capital stock.

2710 Common capital stock.

(a) These accounts shall include the par value of stocks with par value; the stated value of non-par stocks having a stated value; and the cash value of the consideration received, including assessments, for non-par stocks without stated value, which have been nominally or actually issued.

(b) Separate accounts shall be provided for each class of stock, and the title of each account shall clearly identify the class of stock covered. Issues of stock shall not be considered as of the same class unless identical in all provisions, nor shall there be carried any undivided item in respect of more than one class of stock.

(c) When stock is issued for cash, that fact shall be stated; if for any consideration other than cash, the person to whom it is issued shall be designated and the consideration for which it is issued shall be described with sufficient particularity to identify it. If such issuance is to the treasurer or other agent of the corporation for purpose of sale, that fact and the name of such agent shall be shown; and such agent shall show like details concerning the consideration realized therefor in his account of the disposition thereof, which when accepted by the corporation, shall be preserved as a corporate record.

(d) When capital stock is retired and canceled, these accounts shall be charged with the amount at which such stock is carried in these accounts.

NOTE A: For each class of stock the records shall show the number of shares nominally issued, actually outstanding, and nominally outstanding. (See definitions 3, 31.) When non-par stock (without stated value) is nominally issued a memorandum entry shall be made showing only the number of shares so issued.

NOTE B: When non-par stock is issued in exchange for par stock, or non-par stock with stated value, amounts included in account 2720, Premiums and Assessments on Capital Stock, for the retired stock, shall be treated as part of the consideration received for non-par stock.

NOTE C: No entries recording changes in the par value of stocks with par value; the stated value of non-par stocks having a stated value; or the recorded value of non-par stocks without stated value shall be made in any account for capital stock without approval of the Commission.

2720 Premiums and assessments on capital stock.

(a) This account shall include the excess of the actual cash value (at the time of sale of the stock) of the consideration received over the par or stated value of the stock issued, plus accrued dividends, if any; and subsequent assessments against stockholders representing payments required in excess of par or stated value.

(b) A separate subdivision shall be maintained for premiums on each class and series of stock.

(c) When capital stock is retired and canceled, the amount in this account with respect to the shares retired and canceled shall be debited hereto in accordance with instruction 14.

2730 Capital stock subscribed.

This account shall include the amount of legally enforceable subscriptions to capital stock of the carrier. It shall be credited with the par or stated value, or with the subscription price in the case of stock without par or stated value, exclusive of accrued dividends, if any. Concurrently a debit shall be made to account 1140, Subscribers to Capital Stock, for the agreed purchase price and any discount or premium debited or credited to the appropriate discount or premium account. When properly executed stock certificates have been issued representing the stocks subscribed, this account shall be debited and the appropriate capital stock account credited with the par or stated value (or the consideration received in the case of non-par stock without a stated value) of the stock.

Non-Corporate Capital

2800 Sole proprietorship capital.

This account shall include the investment in an unincorporated carrier by the proprietor thereof and shall be charged with all withdrawals from the business by its proprietor. At the end of each calendar year the net income for the year as developed in the income account shall be transferred to this account. There shall also be entered in this account such items as in corporate organizations are handled through earned surplus accounts 2930 to 2946. (See optional accounting procedure provided in note B, hereunder.)

NOTE A: Amounts payable to the proprietor as fair and reasonable compensation for services performed, shall be charged to the appropriate operation and maintenance expense or other accounts.

NOTE B: This account may be restricted to the amount considered by the proprietor to be the permanent investment in the business, subject to change only by additional investment by the proprietor of the withdrawals of portions thereof not representing net income. When this option is taken the surplus accounts shall be maintained and entries thereto shall be made in accordance with the texts thereof.

2810 Partnership capital.

This account shall be credited, where the business is conducted by an unincorporated firm, co-partnership or under any style other than that of an incorporated company or sole proprietorship, with the respective amounts paid into the business by the partners therein, and shall be charged with all withdrawals from the business by each partner. At the end of each calendar year the net income for the year as developed in the income account shall be transferred to this account. There shall also be entered in this account such items as in corporate organizations are handled through earned surplus accounts 2930 to 2946. (See optional accounting procedure provided in note C hereunder.)

NOTE A: Amounts payable to the partners as fair and reasonable compensation for services performed, shall be charged to the appropriate operation and maintenance expense or other accounts.

NOTE B: Separate accounts shall be kept to show the net equity of each member of the co-partnership and the transactions affecting the interest of each such partner. The total of the balances in such accounts shall be shown as one amount in the balance sheet.

NOTE C: This account may be restricted to the amount considered by the members of the co-partnership to be their permanent investment in the business, subject to change only by additional investments by the co-partners or the withdrawals of portions thereof not representing net income. When this option is taken the surplus accounts shall be maintained and entries thereto shall be made in accordance with the texts thereof.

Unappropriated Surplus

2900 Unearned surplus.

(a) This account shall include all surplus not classified in this part as earned surplus. It shall include such items as surplus arising from the donations by stockholders of the carrier's capital stock; surplus recorded at reorganization or in connection with recapitalization; net credits resulting from reacquisition or resales of carrier's capital stock (see instruction 14); amortization of discount and expense on capital stock (see instruction 12); and from a reduction of the par or stated value of the carrier's capital stock where allowed by statute.

(b) No entry shall be made in this account to create unearned surplus arising out of the revaluation of carrier operating property except upon written order of the Commission.

(c) This account shall be subdivided into accounts to show each source of unearned surplus.

2930 Earned surplus.

(a) This account shall include the balance of the amounts included in ac-

counts 2932 to 2946, inclusive, either debit or credit, of unappropriated surplus arising from earnings. It shall not include surplus property includible under accounts 2800, Sole Proprietorship Capital, 2810, Partnership Capital, or 2900, Unearned Surplus.

(b) The balance of all earned surplus accounts (2932 to 2946, inclusive) shall be closed to this account at the end of each calendar year.

2932 Credit balance transferred from income account.

This account shall include the net credit balance brought forward from the income account for the current calendar year.

2933 Other credits to surplus.

(a) This account shall include other credit adjustments, net of assigned income taxes, not provided for elsewhere in this system but only after such inclusion has been authorized by the Commission.

(b) The records supporting entries in this account shall be so maintained that an analysis thereof may be readily made available.

2942 Debit balance transferred from income account.

This account shall include the net debit balance brought forward from the income account for the current calendar year.

2943 Dividend appropriations.

(a) This account shall include amounts declared as dividends on capital stock actually outstanding.

(b) This account shall be subdivided to show separately the dividends on each class of stock. If a dividend is not payable in cash, the consideration shall be described in the entry with sufficient particularity to identify it.

NOTE: Dividend charges shall be restricted to actually outstanding stock and this account shall not include charges for dividends on capital stock issued by the carrier and owned by it.

2944 Appropriations to reserves.

This account shall include appropriations from surplus for sinking fund and other reserves and allotments of surplus, or transfers of definite amounts from surplus into sinking fund and other reserves under the terms of mortgages, deeds of trust, or under contracts, and such other appropriations of surplus to be set aside in special reserve accounts as the accounting carrier may make.

2945 Other appropriations.

This account shall include appropriations of surplus not includible elsewhere.

2946 Other debits to surplus.

(a) This account shall include (1) charges which reduce or write off discount on capital stock issued by the company, and (2) in pooling of equity interests situations, the excess of the value of the surviving company's capital stock over the aggregate total of the capital stock of the separate companies before such merger or consolidation, but only to the extent that unearned surplus is not available for such purposes. (See instructions 21(d) and 20(a)(2)(ii).)

(b) This account shall include other debit adjustments, net of assigned income taxes, not provided for elsewhere in this system but only after such inclusion has been authorized by the Commission.

(c) The records supporting entries in this account shall be so maintained that an analysis thereof may be readily made available.

2999 Form for balance sheet statement.

(See instructions 17, 18.)

ASSET SIDE

Current assets:				
1000	Cash			$----
1020	Working Funds			----
1040	Special Deposits			----
1060	Temporary Cash Investments			----
	(a) Pledged		$----	
	(b) Unpledged		$----	
1080	Notes Receivable	$----		
1100	Receivables from Associated Companies	----		
1120	Accounts Receivable	----		

	Less: Reserve for Uncollectible Accounts	----	----	

1140	Subscribers to Capital Stock			----
1160	Interest and Dividends receivable			----
1180	Materials and Supplies			----
1190	Other Current Assets			----
	Total Current Assets			----
Tangible Property:				
1200	Carrier Operating Property		----	
	Less: Reserve for Depreciation and Amortization		----	

1300	Carrier Operating Property Leased to Others		----	
	Less: Reserve for Depreciation and Amortization		----	

1400	Non-Carrier Operating Property		----	----
	Less: Reserve for Depreciation and Amortization		----	----
1450	Non-Operating Property		----	
	Less: Reserve for Depreciation and Amortization		----	----
	Total Tangible Property			----
Intangible Property:				
1500	Organization, Franchises and Permits		$----	
	Less: Reserve for Amortization		----	
				$----
1550	Other Intangible Property		----	
	Less: Reserve for Amortization		----	
	Total Intangible Property			----

ASSET SIDE—continued

Investment Securities and Advances:				
1600	Investments and Advances; Associated Companies			$----
	(a) Pledged		$----	
	(b) Unpledged		----	----
1650	Other Investments and Advances			----
	(a) Pledged		----	
	(b) Unpledged		----	
	Total Investment Securities and Advances			----
Special Funds:				
1701	Sinking Funds			----
1751	Depreciation Funds			----
1781	Miscellaneous Special Funds			----
	Total Special Funds			----
Deferred debits:				
1800	Prepayments			$----
1880	Unamortized Debt Discount and Expense			----
1890	Other Deferred Debits			----
	Total Deferred Debits			----
Miscellaneous Debit Items:				
1900	Discount on Capital Stock			----
1910	Commission and Expense on Capital Stock			----
	Total Miscellaneous Debits			----
	Total Assets			----
Contingent Assets (not included above)			$----	

LIABILITY SIDE

Current Liabilities:				
2000	Notes Payable			$----
2020	Matured Equipment and Long-Term Obligations			----
2030	Payables to Associated Companies			----
2050	Accounts Payable			----
2070	Wages Payable			----
2080	Unredeemed Tickets			----
2090	C.O.D.'s Unremitted			----
2100	Dividends Declared			----
2120	Taxes Accrued			----
2150	Interest Accrued			----
2160	Matured Interest			----
2180	Other Current Liabilities			----
	Total Current Liabilities (exclusive of long-term debt due within one year)			----
Long-term debt due within one year.				
2190	Equipment obligations and other debt			----
Advances Payable:				
2200	Advances Payable; Associated Companies			----
2250	Other Advances Payable			----
	Total Advances Payable			----
Equipment and Other Long-Term Obligations:				
2300	Equipment Obligations		$----	
	Less: Reacquired and Nominally Issued		----	----
2330	Bonds		----	
	Less: Reacquired and Nominally Issued		----	----

LIABILITY SIDE—continued			
Equipment and Other Long-Term Obligations—Continued			
2360	Other Long-Term Obligations	$----	
	Less: Reacquired and Nominally Issued	----	$----
	Total Equipment and Other Long-Term Obligations		----
Deferred Credits:			
2400	Unamortized Premium on Debt	$----	
2450	Other Deferred Credits	----	
	Total Deferred Credits		----
Reserves:			
2660	Insurance Reserves		----
2680	Injuries, Loss and Damage Reserves		----
2690	Other Reserves		----
	Total Reserves		----
Capital Stock:			
2700	Preferred Capital Stock	$----	
	Less: Reacquired and Nominally Issued	----	----
2710	Common Capital Stock		----
	Less: Reacquired and Nominally Issued	----	----
2720	Premiums and Assessments on Capital Stock		----
2730	Capital Stock Subscribed		----
	Total Capital Stock		----
Non-Corporate Capital:			
2800	Sole Proprietorship Capital		----
2810	Partnership Capital		----
	Total Non-Corporate Capital		----
Unappropriated Surplus:			
2900	Unearned Surplus		----
2930	Earned Surplus (Deficit in red)		----
	Total Unappropriated Surplus		----
	Total Liabilities		----
Contingent Liabilities (not included above)		$----	

INCOME ACCOUNTS

(ORDINARY ITEMS)

Operating Revenues

3000 Operating revenues.

This account shall include the total operating revenues as provided in the primary operating revenue accounts, derived by the carrier from its motor carrier operations during the period covered by the income account.

3200 Passenger revenue.

(a) This account shall include all revenue accrued from the transportation of passengers over regularly operated routes. This includes:

(1) Revenue upon the basis of local tariff fares.

(2) The carrier's proportion of revenue from joint tariff fares.

(b) This account shall be charged with:

(1) Redemptions of unused or partially used local passenger tickets.

(2) The carrier's proportion of redemption of unused and partially used through or interline passenger tickets.

(3) The carrier's proportion of overcharges resulting from the application, in error, of fares in excess of tariffs.

(4) The carrier's proportion of refunds of tickets issued in lieu of passes under regulations of the Commission and section 217(b) of Part II of the Interstate Commerce Act.

NOTE A: The foregoing is based upon the practice of accounting on a "ticket sales basis" and not on a "ticket lift basis." Carriers using the "ticket lift basis" shall credit this account with the revenue earned from the transportation of passengers as determined by the "ticket lift" concurrently charging account 2080, Unredeemed Tickets.

NOTE B: By "regularly operated routes" is meant routes or portions thereof over which uniform service is maintained at intervals of 1 week or less.

NOTE C: Revenue from transportation of passengers on special busses at fares based on special rates shall be credited to account 3210, Special Bus Revenue.

NOTE D: Payments to other carriers for transportation of passengers, their baggage and personal effects to complete any portion of the reporting carrier's haul, shall be charged to account 4250, Purchased Transportation, or account 4370, Purchased Collection and Delivery, as appropriate.

NOTE E: Divisions of tariff rates due other carriers shall be included in the appropriate accounts payable account.

NOTE F: Revenue derived from sleeping accommodations furnished passengers shall be included in account 3900, Other Operating Revenue.

3210 Special bus revenue.

(a) This account shall include the amounts earned by the carrier from busses chartered for special passenger and other special contract service.

(b) This account shall be charged with the amounts of all special bus refunds.

3220 Baggage revenue.

(a) This account shall include the revenues earned from the transportation of baggage in excess of free authorized allowances and for the transportation of packages, articles, dogs, etc., as baggage.

(b) This account shall be charged with the amounts of all baggage refunds.

3300 Mail revenue.

(a) This account shall include revenue earned from the transportation of United States and other mails, and from bonuses for special mail transportation.

(b) This account shall be charged with fines and penalties imposed by the Government in connection with the transportation of mail which are not collectible from agents or employees.

3400 Express revenue.

(a) This account shall include the amounts earned by the carrier from the transportation of express matter (including milk and cream) at specified tariff rates and the fees for handling express c.o.d.'s.

(b) This account shall be charged with:

(1) The carrier's proportion of overcharges resulting from use of erroneous rates, weights, classifications or computations.

(2) Uncollected earnings on express destroyed in transit and on short and lost express.

3500 Newspaper revenue.

(a) This account shall include the revenue earned from the transportation of newspapers at specified tariff rates.

(b) This account shall be charged with the amounts of all refunds on newspaper revenue billing resulting from overcharges, etc.

3600 Miscellaneous station revenue.

This account shall include the revenue earned by the carrier from:

(a) Weighing, vending and other automatic machines located at stations.

(b) Advertising cards at stations.

(c) Companies or others for the privilege of operating newsstands, lunch counters, soda fountains, etc., at stations, and selling papers, periodicals, pillows or pillow service, tobacco, etc., on busses.

(d) Telephone companies for the privilege of installing and operating commercial telephones and coinbox telephones at stations.

(e) Taxicab companies for the privilege of operating taxicab stands at stations.

(f) Operation of parcel rooms.

(g) Parcel room privileges in stations and terminals of the carrier and leased to others.

(h) Storage of baggage.

(i) Operation of restaurants, cafes, lunch rooms, lunch counters, cafeterias and soda fountains.

(j) Operation of all other miscellaneous station concessions, not provided for elsewhere.

3900 Other operating revenue.

This account shall include revenues not provided for in accounts 3200 to 3600, inclusive, derived from the operation of property, the investment in which is included in account 1200, Carrier Operating Property, including amounts received from sleeping accommodations on busses, snowplow work and revenue from display of advertising in and on revenue automotive equipment, and the excess of guaranteed route revenue over tariff revenues.

Operation and Maintenance Expenses

4000 Operation and maintenance expenses.

This account shall include the total of operation and maintenance expenses, as provided in the primary accounts, incurred by the carrier in its motor carrier operations during the period covered by the income account.

4100 Equipment maintenance and garage expenses.

This account shall include the total of amounts included in accounts 4110 to 4196, inclusive.

4110 Supervision of shop and garage.

This account shall include the pay and expenses (including cost of operating

automobiles) of officials and employees engaged in supervising and directing the repairs to revenue automotive equipment and shop and garage property used in providing motor-carrier service, including superintendents, foremen (except working foremen), inspectors, shop and garage clerks, and time keepers. (See instruction 28.)

4121 Repairs to shop and garage equipment.

This account shall include the cost of repairs (see instructions 26, 28) to tools, equipment and permanently located machinery used in shops and garages. (For list of equipment, see account 1241, Shop and Garage Equipment.)

NOTE A: The cost of repairs to portable tools shall be included in account 4132, Other Shop and Garage Expenses.

NOTE B: Amounts recovered from insurance companies or others and losses provided for in account 2660, Insurance Reserves, for damages to shop and garage equipment shall be credited to this account in such manner as to be readily identifiable.

4122 Operation and maintenance of service equipment.

This account shall include the cost of labor, fuel, tires and supplies for the operation and the cost of repairs to service equipment, such as trouble cars and wagons, wreckers, repair trucks, snowplows, sweepers, scrapers, refueling cars, automobiles, motorcycles, or other equipment included under account 1231, Service Cars and Equipment. (See instructions 26, 28.)

NOTE A: The pay of employees and expenses incurred in operating snowplows, sand, and salt cars, and other service equipment used in cleaning and safeguarding roads, shall be charged to account 4261, Road Expense.

NOTE B: Amounts recovered from insurance companies or others and losses provided for in account 2660, Insurance Reserves, for damage to service equipment shall be credited to this account in such manner as to be readily identifiable.

NOTE C: When any service equipment is used in a particular operation other than maintenance, such as automobiles or motorcycles used in connection with advertising, the cost of operation of such service equipment shall be charged to the account provided for expenses of that character.

4128 Repairs to shop and garage buildings and grounds.

This account shall include the cost of repairs to shop and garage structures used in motor carrier operations such as shops, garages, and service stations, together with fixtures, grounds and approaches. (See instructions 26, 28.)

ITEMS

Changing location of partitions. (See also note A hereunder.)
Maintaining public improvements, including assessments covering such work.
Maintaining yards and grounds, including fences, shrubbery, driveways, sidewalks, platforms, and sewers.
Minor improvements to leased buildings and grounds. (See also instruction 22.)
Repainting buildings, including redecorating interiors of buildings.
Repairing building machinery, fixtures, appurtenances, and appliances, such as elevators, plumbing, and equipment for heating, lighting, and ventilating.
Repairing rented buildings and grounds.
Replacing and repairing awnings, screens, window shades and ventilators, storm doors, storm windows, movable partitions, and similar movable minor items of buildings. (See also note A hereunder.)
Replacing minor items of buildings including labor and material used and the cost of removal and recovery of the items retired less salvage recovered. (See also instruction 21, and note A hereunder.)
Restoring condition of buildings or grounds damaged or otherwise altered in the course of repairs, replacements, additions, or betterments. (See also account 2660, Insurance Reserves.)

NOTE A: The cost of any substantial increase or decrease in partitions shall be charged or credited, as appropriate, to account 1211—Structures. When partitions of a movable type are replaced by partitions of a permanent type or vice versa, the costs involved shall be accounted for through the operating property and the depreciation reserve accounts.

NOTE B: The cost of initial improvements (including repairs and rearrangements in the preparation for service of purchased buildings or grounds) shall be charged to account 1201, Land and Land Rights, or account 1211, Structures, as appropriate. The accounting for expenditures on property leased from others shall be as provided in instruction 22.)

NOTE C: Amounts recovered from insurance companies or others and losses provided for in account 2660—Insurance Reserves, for damages to buildings and grounds shall be credited to this account in such manner as to be readily identifiable.

4131 Light, heat, power, and water for shops and garages.

This account shall include the cost of light, heat, power and water used at each shop and garage; the cost of fuel used for heating, lighting or power; also include pay and expenses of employees engaged in producing light, heat, and power. (See instruction 28.)

ITEMS

Fuel for heating, lighting, or power used in shops and garages.
Heat purchased for shops and garages.
Light for shops and garages.
Power for battery charging or for other uses than repairs.
Wages and expenses of employees engaged in producing light, heat, and power for shops and garages.
Water.

4132 Other shop and garage expenses.

This account shall include the cost of miscellaneous shop and garage expenses, including the replacement cost (see instruction 21) of small tools, such as reamers, taps, files, hammers and all small tools of like nature; labor and material used in the repair of small tools; pay of employees engaged in receiving, issuing and distributing parts and supplies; pay of gas and oil attendants; transportation, loading and unloading charges on parts and supplies, handled in shops and garages, when not specifically assignable to such parts and supplies; and other miscellaneous labor and expenses not provided for elsewhere. (See instruction 16.)

ITEMS

Ice and other refrigerants.
Lubricants for shop and garage machinery.
Portable hand tools of short life.
Small tools used in repairs or for general shop and garage purposes.
Snow and dust removal—shop and garage yards.
Supplies used in cleaning and for general shop and garage purposes, such as lamps, grease, oil, waste, brushes, brooms, etc.
Other expenses in shops and garages.

4140 Repairs to revenue equipment.

This account shall include cost of repairs to revenue automotive equipment used in transportation service. (For list of equipment see account 1221, Revenue Equipment.) This account shall be maintained so as to reflect separately the cost of repairs to revenue automotive equipment involved in accidents. (See instructions 26, 28.)

NOTE A: An accident for the purpose of this account is damage caused through the collision of a vehicle with either a stationary or moving object, or through tire failure or fire.

NOTE B: The accounting for expenditures on motor vehicles leased from others shall be as provided in instruction 22.

NOTE C: Amounts recovered from insurance companies or others and loses provided for in account 2660, Insurance Reserves, for repairs to motor vehicles shall be credited to this account in such manner as to be readily identifiable.

NOTE D: The cost of repairs to equipment used in collection and delivery service if determinable shall be included in account 4360, Collection and Delivery.

4150 Servicing of revenue equipment.

This account shall include the pay of employees (see instruction 28) engaged in preparing revenue automotive equipment for service and of garage and shop employees other than those engaged in making repairs; the cost of supplies used and miscellaneous expenses incurred in washing, cleaning, greasing, and otherwise keeping equipment ready for service; and amounts paid to public garages for storage or servicing (including towing) of revenue automotive equipment.

ITEMS

Garage employees:
  Cleaners.
  Oilers and greasers.
  Washers.
Garage expenses:
  Battery charging (labor and distilled water).
Cleaning supplies, such as soap, sponges, brooms, brushes, cloths, rubber clothing, etc.
Graphite.
Grease.
Public garage storage charges.
Public garage servicing charges, including washing, greasing, cleaning, etc., but not repairs.
Washing vehicles.

4160 Tires and tubes—Revenue equipment.

(a) This account shall include the cost of labor and material used in repairing and renewing (setting up or mounting) tires on revenue automotive equipment, including shoes, inner tubes, valves, flaps, and caps. (See instruction 28.)

(b) The entire cost of tires and tubes for revenue automotive equipment purchased outright may be charged to this account at the time applied to vehicles

or charged to account 1800, Prepayments, and a prorated portion charged to this account each period based on mileage or other equitable basis. If the latter method is used, adjustments of over or under charges at time of replacement shall be made through this account.

(c) Credit to this account any revenues derived from the sale of used tires and tubes and any adjustments on defective tires and tubes, the cost of which has previously been debited hereto.

(d) When the carrier contracts to use tires at a flat sum per period or on a basis of miles run or upon some similar basis, the charges for such tire service, including the cost of abused tires, shall be included each period in this account.

NOTE A: The cost of tires and tubes used by service cars shall be charged to account 4122, Operation and Maintenance of Service Equipment.

NOTE B: The cost of tires and tubes for collection and delivery equipment if determinable shall be included in account 4360, Collection and Delivery.

4191 Joint garage expenses—Debit.

This account shall include the carrier's proportion of costs incurred by others in maintaining and operating joint shop and garage equipment and facilities, including overhead costs, except items chargeable to account 5340, Joint Facility Rents—Debit. (See definition 25, and instruction 29.)

4196 Joint garage expense—Credit.

This account shall include the amounts chargeable to others as their proportion of the costs incurred by the carrier in maintaining and operating joint shop and garage equipment and facilities, including overhead costs, except items creditable to account 5390, Joint Facility Rents—Credit. (See definition 25, and instruction 29.)

4200 Transportation expense.

This account shall include the total of amounts included in accounts 4210 to 4264.

4210 Supervision of transportation.

This account shall include the pay and expenses (including cost of operating automobiles) of officials and employees engaged in supervising and directing transportation service, including superintendents, dispatchers, starters, inspectors, and employees engaged in furnishing tickets and supplies to drivers of passenger vehicles, or to receiving remittances, etc.; cost of light, heat, water, and refrigeration for the transportation department; and the cost of schedule or service checks. (See instruction 28.)

4220 Drivers' wages and bonuses.

This account shall include the wages and bonuses of drivers of passenger vehicles engaged in passenger transportation service, including wages paid for time during which they are required to be on duty in readiness for active service. The wages of drivers on special trips for hire should also be charged to this account.

NOTE: Charge to account 4360, Collection and Delivery, the wages of employees engaged in collecting express from consignors and delivering express to consignees, and local pick-up and delivery service provided for inter-city passengers, when such wages can be separated from those applicable to regular operation between terminals. (See instruction 28.)

4230 Fuel for revenue equipment.

This account shall include the cost of gasoline, other fuel and enriching materials used by passenger equipment. Include in this account the cost of storing and handling fuel and amounts payable to others for the cost of transportation.

NOTE A: Taxes on fuel shall be charged to account 5200, Operating Taxes and Licenses.

NOTE B: Fuel used by service cars shall be charged to account 4122, Operation and Maintenance of Service Equipment.

NOTE C: The cost of fuel used by equipment in collection and delivery service if determinable shall be included in account 4360, Collection and Delivery.

4240 Oil for revenue equipment.

This account shall include the cost of lubricating oils used in lubricating passenger equipment. Include in this account the cost of storing and handling lubricating oil and amounts payable to others for the cost of transportation.

NOTE A: Taxes on lubricating oil shall be charged to account 5200, Operating Taxes and Licenses.

NOTE B: The cost of lubricating oil used by service cars shall be charged to account 4122, Operation and Maintenance of Service Equipment.

NOTE C: The cost of lubricating oil used by equipment in collection and delivery service if determinable shall be included in account 4360, Collection and Delivery.

4250 Purchased transportation.

This account shall include amounts payable to others for performing any portion of the carrier's inter-city tariff haul under contractual arrangements whereby the agreements for the compensation is based on other than actual division of tariff rates, and under arrangements whereby the expenses of the operation are borne by the hired carrier.

4261 Road expense.

This account shall include the cost to the carrier of labor and material used in sanding roadways, spreading ashes or the removal of snow and ice, and otherwise. This includes the cost of tools and materials used in this work, including the cost of delivering such materials; wages of men operating snowplows, sweepers, tractors, scrapers, etc.; amounts paid to others for removing snow and ice; and other supplies and expenses, such as meals for crews engaged in removing snow and ice. (See instruction 28.)

NOTE: The cost of repairs to equipment used in snow removal shall be included in account 4122, Operation and Maintenance of Service Equipment.

4262 Bridge, tunnel and ferry tolls.

This account shall include tolls at rates per passenger, per ton, per vehicle, or other basis for the use of bridges, tunnels and ferries by revenue passenger equipment in transportation service.

4263 Wages of miscellaneous transportation employees.

This account shall include the wages of co-operators (conductors), hostesses (conductorettes), lecturers and guides on busses, porters and stewards on busses, secret service inspectors, and other employees performing similar service.

4264 Other transportation expenses.

This account shall include carrier transportation expenses not provided for in other accounts in the transportation group.

ITEMS

Alcohol and other non-freeze preparations.
All expenses incidental to the comfort of passengers in connection with break-downs on the road.
Badges for employees.
Conductors' books, punches, etc.
Fines for traffic violations.
Fire extinguisher supplies (for passenger equipment).
Hat checks.
Head rest covers including laundry.
Ice and other refrigerants (for passenger equipment).
Lamps, bulbs and carbon (for passenger equipment).
Lodging for drivers and miscellaneous transportation employees.
Meals for drivers and miscellaneous transportation employees.
Notices.
Secret service inspections by other than employees.
Signs (paper and carboard).
Tire chains.
Uniforms, including their care.

4300 Station expense.

This account shall include the total of amounts included in accounts 4311 to 4396, inclusive.

4311 Salaries and commissions.

This account shall include the wages and salaries of station employees; amounts paid to station or ticket agents in commissions or bonuses in lieu of salary; and the wages of express and mail handlers and clerks in passenger stations. (See instruction 28.)

ITEM

Announcers.
Baggage agents.
Baggagemen.
Clerks.
Commissions or bonuses to employees in lieu of wages.
Express agents.
Express handlers.
Janitors.
Mail handlers.
Platform men.
Porters.
Station agents.
Station gatemen.
Station masters.
Telephone and information operators.
Ticket agents.

NOTE: Commissions paid to other than the accounting carrier's employees for the sale of tickets, handling of express, baggage, newspapers, etc., shall be included in account 4331, Commissions Paid.

4314 Supplies and expenses.

This account shall include the expenses incurred (exclusive of salaries and wages of station employees) in the operation of passenger terminals, waiting rooms, shelter sheds, and other similar

property used by the transportation department in connection with passenger traffic, such as the cost of light, heat, water, and ice; cost of uniforms and badges for station employees; cost of hand tools and implements used in handling express and mail; cost of operation and maintenance or upkeep of permanent signs designating a station, depot or passenger terminal; and the cost of supplies used and amounts of other expenses incurred in operating passenger stations.

ITEMS

Ash removal.
Badges for employees.
Cleaning supplies.
Heating or cooling, including supplies.
Laundry service, including supplies.
Lighting.
Mail, baggage, and express handling costs, including baggage room expenses (exclusive of labor).
Power costs for station machinery.
Snow and dust removal on station grounds.
Sprinkling station grounds.
Tools and supplies for station use.

4319 Repairs to station buildings and equipment.

This account shall include the cost of repairs to company stations, passenger terminals, waiting rooms, platforms, and other structures, together with fixtures, grounds and approaches, used in passenger transportation service; also include the cost of repairs to station furniture and equipment (but not equipment used in general offices) and carts, electric motor trucks, platform trucks, scales, and loading platforms, in connection with revenue baggage, mail and express.

4331 Commissions paid.

This account shall include the amounts paid to others (except to the carrier's employees and to interline carriers) on a commission or guaranteed basis for the sale of tickets, handling of express, baggage, newspapers, etc.

4332 Other expenses allowed.

This account shall include the amounts allowed to the operators of commission stations and passenger terminal for expenses such as advertising, rent, light, heat, power and water, telephone, telegraph and messenger service, etc.

4340 Interline commissions paid.

This account shall include all commissions paid to interline carriers.

4350 Interline commissions earned—Credit.

This account shall include all commissions earned on interline tickets sold.

4360 Collection and delivery.

(a) This account shall include the wages of drivers and helpers and other expenses of equipment used in collecting express from consignors and delivering express to consignees and local pick-up and delivery service provided for intercity passengers when such local service is included in the inter-city tariff rate. (See Instruction 28.)

(b) This account is intended to be used only when the expenses incurred in such local service can be separated from those incurred in regular operation between terminals.

(c) This account shall be subdivided to reflect separately:

(1) Wages of drivers and helpers.

(2) Gasoline and oil expense (not including taxes).

(3) Tires and tubes.

(4) Repairs and servicing of equipment.

(5) Other assignable operations and maintenance expenses.

4370 Purchased collection and delivery.

This account shall include amounts payable for collection, delivery and transfer service performed by others under contractual arrangements, whereby the agreement for the amount payable is based on other than actual division of tariff rates.

4391 Joint station facilities—Debit.

This account shall include the carrier's proportion of costs incurred by others in maintaining and operating joint station equipment and facilities, including overhead costs, except items chargeable to account 5340, Joint Facility Rents—Debit. (See definition 25, and instruction 29.)

4396 Joint station facilities—Credit.

This account shall include the amounts chargeable to others as their proportion of the costs incurred by the carrier in maintaining and operating joint station equipment and facilities, including overhead costs, except items creditable to account 5390, Joint Facility Rents—Credit. (See definition 25, and instruction 29.)

4400 Traffic, solicitation and advertising expense.

This account shall include the total of amounts included in accounts 4410 to 4470, inclusive.

4410 Salaries and expenses.

(a) This account shall include all salaries and expenses in connection with the promotion and solicitation of traffic. This includes the salaries of officers and their assistants who are directly in charge of traffic promotion and solicitation, including salaries of the traffic manager, general express and passenger agents; general commercial, city, general district and excursion agents, and their clerks and assistants.

(b) This account shall also include the cost of supplies used and the amounts of expenses incurred and cost of operating automobiles by officers and their assistants who are directly in charge of traffic promotion and solicitation.

NOTE: When officers and employees whose pay is chargeable to this account are engaged in work not chargeable to traffic promotion, or have jurisdiction over this and other departments, their salaries and expenses shall be allocated to the accounts appropriate. (See instruction 28.)

4430 Tariffs and schedules.

This account shall include the salaries and expenses of officers and employees engaged in the preparation of tariffs, schedules and time tables, the cost of printing and other expenses incurred in the preparation of tariffs, schedules and time tables, including postage and transportation charges. (See instruction 28.)

4440 Tickets and baggage checks.

This account shall include the salaries and expenses of employees engaged in receiving and distributing tickets, baggage checks, etc., together with the cost of manufacturing tokens and of printing tickets, baggage checks, milk checks, cash fare receipts, prepaid orders, identification checks, passes and other items of a similar nature, including transportation charges in connection therewith. (See instruction 28.)

4450 Other traffic expenses.

This account shall include the carrier's proportion of expenses of traffic associations, including membership fees, and all other traffic expenses not provided for elsewhere.

4470 Advertising.

(a) This account shall include the salaries and expenses in connection with advertising for the purpose of securing traffic, such as may be incurred in the preparation, printing and distribution of strictly advertising matter (not time tables).

(b) This account shall also include the salaries and expenses of employees preparing advertising copy; the commissions paid outside advertising agents; cost of printing, publishing, and other advertising matter; the cost of advertising space in newspapers and periodicals; expenses incurred in connection with radio broadcasting for the purpose of securing traffic; electric, neon and display signs (permanent or portable), for attracting traffic, bulletin boards, cards, cases, display cards and photographs; postage and express charges on advertising matter; cost of bill posting and similar expenses. (See instruction 28.)

NOTE: Cost of operation and maintenance of permanent signs designating a station or terminal shall be included in account 4314, Supplies and Expenses.

4500 Insurance and safety expense.

This account shall include the total of amounts included in accounts 4510 and 4580, inclusive.

4510 Salaries and expenses—Insurance and safety.

(a) This account shall include the following items:

(1) Salaries and wages, traveling and office expenses of officers, clerks and other employees of the insurance department, and special costs incurred in procuring insurance, such as brokerage fees (not included in premiums), notarial fees, and insurance inspection service.

(2) Salaries and expenses of safety department, cost of safety-first and other campaigns among employees or the public for the purpose of preventing accidents and damages.

(3) Salaries and expenses of officers and employees engaged regularly in claim department work; payments for the service of employees and others called in consultation in relation to claim adjust-

ments; pay and expenses of employees while engaged as witnesses at inquests and law suits.

(4) Salaries and expenses of officers and employees of the law department when specifically assigned to and engaged in injury and damage cases, and expenses of such officers and employees incurred on such cases when incidentally so engaged.

(5) Payment to attorneys, investigators, adjusters, etc., who are not regular employees of the carrier for services and expenses in connection with injury and damage cases.

(6) Cost of operating automobiles used by employees whose pay is charged to this account.

(b) Reimbursements from insurance companies or others for expenses charged to this account on account of injuries and damages shall be credited to this account.

NOTE: No part of the salaries of officers and employees of the law department shall be included in this account for merely incidental service in connection with injury and damage claims.

4520 Public liability and property damage insurance.

This account shall include premiums payable to outside insurance companies for protection against liability to the public for injuries to persons and damages to the property of others, resulting from the operation of owned and leased vehicles in motor carrier service. (See instruction 27.)

NOTE A: Premiums for insurance on property intrusted to the carrier for transportation or storage shall be included in account 4550, Baggage and Express Insurance.

NOTE B: Amounts payable in settlement of claims for bodily injury or property damage which are not recoverable from insurance companies and for which the carrier has not provided self-insurance shall be charged to account 4530, Injuries and Damages.

4530 Injuries and damages.

This account shall be charged each period with amounts sufficient to meet the probable liability, not covered by outside insurance, for deaths of or injuries to persons (other than employees—see account 4546, Workmen's Compensation—Self Insurer) and damages to the property of others (except property intrusted to the carrier for transportation or storage—see account 4560, Baggage and Express Loss and Damage) resulting from operation of owned and leased vehicles in motor carrier service. (See instruction 27.) This account shall also be charged with amounts payable in settlement of claims for injuries to persons and damage to property of others which are not recoverable from insurance companies or for which self-insurance has not been provided.

NOTE: Payments to or on behalf of employees other than those covered by workmen's compensation insurance, including accident and death benefits; salaries; hospital expenses; medical supplies; also salaries, fees, and expenses of surgeons, doctors, nurses, etc., when provided for through a plan for employees' benefits, shall be charged to account 4652, Employees' Welfare Expenses.

4541 Workmen's compensation—Insurance.

This account shall include premiums payable to outside insurance companies for protection against liability for injuries to or deaths of employees payable under the provisions of workmen's compensation acts. (See instruction 27.)

NOTE: Amounts payable in settlement of claims under the provisions of Workmen's Compensation Acts which are not recoverable from insurance companies shall be charged to account 4546, Workmen's Compensation—Self Insurer.

4546 Workmen's compensation—Self insurer.

This account shall be charged each period with amounts sufficient to meet the probable liability not covered by outside insurance, on account of claims for injuries to and deaths of employees arising under the workmen's compensation acts. (See instruction 27.) This account shall also be charged with amounts payable in settlement of claims which are not recoverable from insurance companies or for which self insurance has not been provided.

NOTE: Payments to or on behalf of employees other than those covered by workmen's compensation insurance, including accident and death benefits; salaries; hospital expenses; medical supplies; also salaries, fees, and expenses of surgeons, doctors, nurses, etc., when provided for through a plan for employees' benefits, shall be charged to account 4652, Employees' Welfare Expenses.

4550 Baggage and express insurance.

This account shall include premiums payable to outside insurance companies to indemnify the carrier against costs and expenses incurred through loss of and damage to express matter and baggage intrusted to the carrier for transportation or storage. (See instruction 27.)

NOTE: Amounts payable in settlement of claims for loss of or damage to property intrusted to the carrier for transportation or storage which are not recoverable from insurance companies and for which the carrier has not provided self-insurance shall be included in account 4560, Baggage and Express Loss and Damage.

4560 Baggage and express loss and damage.

This account shall be charged each period with amounts sufficient to meet the probable liability, not covered by outside insurance, on account of loss, destruction, damage, or delay to express matter, baggage, parcels, etc., intrusted to the carrier for transportation or storage. (See instruction 27.) This account shall also be charged with amounts payable in settlement of claims which are not recoverable from insurance companies or for which self insurance has not been provided.

NOTE: Any provision or amounts payable for injuries or damages to employees and others, or amounts payable on account of damages to the property of others not intrusted to the carrier for transportation or storage shall be included in account 4530, Injuries and Damages.

4570 Fire and theft insurance.

(a) This account shall include premiums payable to outside insurance companies for fire and theft insurance on owned and lease vehicles and for fire insurance on structures, machinery, and equipment used in motor carrier operations. (See instruction 27.)

(b) In case a carrier shall carry its own fire and theft insurance risks, it shall charge to this account each period an amount sufficient to meet the probable loss, and shall credit the amount so charged to account 2660, Insurance Reserves.

(c) This account shall be charged with losses arising under the classes of risks enumerated in paragraph (a) which are not recoverable from insurance companies and for which the carrier has not provided self-insurance.

NOTE: Recoveries from insurance companies or others for damages to the carrier's owned or leased property shall be accounted for as provided in paragraph (b) of account 2660, Insurance Reserves.

4580 Other insurance.

(a) This account shall include premiums paid to outside insurance companies for boiler; burglar; fidelity; hold-up; lightning; plate glass; owners, landlords and tenants liability; and other forms of insurance coverage not elsewhere provided for. (See instruction 27.)

(b) In case a carrier shall carry its own insurance risks for the classes of coverage enumerated in paragraph (a) of this section, it shall charge to this account each period an amount sufficient to meet the probable loss and shall credit the amount so charged to account 2660, Insurance Reserves.

(c) This account shall be charged with losses arising under the classes of risks enumerated in paragraph (a), of this section, which are not recoverable from insurance companies and for which the carrier has not provided self-insurance.

NOTE: The cost of life insurance on the lives of officers and other employees of the carrier whereunder the carrier is the beneficiary shall be charged to account 7500, Other Deductions. Cash surrender values of such policies shall be carried in account 1650, Other Investments and Advances.

4600 Administrative and general expense.

This account shall include the total amounts included in accounts 4611 to 4696, inclusive.

4611 Salaries of general officers.

This account shall include the salaries, bonuses and other forms of consideration for services of general officers whose jurisdiction extends over the entire transportation system of the carrier; and fees payable to receivers. As here used, the term "General Officers" would ordinarily include the following: Chairman of the Board, President, Vice President, Treasurer, Secretary, Comptroller, General Auditor, General Manager.

NOTE A: Do not include in this account amounts payable to organizations for services

chargeable to account 4660, Management and Supervision Fees and Expenses.

NOTE B: If officers and assistants supervise particular departments of carrier operations, or other operations, or are engaged in specific work other than supervision of the entire transportation system, their pay and expenses shall be apportioned to the appropriate accounts for carrier operations or other operations. (See instruction 28.)

4612 Expenses of general officers.

This account shall include expenses incurred, including cost of operating automobiles, for the benefit of motor carrier operations by administrative officers (as defined in account 4611) such as traveling, and other incidental expenses.

ITEMS

Hotel.
Meals.
Membership fees and dues in trade, technical and professional associations.
Traveling expenses.

NOTE: Expenses in connection with operating the general offices of the carrier shall be included in account 4630, General Office Supplies and Expenses.

4613 Salaries of general office employees.

This account shall include the salaries (see instruction 28), bonuses and other forms of consideration for services of employees who are engaged in the general administrative offices of the carrier and whose services are not chargeable to any other department or to other operations, including the following: accountants, bookkeepers, cashiers, clerks, engineers, janitors, messengers, paymasters, statisticians, stenographers, traveling auditors.

4616 Expenses of general office employees.

This account shall include the expenses incurred, including cost of operating automobiles, for the benefit of motor carrier operations by employees whose salaries are included in account 4613, Salaries of General Office Employees.

ITEMS

Hotel.
Meals, including payment therefor on account of overtime work.
Membership fees and dues in trade, technical and professional associations.
Traveling expenses.

4620 Law expenses.

This account shall include, except as provided for elsewhere, the pay and expenses of officers, assistants, office forces, and other employees of the law department; fees and retainers, supplies, and expenses of attorneys not regularly employed; court costs; and supplies and expenes of the law office.

ITEMS

Salaries:
  Attorneys and assistants.
  Clerks.
  Counsel.
  Law clerks.
  Special counsel.
  Other employees of law department.
Expenses:
  Building service.
  Cost of law suits.
  Cost of operating automobiles.
  Cost of preparing and printing agreements, briefs, reports, etc.
  Court costs.
  Court fees.
  Law books, periodicals and subscriptions to special services.
  Law expenses of receivers.
  Legal forms, and law offices supplies postage and stationery.
  Meals, including payment therefor on account of overtime work.
  Payments to attorneys who are not regular employees.
  Premiums on court and other bonds.
  Printing.
  Tax reports, claims, etc., when handled by legal staff.
  Transcripts of testimony, copies of exhibits, etc.
  Traveling expenses of attorneys, witnesses, etc.
  Witness fees.

NOTE A: The pay of law department officers and employees engaged in formal cases before regulatory commissions, or in cases in which such a commission is a party, or when specifically assigned to injury and damage cases, shall be charged to account 4673, Other Regulatory Commission Expenses, account 4510, Salaries and Expenses—Insurance and Safety, or other appropriate account. (See instruction 28.)

NOTE B: Law expenses incident to the purchase and construction of carried operating property or the acquisition of certificates from Federal or State commissions or securing from local authorities franchises or consents with a life of more than one year shall be charged to the appropriate subdivision of account 1500, Organization, Franchises and Permits. Law expenses incident to the issuance of long-term debt or capital stock shall be charged to account 1880, Unamortized Debt Discount and Expense, account 2400, Unamortized Premium on Debt, or account 1910, Commission and Expense on Capitol Stock, as appropriate.

4630 General office supplies and expenses.

This account shall include the cost of office supplies and the office expense in connection with the general administrative functions of the carrier's motor carrier operations.

ITEMS

Books.
Cleaning office.
Drinking water and refrigeration.
Heat and light.
Janitor service.
Letterheads and envelopes.
Paper.
Pens, pencils, ink, fasteners and office supplies.
Postage.
Printing forms for office use.
Repairs to general office buildings, furniture, fixtures, and equipment.
Stationery and office supplies.
Subscriptions to newspapers, periodicals and clipping bureaus.
Towels.
Typewriter supplies.
Waste baskets.

4640 Communication service.

This account shall include the cost of all communication service payable to outside companies, such as telephone, teletypewriter, telegraph, radio, etc.

NOTE: Taxes on telegrams and telephone tolls shall be charged to account 5200, Operating Taxes and Licenses.

4651 Outside auditing expenses.

This account shall include amounts paid as fees for auditing and accounting services rendered by individuals or firms other than carrier's employees.

NOTE: The fees of independent auditors and accountants in preparing financial and other statements incident to the issuance of long-term debt or capital stock shall be charged to account 1880, Unamortized Debt Discount and Expense, account 2400, Unamortized Premium on Debt, or account 1910, Commission and Expense on Capital Stock, as appropriate.

4652 Employees' welfare expenses.

(a) This account shall include pensions or other benefits paid to active and retired employees, their representatives or beneficiaries, and salaries and expenses incurred in conducting relief, benefit and general medical departments. It shall include payments to or on behalf of employees on account of injuries or accidental death when such payments come within the scope of a carrier's general provision for employees' benefits.

(b) If the carrier has definitely undertaken by contract to pay pensions to employees when regularly retired for superannuation or disability and has established a fund to be held in trust for such pension purposes, the carrier shall charge to this account periodic amounts determined through the application of equitable actuarial factors to the current payrolls, which, together with interest accruals on trust funds, will, as nearly as may be practicable, provide for the payment of such pensions, or for the purchase of annuities corresponding thereto. The amounts so charged shall be concurrently credited to a separate subdivision of account 2690, Other Reserves. The total of actual payments and accruals for future payments charged to this account for pensions, shall not exceed the amounts determined as hereinbefore prescribed. The carrier shall maintain a complete record of the actuarial computations through which the accrual each period of its pension liabilities is established.

(c) Upon the adoption of the accrual plan of accounting, pension payments to employees retired before the adoption of such plan shall be charged to an existing pension reserve, this account 4652 or account 9010, Extraordinary Items, as appropriate. If a carrier pays into its pension trust fund the amount of its existing pension reserve, any such amounts in excess of provision for pensions granted prior to the adoption of the accrual plan may be applied in whole or in part to the adjustment of future accrual charges.

(d) Before adopting the accrual plan of accounting for pensions, the carrier shall inform the Commission of the details of its pension plan, giving full statement of the facts which in its judgment establish a contractual obligation for pension payments, together with the actuarial formula under which it proposes to create its pension trust fund.

and also a copy of the declaration of trust under which the fund is to be established.

(e) No charges shall be made to this account in anticipation of discretionary pension payments in the future.

ITEMS

Accident, sickness, death, and other disability benefits to employees, their representatives or beneficiaries.
Employees of relief, benefit, and general medical departments, pay and expenses of.
Expenses in connection with employees' disability cases, such as hospital, nursing, and medical attendance.
Fees and retainers for medical and similar services incurred by relief, benefit, and general medical departments.
Medical service.
Office supplies.
Postage, printing and stationery.
Premiums paid for group insurance for the benefit of employees or their beneficiaries.
Traveling expenses.

NOTE: The cost of life or other insurance whereunder the carrier is the beneficiary shall be charged to account 7500, Other Deductions. Cash surrender values of such policies shall be carried in account 1650, Other Investments and Advances.

4655 Purchasing and store expenses.

(a) This account shall include salaries and expenses of purchasing agents, and their assistants, whose jurisdiction extends over all purchases such as parts, gasoline and other fuel, stationery supplies, etc.

(b) This account shall include credits for cash and other discounts when it is not practicable to apply such discounts directly to the cost of materials to which they relate.

(c) This account shall include such differences from inventory adjustments which have not been otherwise apportioned in accordance with note B under account 1180, Material and Supplies.

NOTE A: Suitable proportions of items included in this account may be allocated to the cost of materials and supplies. (See instruction 19.)

NOTE B: See also instruction 16 with reference to clearing accounts which may be maintained.

4656 Other general expenses.

(a) This account shall include all general expenses connected with motor carrier operations not provided for elsewhere including fees and expenses payable to directors and trustees; expenses in connection with publishing and mailing reports and notices to stockholders, etc.; cash overages and shortages and fees for filing annual reports and other documents not specifically related to certificates or applications for issuance of securities.

(b) This account shall also include contributions for charitable, social or community welfare purposes which have a direct or intimate relation to the protection of the property of the carrier or the development of its business or the welfare of its employees. (See account 7500, Other Deductions.)

NOTE: Direct contributions to employees' welfare associations shall be included in account 4652, Employees' Welfare Expenses.

4660 Management and supervision fees and expenses.

(a) This account shall include fees and expenses payable to any corporation, firm or individual, other than officers and employees of the carrier, for continuously rendered supervision and management.

(b) This account shall be subdivided to reflect:

(1) Management and supervision fees and expenses of associated companies.

(2) Management and supervision fees and expenses of other companies.

(c) Records supporting this account shall be kept so as to show (1) the basis of the fees, i.e., the gross or net earnings of the carrier, if such is the basis, (2) the percentage applied in determining the fee, (3) the amount of the fee, and (4) the amount of the expenses.

4671 Franchise requirements—Debit.

(a) This account shall include the total cost to the carrier in connection with payments to governmental authorities in compliance with franchises, ordinances or similar requirements, except taxes and license fees, provided, however, that the carrier may charge this account with the amounts based on regular tariff rates of intrastate transportation furnished without charge under provisions of franchises.

(b) When no direct outlay is involved concurrent credit for such charges shall be to account 4672, Franchise Requirements—Credit.

4672 Franchise requirements—Credit.

This account shall include concurrent credits for charges which are made to account 4671, Franchise Requirements—Debit, to the extent that such charges do not represent direct outlays.

4673 Other regulatory commission expenses.

(a) This account shall include expenses incurred by the carrier in connection with formal cases before Federal or State regulatory bodies or cases in which such a body is a party; also include payments made to a regulatory commission for fees or amounts assessed against the accounting carrier for pay and expenses of the regulatory commission, its officers, agents and employees, other than those incurred in securing certificates of convenience and necessity and authority for the issuance of securities.

(b) Amounts includible in this account which by approval or direction of the Commission are to be spread over future periods shall be charged to account 1890, Other Deferred Debits, and amortized by charges to this account.

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Fees, retainers, and expenses of counsel, solicitors, attorneys, clerks, attendants, witnesses, and others whose services are secured for the defense or prosecution of petitions or complaints presented to regulatory bodies.
The pay of officers and employees specifically assigned to or engaged in the valuation of property owned or used by the carrier, in connection with such cases, and the cost of similar work performed by others.
Amounts assessed by Federal and State regulatory commissions for pay and expenses of their officers, agents, and employees; office and traveling expenses; stationery, printing and engineering supplies; and other expenses and supplies including expenses of officers and employees upon matters covered by this account even though no portion of their pay is assignable hereto.

NOTE A: Expenses incurred for the improvement of service, for additional inspection, or rendering reports which are made necessary by the rules and regulations, or orders, of regulatory bodies, shall be charged to the appropriate operation and maintenance expense accounts.

NOTE B: Expenses incident to securing certificates of convenience and neecssity shall be charged to the appropriate subdivision of account 1500, Organization, Franchises and Permits. Expenditures incident to securing authorization for issuance of long-term debt or capital stock shall be charged to account 1880, Unamortized Debt Discount and Expense, account 2400, Unamortized Premium on Debt, or account 1910, Commission and Expense on Capital Stock, as appropriate.

CROSS REFERENCE: For regulations relating to certificates of public convenience and necessity, see Parts 1120 and 1121 of this chapter.

4680 Uncollectible revenues.

(a) This account shall include charges for receivables for carrier operating revenues which, after a reasonably diligent effort to collect, have proved impracticable of collection. If accounts which have been so written off are afterwards collected, the amount received shall be credited to this account; *Provided, however,* That such recoveries are from accounts charged off against this account.

(b) Charges to this account may be made on the basis of the estimated average loss due to uncollectible accounts in which case the concurrent credit shall be to account 2650, Reserve for Uncollectible Accounts. To the reserve thus established shall be charged such amounts as are determined to be uncollectible; amounts written off and subsequently collected shall be credited to the reserve. When charges to such accounts are thus made by estimate, the estimate shall be adjusted at the end of each calendar year to conform to the experience of the accounting carrier as determined by analysis of its accounts receivable.

NOTE: Losses on receivables for other than operating revenues, and losses on notes or claims, shall be included in account 7500, Other Deductions.

4691 Joint operating expense—Debit.

This account shall include amounts payable to others representing the cost of operation and maintenance of joint facilities used for general purposes, such as a general office, or where amounts payable cannot be segregated between the functional groups of expense accounts provided in this part. (See Instruction 29.)

4696 Joint operating expense—Credit.

This account shall include amounts received by the accounting carrier as reimbursement for operating and maintaining costs incurred by it in connection with a

joint facility used for general purposes such as general office, or when the amounts received cannot be segregated between the functional groups of expense accounts provided in this part. (See instruction 29.)

Depreciation Expense

5000 Depreciation expense.

(a) This account shall include the amount of depreciation charges applicable to the accounting period for all classes of depreciable carrier operating property, including improvements to leased property, if any, as provided in instruction 25. The amounts charged to this account shall be concurrently credited to account 2500, Reserve for Depreciation—Carrier Operating Property.

(b) The following subdivisions of this account shall be maintained to reflect the amount of depreciation charges on each class of property and the necessary depreciation adjustment on carrier operating property at the time it is retired from service as provided in instruction 21 (see definition 33):

5011 Depreciation of Structures.
5021 Depreciation of Revenue Equipment.
5031 Depreciation of Service Cars and Equipment.
5041 Depreciation of Shop and Garage Equipment.
5051 Depreciation of Furniture and Office Equipment.
5061 Depreciation of Miscellaneous Equipment.
5071 Depreciation of Improvements to Leasehold Property.
5081 Depreciation of Undistributed Property.
5091 Depreciation of Adjustment.

Amortization Expense

5100 Amortization of carrier operating property.

This account shall include the amount of the amortization charges applicable to the accounting period for amounts carried in account 1501, Organization, account 1511, Franchises, and account 1541, Patents, for fixed-term franchises, licenses, and patent rights; and for fixed-term interest in land and land rights carried in account 1201—Land and Land Rights. Such charges shall be computed so as to distribute the book cost of each item evenly throughout its service life to the carrier. (See also account 2600, Reserve for Amortization—Carrier Operating Property.)

Taxes and Licenses

5200 Operating taxes and licenses.

(a) This account shall include the amount of Federal, State, county, municipal and other taxing district taxes, which relate to motor carrier operations and property used therein (except taxes provided for in account 8000, Income Taxes on Ordinary Income).

(b) This account shall be charged each month (or 4-week period) with the amount of taxes applicable thereto, with concurrent credits to account 2120, Taxes accrued, or account 1800, Prepayments, as appropriate. When it is not possible to determine the actual taxes, they shall be estimated and the applicable portion of the total tax included in this account each month (or 4-week period). Taxes included in this account on an estimated basis shall be adjusted when the actual levies become known. Taxes on gasoline, other motor fuel and lubricating oil, shall be included in this account of the basis of actual consumption.

(c) The records shall be kept so as to show separately for each of the following subdivisions the amount of each class of tax included in this account and the basis on which it is levied, segregated between the amounts levied by the Federal government, and by State, Municipal, and other taxing authorities.

5210 Gasoline, other fuel and oil taxes.

Include in this account all taxes levied by Federal, State, or other governmental bodies on motor fuel and motor oil consumed during the current accounting period.

5220 Vehicle license and registration fees.

Include in this account the cost of all fees assessed for the privilege of operating vehicles over the highways, such as registration fees, license plate fees, mileage taxes, seat taxes, seat-mile taxes, gross weight taxes, ton-mile taxes, port of entry fees, permits for overload and oversize, Federal use tax, certificates of title fees, vehicle qualification fees and similar items.

5230 Real estate and personal property taxes.

Include in this account the amount of taxes based on the value of real estate and personal property.

5240 Social security taxes.

Include in this account the amount of social security, unemployment, and old-age benefit taxes payable to the Federal and State governments.

5250 Other taxes.

Include in this account all other operating taxes not specifically provided for in accounts 5210 to 5240, inclusive.

ITEMS

Capital stock taxes.
City licenses and permits.
Corporation taxes assessed for privilege of doing business as a corporation.
Gross receipts taxes not otherwise provided for.
Occupancy taxes.
Sales taxes paid by carrier as vendor.
Stock transfer taxes.
Telephone, telegraph, and other communication taxes.
Tires and tubes, taxes on puchase or rental of, and
All other taxes, licenses or fees not otherwise provided for.

NOTE A: Taxes on property leased from others for use in motor carrier operations, when the lessee is obligated under the terms of the lease to pay such taxes in addition to stipulated rent, shall be included in this account.

NOTE B: All other sales or excise taxes not provided for in this account shall be included in the account charged with the cost of the material or services.

NOTE C: Amounts received by the carrier in reimbursement of taxes on property operated as a joint facility (see definition 25) shall be credited to account 5390, Joint Facility Rents; Credit. Payments to other carriers for a portion of taxes on joint facilities shall be charged to account 5340, Joint Facility Rents; Debit.

NOTE D: The following taxes and fees shall not be charged to this account:

1. Fees for filing annual reports and other documents not specifically related to certificates or applications for issuance of securities shall be charged to account 4656, Other General Expenses.

2. Special assessments for street or other improvements and fees or charges, sometimes called taxes, such as water taxes, street sprinkling and sidewalk repairs, which are payments for some specific services rendered by municipal or other taxing bodies, shall be charged to the appropriate property investment or maintenance accounts. (See NOTE B, account 1201, Land and Land Rights.)

3. Taxes on property, the investment in which is included in account 1400, Non-carrier operating property, and account 1450, Non-operating property, shall be charged to account 6000, Net Income from Non-carrier Operations, or account 6100, Net Income from Non-operating Property, as appropriate.

4. Taxes on property leased to others shall be charged to the account to which the rent revenue is credited.

5. Taxes assumed by the carrier on bond and note interest shall be charged to account 7200, Taxes Assumed on Interest.

6. Taxes paid on original issues of capital stock shall be included in account 1910, Commission and Expense on Capital Stock.

7. The cost of State identification plates, for which a small charge is made to cover cost of manufacture, shall be included in account 4264, Other Transportation Expenses, or account 4360, Collection and Delivery, as appropriate.

Operating Rents

5300 Operating rents—Net.

This account shall include the net total of amounts included in accounts 5310 to 5390, inclusive. (See instruction 30.

5310 Equipment rents—Debit.

This account shall include the amounts payable for use of automotive equipment on whatever basis such rent may be determined. All expenses incurred in connection with the operation of leased equipment which the lessee is obligated to assume in addition to the amount stipulated as rent, shall be included in the operation and maintenance or other accounts as appropriate.

NOTE: Amounts payable for rental of equipment included in the lease of a distinct operating unit shall be charged to account 5400, Rent for Lease of Carrier Property—Debit.

5320 Other operating rents—Debit.

This account shall include all rental payments for the use of property employed in motor carrier operations not provided for elsewhere, such as:

(a) Rent for shop and garage space.

(b) Rents paid for use of property by the transportation department.

(c) Rents paid for use of terminals and stations.

(d) Rents paid for use of property by the traffic and solicitation department.

(e) Rents paid for use of the general office.

NOTE: Rental payments for property not used in transportation operations shall be charged to the appropriate other income account.

5340 Joint facility rents—Debit.

This account shall include amounts payable to other carriers as their proportion of rent, including taxes and depreciation, for the use of property under a joint facility arrangement. (See definition 25, and instruction 29.)

5350 Equipment rents—Credit.

This account shall include amounts receivable for use of automotive equipment on whatever basis such rent may be determined.

NOTE: Amounts receivable for rental of equipment included in the lease of a distinct operating unit shall be credited to account 5500, Income from Lease of Carrier Property—Credit.

5360 Rent from owned land and structures.

This account shall include the rent from land and structures, the cost of which is included in accounts 1200, Carrier Operating Property, and 1300, Carrier Operating Property Leased to Others, except joint facilities.

NOTE: Rent from subleases of property rented from others shall be included in account 5370, Sublease Rental Income.

5370 Sublease rental income.

This account shall include rents receivable from subleases of carrier operating property rented from others.

5390 Joint facility rents—Credit.

This account shall include amounts receivable from other carriers as their proportion of rent, including taxes and depreciation, for the use of property under a joint facility arrangement. (See definition 25, and instruction 29.)

Lease of Carrier Property

5400 Rent for lease of carrier property—Debit.

This account shall include amounts payable, for rent of property constituting a distinct operating unit (see definition 24 and instruction 30) or system leased from others for use in motor carrier operations when the carrier has exclusive possession.

NOTE: Taxes payable upon leased property, assumed by the lessee, shall be included in account 5200, Operating Taxes and Licenses.

5500 Income from lease of carrier property—Credit.

(a) This account shall include amounts receivable for rent of property constituting a distinct operating unit (see definition 24, and instruction 30) or system leased by the carrier to others for motor carrier operations where the lessee has exclusive possession.

(b) This account shall include as a deduction from rent revenue, expenses such as repairs, depreciation, insurance, and taxes assumed by the lessor; uncollectible rents, etc., in connection with the property leased.

(c) This account shall be divided to show separately for each lease the following:

(1) Rent revenue.
(2) Expenses.
(3) Depreciation and amortization.
(4) Taxes.
(5) Uncollectible rents.

Other Income

6000 Net income from non-carrier operations.

(a) This account shall include the revenues from and expenses incurred in the operation of property, the investment in which is carried in account 1400, Non-Carrier Operating Property.

(b) This account shall be subdivided to reflect:

(1) The total revenues derived from non-carrier operating property operations.

(2) The total expenses incurred in non-carrier operating property operations.

NOTE A: The expenses referred to include every element of cost incurred in such operations including depreciation, rents, taxes and insurance.

NOTE B: Each carrier may adopt its own classification of revenue and expenses for this account. The classification shall be such, however, as to permit ready analysis of the revenue and expense.

6100 Net income from non-operating property.

(a) This account shall include all rent revenues from land, buildings, and other property not devoted to transportation operations, the book cost of which is included in account 1450, Non-Operating Property.

(b) This account shall include as a deduction from rent revenue, expenses such as repairs, depreciation, amortization, taxes, uncollectible rents, insurance, etc., in connection with the property leased.

(c) This account shall be subdivided to show separately for each lease the following:

(1) Rent revenue.
(2) Expenses.
(3) Depreciation and amortization.
(4) Taxes.
(5) Uncollectible rents.

6200 Interest income.

(a) This account shall include interest accruing to the accounting carrier upon securities of other companies and Federal, State, or municipal governments, on loans, notes and advances; special deposits and all other interest bearing assets, including simple interest charged to property during its construction. Interest accrued shall not be credited to this account unless its payment is reasonably assured; in other cases, credits to this account shall be based upon the interest actually collected.

(b) This account shall be kept so as to show separately the interest income from each investment and from each associated company.

NOTE A: No interest upon reacquired securities issued or assumed by the accounting carrier shall be credited to this account.

NOTE B: Interest accrued on securities of other companies held in sinking or other special funds shall be credited to account 6400, Income from Sinking and Other Funds.

6300 Dividend income.

(a) This account shall include revenue derived by the accounting carrier from the dividends on stocks of other companies held by it. Accruals of guaranteed dividends may be included in this account if the payment is reasonably assured.

(b) This account shall be kept so as to show separately the dividend income from each investment and from each associated company.

NOTE: No dividends on reacquired securities issued by the carrier shall be credited to this account.

6400 Income from sinking and other funds.

This account shall include all revenues (whether interest or dividends) accrued on cash, securities (not issued or assumed by the accounting carrier) or other assets held in sinking fund and other special funds.

NOTE: This account covers all income from investments of special funds, whether required to be retained in the fund or not. If such income is required to be retained in the fund and the fund required to be represented by a reserve, the amount of such accretions to the fund shall be concurrently credited to the appropriate reserve account and charged to account 2944, Appropriations to Reserves.

6500 Other non-operating income.

This account shall include all income accrued to the accounting carrier in accordance with the terms of any contract by which the carrier is entitled to participate in the profits from the operations of others and all other non-operating income not provided for in any of the foregoing accounts.

NOTE: "Profits from the operations of others" does not include any dividends on stock. Revenues from dividends shall be credited to account 6300, Dividend Income, or to account 6400, Income from Sinking and Other Funds, as appropriate.

Income Deductions

7000 Interest on long-term obligations.

(a) This account shall include all interest accrued on unmatured outstanding long-term obligations issued or assumed by the accounting carrier; also interest accrued on debentures and on receivers' certificates which mature more than 1 year after date of issue. This account does not include interest on securities held by the accounting carrier in its treasury, in sinking or other special funds, or pledged as collateral.

(b) This account shall be kept so as to show the interest expense (accrual) on each of the following classes or subdivisions of long-term obligations:

(1) Equipment obligations.
(2) Advances.
(3) Bonds.
(4) Other long-term obligations.

7100 Other interest deductions.

This account shall include interest on all short-term obligations of the account-

ing carrier, such as notes or loans for terms of less than 1 year, unpaid taxes, or other accounts payable, etc., and also interest on mutured long-term obligations.

7200 Taxes assumed on interest.

This account shall include amounts paid to holders of the bonds or other indebtedness of the carrier in reimbursement of income and other taxes levied against income from such obligation or levied as a tax for ownership of the obligation, where the mortgage, indenture, or other instrument provides for payment of such taxes by the carrier.

7300 Amortization of debt discount and expense.

This account shall include for any period that proportion of the unamortized discount and expense on outstanding long-term debt which is applicable to the period. This proportion shall be determined according to a rule, the uniform application of which during the interval between the issue and maturity of any debt will completely amortize the discount at which such debt was issued and the debt expense connected therewith. Amounts charged to this account shall be concurrently credited to account 1880, Unamortized Debt Discount and Expense. (See also instruction 13.)

7400 Amortization of premium on debt—Credit.

This account shall include the proportion of the premium at which outstanding long-term debt was issued which is applicable to each period. This proportion shall be determined according to a rule the uniform application of which during the interval between the issuance and the maturity of any debt will completely amortize the premium at which such debt was issued. Amounts credited to this account shall be concurrently charged to account 2400, Unamortized Premium on Debt. (See instruction 13.)

7500 Other deductions.

This account shall include all deductions from gross income not provided for in any of the foregoing accounts such as:

(a) Unsecured accruals on obligations arising under contracts whereby the accounting carrier has guaranteed the annual or more frequent periodic payment of money or performance of other obligation on the part of another corporation or person, and because of the default of such other corporation or person, the liability of the accounting carrier has become actual.

(b) Losses resulting from the operations of others, whenever, in accordance with the terms of any contract, the accounting carrier is bound to contribute toward reimbursement of such losses.

(c) Losses on receivables, notes or claims, which are not includible in account 4680, Uncollectible Revenue.

(d) Amortization charges of the book value of property included in account 1550, Other Intangible Property, and other items carried among its assets.

(e) Contributions for charitable, social or community welfare purposes which do not have a direct or intimate relation to the protection of the property, development of the business or welfare of employees. (See account 4656, Other General Expenses.)

(f) Penalties and fines for violations of law not provided for in account 4264, Other Transportation Expenses.

(g) Premiums for life insurance carried on the lives of officers and employees when the carrier is the beneficiary.

Income Taxes

8000 Income taxes on ordinary income.

(a) (1) Monthly accruals for Federal, State or other income taxes applicable to ordinary income shall be included in this account. See texts of account 9050, Income Taxes on Extraordinary and Prior Period Items, accounting 2933, Other Credits to Surplus, and account 2946, Other Debits to Surplus, for recording other income tax consequences.

(2) Details pertaining to the tax consequences of other unusual and significant items and also cases where the tax consequences are disproportionate to the related amounts included in income accounts, shall be submitted to the Commission for consideration and decision as to proper accounting.

(3) Income taxes which are refundable or reduced as the result of carry-back or carry-forward of operating loss shall be credited to this account, if a carry-back in the year in which the loss occurs or, if a carry-forward, in the year in which such loss is applied to reduce taxes. However, when the amount constitutes an extraordinary item pursuant to instruction 7, it shall be included in account 9030, Prior Period Items.

(b) This account shall be subdivided as follows: 8010 *Federal Income Taxes*, 8020 *State Income Taxes*, and 8030 *Other Income Taxes*.

NOTE: Personal income taxes of sole proprietors and members of a partnership shall not be charged to this account; if paid from funds of the business, the amounts thereof shall be charged to account 2800, Sole Proprietorship Capital, or account 2810, Partnership Capital, as appropriate.

EXTRAORDINARY AND PRIOR PERIOD ITEMS

9010 Extraordinary items (net).

(a) This account shall include extraordinary items accounted for during the current accounting year in accordance with instruction 7, upon approval of the Commission. Among the items which shall be included in this account are:

Net gain or loss on sale of land used for transportation purposes.

Net gain or loss on sale of securities acquired for long term investment purposes.

Loss on retirement of transportation property because of abandonment or other cause for which depreciation reserve has not been provided.

Change in application of accounting principles.

(b) Income tax consequences of charges and credits to this account shall be included in account 9050, Income Taxes on Extraordinary and Prior Period Items.

(c) This account shall be maintained in a manner sufficient to identify the nature and gross amount of each debit and credit.

9030 Prior period items (net).

(a) This account shall include unusual delayed items accounted for during the current accounting year in accordance with the text of instruction 7, upon approval of the Commission. Among the items which shall be included in this account are:

Unusual adjustments, refunds or assessments of income taxes of prior years.

Similar items representing transactions of prior years which are not identifiable with or do not result from business operations of the current year.

(b) Income tax consequences of charges and credits to this account shall be included in account 9050, Income Taxes on Extraordinary and Prior Period Items.

(c) This account shall be maintained in a manner sufficient to identify the nature and gross amount of each debit and credit.

9050 Income taxes on extraordinary and prior period items.

This account shall include the estimated income tax consequences (debit or credit) assignable to the aggregate of items of both taxable income and deductions from taxable income which, for accounting purposes, are classified as unusual and extraordinary and are includible in account 9010, Extraordinary Items, or account 9030, Prior Period Items, as appropriate.

9999 Form of income statement.

ORDINARY ITEMS

I. CARRIER OPERATING INCOME

Revenues:	
300. Operating Revenues	$------
Expenses:	
4000. Operation and Maintenance Expenses	------
5000. Depreciation Expense	------
5100. Amortization of Carrier Operating Property	------
5200. Operating Taxes and Licenses	------
5300. Operating Rents—Net	------
Total Expenses	------
Net Operating Revenue	------
5400. Rent for Lease of Carrier Property—Debit	------
5500. Income from Lease of Carrier Property—Credit	------
Net Carrier Operating Income	------

II. OTHER INCOME

6000. Net Income from Noncarrier Operations	------
6100. Net Income from Nonoperating Property	------
6200. Interest Income	------
6300. Dividend Income	------
6400. Income from Sinking and Other Funds	------
6500. Other Nonoperating Income	------
Total Other Income	------
Gross Income	------

ORDINARY ITEMS—Continued

III. INCOME DEDUCTIONS

7000. Interest on Long-Term Obligations ..... $------
7100. Other Interest Deductions ..... ------
7200. Taxes Assumed on Interest ..... ------
7300. Amortization of Debt Discount and Expense ..... ------
7400. Amortization of Premium on Debt—Credit ..... ------
7500. Other Deductions ..... ------
Total Income Deductions ..... ------
Ordinary Income Before Income Taxes ..... ------
8000. Income Taxes on Ordinary Income ..... ------
Ordinary Income ..... ------

EXTRAORDINARY AND PRIOR PERIOD ITEMS

9010. Extraordinary Items (Net) ..... ------
9030. Prior Period Items (Net) ..... ------
9050. Income Taxes on Extraordinary and Prior Period Items ..... ------
Total Extraordinary and Prior Period Items ..... ------
Net Income (or Loss) Transferred to Earned Surplus ..... ------

PART 1207—CLASS I AND CLASS II COMMON AND CONTRACT MOTOR CARRIERS OF PROPERTY

DEFINITIONS

INSTRUCTIONS

1 Classification of carriers.
2 Records.
3 Accounting period.
4 Charges to be just and reasonable.
5 Interpretations of prescribed accounting.
6 Item lists.
7 Opening entries.
8 Extraordinary and prior period items.
9 Unaudited items.
10 Clearing accounts.
11 Distribution of pay and expenses of employees.
12 Maintenance; cost.
13 Current assets.
14 Current liabilities; writing off.
15 Contingent assets and liabilities.
16 Capital stock.
17 Equipment and long-term obligations.
18 Book cost of securities owned.
19 Carrier operating property.
20 Acquisition of a distinct operating unit.
21 Retirement of property.
22 Insurance.
23 Depreciation and amortization.
24 Taxes and licenses.
25 Joint facilities.
26 Deduction of reserves.
27 Allocation of expenses between line haul and pickup and delivery.
28 Employees' welfare expenses.
29 Amortization of intangibles.

BALANCE SHEET ACCOUNTS

Asset Side

CURRENT ASSETS

1000 Cash.
1020 Working funds.
1040 Special deposits.
1041 Interest special deposits.
1042 Dividend special deposits.
1043 Miscellaneous special deposits.
1060 Temporary cash investments.
1080 Notes receivable.
1100 Receivables from affiliated companies.
1120 Accounts receivable; agents, customers, and interline.
1130 Accounts receivable; other.
1140 Subscribers to capital stock.
1160 Interest and dividends receivable.
1170 Prepayments.
1180 Material and supplies.
1190 Other current assets.

TANGIBLE PROPERTY

1200 Carrier operating property.
1201 Land and land rights.
1210 Structures.
1220 Revenue equipment.
1230 Service cars and equipment.
1240 Shop and garage equipment.
1250 Furniture and office equipment.
1260 Miscellaneous equipment.
1270 Improvements to leasehold property.
1280 Undistributed property.
1290 Unfinished construction.
1300 Carrier operating property leased to others.
1400 Non-carrier property.

INTANGIBLE PROPERTY

1500 Organization, franchises, and permits.
1501 Organization.
1511 Franchises.
1541 Patents.
1550 Other intangible property.

INVESTMENT SECURITIES AND ADVANCES

1600 Investments and advances; affiliated companies.
1650 Other investments and advances.

SPECIAL FUNDS

1701 Sinking funds.
1751 Depreciation funds.
1781 Miscellaneous special funds.

DEFERRED DEBITS

1880 Unamortized debt discount and expense.
1890 Other deferred debits.

MISCELLANEOUS DEBIT ITEMS

1900 Discount on capital stock.
1910 Commission and expense on capital stock.
1920 Reacquired securities.
1990 Nominally issued securities.

Liability Side

CURRENT LIABILITIES

2000 Notes payable.
2020 Matured long-term obligations.
2030 Payables to affiliated companies.
2050 Accounts payable.
2070 Wages payable.
2090 C.o.d.'s unremitted.
2100 Dividends declared.
2120 Taxes accrued.
2150 Interest accrued.
2160 Matured interest.
2180 Other current liabilities.

LONG-TERM DEBT DUE WITHIN ONE YEAR

2190 Equipment obligations and other debt due within one year.

ADVANCES PAYABLE

2200 Advances payable; affiliated companies.
2250 Other advances payable.

EQUIPMENT AND OTHER LONG-TERM OBLIGATIONS

2300 Equipment obligations.
2330 Bonds.
2360 Other long-term obligations.

DEFERRED CREDITS

2400 Unamortized premium on debt.
2450 Other deferred credits.

RESERVES

2500 Reserve for depreciation; carrier operating property.
2600 Reserve for amortization; carrier operating property.
2610 Reserve for depreciation and amortization; other property.
2630 Reserve for adjustments; investments and advances.
2650 Reserve for uncollectible accounts.
2660 Insurance reserves.
2680 Injuries, loss and damage reserves.
2690 Other reserves.

CAPITAL STOCK

2700 Preferred capital stock.
2710 Common capital stock.
2730 Capital stock subscribed.

PROPRIETORS' CAPITAL

2800 Sole proprietorship capital.
2810 Partnership capital.

CAPITAL SURPLUS

2900 Premiums and assessments on capital stock.
2910 Other capital surplus.

EARNED SURPLUS

2920 Earned surplus-appropriated.
2930 Earned surplus-unappropriated.
2932 Credit balance transferred from income.
2938 Other credits to earned surplus.
2942 Debit balance transferred from income.
2944 Dividend appropriations.
2946 Other appropriations of earned surplus.
2948 Other debits to earned surplus.
2990 Form of balance sheet statement.

INCOME ACCOUNTS

Ordinary Items

OPERATING REVENUES

3000 Operating revenues.
3100 Freight revenue; intercity; common carrier.
3110 Freight revenues; intercity; contract carriers.
3120 Freight revenue; local cartage.
3130 Intercity transportation for other Class I and Class II motor carriers.
3900 Other operating revenues.

OPERATION AND MAINTENANCE EXPENSES

4000 Operation and maintenance expenses.
4100 Equipment maintenance.
4110 Supervision.
4120 Office and other expenses.
4130 Repairs and servicing; revenue equipment.
4145 Employees' welfare expenses.
4160 Tires and tubes; revenue equipment.
4180 Other maintenance expenses.
4185 Operating rents.
4191 Joint garage expense; debit.
4196 Joint garage expense; credit.
4200 Transportation.
4210 Supervision.
4220 Office and other expenses.
4230 Drivers and helpers.
4245 Employees' welfare expenses.
4250 Fuel for revenue equipment.
4260 Oil for revenue equipment.
4270 Purchased transportation.
4271 Equipment rents; intercity; with drivers.
4272 Equipment rents; intercity; without drivers.
4273 Other purchased transportation; intercity.
4275 Equipment rents; pickup and delivery; with drivers.
4276 Equipment rents; pickup and delivery; without drivers.
4277 Other purchased pickup and delivery.

4279 Equipment rents; credit.
4280 Other transportation expenses.
4285 Operating rents.
4300 Terminal.
4310 Supervision.
4311 Supervisory salaries.
4312 Salaries and fees; billing and collecting.
4313 Other office employees.
4320 Office and other expenses.
4340 Salaries and wages; platform employees.
4345 Employees' welfare expenses.
4350 Other terminal employees.
4360 Commission agents.
4380 Other terminal expenses.
4385 Operating rents.
4391 Joint terminal facilities; debt.
4396 Joint terminal facilities; credit.
4400 Traffic.
4410 Supervision.
4420 Office and other expenses.
4430 Tariffs and schedules.
4445 Employees' welfare expenses.
4450 Advertising.
4480 Other traffic expenses.
4485 Operating rents.
4500 Insurance and safety.
4510 Supervision.
4520 Office and other expenses.
4530 Public liability and property damage.
4540 Workmen's compensation.
4545 Employees' welfare expenses.
4550 Cargo loss and damage.
4560 Fire, theft and collision.
4570 Other insurance expense.
4580 Other insurance and safety department expenses.
4585 Operating rents.
4600 Administrative and general.
4610 Supervision.
4611 Salaries; general officers.
4612 Salaries; revenue accounting.
4613 Salaries; other general office employees.
4620 Office and other expenses.
4621 Expenses of general officers.
4622 Expenses of general office employees.
4623 Other general office expenses.
4630 Law expenses.
4635 Outside auditing expenses.
4640 Communication service.
4645 Employees' welfare expenses.
4650 Management and supervision fees.
4660 Uncollectible revenues.
4670 Regulatory expenses.
4675 Purchasing and store expenses.
4680 Other general expenses.
4685 Operating rents.
4691 Joint operating expense; debit.
4696 Joint operating expense; credit.

DEPRECIATION EXPENSE

5000 Depreciation expense.
5010 Depreciation of structures.
5020 Depreciation of revenue equipment.
5030 Depreciation of service cars and equipment.
5040 Depreciation of shop and garage equipment.
5050 Depreciation of furniture and office equipment.
5060 Depreciation of miscellaneous equipment.
5070 Depreciation of improvements to leasehold property.
5080 Depreciation of undistributed property.
5100 Depreciation adjustment.

AMORTIZATION EXPENSE

5150 Amortization of carrier operating property.

TAXES AND LICENSES

5200 Operating taxes and licenses.
5210 Gasoline, other fuel and oil taxes.
5220 Vehicle license and registration fees.
5230 Real estate and personal property taxes.
5240 Social security taxes.
5250 Other taxes.

LEASE OF DISTINCT OPERATING UNIT

5400 Lease of distinct operating unit; debit.
5500 Lease of distinct operating unit; credit.

OTHER INCOME

6100 Income from non-carrier operations; net.
6300 Interest income.
6400 Dividend income.
6500 Other non-operating income.

MISCELLANEOUS DEDUCTIONS FROM INCOME

7100 Interest.
7300 Amortization of debt discount and expense.
7400 Amortization of premium on debt; credit.
7500 Other deductions.

INCOME TAXES

8800 Income taxes on ordinary income.

Extraordinary and Prior Period Items

8910 Extraordinary items (net).
8930 Prior period items (net).
8950 Income taxes on extraordinary and prior period items.
8990 Form of income statement.

CONDENSED CLASSIFICATION OF ACCOUNTS FOR CLASS II CARRIERS

9001 Instructions.
9002 Pickup and delivery.
9003 Optional accounts.
9004 Accounts prescribed.

AUTHORITY: The provisions of this Part 1207 issued under secs. 204, 220, 49 Stat. 546, as amended, 563, as amended; 49 U.S.C. 304, 320.

DEFINITIONS

When used in this system of accounts:

1. "Accounts" means the accounts prescribed in this system of accounts.

2. "Actually issued," as applied to securities, means those which have been sold to bona fide purchasers for a valuable consideration (including those issued in exchange for other securities or other property) so that the purchasers secured them free from control by the issuing carrier, also securities issued as dividends on stock, and those which have been issued in accordance with contractual requirements direct to trustees of sinking and other funds.

3. "Actually outstanding," as applied to securities issued or assumed by the carrier, means those which have been actually issued and are neither retired nor held by or for the carrier: *Provided, however,* That securities held by trustees of sinking and other funds shall be considered as actually outstanding.

4. "Addition" means structures, facilities or equipment added to those in service, or the extension or enlargement of existing property, and not taking the place of anything previously existing.

5. "Amortization" means the gradual extinguishment of an amount in an account by prorating such amount over either a fixed period dependent on the requirements of regulatory bodies, the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

6. (1) "Affiliated companies" means persons (see definition 29) that directly, or indirectly through one or more intermediaries, control or are controlled by, or are under common control with the accounting carrier.

(2) "Control" (including the terms "controlling," "controlled by," and "under common control") as used herein, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person (see definition 29), whether through the ownership of voting securities, by contract or otherwise. If in any instance the existence of control is or may be open to reasonable doubt, the carrier shall report to the Commission all of the material facts pertinent to the possible existence of control.

7. "Book cost" means the amount at which property is recorded on the books of the carrier without deduction of related reserves.

8. "Carrier" or "motor carrier" includes both a common carrier by motor vehicle and a contract carrier by motor vehicle, subject to the Interstate Commerce Act.

9. "Carrier operating property" means the property which is used (see definition 38) by the carrier in the conduct of its motor carrier operations or leased to others for such operations, and which has an expectation of life in service of more than one year from date of installation. This includes land, structures, equipment, and facilities necessary for such operations and services incidental thereto.

10. "Company" means any individual, firm, copartnership, corporation, association, or joint-stock association; and includes any trustee, receiver, assignee, or personal representative thereof. (See definition 29.)

11. "Commission" or "the Commission" means the Interstate Commerce Commission.

12. "Contingent assets" means a possible source of value to the carrier dependent upon the fulfillment of conditions regarded as uncertain.

13. "Contingent liabilities" means items which may under certain conditions become obligations of the carrier but which are neither direct nor assumed liabilities at the date of the balance sheet.

14. "Cost of removal" means the cost of demolishing, dismantling, tearing down, or otherwise removing operating property, including the cost of transportation and handling incident thereto.

15. "Current asset" means cash as well as those assets that are readily convertible into cash or are held for current use in operations or construction; current claims against others, payment of which is reasonably assured; and other amounts accruing to the carrier which are subject to settlement within one year from the date of issue or upon demand.

16. "Current liabilities" means those obligations the amount of which is definitely determined or closely estimated which are either matured or become due within one year from date of issue or assumption, or upon demand.

17. "Date of retirement," as applied to operating property, means the date at

which such property is permanently withdrawn from service.

18. "Debt expense" means all expense in connection with the issuance and sale of evidences of long-term debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds, certificates of indebtedness, and other evidences of debt; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing evidences of debt; fees and expenses of listing on exchanges; and other like costs.

19. "Delayed items" means items relating to transactions which occurred before the current calendar year. It includes adjustments of errors in the income, operating revenue, and operating expense accounts of prior years. (See instruction 8.)

20. "Depreciation", as applied to depreciable property, means the loss in service value (see definition 35) not restored by current maintenance, incurred in connection with the consumption or prospective retirement of property in the course of service from causes against which the carrier is not protected by insurance, which are known to be in current operation. Among the causes to be given consideration are wear and tear, decay, action of the elements, obsolescence, changes in the art, inadequacy, changes in demand, and requirements of public authority.

21. "Discount", as applied to securities issued or assumed by the carrier, means the excess of the par or face value of the securities, plus interest or dividends accrued at the date of the sale over the cash value of the consideration received from the sale.

22. "Distinct operating unit" means all or any portion of a route or routes covered by a certificate of convenience and necessity or a permit, including motor vehicles and other physical property owned and used in the operation thereof.

23. "Joint facility" means any owned or leased carrier operating property occupied or operated jointly by the carrier and one or more other carriers by motor, rail, water, air, etc., under an arrangement whereby the costs are borne by the parties to the joint agreement. Portions of a structure or other property used exclusively by each of two or more carriers are not joint facilities.

24. "Long-term obligations" means obligations having a life of more than one year from date of creation or assumption, all unmatured bonds and receivers' or trustees' certificates, and demand obligations which by mutual agreement will not be paid within one year from date of issue.

25. "Mileage method," as applied to depreciation of vehicles, means the plan under which the service value is charged to depreciation expenses and credited to depreciation reserves at a fixed rate per mile run.

26. "Minor items," as applied to carrier operating property (see definition 9), means the associated parts or elements of which units of property (see definition 37) are composed.

27. "Net book cost," when applied to property, means the book cost (see definition 7) less related depreciation and amortization reserves.

28. "Nominally issued," as applied to securities issued or assumed by the carrier, means those which have been signed, certified, or otherwise executed and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the carrier, but which have not been sold or issued directly to trustees of sinking funds in accordance with contractual requirements.

29. "Person" when not otherwise indicated in the context, means an individual, a corporation, a partnership, an association, a joint-stock company, a business trust, or any other organization, or any receiver or trustee. (See definitions 6 and 10.)

30. "Premium," as applied to securities issued or assumed by the carrier, means the excess of the cash value of the consideration received from their sale over the sum of their par (stated value of no-par stocks) or face values plus interest or dividends accrued at the date of sale. (See note under Account 2900.)

31. "Property retired," as applied to operating property, means property which has been removed, sold, abandoned, destroyed, or which for any cause has been permanently withdrawn from service.

32. "Replacing" or "replacement," when not otherwise indicated in the context, means the acquisition, construction, or instillation of property in place of property of like purpose retired, together with the removal of the property retired.

33. "Salvage value" means the amount received for property retired, less any expenses incurred in connection with the sale or in preparing the property for sale; or, if retained, the amount at which the material recovered is chargeable to Account 1180, Material and Supplies, or other appropriate account.

34. "Service life" means the period between the date when carrier operating property (see definition 9) is placed in service and the date of its retirement. (See definition 31.)

35. "Service value" means the difference between the book cost (see definition 7) and the salvage value (see definition 33) of carrier operating property.

36. "Straight-line method," as applied to depreciation accounting, means the plan under which the service value (see definition 35) of property is charged to depreciation expenses or other appropriate accounts and credited to the depreciation reserves through equal periodic charges as nearly as may be during its service life.

37. "Unit of property," for the purpose of this system of accounts, means any item of carrier property which when retired, with or without replacements by sale, abandonment, disposal or replacement, is accounted for by crediting the book cost (see definition 7) thereof to the operating property account in which it is included, as provided in instruction 21.

38. "Used," as applied to operating property, means actually and necessarily in current service or ready for and reasonably required to be currently held for future service.

INSTRUCTIONS

1 Classification of carriers.

(a) For purposes of the accounting regulations common and contract carriers of property subject to the Interstate Commerce Act are grouped into the following three classes:

Class I: Carriers having average annual gross operating revenues (including interstate and intrastate) of $1,000,000 or more from property motor carrier operations.

Class II: Carriers having average annual gross operating revenues (including interstate and intrastate) of $200,000, but less than $1,000,000, from property motor carrier operations.

Class III: Carriers having average annual gross operating revenues (including interstate and intrastate) of less than $200,000 from property motor carrier operations.

(b) The class to which any carrier belongs shall be determined by the average of its annual gross operating revenues derived from motor carrier operations as a property carrier for the three calendar years immediately preceding the effective date of this system of accounts. If, at the end of any subsequent calendar year, the average of a carrier's annual gross operating revenues from motor carrier operations for the last three preceding years is greater than the maximum or less than the minimum for the class in which the carrier has been previously grouped, it shall automatically be grouped in the higher or lower class in which it falls because of such increased or decreased average annual gross operating revenues, and it shall notify the Commission of the change in its status. Any carrier which begins new operations or extends its existing operations subsequent to the effective date of this system of accounts will be classified in accordance with a reasonable estimate of its prospective annual gross operating revenues.

(c) Any carrier may, at its option, place itself in a group higher than the one in which it falls on the basis of its average annual gross operating revenues. Notice of such action shall be promptly filed with the Commission.

2 Records.

(a) All of the accounts prescribed in this system of accounts shall be kept when applicable and entries recorded by the double entry method. Each account in the general or subsidiary ledgers shall reflect the prescribed account number. Account titles shall clearly indicate the type of items included therein if the exact titles prescribed herein are not used.

(b) Each carrier shall keep its general accounting books, and all other books, records and memoranda which support in any way the entries to such accounting books, and analyses of gen-

eral ledger account balances, readily accessible so that it can furnish at any time full information as to any account. Moreover, the month, day, year and posting reference shall be shown for each entry in the general ledger and subsidiary records and the entries shall be supported with such detailed information as will provide a ready analysis and verification of the facts recorded therein. All expenditures including the expense accounts of officers and employees shall be definitely supported by vouchers, pay rolls, receipted bills, canceled checks, receipts for petty cash payments, or other evidences of the expenditures incurred.

(c) The books referred to herein include not only books of account in a limited technical sense but all other records such as minute books, stock books, reports, correspondence, memoranda, etc., which will be useful in developing the history of or facts regarding any transaction.

(d) Carriers shall not destroy any books, records, memoranda, etc., which support entries to their accounts unless the destruction thereof is specifically provided for in the Regulations to Govern the Preservation of Records of Class I Motor Carriers, Part 1226 of this Chapter.

(e) Subdivisions of any account in this system of accounts may be kept, provided that such subdivisions do not impair the integrity of the accounts prescribed. The Commission reserves the right to order any carrier to subdivide any account in this system of accounts. The title of each such subdivision shall clearly indicate the account of which it is a part. When an account is subdivided in the general ledger, an account need not be maintained for the total of the subdivisions. When such subdivisions are carried in subsidiary ledgers however, the general ledger shall contain the controlling accounts therefor so that a complete general ledger trial balance may be obtained.

3 Accounting period.

(a) Each carrier shall keep its books on a calendar year basis and for each month (or 4-week period—see note) all transactions applicable thereto, as nearly as can be ascertained (see instruction 9), including full accruals, shall be entered in the books of original entry (cash book, purchase journal, etc.), and posted to the general ledger. A trial balance of the general ledger accounts shall be prepared at the close of each month. At the end of the calendar year, the revenue, expense and other income accounts shall be closed into earned surplus or the noncorporate capital accounts; and balance sheet account balances shall be brought forward to the general ledger for the succeeding year.

(b) The final entries for any month shall be made in the general ledger not later than 60 days after the last day of the month for which the accounts are stated, unless otherwise authorized by the Commission, except that the period within which the final entries for the last month of the calendar year shall be made may be extended to such date in March of the following year as shall not interfere with the preparation and filing of annual reports.

(c) No changes shall be made in the accounts for periods covered by quarterly and annual reports that have been filed with the Commission unless the changes have first been authorized by the Commission.

NOTE: To avoid repetition, wherever the word "month" appears in these instructions, it is intended to include "or 4-week period."

4 Charges to be just and reasonable.

All charges to the accounts prescribed in this system of accounts for carrier property, operating revenues, operation and maintenance expenses, and for other carrier expenses, shall be just, reasonable and necessary to the honest and efficient operation and management of the motor carrier business. Payments or allowances in excess of such just and reasonable charges shall be included in account 7500—Other Deductions.

5 Interpretations of prescribed accounting.

(a) The cross-references included in, and notes following, the texts of various instructions and accounts are for the purpose of indicating the applicable provisions of other sections. Such references are not to be construed as comprising a complete list of the instructions relating to a particular subject, since the definitions, the general instructions and the text of each account must be given consideration in determining the prescribed accounting.

(b) All questions of doubtful interpretation of the prescribed accounting shall be submitted by responsible accounting officials of the carrier to the Commission for consideration and decision.

6 Item lists.

Lists of items appearing in the texts of the several accounts are given for the purpose of indicating the application of the prescribed accounting in specific cases. The lists are not to be considered as comprising all items includible in the accounts, but merely as representative of them. On the other hand, the appearance of an item in a list warrants the inclusion of such item in the account concerned only when the text of the account also indicates inclusion, inasmuch as the same item frequently appears in more than one list. The proper entry in each instance must be determined by the texts of the accounts.

7 Opening entries.

As of the date that this system of accounts is adopted by the carrier, the accounts prescribed herein shall be opened by appropriately transferring thereto the balances carried in the accounts previously maintained. The carrier is authorized to make such subdivisions, reclassifications, consolidations of or additions to such balances as are necessary to meet the requirements of this system of accounts. (See, however, account 1280.)

8 Extraordinary and prior period items.

(a)(1) All items of profit and loss recognized during the year are includible in ordinary income except nonrecurring items which in the aggregate for the same class are both material in relation to operating revenues and ordinary income for the year and are clearly not identified with or do not result from the usual business operations of the year. Important items of the kind which occur from time to time and which, when material in amount, are to be excluded from ordinary income are those resulting from unusual sales of property and investment securities other than temporary cash investments; from wars, earthquakes and similar calamities and catastrophes, which are not a recurrent hazard of the business and which are not usually covered by insurance; from change in application of accounting principles; and from prior period items (other than ordinary adjustments of a recurring nature). Material items are those which, unless excluded from ordinary income, would distort the accounts and impair the significance of ordinary income for the year. Items so excludible from ordinary income are to be entered directly in the income accounts provided for extraordinary and prior period items upon approval or direction of the Commission.

(2) Adjustments constituting items of customary business activities or corrections or refinements resulting from the natural use of estimates inherent in the accounting process, including those arising from disposal of a unit of property sold or retired in the regular course of business operations, shall not be considered extraordinary or prior period items regardless of size.

(b) In determining materiality, items of a similar nature shall be considered in the aggregate; dissimilar items should be considered individually. As a general standard, an item to qualify for inclusion as an extraordinary or prior period item, shall exceed 1 percent of total operating revenues and 10 percent of ordinary income for the year.

(c) Ordinary delayed items and adjustments arising during the current year which are applicable to or related to transactions of prior years shall be included in the same accounts which would have been charged or credited if the item had been taken up or adjusted in the period to which it pertained. Ordinary delayed items excludes items of the character described in paragraph (a) of this instruction 8.

9 Unaudited items.

When the amount of any item affecting these accounts cannot be accurately determined in time for inclusion in the accounts of the month in which the transaction occurs, the amount of the item shall be estimated and included in the proper accounts. When the item is audited the necessary adjustments shall be made through the accounts in which the estimate was recorded. The carrier is not required to anticipate small

items which would not appreciably affect these accounts.

10 Clearing accounts.

(a) Clearing accounts, designed to facilitate the distribution of certain expenditures which may affect both construction and operations or which may affect transportation and other operations, may be kept when necessary in making the proper distribution of items to the appropriate accounts, as subdivisions of account 1890—Other Deferred Debits, or account 2450—Other Deferred Credits. Balances in clearing accounts shall be fully cleared not later than the end of the calendar year unless items held therein unquestionably relate to future periods.

(b) Spreading of unusual income, revenue and expense items: When the amount of any unusual item includible in an income, operating revenue, or operating expense account for the current month is relatively so large that its inclusion in the accounts for that period would seriously distort those accounts, it may be included in account 1890—Other Deferred Debits, or account 2450—Other Deferred Credits, as appropriate, and distributed in equal amounts to the accounts for the current and remaining months of the year. No such items shall be spread beyond the accounts of the current year without approval of the Commission.

11 Distribution of pay and expenses of employees.

(a) The pay and expenses of officers or employees engaged in activities of a varying nature, such as an officer who may be assigned to supervise transportation and terminal operations, shall be included in the appropriate accounts upon the basis of the actual time devoted to the respective classes of work, except that the pay and expenses of an officer or employee who performs substantially the same variety of duties from day to day may be distributed upon the basis of a study of the time actually devoted by him to those duties during a representative period.

(b) The pay and expenses of officers or employees regularly assigned to specific duties who perform incidental services of a different nature involving small expense shall be included in the expense accounts appropriate for the duties to which such officers or employees are regularly assigned.

(c) When it is necessary to apportion the pay and expenses of officers and employees among accounts or subaccounts, the carrier shall be prepared to describe the basis of such apportionments.

12 Maintenance; cost.

(a) The cost of repairs (but not including betterments—see instruction 19(b)) chargeable to the various Operation and Maintenance Expense accounts includes labor employed, materials used, and expenses incurred in all current maintenance, such as:

(1) Inspecting, testing, and reporting on the condition of operating property specifically to determine the need for repairs, minor replacements, rearrangements, and changes.

(2) Testing for, locating, and clearing trouble.

(3) Routine work to prevent trouble such as general overhauling, removing carbon, grinding valves, adjusting and relining brakes, adjusting shock absorbers, cleaning and adjusting engines, etc.

(4) Replacing minor items of operating property. (See also instruction 21(a).)

(5) Rearranging and changing the location of property not retired.

(6) Restoring the condition of property damaged by wear and tear, storms, breakage, floods, fire, accident, or other casualties. (See also paragraph (b) of this instruction 12 and instruction 22(f).)

(7) Training employees for repair work.

(8) Inspecting and testing after repairs have been made.

(b) The value of materials recovered and placed in the material and supplies account in connection with repairs to property shall be credited to the same account to which the repair cost was charged, with concurrent debit to account 1180—Material and Supplies.

(c) If employees engaged in transportation or terminal service are also required to make repairs, an equitable proportion of their pay and expenses shall be charged to the account appropriate for the cost of such repairs. (See, however, instruction 11.)

(d) If the book cost of any property is carried in account 1280—Undistributed Property, the repairs to such property shall be charged to the accounts provided for repairs to property of the same nature and use, the book cost of which is carried in other operating property accounts. Repairs to property leased from others shall be treated in like manner.

13 Current assets.

(a) In the group of accounts designated as Current Assets (accounts 1000 to 1190, inclusive) there shall not be included any item the amount or collectibility of which is not reasonably assured or for which provision has not been made in a reserve. Items of current character but of doubtful value may be carried in these accounts at a nominal value or included in account 1890—Other Deferred Debits, at book cost or nominal value, or written off, as may be appropriate.

(b) Adjustments to accomplish the writing down of items of doubtful value not covered by reserves shall be made through account 4660—Uncollectible Revenues, account 7500—Other Deductions, or other appropriate ordinary income account.

14 Current liabilities; writing off.

Amounts that have been included in the primary accounts for unclaimed wages and other current liabilities or have been represented by outstanding checks or similar instruments for a period of one year or more because of inability to identify or locate the payee or creditor may (in the absence of statutory provision to the contrary) be written off, or, in the case of outstanding and unpresented checks, reinstated in account 1000—Cash, and credited to the operating expense or other income account originally charged. The journal entry shall contain the pertinent facts concerning all the items that have been written off.

15 Contingent assets and liabilities.

The balance sheet of a carrier shall clearly state by adequate notes contingent assets or liabilities not reflected in the balance sheet accounts, including any arrears in cumulative dividends, stating the amount per share of each class of stock and in total, and the facts and amounts with respect to any default in principal, interest or sinking fund provisions if not shown in the balance sheet accounts.

16 Capital stock.

(a) All transactions relating to the capital stock of the accounting carrier shall be recorded by class of stock. Stocks are of the same class only when they are issued under identical terms as to all of the following: par value, stated value, preferences in the distribution of dividends and assets, voting rights, and conditions under which the stock may be retired. If the capital stock of the carrier is of more than one class, its records shall be so maintained as to record the amount applicable to each class in separate subdivisions of the following accounts:

1140—Subscribers to Capital Stock.
1900—Discount on Capital Stock.
1910—Commission and expense on Capital Stock.
1920—Reacquired Securities.
1990—Nominally Issued Securities.
2700—Preferred Capital Stock.
2710—Common Capital Stock.
2730—Capital Stock Subscribed.
2900—Premiums and Assessments on Capital Stock.
2910—Other Capital Surplus.

(b) Commission and expenses applicable to capital stock issues shall not be deducted from premium on capital stock.

(c)(1) General levies or assessments against stockholders shall be credited to the premium account for the particular class and series of capital stock so assessed, except that assessments with respect to nonpar stock without stated value shall be credited to the capital stock account.

(2) Discounts and expenses on original issues of capital stock may be amortized by charges to account 2910—Other Capital Surplus; however, in no event shall net debits exceed the accumulated net credits in capital surplus with respect to the particular class of stock. Any excess of debts may be retained in account 1900—Discount on Capital Stock, or account 1910—Commission and Expense on Capital Stock, as appropriate, until the stock is reacquired or retired, or the excess debits may be charged to account 2948—Other Debits to Earned Surplus.

(d) When an issue of capital stock, or any part thereof, is reacquired, either by

purchase or through donations by stockholders, other than stocks reacquired by provision of a mortgage or decision of a trustee not subject to the control of the carrier that it be retained alive in sinking or other funds, it shall be charged at its par or stated value, or if it is nonpar stock without a stated value, in an amount equal to the proportionate part applicable to such shares of stock of the total amount at which all stock without par or stated value of the same class is carried in the capital stock account; if canceled to account 2700—Preferred Capital Stock, or account 2710—Common Capital Stock; if not canceled, to account 1920—Reacquired Securities. The difference between the amount at which such reacquired stock is recorded in the foregoing accounts and the amount paid for the stock, including commissions and other expenses incurred in its purchase and also any premiums or discount applicable to its original sale, shall be included in account 2910—Other Capital Surplus, *Provided, however,* That the excess of a debit over the balance carried in capital surplus with respect to the particular class of stock shall be charged to account 2948—Other Debits to Earned Surplus.

(e) When shares of its reacquired capital stock of any class are resold by the carrier, account 1920—Reacquired Securities, shall be credited with the amount at which the shares were debited to that account upon reacquisition. Unless otherwise required by instrument of authority, any difference between the total amount realized from the sale of the stock (less commissions and expenses incident thereto), and the amount credited to account 1920, shall be debited or credited as appropriate to account 2910—Other Capital Surplus. (See, however, paragraph (d) of this instruction 16.)

17 Equipment and long-term obligations.

(a) When evidences of debt, other than unsecured advances payable, that, according to their terms, do not mature within one year from date of issuance, and equipment obligations regardless of maturity, are issued or assumed by the carrier or by a receiver or an operating trustee of the carrier, the face amount of such evidence of debt shall be recorded in the appropriate account included under the group captioned "Equipment and Other Long-Term Obligations", except as otherwise provided in the text of account 2190—Equipment Obligations and Other Debt Due Within One Year.

(b) A separate subdivision shall be maintained in account 1880—Unamortized Debt Discount and Expense, for the excess of discount and debt expense over any premium related to each class of long-term debt issued or assumed by the carrier. (See definitions 18, 21 and 30.)

(c) Corresponding subdivisions shall be maintained in account 2400—Unamortized Premium on Debt, for the excess of the premium over any discount and debt expense related to each class of long-term debt issued or assumed by the carrier.

(d)(1) Each month there shall be credited to each subdivision of account 1880—Unamortized Debt Discount and Expense, the amount applicable to such period under a plan of amortization, the application of which will equitably distribute the balance therein over the life of the security. Amounts thus credited shall be concurrently charged to account 7300—Amortization of Debt Discount and Expense.

(2) Correspondingly, each month there shall be charged to each subdivision of account 2400—Unamortized Premium on Debt, the portion of such credit balance which is applicable to that period. Amounts thus charged shall be concurrently credited to account 7400—Amortization of Premium on Debt—Credit.

(e) Except as provided in paragraph (d) of this instruction 17, any balance in account 1880 or account 2400, or subdivisions thereof, shall be carried until the reacquisition of the securities to which it relates. At that time (unless otherwise required by instrument of authority) a portion of the balances in these accounts, or subdivision for the particular class of long-term debt reacquired, shall be transferred to account 6500—Other Non-Operating Income, or account 7500—Other Deductions, as may be appropriate. Such portion shall be based on the relation of the amount of the particular issue of long-term debt reacquired to the total outstanding before the reacquisition. This provision shall also apply to securities held alive in sinking or other funds.

(f) Except for such discount or expense as may be applicable to the construction period, no discount or expense on long-term debt shall be included in any account as a part of the cost of acquiring property or as a part of the cost of operation.

(g) Equipment and other long-term obligations reacquired by the carrier shall be entered in account 1920—Reacquired Securities, at face value. The difference between the face value and the amounts actually paid for the reacquired obligations shall be debited or credited as appropriate to account 6500—Other Non-Operating Income, or account 7500—Other Deductions. Likewise, any unamortized debt discount, expense or premium, applicable to the reacquired obligations, shall be adjusted through account 6500 or account 7500, as appropriate.

(h) When reacquired equipment and other long-term obligations are resold by the carrier, the amount included in account 1920—Reacquired Securities, shall be credited thereto, and any difference between the total amount realized from the sale (less commissions and expenses incident thereto) and the credit to account 1920, shall be included in account 6500 or account 7500, as appropriate, unless otherwise required by instrument of authority.

18 Book cost of securities owned.

(a) Securities of others acquired by the carrier shall be recorded in these accounts at cost, including brokerage and registration fees, stock transfer taxes, and similar expenses, at the time of acquisition. Cost does not include any amount paid for accrued interest or dividends, except that amounts of interest included in the purchase price of bonds, which are not payable until maturity or until the bonds are disposed of, shall be included in these accounts as part of the cost (see Note B under account 1160).

(b) The carrier may write down the book cost of any security in recognition of a decline in the value thereof. Securities shall be written off or written down to a nominal value if there is no reasonable prospect of substantial value. Fluctuations in market value shall not be recorded, but a permanent impairment in the value of the securities shall be recognized in the accounts. A reserve may be provided in account 2630—Reserve for Adjustments—Investments and Advances, against declines in the value of securities reflected in accounts 1600—Investments and Advances—Affiliated Companies, and 1650—Other Investments and Advances, by charges to account 7500—Other Deductions. (See instruction 8.)

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

(d) When securities with a fixed maturity date are purchased at a premium (that is when the total cost including brokerage fees, taxes, commissions, etc., is in excess of par), such premiums may be amortized over the remaining life of the securities through periodic credits to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and debits to the same account in which the interest revenue is recorded.

19 Carrier operating property.

(a)(1) Amounts chargeable to the accounts numbered 1200 and 1300, designated as carrier operating property accounts, shall be the actual cost to the carrier of the items properly includible therein, except when acquired as part of a distinct operating unit (see instruction 20) including property jointly owned and property operated by the carrier under joint agreements, and shall be exclusive of any cost for intangible items includible in the subdivisions of account 1500—Organization, Franchises and Permits, or account 1550—Other Intangible Property. Also include the cost of such property owned by the carrier but held by agents.

(2) "Cost" shall include direct and indirect labor, materials, including small tools and similar items consumed in construction, transportation charges, contract work, rent of construction facilities and taxes; also such portions of engineering, supervision, purchasing department expenses, law expenditures, premiums for workmen's compensation, injuries and damages and other insurance applicable to the construction period; and other analogous elements entering into the construction or acquisition of property. If property, such as a structure or unit of equipment, including additions thereto, is constructed new or rebuilt by the carrier to increase its capacity or otherwise add to its usefulness for motor carrier service, or if parts are purchased and assembled by the carrier into a unit of equipment, the cost records for construction and assembly shall be maintained in a sufficiently complete manner to show the cost of labor, materials and other expenses incurred in such work.

(b) Betterments of operating property (the primary aim of which is to make the property affected more useful, more efficient, of greater durability, or of greater capacity) shall be included in the property accounts to the extent of the excess cost of such betterments (not including cost of installation and removal of items replaced) over the estimated cost at current prices of new property similar to the items replaced. However, if a unit of property is to be rebuilt or remodeled to an extent that its expectation of service life will be fairly comparable with that of new property, the old property shall be retired as provided in instruction 21, and the appropriate property investment account shall be charged with the cost of the rebuilt or remodeled unit, based on the appraised value of the re-used parts, plus the cost of labor and material used in rebuilding or remodeling. The cost of removing old appliances constituting minor items (see definition 26), and replacing them with new appliances which do not represent betterments shall be charged to the appropriate account for operation and maintenance expenses.

(c)(1) Units of property (see definition 37), and additions to and betterments of existing property having a life in excess of one year and costing more than $200 shall be charged to the appropriate property investment accounts. Units having a life of one year or less or costing not more than $200 may be charged to operating expenses. The carrier shall not parcel expenditures for acquisitions, when made under a general plan, for the purpose of charging them to expense; either shall it combine unrelated items for the purpose of including their cost in the property investment accounts.

(2) A carrier will be permitted to adopt a limit of less than $200 for charges to the property investment account, providing it files a statement with the Commission showing the amount it proposes to use and makes no subsequent change in the amount except by authority of the Commission.

(d) When operating property is purchased under any plan involving deferred payments, no charges shall be made to the operating property account for interest, insurance, or other expenditures occasioned by such form of payment.

(e) When the consideration given for property is anything other than cash, the cash value of such consideration shall be used, except that where physical property is given in exchange for physical property and no other form of consideration is involved, such property shall be recorded at the net book cost of the property given in exchange. In the journal entry recording such a transaction the actual consideration shall be described with sufficient particularity to identify it. The carrier shall be prepared to furnish to the Commission the particulars of its determination of the cash value of the consideration if other than cash.

(f) (1) When property is transferred from account 1200—Carrier Operating Property, or account 1300—Carrier Operating Property Leased to Others, to account 1400—Non-Carrier Property, the book cost of the property shall be charged to account 1400 and the related depreciation reserve on the property shall be transferred from account 2500—Reserve for Depreciation-Carrier Operating Property, to account 2610—Reserve for Depreciation and Amortization—Other Property.

(2) When property is transferred from account 1400—Non-Carrier Property, to account 1200—Carrier Operating Property, or account 1300—Carrier Operating Property Leased to Others, the book cost of the property shall be charged to accounts 1200 or 1300 and the related depreciation on the property shall be transferred from account 2610—Reserve for Depreciation and Amortization—Other Property, to account 2500—Reserve for Depreciation—Carrier Operating Property.

(g) Records shall be kept so as to reflect separately the cost and date of acquisition of property jointly owned and property operated under a joint agreement.

(h) Except as provided in paragraph (c) of this instruction 19, the cost of initial improvements, including the erection of structures on, and of rearrangements, additions and betterments to property leased from others for periods in excess of one year made in the course of preparing the property for motor carrier operations and the cost of any subsequent additions to and betterments of such leased property, not including replacements, shall be charged to account 1270—Improvements to Leasehold Property. Depreciation on such expenditures shall be provided for in the manner set forth in instruction 23(c).

(i) (1) The investment in property used jointly in carrier and noncarrier operations shall be allocated between such operations according to the extent that it is used by each, or it shall be included in the investment account of the operation by which it is principally used and the other operation shall be charged a reasonable rental for its use of the common property.

(2) The carrier shall be prepared to show at any time and to report to the Commission when required, and by accounts, the following:

(i) The book cost of the common property.

(ii) The extent (percentage) to which such property is used in carrier operations and in other operations.

(iii) The basis for allocating the book cost, or method of determining the amount of the rental charge.

(3) If the investment is allocated between the operations, the expenses of operation, maintenance, taxes, depreciation and amortization of the common property shall be allocated and recorded in the appropriate accounts prescribed herein and the allocation of such expenses to carrier operations shall be supported in the same manner as the allocation of the cost of such property.

20 Acquisition of a distinct operating unit.

(a) When a motor carrier system or portion thereof constituting a distinct operating unit (see definition 22) is acquired by purchase or merger or consolidation in a pooling of equity interests of stockholders the accounting shall be as follows:

(1) *Purchase.* (i) When physical property and other assets are purchased from another motor carrier company the amounts includible in accounts 1200, 1300, 1400, and 1550 for (*a*) carrier operating property, (*b*) non-carrier property, and (*c*) intangible property which includes certificates and permits issued by regulatory agencies to engage in transportation operations, shall be based on the cost to the buyer of each of such assets. Other assets acquired and the liabilities assumed shall be recorded in the appropriate prescribed accounts in the amounts shown in the books of the seller, adjusted as may be necessary to conform with this system of accounts. When separate costs for the physical property and the intangible property are not indicated in the purchase and sale agreement, or otherwise disclosed in the application or record in the proceeding, a reasonable amount carefully ascertained based on the best information obtainable representing a fair portion of the total purchase price shall be assigned to each such class of property. When a purchase is preceded by a preliminary acquisition of control through purchase of capital stock (other than in a pooling of equity interests as described in subsection 2 of this section) the carrying value of the capital stock, now to be canceled, plus the retained surplus or minus the deficit since date of acquistion of control applicable to such stock shall be treated as the total purchase price, or consideration paid.

(ii) In ascertaining the portion of the total purchase price assignable to the intangible property, pursuant to subdivision (i) of this subparagraph, due con-

sideration shall be given to past earnings and informed judgment concerning future earnings attributable to the property acquired and to other pertinent factors appropriate in ascertaining the value of intangible property in accordance with sound accounting principles for which there is authoritative support. The portion of the total purchase price assignable to the physical property shall be substantiated by an appraisal made by a disinterested qualified appraiser and such other documentary evidence as the Commission may require. The amount shown on the books of the seller for the physical property together with the accrued depreciation may be used in lieu of such an appraisal providing that the books of the seller have been kept in accordance with the rules of this Commission and the amount is fairly representative of the purchase price of such property.

(iii) The aggregate amount recorded in the accounts for the intangible property and the other assets acquired, pursuant to subdivisions (i) and (ii) of this subparagraph, shall in no case exceed the total purchase price thereof. Carriers shall maintain records and be prepared to support with evidence suitable to the Commission the apportionment of the total purchase price so recorded in the accounts for the intangible property and other assets purchased.

(2) *Merger or consolidation in a pooling of equity interests of stockholders.* (i) When a distinct operating unit is acquired by merger or consolidation in a pooling of equity interests of stockholders, in which all or substantially all of such equity interests in the predecessor company continue, as such, in a surviving company (which may be the transferee or a new company, created for the purpose) the assets, liabilities and the earned surplus or deficit, if any, of the predecessor company shall be recorded in the accounts of the transferee at amounts carried on the books of the predecessor company at date of consummation of the transaction. Such amounts shall be adjusted, if necessary, to conform with the rules in this system of accounts. Where one of the constituent corporations is clearly dominant and its stockholders obtain 90 percent or more of the voting interest in the combined enterprise there is a presumption that the transaction is a purchase rather than a pooling of interests and the transaction shall be so accounted for unless otherwise directed or authorized by the Commission.

(ii) When the total par value or stated value of no part capital stock of the surviving company is more than the aggregate total of the capital stock of the separate companies before merger or consolidation the excess shall be charged to account 2910—Other Capital Surplus or to account 2930—Earned Surplus—unappropriated, if unrestricted capital surplus is not available for such purpose.

When the total par value or stated value of no par capital stock of the surviving company is less than the aggregate total of the capital stock of the separate companies before merger or consolidation, the difference shall be credited to account 2910—Other Capital Surplus.

(3) *Records.* Detailed records, including copy of appraisal reports, shall be maintained showing the basis used for computing amounts included in accounts 1200, 1300, 1400, 1550, 2910, 2930, and other accounts. Full supporting details showing the purchase price, the principals from whom the property was acquired, and agents who represented such principals shall be stated in the journal entries recording the acquisition of the property.

21 Retirement of property.

(a) *Carrier operating property.* When carrier operating property ceases to be used in motor carrier operations, it shall be retired and accounted for as follows:

(1) *Property depreciated under "Unit Plan."* (i) When a unit of property (see definition 37) on which depreciation charges have been accrued under the unit plan (see instruction 23), is retired from service, the book cost of the property shall be credited to the appropriate property account and concurrently charged to a clearing account classified under account 1890—Other Deferred Debits. The clearing account shall be credited with the value of salvage recovered in case the property is dismantled; the amount received from the sale or trade-in of the retired property; or with the amount of insurance recovered, including amounts provided for in any insurance or other reserve with respect to the retired property when such reserve covers the cause of the retirement; and with the amount of depreciation accrued to date of retirement with a concurrent charge to account 2500—Reserve for Depreciation—Carrier Operating Property.

If the property retired is to be rebuilt in conformity with the provisions of instruction 19, the accounting shall be performed as outlined above, except that the appraised value of the parts to be utilized in the rebuilt unit shall be charged to account 1290—Unfinished Construction, with contra credit to the clearing account.

Any balance remaining in the clearing account after the foregoing entries have been made, except as set out in paragraph (b) of this section, shall be transferred to account 5100—Depreciation Adjustment.

(ii) If property included in account 1270—Improvements to Leasehold Property, reverts to the lessor prior to the expiration of its service life, the balance in the clearing account upon retirement shall be transferred to account 7500—Other Deductions.

(2) *Property depreciated under "Group Plan."* When a unit of property (see definition 37) on which depreciation charges were accrued under the group plan (see instruction 23), is retired from service, the book cost thereof shall be credited to the appropriate property account and concurrently charged, together with the cost of removal, to the depreciation reserve account. Any salvage or insurance recovered, including amounts provided for in any insurance or other reserves with respect to the retired property, when such reserve covers the cause of retirement, or the proceeds, if the property is traded in or sold, shall be credited to the depreciation reserve account. No further entries are required, as under this plan over or under accruals of depreciation are not cleared from the depreciation reserve.

(3) *Minor items.* When the property retired constitutes a minor item (see definition 26), the book cost of which has been or will be accounted for by its inclusion in the unit of property of which it is a part when such unit of property is retired, no adjustment of the operating property account or depreciation reserve is required therefor. When a minor item is retired and replaced, with property of like purpose, the entire cost of replacement shall be charged to the account appropriate for the cost of repairs of the property retired, except that if the replacement effects a betterment (see instruction 19(b)), there shall be charged to the property account, the excess cost of the replacement over the estimated cost at current prices of new property similar to the items retired. The cost of labor used in effecting the replacement shall be included in operating expenses.

(4) *Land.* When land is sold, the book cost shall be credited to the land account and any difference between the book cost and the sales price, less commissions and expenses on the sale, shall be adjusted through account 6500—Other Nonoperating Income, account 7500—Other Deductions, or when qualifying as extraordinary pursuant to instruction 8, account 8910—Extraordinary Items, as appropriate. (See instruction 19(e).)

(5) *Distinct operating unit.* When carrier operating property used in transportation operations and the operating rights associated therewith are sold as a distinct operating unit (see definition 22) the book cost of the property shall be credited to the appropriate operating property and intangible property accounts and the amounts carried with respect thereto in the depreciation and amortization reserve accounts, estimated if necessary, shall be charged to such reserves (see, however, account 1280(a)). The difference, if any, between (i) the net amount of such debit and credit items, and (ii) the consideration received for the distinct operating unit, shall be included in account 6500—Other Non-Operating Income, or account 7500—Other Deductions, as appropriate.

(6) *Determination of book cost.* The book cost of operating property retired shall be the amount at which such property is included in the operating property accounts including all items set forth in instruction 19. Such costs shall be determined from the carrier's records when this can be done, as in the case of land, structures, revenue automotive equipment, service equipment, furniture, and other items of operating property for which individual cost records are available. When the actual book cost cannot

be determined from the records, it shall be estimated. When it is impracticable to determine the book cost of each item due to the relatively large number and/or small cost of such items, the average book costs of all the items, with due allowance for differences in size or character, shall be used as the book cost of the items retired. The latter method may be applied in retirement of such items as tools, furniture, etc.

(b) *Intangible property.* (1) When any long-term leasehold of land or easement, franchise, permit, consent, privilege or patent having a fixed term expires, it shall be retired. The intangible property or other property account shall be credited with the amount charged thereto and account 2600—Reserve for Amortization—Carrier Operating Property, shall be charged with the amount of amortization accruals previously credited thereto in respect to such property. Any difference between the book cost of the item and the amortization accruals shall be charged to account 5150—Amortization of Carrier Operating Property.

(2) When any perpetual leasehold of land or easement, or item of intangible property that is not restricted to a fixed term is relinquished or sold, it shall be retired. Any difference between its book cost and the amortization charges accrued, if relinquished, or between its net book cost (see definition 27) and the proceeds realized, if sold, shall be included in account 6500—Other Non-Operating Income, or account 7500—Other Deductions, as appropriate. (See instruction 8.)

22 Insurance.

(a) Provision has been made in accounts 4530—Public Liability and Property Damage, 4540—Workmen's Compensation, and 4550—Cargo Loss and Damage, for recording amounts of premiums paid commercial insurance companies, and charges for the purpose of maintaining self-insurance reserves. Amounts payable by the carrier in settlement of claims under the classes of risks set out in the above accounts, not recoverable from insurance companies or others, shall be charged to the appropriate reserves provided for such risks.

(b) Accounts 4560—Fire, Theft, and Collision, and 4570—Other Insurance Expense, have been provided for recording amounts of premiums payable to commercial insurance companies, and charges for maintaining reserves against losses under the risks enumerated therein. Inasmuch as such risks represent losses that may be sustained by the carrier rather than claims against it by others, coverage by commercial insurance or self-insurance reserves is not a mandatory requirement, and if no provision is made for such coverage, losses from fire or collision shall be charged to the appropriate maintenance expense accounts if the property is repaired (see paragraph (f) of this instruction) or if it is retired from service retirement accounting shall be performed as provided in instruction 21.

(c) Reserves created for self-insurance of injuries and damages, workmen's compensation and cargo loss and damage shall be included in account 2680—Injuries, Loss and Damage Reserves. Reserves created for self-insurance of all other risks shall be included in account 2660—Insurance Reserves. Monthly charges to expense accounts for the purpose of creating reserves for self-insurance liability shall be determined currently by the carrier from its best source of information and the rates used may be based on percentage of revenue, mileage of vehicles, amounts of payrolls or other equitable bases. A schedule of the risks covered by each reserve shall be maintained, giving a description of the property involved, the character of the risks covered and the rates used.

(d) Amounts payable by the carrier in settlement of cargo loss and damage claims and other claims, including those paid by the carrier for which it will be reimbursed wholly or in part by insurance companies, connecting carriers or others, shall, as provided in paragraph (a) of this instruction 22, be charged to account 2680—Injuries, Loss and Damage Reserves. Parts of such claims that are payable by insurance companies or others, less any adjustment for salvage recovered, shall when their liability is determined be credited to the reserve.

(e) A freight claim register shall be maintained, showing for each cargo loss and damage claim received, the claim number, date and amount; the waybill or expense bill number and date; name of claimant; kind of commodity; date claim was paid; total amount paid, or date claim was disallowed and reasons; amount of salvage recovered, if any; amounts reimbursed by insurance companies, connecting carriers or others, and the amount absorbed by the carrier. Each claim received shall be entered in the register and should be supported by the complete file of claim papers. However, if the claim papers are retained by insurance companies, connecting carriers or others, the carrier's records should contain an acknowledgement from the party retaining the claim file that the papers are in its possession.

(f) The cost of repairs to owned or leased carrier operating property involved in accidents or damaged by fire or other causes, and of replacing damaged or destroyed property leased from others, shall be charged to the appropriate maintenance expense accounts provided for repairs of such property. When the amounts receivable from insurance companies or others in full or partial reimbursement of such costs, if any, are determined, they shall be credited to the account previously charged, together with the value of salvaged materials recovered.

(g) Insurance premiums paid in advance of their accrual, to commercial insurance companies shall be charged to account 1170—Prepayments, and distributed to the appropriate insurance expense accounts in monthly installments over the period for which the premiums have been paid, except that minor premiums may be charged direct to the insurance expense accounts. If it is anticipated that a dividend or refund will be received on prepaid premiums at the end of the year or other period covered by the insurance, an amount equal to the estimated dividend or refund shall be retained in account 1170 and the balance of the premium shall be charged to expense in monthly installments as set out above. When the dividend or refund is received, it shall be credited to account 1170. Any discrepancy between the estimated dividend or refund and the amount actually received shall be adjusted to the appropriate insurance expense accounts. If insurance premiums are paid on a monthly basis and it is anticipated that a dividend or refund will be received at the end of the year, a part of each monthly payment equal to one-twelfth of the estimated dividend shall be charged to account 1170 and the balance of the payment shall be charged to the insurance expense account. When the actual dividend is received accounting shall be performed as set out above.

NOTE: The amounts of premiums for life insurance on the lives of officers and other employees under which the carrier is the named beneficiary, less portions of such premiums which represent increases in the cash surrender value of the policies, shall be charged to account 7500—Other Deductions. Cash surrender values of such policies shall be included in account 1650—Other Investments and Advances. Premium expense and cash surrender value of insurance on the life of a sole proprietor shall not be included in these accounts.

23 Depreciation and amortization.

(a) In order that provision may be made for accruals of depreciation (see definition 20) on carrier operating property, the carrier shall establish and maintain adequate depreciation reserves. The straight-line method (see definition 36) of computing depreciation under the unit plan or group plan as set out below, shall be employed, except that the mileage method may be used for automotive equipment in which event the rate per mile shall be applied to the number of miles traveled each month.

(1) "Unit Plan" means the plan under which depreciation charges are computed and the records maintained so that the total amount of depreciation accrued applicable to each unit of property can be determined.

(2) "Group Plan" means the plan under which depreciation charges are accrued on the basis of the sum total of the book cost balances at the close of each month of all property included in each depreciable property account or subdivision thereof, at rates determined from the average of the service lives of all property included therein, and upon the retirement of any such property its full book cost, is charged to the depreciation reserve regardless of whether or not the particular item has attained the average service life. (See instruction 21 (a)(2).)

(b) There shall be charged each month to the subdivisions of account 5000—Depreciation Expense, and concurrently credited to the appropriate subdivisions of account 2500—Reserve for Depreciation—Carrier Operating

Property, during the service life of depreciable property included in account 1200—Carrier Operating Property, amounts that will approximate the loss in service value (see definition 35) not restored by current maintenance, except that carriers engaged in seasonal operations may apportion the estimated annual depreciation charge over the months in which operations are actually conducted.

(1) Depreciation charges on property included in accounts

1210—Structures.
1220—Revenue Equipment.
1230—Service Cars and Equipment.

shall be computed on the unit plan, and depreciation shall cease when amounts equal to the estimated service value have been credited to the depreciation reserve.

(2) Depreciation charges on property included in accounts

1240—Shop and Garage Equipment.
1250—Furniture and Office Equipment.
1260—Miscellaneous Equipment.

shall be computed under either the unit plan or the group plan. If the group plan is used, composite annual percentage rates shall be determined applicable to the book cost of each class of operating property to be depreciated. These percentage rates shall be based on the estimated service values and service lives of the property, developed by a study of the carrier's experience and other available information. Such percentage rates shall for each primary account comprised of more than one class of property, produce a charge to depreciation expense for that account equal to the sum of the amounts that would otherwise be chargeable for each of the various classes of property included in the account. In computing monthly charges for depreciation, one-twelfth of the composite annual percentage rate applicable to each primary account shall be applied to the account balances as of the first of the current month.

(c) Depreciation charges on property included in account 1270—Improvements to Leasehold Property, shall be made upon the same basis as for similar depreciable property, includible in other property accounts. (See instruction 21.)

(d) Amounts representing the first cost of acquiring long-term leaseholds of land and easements for use in motor carrier operations, included in account 1201—Land and Land Rights; and amounts representing intangible items with fixed terms included in account 1511—Franchises, and account 1541—Patents, may be amortized by means of charges to account 5151—Amortization of Carrier Operating Property, and concurrent credits to account 2600—Reserve for Amortization—Carrier Operating Property. Amortization or entire write-off of costs of acquiring perpetual leaseholds and for intangible items carried in accounts 1501, 1511, and 1541 that are not restricted to fixed terms, and items in account 1550—Other Intangible Property, except those relating to the acquisition of the distinct operating unit for which specific provisions is made in instruction 29, may also be debited to account 7500—Other Deductions, with concurrent credit to account 2600; or the entire amounts of such items, when qualifying as extraordinary pursuant to instruction 8, may be written off by debiting account 8910—Extraordinary Items, with concurrent credit to account 2600.

(e) Depreciation and amoritization charges on non-operating property shall be charged to account 6100—Income from Non-Carrier Operations, net; with concurrent credits to account 2610—Reserve for Depreciation and Amortization—Other Property.

NOTE: For instructions with regard to adjustment of depreciation upon retirement of carrier operating property, see instruction 21.

24 Taxes and licenses.

Taxes and licenses relating to motor carriers operations and property, payable to Federal, State, county, municipal and other taxing authorities, with the exception of certain taxes specifically referred to in the texts of the accounts shall be included as appropriate in the subdivisions provided under account 5200—Operating Taxes and Licenses. These accounts shall be charged each month with the amount of taxes applicable thereto, with concurrent credits to account 2120—Taxes Accrued, or account 1170—Prepayments, as appropriate. When it is not possible to determine the actual amount of taxes, they shall be estimated and adjusted when the actual taxes become known.

25 Joint facilities.

(a) Where a joint facility (see definition 23) operated by others, is used by the reporting carrier under a joint facility arrangement, any amounts paid by the carrier as its share of operation and maintenance costs including rent if the property is leased, or including depreciation, taxes and a return on the investment in the joint facility if the property is owned by the operating carrier, shall be charged to the appropriate joint facility-debit account under equipment maintenance, terminal or administrative and general expenses.

(b) Where the reporting carrier operates a joint facility, any amounts received from other carriers using the facility as reimbursement of operation and maintenance costs, including rent if the property is leased, or including depreciation, taxes and a return on the investment in the joint facility if the property is owned by the reporting carrier, shall be credited to the appropriate joint facility-credit account under equipment maintenance, terminal, or administrative and general expenses.

(c) The carrier operating the joint facility shall include a statement of the distribution of the income and expenses of the facility on bills rendered joint users.

26 Deduction of reserves.

In stating the balance sheet, reserves shall be shown separately and shall be deducted from the specific assets to which they apply. Reserves not applicable to specific assets shall be shown on the liability side. See form of balance sheet following balance sheet accounts.

27 Allocation of expenses between line haul and pickup and delivery.

(a) Class I common carriers which derive an average of 75 percent or more of their revenues from the intercity transportation of general commodities, shall separate expenses between line haul and pickup and delivery as provided in this instruction. Class I motor carriers, other than those specified herein, are not required to comply with provisions of this instruction.

(b) Carriers required to comply with the provisions of this instruction shall separate the amounts includible in the following accounts between those applicable to line haul and those applicable to pickup and delivery:

4130—Repairs and Servicing—Revenue Equipment.
4160—Tires and Tubes—Revenue Equipment.
4230—Drivers and Helpers.
4250—Fuel for Revenue Equipment.
4260—Oil for Revenue Equipment.
4270—Purchased Transportation.
5020—Depreciation of Revenue Equipment.
5210—Gasoline, Other Fuel, and Oil Taxes.
5200—Vehicle License and Registration Fees.

(c) The separation between line haul and pickup and delivery expenses in the accounts listed above shall be made in the following manner:

(1) *Classification of expenses other than wages of drivers and helpers.* (i) All expenses for vehicles classified (see paragraph (b) of this instruction 27) as "line haul" shall be entered in the line haul subdivisions of the accounts, and all the expenses for vehicles classified as "pickup and delivery" shall be entered in the pickup and delivery subdivisions of the accounts.

In no case shall the expenses of a vehicle be split between the two subdivisions of an account.

(ii) For the purpose of separating the expenses each revenue vehicle (truck, tractor or trailer) shall be classified as "line haul" or "pickup and delivery", according to the service in which it is predominantly employed.

Include in the "line haul" classification all revenue vehicles predominantly engaged in the transportation of property in terminal-to-terminal, peddle, and other intercity service. Peddle trips are trips operated out of a local area, consisting of a city or town and contiguous suburban districts, for the purpose of delivering freight to consignees and gathering freight from consignors at points outside such area. The incidental or occasional use in pickup and delivery or local cartage service of vehicles regularly employed in line-haul service would not affect their classification as "line haul".

Include in the "pickup and delivery" classification all revenue vehicles predominantly employed in pickup and delivery service and local cartage service within a local area as defined above. The incidental or occasional use in line-haul service of vehicles regularly em-

ployed in pickup and delivery or local cartage service would not affect their classification as "pickup and delivery".

Where a vehicle or fleet of vehicles is used with complete interchangeability in the carriers' regular line-haul and pickup and delivery services, and a separation based on predominant use is not feasible, such vehicle or fleet of vehicles should be classified as "line haul".

Where vehicles assigned to over-night intercity runs are also used more or less regularly during the day in the carrier's general pickup and delivery service, such vehicles should be classified as "line haul".

(2) *Classification of wages of drivers and helpers.* (i) The separation of drivers' and helpers' wages between the "line haul" and "pickup and delivery" subdivisions of account 4230, Drivers and Helpers, shall be made according to the type of service performed by the employee. Thus, if a driver makes a line haul trip, whether terminal-to-terminal, peddle, or other, his wages for the trip shall be charged to the "line haul" subdivision of the account, irrespective of whether the vehicle used for the trip has been classified as "line haul" or "pickup and delivery." Similarly, if a driver is engaged in the carrier's general pickup and delivery service, his wages while so employed shall be charged to the "pickup and delivery" subdivision of the account, irrespective of whether the vehicle used in making the pickups and deliveries has been classified as "pickup and delivery" or "line haul."

(ii) Where a driver making a line-haul trip picks up or delivers all or part of his load at point of origin or destination or points en route, the entire wages of the driver shall be charged to the "line haul" subdivision of account 4230, except that where the driver's compensation for the pickup and delivery work performed is computed separately for payroll purposes it shall be charged to the "pickup and delivery" subdivision.

(iii) Where a driver spends part of the day in making a line-haul trip after which he is assigned to the carrier's general pickup and delivery service, his wages for the line-haul trip shall be charged to the "line haul" subdivision of the account and his wages for the pickup and delivery work performed shall be charged to the "pickup and delivery" subdivision.

(iv) Also, where a driver is employed in either line-haul or pickup and delivery service and, in addition, is regularly assigned for a part of his time to platform work at the carrier's terminal, including the loading or unloading of his own or other vehicles, his wages for the time so employed shall be charged to account 4340, Salaries and Wages, Platform Employee (see instruction 11).

(d) Any carrier which finds it impracticable to segregate expenses as required by this instruction should furnish the Commission with full particulars of the conditions which prevent the proper segregation. Upon receipt of such information carriers will be advised of the procedure to be followed.

28 Employees' welfare expenses.

(a) A primary account is prescribed in each of the major groupings of operation and maintenance expense accounts to record expenditures made for employees' welfare. Such expenditures shall include the following classes of items:

(1) Contributions to health and welfare funds, whether under contract arrangements with labor organizations or otherwise.

(2) Premiums on group insurance policies for benefit of employees or their beneficiaries.

(3) Payments to trustees under profit sharing and pension plans for the benefit of employees in active service.

(4) Payments for pensions directly to retired employees or to their beneficiaries when no trust fund exists.

(5) Salaries and expenses incurred in conducting relief, benefit, and general medical departments, including payments to or on behalf of employees other than claims covered by Workmen's Compensation Acts.

(b) Expenses that are directly or naturally assignable to primary accounts under each major grouping shall be distributed to such accounts. Where contributions are applicable to officers or employees who engage in work in more than one department, such expenses shall be apportioned to the appropriate primary accounts in the same ratio as their pay is distributed to primary accounts, or the expenses may be distributed on other equitable basis. Small amounts applicable to time spent on incidental or occasional duties may be included in the primary account appropriate according to the regular duty or the predominate work assignment of the employee.

(c) No charges to the primary employee welfare expense accounts shall be made in anticipation of discretionary payments in the future. The cost of life or other insurance on officers and employees whereunder the carrier is the beneficiary shall be charged to account 7500—Other Deductions. Cash surrender values of such policies shall be carried in account 1650—Other Investments and Advances.

29 Amortization of intangibles.

(a) When it becomes reasonably evident that the term of existence of an intangible, the cost of which is included in account 1550—Other Intangible Property, has become limited or its value impaired, its cost shall be amortized or entirely written off by charges to account 7500—Other Deductions, depending on the remaining estimated period of usefulness; or the entire cost, when qualifying as extraordinary pursuant to instruction 8, may be written off by debiting account 8910—Extraordinary Items, with concurrent credit to account 2600—Reserve for Amortization—Carrier Operating Property.

(b) The amount retained in account 1550—Other Intangible Property, less the amortization reserve, pursuant to the provisions of the Commission's order dated January 5, 1961, applicable to intangibles initially required to be amortized or written-off under provisions of orders heretofore entered in proceedings under sections 5 and 212(b) of the Interstate Commerce Act, shall not exceed the fair value of the intangibles as of the time of acquisition. Fair value of intangibles, as herein used, acquired in purchase of a distinct operating unit means the amount by which total consideration paid exceeds fair market value of tangible property and other net assets (except intangibles), in conformity with the principles in instruction 20.

BALANCE SHEET ACCOUNTS

Asset Side

CURRENT ASSETS

1000 Cash.

This account shall include current funds in the hands of financial officers and agents, cash in transit for which agents have been credited and deposits in banks or trust companies available on demand for general company purposes.

NOTE A: This account shall not be credited with the amount of checks or drafts until they have been transmitted to payees.

NOTE B: Bank overdrafts shall be shown on the balance sheet as a credit balance in this account.

NOTE C: Funds (other than savings accounts) subject to withdrawal restrictions and deposits in closed banks shall not be included in this account. Such funds definitely known to be available within one year shall be included in account 1190—Other Current Assets. Deposits in closed banks, which it is reasonably certain will not be available within one year, shall be included in account 1890—Other Deferred Debits.

1020 Working funds.

This account shall include amounts advanced to officers, agents, employees, and others as petty cash or working funds of a continuing nature from which certain expenditures are to be made and accounted for.

NOTE: Advances to drivers and others for lodgings, meals and other expenses which are to be accounted for at the end of a trip, etc., if not advanced from a petty cash fund, shall be charged to a subdivision of account 1890—Other Deferred Debits, pending distribution to appropriate expense and other accounts.

1040 Special deposits.

This account shall include the balance of the amounts included in accounts 1041, 1042, and 1043, for short-term deposits.

1041 Interest special deposits.

This account shall include cash and bank credits placed in the hands of fiscal agents or others for the payment of interest on behalf of the carrier. When interest is paid from such deposits, it shall be credited to this account and charged to the appropriate accrued or matured interest account. Payments to trustees or other agents of the holders of bonds or other securities of the interest accrued thereon which operate under the terms of the securities or of mortgages supporting such securities as a release of

the paying company from further liability for such interest, shall be charged to the appropriate interest accrual account.

1042 Dividend special deposits.

This account shall include cash and bank credits placed in the hands of fiscal agents or others for the payment of dividends on behalf of the carrier. When dividends are paid from such deposits, they shall be credited to this account and charged to the appropriate dividend account.

1043 Miscellaneous special deposits.

This account shall include bank deposits subject to withdrawal for specific purposes only, and cash and bank credits placed in the hands of fiscal agents or others for special purposes other than the payment of interest or dividends, such as deposits with Federal, State, or municipal authorities, public utilities, or others, as a guaranty for the fulfillment of current obligations. Entries to this account shall specify the purpose for which the deposit is made.

NOTE A: This account shall not include any assets available for general company purposes.

NOTE B: Deposits made on the purchase of operating rights, revenue equipment and other equipment, etc., shall be included in account 1890—Other Deferred Debits.

1060 Temporary cash investments.

(a) This account shall include the book cost (see instruction 18) of investments such as time drafts and time loans receivable, bankers' acceptances, United States Treasury certificates, marketable securities, and similar investments acquired for the purpose of temporarily investing cash. Any securities included in this account must be of such a nature as to be readily convertible into cash at substantially their book value.

(b) This account shall be subdivided to reflect separately:

(1) Temporary cash investments; affiliated companies.

(2) Temporary cash investments; other.

NOTE A: Amounts carried in this account as pledged shall be shown separately from amounts unpledged.

NOTE B: There shall not be included in this account amounts properly includible in accounts 1600—Investments and Advances—Affiliated Companies, or 1650—Other Investments and Advances.

1080 Notes receivable.

(a) This account shall include the book cost, not includible elsewhere, of all collectible obligations in the form of notes receivable, contracts receivable, and similar evidences (except interest coupons) of money receivable on demand or within a time not exceeding one year from date of issue.

(b) This account shall be subdivided to reflect separately:

(1) Notes receivable—officers, stockholders and employees.

(2) Notes receivable—other.

NOTE A: Notes receivable from affiliated companies shall be included in account 1100—Receivables from Affiliated Companies, or account 1600—Investments and Advances—Affiliated Companies, as appropriate.

NOTE B: The amount of notes receivable discounted, sold or transferred, unless transferred without recourse, shall be credited to account 2000—Notes Payable.

1100 Receivables from affiliated companies.

(a) This account shall include the total of amounts receivable from affiliated companies (see definition 6) which are subject to current settlement (see definition 15) such as balances in open accounts for services rendered, material furnished, interline accounts, claims, rent for use of property and similar items; interest and dividends due from affiliated companies; loans and drafts for which affiliated companies are liable, and notes receivable on demand or within a time not exceeding one year from date of issue.

(b) This account shall be subdivided as follows:

1101—Loans and Notes Receivable.
1105—Interest and Dividends Receivable.
1109—Accounts Receivable.

NOTE A: On the balance sheet, accounts receivable from affiliated companies shall be set off against accounts payable to the same companies.

NOTE B: No amount representing dividends receivable shall be included in this account unless the dividends have been declared or guaranteed.

NOTE C: Items which are not subject to current settlement shall be included in account 1600—Investments and Advances—Affiliated Companies.

1120 Accounts receivable; agents, customers, and interline.

This account shall include amounts currently due from customers for transportation and storage charges and for advances to other carriers and warehouses for the account of customers; balances due from other carriers (except affiliated companies) against each of which there is a net debit balance representing interline freight accounts; amounts due from customers and from other carriers as rent for revenue equipment with or without drivers; also the net balances in current accounts due from agents, including drivers, other employees and representatives, charged with the collection or custody of current transportation revenues.

NOTE A: At the end of each calendar year, for the purposes of the annual report to this Commission, the carrier shall prepare an analysis of the balance in this account, segregating the items included therein to show balances due from customers, from other carriers, and from agents.

NOTE B: The amounts of accounts receivable discounted, that have been sold or transferred, unless transferred without recourse, shall be credited to account 2050—Accounts Payable.

1130 Accounts receivable; other.

This account shall include amounts due from others (except items provided for in accounts 1100 and 1120) that are subject to current settlement (see definition 15) for material and supplies furnished and services rendered, except transportation and storage charges, including use of property, other matured rents, amounts owing by public authorities, amounts of collectible judgments, current accounts with officers and employees, and other accounts and claims upon which responsibility is acknowledged by solvent concerns or individuals.

NOTE A: Amounts advanced to officers, employees or other as petty cash or working funds shall be included in account 1030—Working Funds; amounts advanced to drivers and other employees for lodgings, meals and similar expenses shall be included in account 1890—Other Deferred Debits, pending distribution to appropriate expense and other accounts.

NOTE B: At the end of each calendar year, for the purposes of the annual report to this Commission, the carrier shall prepare an analysis of the balance in this account, segregating the items included therein to show balances due from officers, employees and stockholders and balances due from others.

NOTE C: The amounts of accounts receivable discounted, that have been sold or transferred, unless transferred without recourse shall be credited to account 2050—Accounts Payable.

1140 Subscribers to capital stock.

(a) This account shall include the balances due from subscribers upon legally enforceable subscriptions to capital stock.

(b) The amount of each subscription shall be charged to this account at the time the subscription is accepted. Concurrently there shall be credited to account 2730—Capital Stock Subscribed, the par or stated value of the stock subscribed or the agreed purchase price in the case of non-par stock without a stated value. Appropriate entries shall likewise be recorded with respect to any discount or premium on par value stocks or non-par value stocks with a stated value.

NOTE: The records supporting the entries to this account shall be kept so that the corporation can furnish the name and address of each subscriber, the amount and kind of capital stock subscribed, the date of subscription, the date that each payment is due and the date that each is paid, the nature of each payment (whether cash or other consideration), and any other information that is necessary to make the history of the subscription complete.

1160 Interest and dividends receivable.

This account shall include the amount of current interest accrued on bonds, mortgages, notes, and other commercial paper owned; on loans made; open accounts; bank deposits, etc.; and the amount of dividends receivable on stocks owned. (See instruction 13.)

NOTE A: Interest and dividends receivable from affiliated companies shall be included in account 1100—Receivables from Affiliated Companies.

NOTE B: Interest which is not subject to current settlement shall be included in the account in which is carried the principal on which the interest is accrued.

NOTE C: No amount representing dividends receivable shall be included in this account unless they have been declared or guaranteed.

NOTE D: No interest or dividends on securities or obligations issued or assumed by the carrier shall be included in this account.

1170 Prepayments.

(a) This account shall include the amount of expenses paid or incurred in advance of their accrual, the benefits of which are to be realized in subsequent periods. Entries shall be made each month, transferring to the appropriate expense or other account the portion of each prepayment which is applicable to that month.

(b) This account shall be subdivided as follows:

1171—Prepaid Taxes and Licenses.
1172—Prepaid Insurance.
1173—Prepaid Interest.
1174—Prepaid Rents.
1175—Prepaid Stationery and Printed Matter.
1176—Prepaid Tires and Tubes.
1179—Miscellaneous Prepayments.

NOTE A: The cost of tires and tubes for revenue equipment, including taxes, may, at the time of original application to vehicles, be charged either to this account or direct to account 4160—Tires and Tubes—Revenue Equipment, or other appropriate expense account. The value of tires and tubes furnished by the vendor with newly acquired revenue equipment may also be charged to this account. A prorated portion of the cost of tires and tubes charge to this account, based on mileage or other equitable method of apportionment, shall be transferred each month to the appropriate expense account.

NOTE B: The undistributed service value, included in this account, of tires and tubes that are sold or traded in with vehicles, or which are destroyed or otherwise disposed of, shall be credited to this account.

NOTE C: Prepayments of minor items may be charged directly to the appropriate expense or other account.

1180 Material and supplies.

(a) This account shall include the cost, including deposits on oil drums and other containers (less cash or other discounts when they can be determined), of all unapplied materials and supplies used in carrier and noncarrier operations, with the exception of stationery and printed matter (see account 1170), including tools, repair parts, fuel, tires and tubes, etc. The cost shall include all specifically assignable transportation charges incurred in obtaining the delivery of such materials and supplies upon the premises of the carrier including loading and unloading, and at the option of the carrier, it may include a suitable proportion of purchasing and store expenses in which case corresponding credits shall be made to account 4675—Purchasing and Store Expenses. The cost shall also include sales and excise taxes on material purchases, except that sales and excise taxes on gasoline, other motor fuel, and motor oil, which are includible in account 5200—Operating Taxes and Licenses, shall be charged to that account when such material is purchased.

(b) When any materials or supplies, the cost of which has been charged to this account, are issued for use, the amount at which they stand charged herein shall be credited to this account and charged to the appropriate construction, operation and maintenance expense, or other account. Such amount may be based upon the average cost of all items of a given type included in this account at the beginning of the period.

(c) Materials recovered in connection with construction, maintenance, or the retirement of property shall be charged to this account as follows:

(1) Reusable materials shall be included in this account at amounts not to exceed cost, estimated if not known.

(2) Scrap and nonusable materials shall be carried at the estimated salvage value. So far as practicable, the difference between the amounts realized from sale or disposal and the amounts at which the materials are carried in this account shall be adjusted in the depreciation reserves, repair accounts, or other accounts which were credited when the materials were charged to this account.

NOTE A: Interest charged on bills for material and supplies, the payment of which is delayed, shall be charged to account 7100—Interest.

NOTE B: Inventories of materials and supplies shall be taken at intervals of one year or less, and the necessary adjustment shall be made to bring this account into harmony with the actual physical inventory. In effecting this adjustment, differences which may practicably be assigned to important classes of materials shall be equitably distributed among the accounts to which such classes of materials are ordinarily chargeable. Other differences shall be equitably apportioned among the operation and maintenance expense accounts to which materials have been charged since the last inventory. Such differences that cannot be allocated to the operation and maintenance expense accounts shall be included in account 4675—Purchasing and Store Expenses.

NOTE C: The value of tires and tubes, including taxes furnished by the vendor with newly acquired revenue equipment may be included in account 1170 or charged direct to expense.

NOTE D: Credits for cash and other discounts that cannot be applied directly to the cost of materials to which they apply shall be included in account 4675—Purchasing and Store Expenses.

1190 Other current assets.

This account shall include the amount of all current assets (see definition 15) not includible in any of the foregoing current asset accounts, including the cost of property purchased for resale, and the estimated value of property acquired in connection with the settlement of cargo loss and damage claims, pending disposition.

TANGIBLE PROPERTY

1200 Carrier operating property.

(a) This account shall include the total of the amounts representing the cost (see instruction 19) of carrier operating property included in accounts 1201 to 1290, inclusive, owned and used by the carrier in its motor carrier operations, including such property owned by the carrier but held by agents.

(b) Records shall be established to show the description, date of acquisition and cost of each parcel of land, each structure, unit of equipment or other unit of property (see definition 37) included in the subdivisions of this account. The records for property depreciated under the unit plan shall also reflect for each unit the estimated service life, depreciation rate and estimated salvage value so that the balance in account 2500—Reserve for Depreciation—Carrier Operating Property, with respect to each unit can be determined at any time.

1201 Land and land rights.

(a) This account shall include the cost of land used directly in connection with the motor carrier operations of the carrier, including the first cost of acquiring long-term and perpetual leaseholds of land and easements, but not rents payable periodically in consideration of rights so obtained.

(b) The cost of buildings and other improvements (other than public improvements) shall not be included in this account. If at the time of acquisition of an interest in land such interest extends to buildings or other improvements (other than public improvements), which are subsequently devoted to carrier operations, the land and improvements shall be separately appraised and the cost allocated to this account and to account 1210—Structures, on the basis of the appraisals. If the improvements are removed or wrecked prior to use of the property in carrier operations, the cost of the improvements to the carrier, together with the cost of removing or wrecking, less salvage recovered, shall be included as part of the cost of the land.

(c) Carriers shall keep their records so as to show separately the cost of each parcel of land or interest therein and the purpose or purposes for which used in motor carrier operations.

ITEMS

Clearing land of brush, trees, and debris (first cost of).
Condemnation proceedings, including court costs and special counsel fees.
Consents and abutting damages, payment for.
Conveyancers' and notaries' fees.
Easements, cost of, and expenses of acquisition.
Fees and commissions to brokers and agents.
Grading.
Land, cost of.
Long-term and perpetual leases, cost of, and expenses incidental to, acquiring (but not amounts paid as rent).
Leases, voiding, to secure possession of land.
Relocating property of others.
Sidewalks on public streets abutting carrier's property.
Special assessments on the basis of benefits for new roads, new bridges, new pavements, new sewers, and other public improvements (but not any taxes levied to provide for maintenance of such improvements).
Surveys.
Taxes assumed accrued prior to date of transfer of title.
Title, examining, registering, clearing, insuring and defending against claims relating to period prior to purchase.

NOTE A: When land is acquired in excess of that required for motor carrier operations, or for which there is no definite plan for its use in such service within one year, the cost of such land shall be charged to account 1400—Non-Carrier Property. If land originally charged to that account is later used for motor carrier operations, it shall be transferred to account 1201 at its cost when acquired. (See instruction 20.)

NOTE B: Assessments for public improvements upon which payments are deferred shall be charged to this account in full and

the unpaid balance carried in account 2360—Other Long Term Obligations. Interest on unpaid balances shall be charged to account 7100—Interest.

NOTE C: Amortization of fixed term interest in land and land rights shall be charged to account 5151—Amortization of Carrier Operating Property, with concurrent credits to account 2600—Reserve for Amortization—Carrier Operating Property.

1210 Structures.

(a) This account shall include the cost in place (see instruction 19) of structures used in motor carrier operations for such purposes as general offices, shops, garages, terminals, loading platforms, and the like situated on owned land. This includes buildings or constructions to house, support, or safeguard property or persons, with all appurtenant fixtures permanently attached thereto, and improvements to owned land, and other structures or constructions situated on land the investment in which is included in account 1201—Land and Land Rights.

(b) Carriers shall keep their records so as to show separately the cost of each structure included in this account and the purpose or purposes for which used in motor carrier operations.

ITEMS

Architect's plans.
Ash pits.
Awnings.
Boilers, furnaces, piping, wiring, fixtures and machinery for heating, lighting, signaling, ventilating and plumbing.
Bridges and culverts.
Chimneys.
Commissions and fees to brokers, agents, architects, and others.
Conduits (not to be removed).
Damages to abutting property during construction.
Door checks and door stops.
Drainage and sewerage systems.
Elevators, cranes, hoists, etc., and the machinery for operating them.
Excavation, including shoring, bracing, bridging, refill and disposal of excess excavated material.
Fences and hedges.
Fire protection systems.
Floor covering (permanently attached).
Foundations and piers for machinery constructed as a permanent part of a building or other unit listed herein.
Grading and preparing grounds for buildings, including landscaping of grounds after construction.
Leases, voiding, to secure possession of structures.
Oils pits and drainage systems.
Outside lighting systems.
Painting, first.
Permits and privileges, building.
Platforms, railings, gratings and partitions, when constructed as part of structure.
Power boards for service to a building.
Refrigerating systems.
Retaining walls.
Scales, connected to and forming part of the structure.
Screens.
Sidewalk, pavements and driveways on building grounds.
Sprinkling systems.
Storage facilities constituting part of building.
Storage tanks, underground or attached to structures.
Storm doors and windows.
Structures, cost of.
Subways, areaways, and tunnels, directly connected to and forming part of the structure.
Vaults, constructed as part of the building.
Water supply system for building or general company purposes.
Window shades and ventilators.
Wiring for office equipment if made a part of a structure.

NOTE A: The cost of specially provided foundations not expected to outlast the machinery or apparatus for which they are provided, and the cost of angle irons, castings, etc., installed at the base of an item of equipment shall be charged to the same account as the cost of the machinery or equipment.

NOTE B: When part of a structure is removed in order to build an extension thereto, the accounting therefor shall be in accordance with instruction 19(b).

NOTE C: The cost of structures under construction shall be carried in account 1290—Unfinished Construction, until ready for service.

1220 Revenue equipment.

(a) This account shall include the cost (see instruction 19) of all units of revenue freight equipment, the cost of repairs, overhauling, painting, lettering, and the first set of accessory equipment necessary to fit them for service, excluding tires and tubes (see Note A under account 1170—Prepayments). The term "revenue freight equipment" includes body and chassis and all fixtures and appliances inside of or attached to the body or chassis.

(b) If revenue freight equipment is purchased in a condition ready for service, the charge to this account shall include the invoice or contract price (excluding tires and tubes) less fleet and other discounts, if any, plus freight, excise and sales taxes, insurance in transit, unloading costs and other expenses incurred in obtaining delivery of the vehicles upon the premises of the carrier, such as driveaway charges, and the cost of painting and lettering and of any additions or attachments made after delivery, but not interest, insurance or other expense incurred under any plan of purchase involving deferred payments, or the gain or loss on retirement of equipment given in trade.

(c) This account may also include the cost of spare engines and other major units carried on hand for the purpose of temporarily replacing similar units taken into the shop for overhauling, repairing, or any other reason.

ITEMS

Automobiles (used to transport freight).
Containers and lift vans.
Fifth wheels.
Horses and mules.
Radio communication equipment on revenue vehicles.
Refrigeration units.
Road dollies.
Rigging equipment.
Sanders.
Semi-trailer.
Tractors.
Trailers.
Trucks (freight or hoist).
Truck-tractors.
Wagons.

1230 Service cars and equipment.

This account shall include the cost (see instruction 19) of aeroplanes and automobiles used in conducting motor carrier operations, and of automotive vehicles used in keeping revenue vehicles in operation, such as wreckers and trouble wagons for servicing revenue vehicles on the road. This account shall also include the cost of the first set of appliances or accessory equipment, including tires and tubes, necessary to fit such vehicles for service, such as cranes, hoists and other appliances, devices and tools forming the equipment of service cars.

ITEMS

Aeroplanes.
Automobiles.
Emergency repair vehicles and appliances.
Radio communication equipment on service vehicles.
Refueling cars.
Sand and salt cars.
Snow-fighting vehicles and equipment.
Snow plows for use on revenue or service equipment.
Spare units for service vehicles, on hand in shop (optional).
Tow cars, wreckers, and appliances.

1240 Shop and garage equipment.

(a) This account shall include the installed cost (see instruction 19) machinery and equipment, other than office furniture and equipment, used in shops and garages when such machinery and equipment is not an integral part of the housing structure, together with specially provided foundations and settings not expected to outlast the machinery mounted thereon. Records shall be kept so as to show separately the cost of each major item of equipment.

(b) If the carrier has shops or garages at more than one location, the records shall be maintained to reflect the carrier's investment at each location.

ITEMS

Air compressors and hose, gauges and tanks.
Anvils.
Arbor presses.
Battery charging outfits.
Belts, shafts and countershafts.
Boring or reaming machines.
Car washing equipment.
Cranes and hoists (portable).
Creepers.
Drill presses.
Electric equipment.
Engines and boilers.
Forges.
Gasoline and oil pumps and portable tanks.
Greasing racks and pumps.
Grinders.
Jacks.
Lathes.
Lockers.
Machine tools.
Motor driven hand tools.
Motor starters.
Oil reclaiming machines.
Paint sprayers.
Pneumatic tools.
Storage bins and shelving (movable).
Store room equipment (except office furniture and equipment).
Stoves.
Testing apparatus.
Tire changing equipment.
Tool racks.

Vises.
Vulcanizing equipment.
Weighing devices (portable).
Welding apparatus.
Wheel pullers.
Wiring for shop equipment (movable).
Work benches.

NOTE A: The cost of small portable tools and implements of slight value or short life, other than those included in the initial equipment of a shop or garage, shall be charged to account 4180—Other Maintenance Expenses.

NOTE B: The cost of cranes, hoists and other appliances, devices and tools forming the equipment of wreckers, service cars, etc., shall be charged to account 1230—Service Cars and Equipment.

1250 Furniture and office equipment.

(a) This account shall include the installed cost (see instruction 19) of furniture and appliances used in general offices, garage, terminal and other offices when such equipment is not an integral part of the housing structure.

(b) The records shall be maintained to reflect the carrier's investment in furniture and office equipment at each location.

(c) If the carrier operates or owns auxiliary terminal facilities such as restaurants for employees, the cost of owned equipment therein shall be charged to this account and carried under a special subdivision entitled "Furniture and Office Equipment—Special Facilities"

ITEMS

Book cases.
Cash registers.
Chairs, stools and benches.
Clocks.
Communication systems (inter-office and central office two-way radio equipment).
Counters.
Desks.
Equipment in rest, dining, recreation and medical rooms.
Fans, electric.
Filing cabinets.
Fire extinguisher equipment.
Floor coverings (movable).
Heaters and lamps (movable).
Kitchen equipment.
Lighting fixtures (movable).
Lockers.
Loud speaker system.
Office equipment (mechanical).
Partitions and railings (movable).
Restaurant equipment.
Safes (movable).
Show cases and shelves.
Tables and counters.
Teletypewriters.
Time clocks.
Typewriters.
Vacuum cleaners.
Water coolers.
Wiring for office equipment (movable).

NOTE: Small articles of slight value or of short life (see instruction 19(c) shall be charged to the appropriate expense accounts.

1260 Miscellaneous equipment.

This account shall include the cost (see instruction 19) of motor carrier equipment such as miscellaneous wheeled equipment used at terminals and loading platforms in connection with handling traffic, and also drive-away equipment and aeroplanes and pleasure boats used to entertain customers.

ITEMS

Blocks and falls.
Boats (pleasure).
Canvas covers (tarpaulins).
Carts.
Chain hoists.
Cranes (not installed on revenue vehicles).
Dollies (platform).
Fork trucks.
Hamper trucks.
Hand trucks.
Lift trucks.
Mechanical loading devices.
Pallets.
Platform trucks and tractors.
Rollers.
Ropes and cables.
Scales.
Signal equipment.
Signs (electric and portable).
Skidboards.
Tow bars, governors and brake controls (drive-away operations).
Weighing devices.

1270 Improvements to leasehold property.

(a) This account shall include, except as provided in paragraph (b) of this account, the cost to the carrier of initial improvements (including rearrangements, additions, and betterments) to property used in its motor carrier operations and held under lease or through control of the carrier owning the property, and the cost of any subsequent additions to and betterments of such leased or controlled property but not including replacements. Depreciation on such improvements shall be accounted for in the same manner as for other owned depreciable property. (See instruction 23(c).)

(b) When the cost of alterations to leased property used in motor carrier operations otherwise chargeable to this account is not in excess of $200.00 or the period of the lease is less thaan one year, the cost may be charged to the accounts chargeable with the cost of repairs to such property. (See instruction 19(c).)

NOTE: If the lease agreement provides that structures or other improvements placed on leased property by the lessee shall remain the property of said lessee and may be removed at the expiration of the lease, the investment in such improvements and depreciation accruals thereon shall be transferred to other appropriate accounts at that time.

1280 Undistributed property.

(a) When a carrier purchases or sells any property constituting a distinct operating unit (see definition 22) or otherwise finds it necessary because of incomplete financial records to make a general readjustment of operating property records, temporary charges or credits to this account may be made with approval of the Commission, and the distribution of the amounts involved shall be made promptly to the appropriate accounts after authorization by the Commission.

(b) Balances in accounts previously carried representing property owned as of the date this system of accounts is adopted may be carried temporarily in this account. Journal entries distributing such balances to the appropriate property accounts prescribed herein shall be made and filed with the Commission not later than one year after adoption of this system of accounts.

1290 Unfinished construction.

(a) This account shall include the cost of carrier operating property under construction but not ready for service. It shall include all elements of cost as set forth in instruction 19.

(b) When the construction of property has been completed, the amount representing its cost, accumulated in this account, shall be transferred to the appropriate other subdivision of account 1200.

NOTE: This account is primarily intended to include only charges for new construction not involving any replacement. If, however, at the beginning of a job involving the replacement or retirement of any operating property, the accounting carrier makes full credits therefor to the appropriate property accounts, the cost of rebuilding property or of installing new property in substitution or replacement, may be carried in this account pending completion of the work. (See also instruction 19(b) and account 1890—Other Deferred Debits.)

1300 Carrier operating property leased to others.

(a) This account shall include the cost (see instruction 19) of carrier operating property owned by the carrier but leased to others as part of a distinct operating unit (see definition 22) or system for use in motor carrier operations, where the lessee has exclusive possession.

(b) This account shall be subdivided so as to reflect separately the investment in each class of property as provided for under account 1200—Carrier Operating Property.

NOTE: Carrier operating property included in the temporary lease of a distinct operating unit pending sale shall not be transferred to account 1300.

1400 Non-carrier property.

This account shall include the book cost of land, structures and equipment owned by the carrier but used in operations other than motor carrier operations, and not provided for in account 1200—Carrier Operating Property, and account 1300—Carrier Operating Property Leased to Others.

INTANGIBLE PROPERTY

1500 Organization, franchises, and permits.

This account shall include the balance of the amounts included in accounts 1501 to 1541, inclusive.

1501 Organization.

This account shall include fees paid to State or other governmental authority for the privilege of incorporation, and expenditures incident to organizing the corporation, partnership, or other enterprise, and putting it into readiness to do business.

ITEMS

Fees and expenses for incorporation or forming a partnership.
Fees and expenses for mergers or consolidations.

Office expenses incident to organizing the company.
Stock and minute books and corporate seal.

NOTE A: This account shall not include any discounts upon securities issued or assumed; nor shall it include any costs incident to negotiating loans, selling bonds or other evidences of debt, or expenses in connection with the authorization, issuance or sale of stock. (See instruction 16 and 17 and accounts 1900—Discount on Capital Stock, and 1910—Commission and Expense on Capital Stock.)

NOTE B: Exclude from this account, and include in account 4630—Law Expenses, the cost of preparing and filing papers in connection with the extension of the term of incorporation unless the first organization costs have been written off.

NOTE C: When charges are made to this account for organization expenses incurred in mergers, consolidations, acquisitions or reorganizations, amounts previously included herein on the books of the retiring companies shall not be carried over. If such items represent part of the assets acquired, they shall be included in account 1550—Other Intangible Property. (See instruction 19(f).)

1511 Franchises.

(a) This account shall include amounts actually paid to a State or political subdivision thereof or to other governmental authority in consideration of franchises, permits, consents, or certificates running in perpetuity or for a specified term of more than one year.

(b) This account shall also be charged with expenditures incident to applications for franchises, permits, consents, or certificates if such applications are acted upon favorably by the regulatory body, including fees for legal and auditing services, expenses of witnesses, cost of newspaper and other advertisements, etc., and pay and expenses of employees engaged in preparing exhibits and other data for hearings. (See Note B.)

(c) When a franchise, permit, consent or certificate is acquired by assignment, the charge to this account shall not exceed its actual cost to the original holder thereof as set out in paragraphs (a) and (b) of this account. Payments by the acquiring carrier in excess of the cost to the original holder, together with any expenses incurred by it in effecting the transfer, shall be charged to account 1550—Other Intangible Property. (See however instruction 19(f).)

(d) Accounting for the amortization or write-off of balances carried in this account and for retirement of franchises, permits, consents or certificates that have expired and are not immediately renewed, are sold, or otherwise disposed of, shall be performed as provided in instruction 21(b).

(e) This account shall be subdivided to reflect separately amounts pertaining to:

(1) Perpetual franchises.
(2) Fixed-term franchises.

NOTE A: Regularly recurring payments made to any political subdivision for the right to conduct motor carrier operations within its boundaries shall be charged to account 5200—Operating Taxes and Licenses.

NOTE B: If an application for a franchise, permit, consent or certificate is denied, expenditures incident to the application shall be charged to account 7500—Other Deductions.

1541 Patents.

(a) This account shall include the cost (see instruction 19) of patent rights, licenses, and privileges necessary or valuable to the economical conduct of motor carrier or noncarrier operations, and which have a life of more than one year from the date they become effective.

(b) When any right or license included herein expires or is canceled and is not immediately renewed, is sold, or otherwise disposed of, retirement accounting shall be performed as provided in instruction 21(b).

1550 Other intangible property.

(a) This account shall include any intangibles not provided for elsewhere, including the undistributed portions of the purchase cost of a transportation system or portion thereof, constituting a distinct operating unit (see definition 22) not includible in specific accounts provided for assets acquired or liabilities assumed. (See instruction 19(f).)

(b) Accounting for the amortization or write-off of balances carried in this account and for the retirement of franchises, permits, consents or certificates that are sold, relinquished or otherwise disposed of, shall be performed as provided in instructions 21, 23, and 29.

INVESTMENT SECURITIES AND ADVANCES

1600 Investments and advances; affiliated companies.

(a) This account shall include the book cost (see definition 7) of the carrier's investments in securities issued or assumed by affiliated companies; notes of affiliated companies maturing later than one year from date of issue; and the amount of advances to and receivables from affiliated companies not subject to current settlement, including accrued interest on such advances when not subject to current settlement. Exclude from this account securities held in special funds or as temporary cash investments. (See definition 6), account 1060—Temporary Cash Investments, and instruction 18.)

(b) This account shall be subdivided to reflect separately for motor carriers and for others:

(1) Common stocks.
(2) Preferred stocks.
(3) Bonds.
(4) Notes.
(5) Other investments.
(6) Advances.

NOTE A: Balances in open accounts with affiliated companies which are subject to current settlement shall be included in account 1100—Receivables from Affiliated Companies.

NOTE B: Securities pledged shall be shown separately from securities unpledged.

NOTE C: Securities borrowed by the carrier and pledged shall not be included in this account. A memorandum record shall be kept.

1650 Other investments and advances.

(a) This account shall include the book cost (see definition 7) of the carrier's investments in securities issued or assumed by other than affiliated companies; notes of other companies and persons, maturing later than one year from date of issue; the cash surrender values of insurance policies carried on the lives of officers and employees when the carrier is beneficiary of such policies (see account 7500—Other Deductions); advances to other companies and individuals and open accounts receivable not subject to current settlement, including any accrued interest when not subject to current settlement. (See account 1060—Temporary Cash Investments, and instruction 18.)

(b) This account shall be subdivided to reflect separately for motor carriers and for others:

(1) Common stocks.
(2) Preferred stocks.
(3) Bonds.
(4) Notes.
(5) Other investments.
(6) Advances.

NOTE A: Balances in open accounts with other companies and individuals which are subject to current settlement shall be included in accounts receivable.

NOTE B: Profits and losses resulting from the sale of securities of others shall be included in accounts 6500—Other Nonoperating Income, or 7500—Other Deductions, as appropriate; or, when qualifying as extraordinary pursuant to instruction 8, shall be included in account 8910—Extraordinary Items.

NOTE C: Securities pledged shall be shown separately from securities unpledged.

NOTE D: Securities borrowed by the carrier and pledged shall not be included in this account. A memorandum record shall be kept.

SPECIAL FUNDS

1701 Sinking funds.

(a) This account shall include the amount of cash or other assets held by trustees or fiscal agents in charge of sinking funds, or by the carrier itself when they are segregated in a distinct fund, for the purpose of redeeming outstanding obligations. (See instruction 18.)

(b) A separate subdivision shall be kept for each fund, the title of which shall designate the obligation in support of which the fund was created.

ITEMS

Cash.
Securities of other companies or other assets, at cost except as otherwise provided herein.
Live securities issued or assumed by the carrier, at face value. (For conditions under which such securities may be kept alive, see instruction 16(d).)
Amounts deposited with trustees or other fiscal agents on account of mortgaged property sold, when held for the redemption of securities.
Securities of the carrier issued to trustees without intervening sale, at face value.

NOTE: Interest and dividends on securities held in this account shall be credited to account 6300—Interest, Income, and 6400—Dividend Income, as appropriate.

1751 Depreciation funds.

This account shall include the amount of cash and the cost (see instruction 18) of securities of other companies and other assets which have been specifically set aside to provide a fund for the re-

placement of units of depreciable property.

1781 Miscellaneous special funds.

This account shall include the amount of cash and the cost (see instruction 18) of securities of other companies and other assets in insurance, employees' pension, savings, relief, hospital and other funds which have been raised and specifically set aside or invested for purposes not provided for elsewhere, including deposits with state commissions to guarantee continuing payments to the beneficiaries of workmen's compensation claims, and the face value of securities issued or assumed by the carrier which may be held alive in such funds as provided in instructions 16 and 17. Also include in this account deposits in lieu of mortgaged property sold and other trust deposits, pending their refund when equivalent property is acquired or pending their transfer under mortgage provisions to account 1701—Sinking Funds. A separate subdivision shall be provided for each fund.

DEFERRED DEBITS

1880 Unamortized debt discount and expense.

This account shall include the total of the net debit balances representing the excess of the discount and expense over the premium in connection with the issuance of each class of the carrier's outstanding long-term or equipment obligations. Separate subdivisions shall be maintained in respect of each issue of such obligations. (See instruction 17.)

1890 Other deferred debits.

(a) This account shall include all debit balances in suspense accounts that can not be entirely cleared and disposed of until further information is received; also items of a deferred nature (except items chargeable to account 1170—Prepayments, or account 1880—Unamortized Debt Discount and Expense) which are subsequently to be amortized to the appropriate operation and maintenance expense or other accounts. This includes amounts on deposit with banks which have failed, pending determination of loss; deposits made on equipment purchases; amounts paid for options pending final disposition; expenditures for plans and investigations made for determining the feasibility of projects under contemplation, pending further disposition, deposits, in escrow or otherwise, with regulatory commissions and others, and expenditures for valuations, inventories, and appraisals made in connection with applications for or the contemplated purchase or sale of operating rights and other property. (See instruction 19.) If deposits are not recoverable, or projects in connection with which preliminary costs were incurred are abandoned, the amounts expended shall be charged to account 7500—Other Deductions, or account 8910—Extraordinary Items, as appropriate.

(b) This account shall also include other debit items which are subject to amortization by order of the Commission.

(c) This account shall also include the balances in clearing accounts maintained to facilitate the retirement of property (see instruction 21(a)); carry temporarily the cost of operating and maintaining such facilities as office buildings, storehouses, etc., and such overhead costs as it is desirable to apportion to the construction, operating, and other accounts involved. (See instruction 10.)

(d) Items of a current nature but of doubtful value may be carried in this account at book cost or nominal value. (See instruction 13.)

MISCELLANEOUS DEBIT ITEMS

1900 Discount on capital stock.

This account shall include the excess of the par or stated value of the stock issued (at the time of original sale of par value stock and nonpar stock with a stated value), plus accrued dividends, if any, over the actual cash value of the consideration received. (See instruction 16.)

NOTE: No discount shall be recorded in this account in connection with the exchange of capital stock for items that are includible in account 1550—Other Intangible Property.

1910 Commission and expense on capital stock.

This account shall include all expenses incurred in connection with the issuance and sale of capital stock. (See instruction 16.)

ITEMS

Fees and expenses incurred in obtaining permission from regulatory bodies for the issuance of stock and in filing papers of notification thereunder.
Fees paid to promoters.
Listing stock on exchanges.
Preparation and distribution of prospectuses.
Preparation and issuance of certificates of stock.
Soliciting subscriptions for stock, including fees, commissions, advertising and printing.
Taxes paid on stock issues.

1920 Reacquired securities.

This account shall include in subdivisions for each class, the par, stated or proportionate value of capital stock, and the face value of bonds, and other forms of securities which have been actually issued or assumed by the carrier, and reacquired and are neither retired nor properly includible in sinking or other funds.

NOTE A: The accounting for the reacquisition of securities and resales thereof shall be in accordance with instructions 16 and 17.

NOTE B: This account shall be maintained so as to reflect separately securities pledged and unpledged.

NOTE C: In reports to the Commission the balance in this account shall be deducted from the securities accounts on the liability side, thereby extending into the money column the amounts to reflect the actually outstanding securities.

1990 Nominally issued securities.

(a) This account shall include in subdivisions for each class, the face, par or stated value of capital stock, bonds, and other forms of securities which have been nominally but not actually issued by the carrier. (See definitions 2 and 28.)

(b) When nonpar stock without stated value is nominally issued, a memorandum entry shall be made to this account showing the number of shares thus issued.

NOTE A: This account shall be maintained so as to reflect separately securities pledged and unpledged.

NOTE B: In reports to the Commission, the balance in this account shall be deducted from the securities accounts on the liability side, thereby extending into the money column the amounts to reflect the actually outstanding securities.

Liability Side

CURRENT LIABILITIES

2000 Notes payable.

(a) This account shall include the face value of outstanding obligations in the form of notes, drafts, acceptances, and similar evidences of indebtedness which by their terms do not run for a period in excess of one year from date of issue, including the face value of notes receivable discounted or sold without releasing the carrier from liability as endorser thereon.

(b) Subdivisions shall be maintained to show separately obligations maturing upon demand and obligations bearing a specified date of maturity.

NOTE A: Notes payable to affiliated companies which are subject to current settlement shall be included in account 2030—Payables to Affiliated Companies. (See also account 2200—Advances Payable—Affiliated Companies.)

NOTE B: Unmatured equipment obligations shall be included in account 2190, Equipment Obligations and Other Debt Due Within One Year, or account 2300, Equipment Obligations, as appropriate.

2020 Matured long-term obligations.

This account shall include the amount (including obligations for premiums) of equipment obligations, long-term obligations and receivers' certificates matured and unpaid without any specific agreement for extension of maturity, including unpresented bonds called for redemption.

2030 Payables to affiliated companies.

(a) This account shall include the total of amounts payable to affiliated companies (see definition 6) which are subject to current settlement, such as credit balances in open accounts for services rendered, material furnished, interline account balances, claims, rent for use of property and similar items; interest and dividends payable to affiliated companies; and loans, notes and drafts which are payable to affiliated companies.

(b) This account shall be subdivided as follows:

2031—Loans and Notes Payable.
2035—Interest and Dividends Payable.
2039—Accounts Payable.

NOTE A: On the balance sheet accounts payable to affiliated companies shall be set off against accounts receivable from the same companies.

NOTE B: No amount representing dividends payable shall be included in this account unless they have been declared or guaranteed.

NOTE C: Items which are not subject to current settlement shall be included in account 2200—Advances Payable—Affiliated Companies.

2050 Accounts payable.

(a) This account shall include amounts payable to others (except affiliated companies) that are subject to current settlement, for materials and supplies and services received, including rents payable for the use of revenue vehicles and other property; other matured rents, amounts due to public authorities, amounts of payable judgments, current accounts with officers and employees, the carrier's liability for transportation taxes and sales taxes collected from customers, for deductions from employees' wages for social security and income taxes, and other similar items.

(b) This account shall also include the balances due other carriers (except affiliated companies) in favor of each of which there is a net credit balance representing interline accounts.

(c) This account shall be subdivided as follows:

2051—Accounts Payable—Officers, Stockholders and Employees.
2055—Interline Account Balances.
2059—Accounts Payable—Other.

NOTE: Accounts with other carriers representing interline accounts which contain net debit balances shall be included in account 1120—Accounts Receivable—Agents, Customers and Interline.

2070 Wages payable.

This account shall include the amount of wages payable or accrued payrolls. Unclaimed wages shal be transferred to account 2180—Other Current Liabilities. (See instruction 14.)

2090 C.o.d.'s unremitted.

(a) This account shall be credited with amounts of c.o.d.'s collected from consignees for shippers on freight delivered.

(b) This account shall be charged when remittances of amounts of c.o.d.'s are made to shippers.

NOTE A: Checks made payable to the shipper received in payment of c.o.d. charges shall not be credited to this Account. A memorandum record shall be kept.

NOTE B: Fees for handling c.o.d.'s shall be credited to the same account to which the transportation revenue is credited.

NOTE C: If desired, this account may be credited with amounts concurrently charged to accounts receivable, representing c.o.d.'s collectible by the carrier. Amounts of c.o.d.'s on interline shipments, collectible by other carriers shall not be entered in this account.

2100 Dividends declared.

(a) This account shall include the amount of dividends declared but not paid on any issue of capital stock of the carrier. Dividends shall be credited to this account as of the day upon which they became a liability of the carrier.

(b) A separate subdivision shall be maintained for dividends on each class and series of stock.

NOTE: Dividends declared and payable to affiliated companies shall be included in account 2030—Payables to Affiliated Companies.

2120 Taxes accrued.

(a) This account shall be credited each month with the amount of taxes accrued during the month, with concurrent debits to the appropriate accounts for tax charges. Credits to this account that are based upon estimates shall be adjusted from time to time during the year so that the tax expense accounts may show as nearly as possible, the taxes applicable to each period. Payments of taxes for which accruals have been made shall be debited to this account. Amounts representing prepayment of taxes applicable to subsequent periods shall be included in account 1170—Prepayments.

(b) The records supporting entries to this account shall be kept so that the carrier can furnish information as to the basis for each tax accrual, the kinds of taxes paid, the amount of each and the accounts charged with the tax accruals.

NOTE A: The liability for income taxes of sole proprietors or members of a partnership shall not be included in this account.

NOTE B: The carrier's liability for social security and income taxes deducted from employees' wages for payment to taxing bodies shall be included in account 2059—Accounts Payable—Other.

NOTE C: The carrier's liability for Federal or State taxes on transportation charges collectible by motor carriers shall be included in account 2059—Accounts Payable—Other.

2150 Interest accrued.

(a) This account shall be credited each month with the amount of interest accrued during the month but not paid monthly, with concurrent debits to the appropriate accounts for interest charges, on all indebtedness of the carrier except interest which is added to the principal. Payments of interest for which accruals have been made in this account shall be debited hereto.

(b) When interest matures without being paid, it shall be charged to this account and credited to account 2030—Payables to Affiliated Companies, or account 2160—Matured Interest, as appropriate. Payments to trustees or other agents of the holders of bonds or other securities, of the interest accrued thereon, which operate under the terms of the securities, or of mortgages supporting such securities) as a release of the carrier from further liability for such interest, shall be accounted for in the same manner as payments of interest made directly to bondholders.

NOTE: Interest accrued upon any judgment against the carrier shall be credited to the account to which such judgment stands credited.

2160 Matured interest.

This account shall include the amount of matured and unpaid interest on obligations of the accounting carrier whether the cause of the failure to pay the interest is on the part of the creditor or for other reasons, except where such interest is added to the principal of the obligation.

NOTE: Interest payable to affiliated companies shall be included in account 2030—Payables to Affiliated Companies.

2180 Other current liabilities.

This account shall include all current and accrued liabilities not includible in any of the foregoing accounts. This includes unmatured rents accrued, estimated insurance premiums accrued, unclaimed wages, and estimated amounts payable within one year covering liability for claims for injuries to persons, loss and damage, and similar items. (See instruction 14.)

LONG-TERM DEBT DUE WITHIN ONE YEAR

2190 Equipment obligations and other debt due within one year.

This account shall include the total amount of bonds, equipment obligations, and other long-term obligations, including obligations maturing serially or payable in installments, which are due and payable within one year, and for which arrangements for refunding have not been made or for which no sinking funds have been provided. This account shall be subdivided according to the different classes of debt so maturing.

ADVANCES PAYABLE

2200 Advances payable; affiliated companies.

(a) This account shall include the amount of unsecured obligations payable to affiliated companies, whether evidenced by notes or open accounts, which are not subject to current settlement, including interest accrued thereon, when such interest is not subject to current settlement. This account shall also include obligations that are payable on demand but which, by mutual agreement or understanding, will not be presented for payment within one year from date of issue.

(b) This account shall be subdivided so as to show for each creditor:

(1) Notes payable.

(2) Open accounts not subject to current settlement.

(3) Interest accrued on amounts included in this account when not subject to current settlement.

NOTE: Amounts of advances from affiliated companies, including open accounts, that are subject to current settlement such as charges for materials and supplies currently furnished, charges for repairs to equipment, etc., shall be included in account 2030—Payables to Affiliated Companies.

2250 Other advances payable.

(a) This account shall include the amount of unsecured advances and other unsecured obligations payable to individuals and companies, other than affiliated companies, whether evidenced by notes or open accounts, which are not subject to current settlement, including interest accrued thereon when such interest is not subject to current settlement. This account shall also include obligations that are payable on demand but which, by mutual agreement, will not be presented for payment within one year from date of issue.

(b) This account shall be subdivided so as to show for each creditor:

(1) Notes payable.

(2) Open accounts not subject to current settlement.

(3) Interest accrued on amounts included in this account when not subject to current settlement.

(c) The liability for advances payable to individuals and companies, other than affiliated companies, maturing within one year of the close of the accounting period is includible in account 2190—Equipment Obligations and Other Debt Due Within One Year.

NOTE: Amounts of advances subject to current settlement, such as charges for materials and supplies currently furnished, charges for repairs to equipment, etc., shall be included in account 2050—Accounts Payable.

EQUIPMENT AND OTHER LONG-TERM OBLIGATIONS

2300 Equipment obligations.

(a) This account shall include the face value of all unmatured long term obligations issued by the carrier and not retired or canceled, for which units of revenue equipment and other automotive equipment have been pledged as security or are held under conditional sales contracts, such as equipment bonds, equipment notes and chattel mortgages; also the face value of equipment obligations issued by others, the payment of which has been assumed by the carrier; and of equipment obligations so issued or assumed, the maturity of which has been extended by specific agreement. The liability for equipment obligations maturing within one year of the close of the accounting period is includible in account 2190—Equipment Obligations and Other Debt Due Within One Year. (See Note A.)

(b) This account shall be kept so as to show the face value of equipment obligations (1) nominally issued, and (2) actually outstanding. (See definitions 3 and 28.)

(c) A separate subdivision shall be maintained for each class of equipment obligation and no issues shall be considered to be of the same class unless identical as to liability and nature of property covered.

NOTE A: Equipment obligations matured and unpaid without specific agreement for extension as to time of payment, including unpresented equipment obligations called for redemption, shall be included in account 2020—Matured Long-Term Obligations.

2330 Bonds.

(a) This account shall include the face value of bonds, other than equipment obligations, issued by the carrier and maturing more than one year from the close of the accounting period; also the face value of such bonds issued by others, the payment of which has been assumed by the carrier. (See account 2190—Equipment Obligations and Other Debt Due Within One Year.)

(b) This account shall be kept so as to show the face value of bonds (1) nominally issued, and (2) actually outstanding. (See definitions 3 and 28.)

(c) A separate subdivision shall be maintained for each class and series of bonds, and no issues shall be considered to be of the same class unless identical as to liability and nature of property covered.

NOTE A: Bonds matured and unpaid without specific agreement for extension as to time of payment, including unpresented bonds called for redemption, shall be included in account 2020—Matured Long-Term Obligations.

2360 Other long-term obligations.

(a) This account shall include all long-term obligations not otherwise provided for which mature more than one year from the close of the accounting period. (See account 2190—Equipment Obligations and Other Debt Due Within One Year.) This covers such items, executed or assumed, as real estate mortgages; assessments for public improvements; serial notes payable over a period of more than one year; and other obligations maturing more than one year from date of issue.

(b) This account shall also include the face value of certificates of indebtedness issued upon the property of the carrier by receivers acting under the orders of a court.

NOTE A: Separate subdivisions shall be maintained for each class of obligation included herein, and records shall be maintained to show separately for each issue all details as to date of issue, date of maturity interest dates and rates, security for obligations, etc.

NOTE B: Matured obligations which are unpaid shall be included in account 2020—Matured Long-Term Obligations.

DEFERRED CREDITS

2400 Unamortized premium on debt.

This account shall include the total of all credit balances representing the excess of the premium over the discount and expense in connection with the issuance of each class of the carrier's outstanding long-term or equipment obligations. Separate subdivisions shall be maintained in respect of each issue of obligations. (See instruction 17(d).)

2450 Other deferred credits.

This account shall include credit balances in suspense accounts that cannot be entirely cleared and disposed of until additional information is received, and other items of a deferred nature (see instruction 10), such as estimated liability for overcharge claims, deposits by owner-operators to cover their liability for loss and damage claims, anticipated liability for retroactive wages pending the result of negotiations, and deposits by tenants representing rent for final month of leases.

RESERVES

2500 Reserve for depreciation; carrier operating property.

(a) This account shall be credited with the following:

(1) Amounts charged each month to account 5000—Depreciation Expense, or other accounts for currently accruing depreciation (see definition 20) of carrier operating property as provided in instruction 23.

(2) The amount of depreciation accrued by vendor or predecessor companies to date of transfer applicable to carrier operating property acquired as part of a distinct operating unit or transportation system, as provided in instruction 19(f).

(3) The amount of depreciation accrued to date of transfer, applicable to property transferred from account 1400—Non-Carrier Property, to account 1200—Carrier Operating Property, or account 1300—Carrier Operating Property Leased to Others.

(b) Charges to this account in connection with carrier operating property retired shall be made in accordance with instruction 21. This account shall also be charged with the amount of depreciation accrued to date of transfer applicable to property transferred from accounts 1200—Carrier Operating Property, or 1300—Carrier Operating Property Leased to Others, to account 1400.

(c) This account shall be subdivided as follows:

2510—Reserve for Depreciation—Structures.
2520—Reserve for Depreciation—Revenue Equipment.
2530—Reserve for Depreciation—Service Cars and Equipment.
2540—Reserve for Depreciation—Shop and Garage Equipment.
2550—Reserve for Depreciation—Furniture and Office Equipment.
2560—Reserve for Depreciation—Miscellaneous Equipment.
2570—Reserve for Depreciation—Improvements to Leasehold Property.
2580—Reserve for Depreciation—Undistributed Property.
2590—Reserve for Depreciation—Carrier Operating Property Leased to Others.

2600 Reserve for amortization; carrier operating property.

(a) This account shall be credited with amounts charged to account 5151—Amortization of Carrier Operating Property, or other appropriate account, for amortization of the cost of acquiring leaseholds, franchises, consents, privileges, patents, and other intangible property having a fixed term life.

This account shall also be credited with amounts charged to account 7500—Other Deductions, or account 8910—Extraordinary Items, as appropriate, for the amortization or write-off of cost of acquiring perpetual leaseholds and of intangible property which does not have a fixed life term. (See instruction 23(d).)

(b) When any leasehold, franchise, permit, consent, privilege or patent expires, is sold or relinquished, or is otherwise retired from service, this account shall be charged with the amount previously credited hereto in respect of such property, and retirement accounting shall be performed as provided in instruction 21(b).

(c) This account shall be credited with such amounts as are necessary to reflect, as of the date this system of accounts is adopted, the expired portion of the life of franchises, permits, consents, patent rights, leaseholds, easements, other interest in land, or other

intangible property which has a fixed term life, the cost of which is included in operating property accounts 1200 and 1300 and intangible property accounts 1500 and 1550.

(d) This account shall be maintained in such manner as to show the amount of each separate reserve set out below and the nature of and amounts of debits and credits thereto.

(1) Reserves for amortization; leaseholds.

(2) Reserves for amortization; franchises, permits and patents having a fixed term life.

(3) Reserves for amortization; other intangible property.

2610 Reserve for depreciation and amortization; other property.

This account shall include amounts provided for depreciation and amortization of properties carried in account 1400—Non-Carrier Property.

2630 Reserve for adjustments; investments and advances.

(a) This account shall be credited with amounts charged to account 7500—Other Deductions, or account 8910—Extraordinary Items, as appropriate, to provide a reserve for adjustments in the value of investment securities included in account 1600—Investment and Advances; Affiliated Companies, and account 1650—Other Investments and Advances. (See instruction 18(b).)

(b) This account shall be subdivided to reflect:

(1) Reserves for securities of affiliated companies.

(2) Reserves for securities of others.

NOTE: In stating the balance sheet these reserves shall be deducted from the specific assets to which they apply.

2650 Reserve for uncollectible accounts.

This account shall be credited each month with amounts reserved for receivables which may become uncollectible, and shall be maintained in such manner as to show the amount of each separate reserve set out below and the amounts of debits and credits thereto:

(a) Reserve for receivables representing carrier operating revenue. Credits to this subdivision shall be concurrently charged to account 4660—Uncollectible Revenues.

(b) Reserve for receivables applicable to revenue from non-carrier operations and property Credits to this reserve shall be concurrently charged to account 6100—Income from Non-Carrier Operations—Net.

(c) Reserve for uncollectible receivables other than revenues. Credits to this reserve shall be concurrently charged to account 7500—Other Deductions.

2660 Insurance reserves.

(a) This account shall be credited with amounts charged to account 4560—Fire, Theft and Collision, account 4570—Other Insurance Expense, or other appropriate accounts to provide reserves for losses through collision, accident, fire, theft, flood, or other hazards to the carrier's own property or to property leased from others, that are not covered by commercial insurance. (See instruction 22(b), (c) and (f).)

(b) If carrier operating property is destroyed or so badly damaged as to require retirement, and provision has been made in this account for such risks, it shall be charged with the amount of the loss not covered by commercial insurance and additional retirement accounting shall be performed as set out in instruction 21(a).

(c) This account shall be maintained in such manner as to show the amount of each separate reserve and the nature of and amounts of debits and credits thereto.

2680 Injuries, loss and damage reserves.

(a) This account shall be credited with amounts charged to accounts 4530—Public Liability and Property Damage, 4540—Workmen's Compensation, 4550—Cargo Loss and Damage, or other appropriate accounts to provide reserves against claims for deaths of or injuries to employees and others; for damages to property not owned or held under lease by the carrier; and for loss, destruction, damage, or delays to property intrusted to the carrier for transportation or storage, that are not covered by commercial insurance. (See instruction 22(c).)

(b) This account shall be charged with payments of claims for injuries to persons and damage to property of others which are not recoverable from insurance companies or others. (See, however, instruction 22(a) and (d).)

(c) This account shall be maintained in such manner as to show the amount of each separate reserve set out below and the nature of and amounts of debits and credits thereto.

(1) Reserve for personal injuries and property damage claims.

(2) Reserve for workmen's compensation claims.

(3) Reserve for cargo loss and damage claims.

(d) At the close of the accounting period the estimated amounts payable within one year covering liability for claims for injuries to persons, loss and damage, and similar items shall be transferred to account 2180—Other Current Liabilities.

2690 Other reserves.

(a) This account shall include amounts reserved by the carrier for purposes which are not provided for in any of the preceding reserves.

(b) This account shall be maintained in such manner as to show the amount of each separate reserve and the nature of and amounts of debits and credits thereto.

CAPITAL STOCK

2700 Preferred capital stock.

2710 Common capital stock.

(a) These accounts shall include the par value of stocks with par value; the stated value of nonpar stocks having a stated value; and the cash value of the consideration received, including assessments, or the amount approved by the Commission, for nonpar stocks without stated value, which have been issued to bona fide purchasers and have not been reacquired and canceled; also shares of stock nominally issued (see definition 28), and reacquired shares which have not been canceled. The cash consideration received from the sale of par value stock and of nonpar stock having a stated value in excess of the amount credited to this account, shall be credited to account 2900—Premiums and Assessments on Capital Stock. (See instruction 16.)

(b) Separate accounts shall be provided for each class of stock, and the title of each account shall clearly identify the class of stock covered. Issues of stock shall not be considered as of the same class unless identical in all provisions, nor shall there be carried any undivided item in respect of more than one class of stock.

(c) When stock is issued for cash, that fact shall be stated; if for any consideration other than cash, the person to whom it is issued shall be designated and the consideration for which it is issued shall be described with sufficient particularity to identify it. If such issuance is to the treasurer or other agent of the corporation for purpose of sale, that fact and the name of such agent shall be shown; and the agent shall show like details concerning the consideration realized therefor in his account of the disposition thereof, which when accepted by the corporation, shall be preserved as a corporate record.

(d) When capital stock is reacquired and canceled (see instruction 16), these accounts shall be charged with the amount at which such stock is carried herein. In the case of nonpar stock without stated value, the amount charged hereto shall be the proportion, applicable to the reacquired shares immediately prior to reacquisition, of the total book liability included herein of actually outstanding shares of the class and series of stock of which the reacquired shares are a part.

NOTE A: For each class of stock the records shall show the number of shares nominally issued and actually outstanding. (See definitions 3 and 28.) When nonpar stock without stated value is nominally issued a memorandum entry shall be made showing only the number of shares so issued.

NOTE B: When nonpar stock without stated value is issued in exchange for par stock, or nonpar stock with stated value, amounts included in account 2900—Premiums and Assessments on Capital Stock, for the retired stock, shall be transferred to the capital stock account as part of the consideration received for the nonpar stock.

NOTE C: No entries recording changes in the amounts reflected in the carriers books for capital stock which has been nominally or actually issued shall be made without first submitting the plan of accounting to the Commission for approval. Such plan shall be accompanied by a statement giving complete information with respect to the basis upon which the amounts to be recorded were determined. Entries recording the following changes require approval of the Commission.

(1) Changes in the par or stated value of stock with par or stated value.

(2) Changes in the value of nonpar stock without stated value through the transfer of

earned or unearned surplus to the capital stock accounts, and debits to the unearned surplus account resulting from the issuance of stock dividends.

(3) Reduction of the amounts recorded in the capital stock accounts to create surplus or reduce the book value of assets.

2730 Capital stock subscribed.

This account shall include the amount of legally enforceable subscriptions to capital stock of the carrier. It shall be credited with the par or stated value, or with the subscription price in the case of stock without par or stated value, exclusive of accrued dividends, if any. Concurrently a debit shall be made to account 1140—Subscribers to Capital Stock, for the agreed purchase price and any discount or premium debited or credited to the appropriate discount or premium account. When properly executed stock certificates have been issued representing the stocks subscribed, this account shall be debited and the appropriate capital stock account credited with the par or stated value of the stock (or the consideration received in the case of nonpar stock without a stated value).

PROPRIETORS' CAPITAL

2800 Sole proprietorship capital.

This account shall include the investment of a sole proprietor in an unincorporated carrier and shall be charged with all withdrawals from the business by the proprietor other than amounts representing salary. (See Note A.) At the end of each calendar year the net income or loss for the year as reflected by the income statement shall be transferred to this account. There shall also be entered in this account such items as in corporate organizations are handled through the subdivisions of account 2930—Earned Surplus—Unappropriated. (See optional accounting procedure provided in Note B hereunder.)

NOTE A: Amounts designated as salary of the proprietor, representing fair and reasonable compensation for services performed, shall be charged to 4611—Salaries—General Officers, or other appropriate account.

NOTE B: This account may be restricted to the amount considered by the proprietor to be his permanent investment in the business, subject to change only by additional investment on his part or the withdrawal of portions thereof. When this option is taken withdrawals of profits shall be charged to account 2948—Other Debits to Earned Surplus, and the earned surplus accounts shall otherwise be employed as provided in the texts of those accounts.

NOTE C: Income taxes of the proprietor if paid from funds of the carrier shall be charged to this account. (See Note under account 8800—Income Taxes.)

2810 Partnership capital.

This account shall be credited, where the business is conducted by an unincorporated firm, co-partnership or under any style other than that of an incorporated company or sole proprietorship, with the respective amounts paid into the business by the partners therein, and shall be charged with all withdrawals from the business by each partner other than amounts representing salary. (See Note A.) At the end of each calendar year the net income or loss for the year as reflected by the income statement shall be transferred to this account. There shall also be entered in this account such items as in corporate organizations are handled through the subdivisions of account 2930—Earned Surplus—Unappropriated. (See optional accounting procedure provided in Note C hereunder.)

NOTE A: Amounts designated as salaries of the partners representing fair and reasonable compensation for services performed, shall be charged to account 4611—Salaries—General Officers, or other appropriate accounts.

NOTE B: Separate accounts shall be kept to show the net equity of each member of the co-partnership and the transactions affecting the interest of each such partner. The total of the balances in such accounts shall be shown as one amount in the balance sheet.

NOTE C: This account may be restricted to the amounts considered by the members of the co-partnership to be their permanent investments in the business, subject to change only by additional investments by the co-partners or the withdrawal of portions thereof. When this option is taken withdrawals of profits shall be charged to account 2948—Other Debits to Earned Surplus, and the earned surplus accounts shall be otherwise employed as provided in the texts of those accounts.

NOTE D: Personal income taxes of the partners, if paid from partnership funds, shall be charged to this account. (See Note under account 8800—Income Taxes.)

CAPITAL SURPLUS

2900 Premiums and assessments on capital stock.

(a) This account shall include the excess of the actual cash value of the consideration received (at the time of original sale of par value stock and non-par stock with a stated value) over the par or stated value of the stock issued, plus accrued dividends, if any; and subsequent assessments against stockholders representing payments required in excess of par or stated value. (See instruction 16(c).)

(b) In case the carrier is permitted by statute and elects, with the approval of the Commission, to distribute all or any part of the net balance of premiums and assessments on capital stock to its stockholders in the form of dividends, the amount thus distributed shall be charged to this account. In no event shall dividends be paid out of premiums and assessments on capital stock without prior approval of the Commission.

(c) Separate subdivisions shall be maintained for premiums and for assessments on each class and series of stock.

(d) When capital stock is reacquired the amount in this account with respect to the shares reacquired shall be debited hereto in accordance with instruction 16(d).

NOTE: No premium shall be recorded in this account in connection with the exchange of capital stock for items that are includible in account 1550—Other Intangible Property.

2910 Other capital surplus.

(a) This account shall include all surplus not classified as earned surplus. It shall include such items as surplus arising from donations by stockholders of cash and other assets or of the carrier's capital stock; surplus arising from the forgiveness of debt of the carrier by its stockholders; surplus recorded upon the reorganization or recapitalization of the carrier; net credits resulting from acquisition or resale of the carrier's capital stock (see instruction 16); and amounts that become the property of the carrier as a result of the forfeiture by others of deposits on subscriptions to capital stock and installment plan payments on purchases of stock.

The following credit items may be included in this account only when approved by the Commission: (1) Surplus resulting from the reduction of the par value, stated value or recorded value of the carrier's capital stock, and (2) Surplus resulting from the revaluation of tangible property or intangible property.

(b) (1) This account shall be charged with net debits resulting from the acquisition or resale of the carrier's capital stock (see instruction 16 (d) and (e)), and it may be charged with amortization of discount and expense on capital stock; *Provided, however,* That the excess of a debit over the balance carried in this account with respect to the particular class of stock shall be charged to account 2948—Other Debits to Earned Surplus.

(2) The following items may be charged to this account only when approved by the Commission: (i) amounts credited to the capital stock account resulting from the issuance of stock dividends, or to increase the value of nonpar stock without stated value, and (ii) amounts transferred to earned surplus either directly by credits to earned surplus representing gains on transactions in the carrier's own capital stock, or indirectly by charges against capital surplus representing losses, write-downs, charge-offs, or the distribution of dividends.

(c) This account shall be subdivided to show each source of capital surplus.

NOTE: When a capital stock dividend is issued an amount transferred from earned surplus to permanent capital for the excess of fair value of the additional shares over their par value, is includible in this account 2910—Other Capital Surplus.

2920 Earned surplus—appropriated.

This account shall include the accumulated amount of earned surplus which has been appropriated and set aside pursuant to provisions of mortgages, deeds of trust, or other agreements. This account shall also include appropriations for general contingencies for possible future losses (not in the category of liabilities actually incurred) and other corporate purposes in accordance with sound accounting and financial procedures. The account is to be subdivided by classes of appropriations showing the purpose for which each appropriation is made.

2930 Earned surplus—unappropriated.

(a) This account shall include the balance of the amounts included in accounts 2932 to 2948, inclusive, either

debit or credit, of unappropriated surplus arising from earnings. It shall not include surplus properly includible in accounts 2800—Sole Proprietorship Capital, 2810—Partnership Capital, or 2910—Other Capital Surplus.

(b) The balances of all earned surplus accounts (2932 to 2948, inclusive) shall be closed to this account at the end of each calendar year.

2932 Credit balance transferred from income.

If the income statement for the current calendar year reflects a net credit balance, it shall be brought forward to this account.

2938 Other credits to earned surplus.

(a) This account shall include other credit adjustments, net of assigned income taxes, not provided for elsewhere in this system but only after such inclusion has been authorized by the Commission.

(b) The records supporting entries in this account shall be so maintained that an analysis thereof may be readily made available.

2942 Debit balance transferred from income.

If the income statement for the current calendar year reflects a net debit balance, it shall be brought forward to this account.

2944 Dividend appropriations.

(a) This account shall include amounts of dividends declared out of earned surplus on capital stock actually outstanding.

(b) This account shall be subdivided to show separately the dividends on each class of capital stock. If a dividend is not payable in cash, the consideration shall be described in the entry with sufficient particularity that it may be identified.

NOTE: Dividend charges shall be restricted to actually outstanding stock and this account shall not include charges for dividends on capital stock issued by the carrier and owned by it, unless the stock is held by trustees in sinking or other funds. (See definition 3 and instruction 16(d).)

2946 Other appropriations of earned surplus.

This account shall include appropriations from earned surplus for sinking funds and other reserves, and allotments of surplus or transfers of definite amounts from earned surplus to reserves under the terms of mortgages, deeds of trust, or contracts, and other appropriations of earned surplus set aside in special reserve accounts.

2948 Other debits to earned surplus.

(a) This account shall include (1) losses on resale of reacquired capital stock, (2) charges which reduce or write off discount on capital stock issued by the company, and (3) in pooling of equity interests situations, the excess of the value of the surviving company's capital stock over the aggregate total of the capital stock of the separate companies before such merger or consolidation, but only to the extent that capital surplus is not available for such purposes. (See instructions 16(d) and 20(a)(2).)

(b) This account shall include other debit adjustments, net of assigned income taxes, not provided for elsewhere in this system but only after such inclusion has been authorized by the Commission.

(c) The records supporting entries in this account shall be so maintained that an analysis thereof may be readily made available.

2990 Form of balance sheet statement.

(The order in which the accounts are presented in this form of balance sheet is not to be considered as necessarily indicative of the order in which they will be scheduled at all times in reports to the Commission.)

ASSET SIDE

CURRENT ASSETS

1000—Cash		$.....
1020—Working funds		.....
1040—Special deposits		.....
1060—Temporary cash investments		.....
(a) Pledged	$....	XXXXXXXX
(b) Unpledged	.....	XXXXXXXX
1080—Notes receivable	$....	
1100—Receivables from affiliated companies	.....	
1120—Accounts receivable—Agents, customers, and interline	.....	
1130—Accounts receivable—Other	.....	.....
Less: Reserve for uncollectible accounts	.....	....
1140—Subscribers to capital stock		
1160—Interest and dividends receivable		.....
1170—Prepayments		.....
1180—Material and supplies		.....
1190—Other current assets		.....
Total current assets		$.....

TANGIBLE PROPERTY

1200—Carrier operating property	$....	
Less: Reserve for depreciation and amortization	.....	$.....
1300—Carrier operating property leased to others	.....	
Less: Reserve for depreciation and amortization	.....	.....
1400—Noncarrier property	.....	
Less: Reserve for depreciation and amortization	.....	.....
Total tangible property		$.....

INTANGIBLE PROPERTY

1500—Organization, franchises, and permits	$....	
Less: Reserve for amortization	.....	$.....
1550—Other intangible property	$....	
Less: Reserve for amortization	.....	.....
Total intangible property		$.....

INVESTMENT SECURITIES AND ADVANCES

1600—Investments and advances—Affiliated companies:		
(a) Pledged	$....	
(b) Unpledged	.....	$....
Less: Reserve for adjustments	.....	$.....
1650—Other investments and advances:		
(a) Pledged	$....	
(b) Unpledged	.....	
Less Reserve for adjustments	.....	.....
Total investment securities and advances		$.....

SPECIAL FUNDS

1701—Sinking funds	$.....
1751—Depreciation funds	.....
1781—Miscellaneous special funds	.....
Total special funds	$.....

ASSET SIDE—Continued

DEFERRED DEBITS

1880—Unamortized debt discount and expense	$.....
1890—Other deferred debits	.....
Total deferred debits	$.....

MISCELLANEOUS DEBIT ITEMS

1900—Discount on capital stock		$.....
1910—Commission and expense on capital stock		.....
1920—Reacquired securities:		XXXXXXX
(a) Pledged	$....	XXXXXXX
(b) Unpledged	.....	XXXXXXX
1990—Nominally issued securities:		XXXXXXX
(a) Pledged	.....	XXXXXXX
(b) Unpledged	.....	XXXXXXX
Total miscellaneous debits		.....
Total assets		$.....
Contingent assets (not included above)	$....	

LIABILITY SIDE

CURRENT LIABILITIES

2000—Notes payable	$.....
2020—Matured long-term obligations	.....
2030—Payables to affiliated companies	.....
2050—Accounts payable	.....
2070—Wages payable	.....
2090—C.O.D.'s unremitted	.....
2100—Dividends declared	.....
2120—Taxes accrued	.....
2150—Interest accrued	.....
2160—Matured interest	.....
2180—Other current liabilities	.....
Total current liabilities (exclusive of long-term debt due within one year)	$.....

LONG-TERM DEBT DUE WITHIN ONE YEAR

2190—Equipment obligations and other debt due within one year	$.....

ADVANCES PAYABLE

2200—Advances payable—Affiliated companies	$.....
2250—Other advances payable	.....
Total advances payable	$.....

EQUIPMENT AND OTHER LONG-TERM OBLIGATIONS

2300—Equipment obligations	$....	
Less: Reacquired and nominally issued	.....	$.....
2330—Bonds	.....	
Less: Reacquired and nominally issued	.....	.....
2360—Other long-term obligations	.....	
Less: Reacquired and nominally issued	.....	.....
Total equipment and other long-term obligations	.....	$.....

DEFERRED CREDITS

2400—Unamortized premium on debt	$....	$.....
2450—Other deferred credits	.....	.....
Total deferred credits	.....	$.....

RESERVES

2660—Insurance reserves	$.....
2680—Injuries, loss, and damage reserves	.....
2690—Other reserves	.....
Total reserves	$.....

SHAREHOLDERS' (OR PROPRIETORS') EQUITY

CAPITAL STOCK

2700—Preferred capital stock	$....	
Less: reacquired and nominally issued	.....	$.....
2710—Common capital stock	.....	
Less: reacquired and nominally issued	.....	.....
2730—Capital stock subscribed		.....
Total capital stock		$.....

PROPRIETORS' CAPITAL

2800—Sole proprietorship capital	$.....
2810—Partnership capital	.....
Total proprietors' capital	$.....

LIABILITY SIDE—Continued

CAPITAL SURPLUS

2900—Premiums and assessments on capital stock	$
2910—Other capital surplus	
Total capital surplus	$

EARNED SURPLUS

2920—Earned surplus—appropriated	$
2930—Earned surplus—unappropriated	
Total earned surplus	
Total shareholders' (or proprietors') equity (2700-2930)	
Total liabilities and shareholders' (or proprietors') equity	$
Contingent liabilities (not included above)	$

INCOME ACCOUNTS

Ordinary Items

OPERATING REVENUES

3000 Operating revenues.

This account shall include the total operating revenues, as provided in the primary operating revenue accounts, derived by the carrier from its motor carrier operations.

OPERATING REVENUE ACCOUNTS

3100—Freight Revenue—Intercity—Common Carrier.
3110—Freight Revenue—Intercity—Contract Carrier.
3120—Freight Revenue—Local Cartage.
3130—Intercity Transportation for Other Class I and Class II Motor Carriers.
3900—Other Operating Revenue.

3100 Freight revenue; intercity; common carrier.

(a) This account shall include all revenue earned by the carrier from the transportation of property in intercity service, including pick-up and delivery incident thereto, while operating as a common carrier as defined in section 203(a)(14) of the Interstate Commerce Act. This includes:

(1) Revenue upon the basis of single line freight rates, including arbitraries and zone rates.

(2) The carrier's proportion of revenue earned on interline shipments.

(3) Revenue from the transportation of baggage, express, mail and newspapers in freight equipment.

(4) Revenue from substitute intercity service performed for a carrier by railroad, air or water.

(5) Revenue from furnishing line haul vehicles with drivers to another motor carrier, except to a Class II carrier or another Class I carrier (see Note F), for performing any part of its intercity service.

(6) Revenue from the intercity transportation of property in intrastate commerce if the service is similar to that of a common carrier as defined in section 203(a)(14) of the Interstate Commerce Act.

(7) Revenue from reconsigning, stop and other transit privileges.

(8) Fees for handling c.o.d.'s and other collections of money from consignees in connection with freight shipments.

(9) Revenue from rigging and other accessorial services incident to the transportation of property by the carrier.

(b) This account shall be charged with:

(1) The carrier's proportion of overcharges resulting from the use of erroneous intercity rates, weights, classifications or computations.

(2) Uncollected earnings on intercity freight destroyed in transit and on short and lost freight.

(3) The carrier's proportion of uncollected intercity tariff charges on damaged shipments for which charges neither shipper nor consignee is liable.

NOTE A: When a common carrier employs vehicles and services of others on a commission or other basis for hauling loads over its routes in intercity service and the expenses incurred in their operation are borne by the owners of the vehicles, the carrier shall record the freight revenue from such hauls in this account in the same manner as if it owned the vehicles. Amounts paid to the owners of the vehicles as compensation for the hauls shall be charged to account 4270—Purchased Transportation.

NOTE B: Amounts payable to others for pick-up and delivery and local transfer of the carrier's intercity freight under arrangements whereby the agreement for the amount payable is based on other than actual division of tariff rates shall be charged to account 4270—Purchased Transportation.

NOTE C: Divisions of interline tariff charges due other carriers shall be included in account 2030—Payables to Affiliated Companies, or account 2050—Accounts Payable.

NOTE D: Revenue from the intercity transportation of property in intrastate commerce, if the service is similar to that of a contract carrier as defined in section 203(a)(15) of the Interstate Commerce Act, shall be included in account 3110—Freight Revenue—Intercity—Contract Carrier.

NOTE E: Revenue from local transfer service and from pick-up and delivery service performed for another carrier shall be included in account 3120—Freight Revenue—Local Cartage.

NOTE F: Revenue from furnishing line haul vehicles with drivers to a Class II motor carrier or to another Class I motor carrier under a purchased transportation arrangement for performing any part of its intercity service, shall be included in account 3130—Intercity Transportation for Other Class I and Class II Motor Carriers.

NOTE G: Intercity service for the purpose of accounting and compiling statistical data means transportation performed beyond the limits defined for Local Service (see Note C to account 3120 for definition of Local Service).

NOTE H: Rigging and other accessorial services as used in paragraph (a)(9) of this account means loading, unloading and placing of shipments of unusual size or weight necessary to effect transportation of the shipment. Revenues and expenses incident to installation, erection or dismantling of machines, structures, etc., shall be included in account 6100—Income from Non-Carrier Operations—Net.

3110 Freight revenue; intercity; contract carrier.

(a) This account shall include all revenue earned by the carrier from the transportation of property in intercity service while operating as a contract carrier as defined in section 203(a)(15) of the Interstate Commerce Act. This includes:

(1) Revenue on the basis of contracts or agreements for the transportation of property in intercity service.

(2) Revenue from furnishing line haul vehicles with drivers to another motor carrier, except to a Class II carrier or another Class I carrier (see Note D), for performing any part of its intercity service.

(3) Revenue from the intercity transportation of property in intrastate commerce if the service is similar to that of a contract carrier as defined in section 203(a)(15) of the Interstate Commerce Act.

(b) This account shall be charged with:

(1) Refunds of overcharges resulting from the use of erroneous intercity rates, weights, classifications or computations.

(2) Uncollected earnings on intercity freight destroyed in transit and on short and lost freight.

NOTE A: When a contract carrier employs vehicles and services of others on a commission or other basis for hauling loads over its routes in intercity service and the expenses incurred in their operation are borne by the owners of the vehicles, the carrier shall record the freight revenue from such hauls in this account in the same manner as if it owned the vehicles. Amounts paid to the owners of the vehicles as compensation for the hauls shall be charged to account 4270—Purchased Transportation.

NOTE B: Revenue from the intercity transportation of property in intrastate commerce, if the service is similar to that of a common carrier as defined in section 203(a)(14) of the Interstate Commerce Act, shall be included in account 3100—Freight Revenue—Intercity—Common Carrier.

NOTE C: Revenue from pickup and delivery and local transfer service performed for another carrier shall be included in account 3120—Freight Revenue—Local Cartage.

NOTE D: Revenue from furnishing line haul vehicles with drivers to a Class II motor carrier or to another Class I motor carrier under a purchased transportation arrangement for performing any part of its intercity service, shall be included in account 3130—Intercity Transportation for other Class I and Class II Motor Carriers.

NOTE E: Intercity service for the purpose of accounting and compiling statistical data means transportation performed beyond the limits defined for Local Service (see Note C to account 3120 for definition of Local Service).

3120 Freight revenue; local cartage.

(a) This account shall include revenue earned by common or contract carriers from the transportation of property in local cartage service, such as:

(1) Revenue from pick-up and delivery and local transfer services performed for carriers by motor vehicle, railroad, air, water and express, and for freight forwarders.

(2) Revenue from other local transfer service.

(3) Fees for handling c.o.d.'s.

(b) This account shall be debited with overcharges resulting from the use of erroneous local rates, weights, classifications or computations and uncollected earnings on freight damaged or destroyed in transit, or short and lost freight.

NOTE A: Revenue earned by the carrier from pickup and delivery service incident to its transportation of property in intercity service shall be included in accounts 3100 and 3110, as appropriate.

NOTE B: When a carrier employs vehicles and services of others on a commission or other basis for hauling loads in its local cartage service, and the expenses incurred in their operation are borne by the owners of the vehicles, the carrier shall record the freight revenue from such hauls in this account in the same manner as if it owned the vehicles. Amounts paid to the owners of the vehicles as compensation for the hauls shall be charged to account 4270—Purchased Transportation.

NOTE C: Local service, for the purpose of accounting and of compiling statistical data, means transportation performed within a city or town including the suburban area contiguous thereto.

3130 Intercity transportation for other Class I and Class II motor carriers.

This account shall include amounts receivable from other Class I and Class II motor carriers under a purchased transportation arrangement, for performing any portion of their intercity haul such as:

(1) Revenue from furnishing a line haul vehicle with services of driver to another Class I or to a Class II motor carrier under lease or similar arrangement.

(2) Revenue from transporting freight for another Class I or for a Class II motor carrier when such transportation is purchased by the other carrier to complete any portion of its intercity haul.

(3) Revenue from the transportation in intercity service of loaded or empty trailers for another Class I motor carrier or for a Class II motor carrier.

NOTE A: Revenue received from motor carriers, other than Class I or Class II motor carriers, for similar services shall be included in account 3100—Freight Revenue—Intercity—Common Carrier, or account 3110—Freight Revenue—Intercity—Contract Carrier, as appropriate.

NOTE B: Revenue received from the lease of revenue vehicles to other carriers without the service of drivers shall be included in account 4279—Equipment Rents—Credit.

3900 Other operating revenues.

This account shall include revenues not provided for in accounts 3100 to 3130, inclusive, derived from the operation of property the investment in which is included in account 1200—Carrier Operating Property, such as:

(a) Advertising matter displayed in or on structures and vehicles.

(b) Commissions for brokerage service.

(c) Commissions for making payroll deductions.

(d) Commissions for collecting freight charges for other carriers.

(e) Garnishment fees.

(f) Lockers, weighing and vending machines and similar devices.

(g) Privilege of operating lunch counters, news stands and soda fountains.

(h) Privilege of installing and operating commercial and coin box telephones.

(i) Operation of lunch rooms, restaurants, etc.

(j) Profit on sales of material and supplies, and on shop work and services to others.

(k) Parking and storage of vehicles.

(l) Snow plow work.

(m) Storage of freight in excess of free time provided in tariffs.

(n) Other miscellaneous revenues incident to motor carrier operations.

OPERATION AND MAINTENANCE EXPENSES

4000 Operation and maintenance expenses.

This account shall include the total of operation and maintenance expenses, as provided in the primary accounts, incurred by the carrier in its motor carrier operations during the period covered by the income account.

4100 Equipment maintenance.

4110 Supervision.

(a) This account shall include the salaries and bonuses of officers and other employees, such as superintendents and foremen (other than working foremen), engaged in supervising and directing the repairing and servicing of revenue equipment, service equipment and shop and garage property used in motor carrier operations.

(b) This account shall also include the pay and bonuses of inspectors, shop and garage clerks, timekeepers and other administrative employees of the equipment maintenance department.

4120 Office and other expenses.

This account shall include the cost of services and supplies and other expenses incurred in the administration of the equipment maintenance department.

ITEMS

Automobiles, maintenance and operation of.
Books.
Entertainment.
Hotels and meals.
Janitor service.
Postage.
Rents paid for use of typewriters and other office machines.
Stationery and printing.
Subscriptions to newspapers, clipping bureaus, periodicals, trade journals, etc.
Traveling expenses.

4130 Repairs and servicing; revenue equipment.

(a) This account shall include the wages of employees and the cost of parts, material, and supplies, used in repairing and servicing revenue equipment, and amounts paid to public shops and garages for repairing and servicing revenue equipment. (See instruction 12.)

(b) This account shall also be charged with the cost of replacing original equipment included in the book cost of revenue vehicles such as fire extinguisher supplies, jacks, lamps, pads, poles, ropes, stakes, tarpaulins, tire chains, etc.

ITEMS

Alcohol and other non-freeze preparations.
Battery men.
Carpenters.
Cleaning supplies and solvents.
Electricians and radio maintenance men.
Grease and lubricants (other than motor oil).
Greases.
Helpers.
Machinists.
Mechanics.
Metal workers.
Outside repairs and service.
Repair parts, materials and supplies.
Washers and cleaners.
Working foremen.

(c) The cost of repairs to revenue equipment involved in accidents shall be charged to a separate subdivision of this account and accounted for as provided in instruction 22(f).

(d) This account shall be subdivided as follows (see instruction 27):

4131—Line Haul Equipment.
4135—Pickup and Delivery Equipment.

NOTE: The cost of operating and maintaining automobiles used by officers and employees, including gasoline, oil, tires and tubes, and repairs, shall be charged to the accounts provided for other personal expenses of such employees.

4145 Employees' welfare expenses.

This account shall be charged with the costs incurred for the benefit of equipment maintenance employees in accordance with provisions of instruction 28.

4160 Tires and tubes; revenue equipment.

(a) This account shall include the cost, including taxes, of tires and tubes applied to revenue equipment, including tires and tubes on new equipment.

(b) The cost of tires and tubes applied to revenue equipment may be charged directly to this account or included in account 1176—Prepaid Tires and Tubes, and charged off to this account in appropriate monthly installments.

(c) This account shall also be charged with the cost of labor and materials used in repairing and renewing, setting up and mounting tires and tubes on revenue equipment, including the cost of shoes, valves flaps, sections, recaps, etc.

(d) When a carrier contracts to use tires at a monthly rental based on miles run or some similar method of computing the charge, the cost of such tire service, including abused tires, shall be included in this account.

(e) This account shall be subdivided as follows (see instruction 27):

4161—Line Haul Equipment.
4165—Pickup and Delivery Equipment.

NOTE A: The cost of unapplied tires and tubes held in stock, shall be charged to account 1180—Material and Supplies.

NOTE B: The cost of tires and tubes used by service cars and automobiles shall be accounted for as provided in the text of account 4180—Other Maintenance Expenses.

4180 Other maintenance expenses.

This account shall be charged with wages and other expenses, incurred in connection with maintenance of the carrier's revenue equipment, that are not provided for elsewhere, such as:

(a) The pay of operators of service cars and wreckers, shop sweepers and janitors, watchmen and unskilled laborers; also the pay of employees while repairing shop and garage structures, tools, machines, service equipment and furniture and office equipment of the maintenance department.

(b) The cost of heat, light, power and water used in shops and garages.

(c) The cost of materials, supplies and small tools consumed in the operation and maintenance of shops and garages

and not directly assignable to other accounts.

(d) The cost of gasoline and oil, tires and tubes, including taxes; vehicle licenses; repairs to service cars, wreckers, etc., used in connection with the operation of shops and garages.

(e) Other expenses such as payments for towing, wrecker and similar services; vehicle inspection fees; cost of removing snow and ice from shop and garage structures and grounds; the cost of ice, drinking water, towels, soap, etc.; and employees' travel and personal expenses not directly chargeable to other accounts in the maintenance group of accounts.

NOTE A: The cost of operating and maintaining automobiles used by officers and employees, including vehicle licenses, gasoline, oil, tires and tubes, and repairs, shall be charged to the accounts provided for other personal expenses of such employees.

NOTE B: The cost of initial improvements (including repairs and rearrangements) in the preparation of purchased buildings or grounds for use by the maintenance department, shall be charged to account 1201—Land and Land Rights, or account 1210—Structures, as appropriate. The accounting for similar expenditures on property leased from others shall be as provided in instruction 19(h).

NOTE C: Amounts recovered from insurance companies or others and amounts provided in account 2660—Insurance Reserves, for damages to buildings, grounds, furniture, machinery, etc., used in the maintenance of revenue equipment shall be accounted for as provided in instruction 22(f).

4185 Operating rents.

(a) This account shall include rental payments for real estate and other property used in motor carrier operations by the Equipment Maintenance Department, not provided for elsewhere.

(b) This account shall be credited with amounts receivable as rents for the use of real estate and other property of the Equipment Maintenance Department, not provided for elsewhere.

(c) This account shall also include amounts receivable as rental from the sublease of property rented from others if amounts payable as rent for the property by the reporting carrier are charged hereto.

NOTE A: Amounts payable or receivable for rental of real estate and other property included in the lease of a distinct operating unit (see definition 22) shall be included in account 5400—Lease of Distinct Operating Unit—Debit, or account 5500—Lease of Distinct Operating Unit—Credit, as appropriate.

NOTE B: Rentals for property and equipment used in noncarrier operations shall be included in account 6100—Income from Non-Carrier Operations—Net.

4191 Joint garage expense; debit.

This account shall include the carrier's proportion of costs incurred by others in maintaining and operating joint shop and garage equipment and facilities. (See definition 23 and instruction 25(a).)

4196 Joint garage expense; credit.

This account shall include the amounts chargeable to others as their proportion of the costs incurred by the reporting carrier in maintaining and operating joint shop and garage equipment and facilities. (See definition 23 and instruction 25(b).)

4200 Transportation.

4210 Supervision.

This account shall include the salaries and bonuses of officers and other employees engaged in supervising and directing transportation.

(b) This account shall also include the pay and bonuses of inspectors, dispatchers, clerks and other administrative employees of the transportation department including operators of two-way radio communication service.

4220 Office and other expenses.

(a) This account shall include the cost of services and supplies, and other expenses incurred in connection with the administrative functions of the transportation department.

ITEMS

Automobiles, maintenance and operation of.
Books.
Drinking water and refrigeration.
Entertainment.
Heat, light, power and water.
Hotels and meals.
Janitor and cleaning supplies.
Membership fees and dues in trade and other associations.
Rents paid for the use of typewriters and other office machines.
Repairs to transportation office furniture, fixtures and equipment.
Stationery and printing.
Subscriptions to newspapers, trade journals, etc.
Traveling expenses.
Towel service.

4230 Drivers and helpers.

(a) This account shall include the wages, bonuses and vacation pay of drivers of revenue equipment, and helpers, engaged in freight transportation service, including wages for time during which they are required to be on duty in readiness for active service.

(b) This account shall be subdivided as follows (see instruction 27):

4231—Line Haul Equipment.
4235—Pickup and Delivery Equipment.

4245 Employees' welfare expenses.

This account shall be charged with the costs incurred for the benefit of transportation employees in accordance with provisions of instruction 28.

4250 Fuel for revenue equipment.

(a) This account shall include the cost of gasoline, other motor fuel, and enriching materials used by revenue equipment. Include in this account transportation charges payable to others on motor fuel.

(b) This account shall be subdivided as follows (see instruction 27):

4251—Line Haul Equipment.
4255—Pickup and Delivery Equipment.

NOTE A: Taxes on motor fuel shall be charged to account 5200—Operating Taxes and Licenses, at time of purchase.

NOTE B: Motor fuel used in automobiles and service cars shall be accounted for as provided in account 4180—Other Maintenance Expenses.

4260 Oil for revenue equipment.

(a) This account shall include the cost of motor oils used by revenue equipment. Include in this account transportation charges payable to others on motor oil.

(b) This account shall be subdivided as follows (see instruction 27):

4261—Line Haul Equipment.
4265—Pickup and Delivery Equipment.

NOTE A: Taxes on motor oil shall be charged to account 5200—Operating Taxes and Licenses, at time of purchase.

NOTE B: Motor oil used in automobiles and service cars shall be accounted for as provided in account 4180—Other Maintenance Expenses.

4270 Purchased transportation.

This account shall be subdivided as follows:

4271 Equipment rents; intercity; with drivers.

This account shall include amounts payable to others for furnishing revenue vehicles with the services of drivers for the exclusive use and under the control of the reporting carrier in intercity service where the payment includes the wages of drivers.

NOTE: If the arrangement under which vehicles with drivers are furnished to the carrier provides that wages of the drivers shall be paid separately by the reporting carrier and included on its payroll, the wages shall be included in account 4230—Drivers and Helpers, and the balance of the amount payable for the service shall be included in account 4272—Equipment Rents—Intercity—Without Drivers.

4272 Equipment rents; intercity; without drivers.

This account shall include amounts payable to others for furnishing revenue vehicles to the reporting carrier for its exclusive use, and under its control, in intercity service, where the payment does not include drivers' wages.

NOTE A: If, under the arrangement for use of a vehicle, the services of a driver are also included and his wages are to be paid separately by the reporting carrier and included on its payroll, the amounts of wages so paid shall be included in account 4230—Drivers and Helpers.

NOTE B: Amounts payable for rental of revenue equipment included in the lease of a distinct operating unit (see definition 22) shall be charged to account 5400—Lease of Distinct Operating Unit—Debit.

4273 Other purchased transportation; intercity.

(a) This account shall include payments for the intercity transportation of individual shipments and part-loads, billed by the reporting carrier, in the vehicles of another motor carrier when the hauling carrier retains control of the vehicle and driver.

(b) This account shall also include payments to railroads, water carriers and other motor carriers for the intercity transporation of the reporting carrier's loaded and empty revenue vehicles.

(c) Amounts included in this account shall be segregated as follows:

(1) Payments to motor carriers.

(2) Payments to railroads and water carriers.

4275 Equipment rents; pickup and delivery; with drivers.

This account shall include amounts payable to others for furnishing revenue vehicles with the services of drivers for the exclusive use and under the control of the reporting carrier in pickup and delivery service and other local operations, where the payment includes the wages of the drivers.

NOTE: If the arrangement under which vehicles with drivers are furnished to the carrier provides that wages of the drivers shall be paid separately by the carrier and included on its payroll, the wages shall be included in account 4230—Drivers and Helpers, and the balance of the amount payable for the service in account 4276—Equipment Rental—Pickup and Delivery—Without Drivers.

4276 Equipment rents; pickup and delivery; without drivers.

This account shall include amounts payable to others for furnishing revenue vehicles to the reporting carrier for its exclusive use and under its control, in pickup and delivery and other local operations, when the payment does not include drivers' wages.

NOTE A: If the arrangement for use of a vehicle covers the services of a driver whose wages are to be paid separately by the reporting carrier and included on its payroll, the amounts of wages so paid shall be included in account 4230—Drivers and Helpers.

NOTE B: Amounts payable for rental of revenue equipment included in the lease of a distinct operating unit (see definition 22) shall be charged to account 5400—Lease of Distinct Operating Unit—Debit.

4277 Other purchased pickup and delivery.

(a) This account shall include payments to others for picking up and delivering the reporting carrier's intercity freight and performing its local cartage service, when the vehicles so employed are not used exclusively in the carrier's service and are not under its control.

(b) This account shall also include allowances to shippers and consignees for picking up and delivering intercity shipments.

(c) Amounts included in this account shall be segregated as follows:

(1) Payments to motor carriers and others.

(2) Allowances to shippers.

NOTE: This account shall not be charged with payments to another motor carrier for pickup or delivery service where the compensation for such service is based on a division of the through tariff rate.

4279 Equipment rents; credit.

(a) This account shall be credited with rents receivable by the reporting carrier for owned or leased revenue vehicles which are furnished to others without the services of drivers.

(b) This account shall also be credited with rents receivable for owned or leased revenue vehicles furnished to other motor carriers under an arrangement whereby both the vehicle and driver are furnished by the reporting carrier but the wages of the driver are paid separately by the hiring carrier and included on its payroll.

(c) This account shall be subdivided to reflect separately:

(1) Rents receivable for intercity revenue vehicles.

(2) Rents receivable for pickup and delivery revenue vehicles.

NOTE A: Payments receivable from other motor carriers which cover both the rent of an intercity vehicle and wages of the driver shall be credited to account 3130 if the service is furnished to a Class I or Class II motor carrier, and to account 3100 or 3110 if furnished to motor carriers other than Class I or Class II.

NOTE B: Payments receivable from other motor carriers which cover both the rent of a pickup and delivery vehicle and wages of the driver shall be credited to account 3120.

NOTE C: Amounts receivable for rental of revenue vehicles included in the lease to others of a distinct operating unit (see definition 22), shall be credited to account 5500—Lease of Distinct Operating Unit—Credit.

4280 Other transportation expenses.

This account shall include transportation department expenses that are not provided for elsewhere.

ITEMS

Badges for employees.
Expenses other than wages of deadheading drivers.
Extra labor hired for loading and unloading the carrier's vehicles except at its terminals.
Fines for traffic violations.
Ice and other refrigerants.
Lodging for drivers and miscellaneous transportation employees.
Meals for drivers and miscellaneous transportation employees.
Payments to customers' employees for services after hours.
Pilots cars and drivers, cost of providing.
Plates, vehicle identification (State and others, not renewable periodically).
Repairs to transportation structures, fixtures and equipment.
Tolls—bridge, tunnel, highway and ferry.
Uniforms for drivers.
Wages, materials and tools used in, and amounts paid others for, clearing and sanding roads.
Weighing freight, other than at carrier's terminals.

4285 Operating rents.

(a) This account shall include rental payments for real estate and other property, except revenue equipment, used in motor carrier operations by the Transportation Department not provided for elsewhere.

(b) This account shall be credited with amounts receivable as rents for the use of real estate and other property except revenue equipment, of the Transportation Department not provided for elsewhere.

(c) This account shall also include amounts receivable as rental from the sublease of property rented from others if amounts payable as rent for the property by the reporting carrier are charged hereto.

NOTE A: Amounts payable or receivable for rental of real estate and other property included in the lease of a distinct operating unit (see definition 22) shall be included in account 5400—Lease of Distinct Operating Unit—Debit, or account 5500—Lease of Distinct Operating Unit—Credit, as appropriate.

NOTE B: Rentals for property and equipment used in noncarrier operations shall be included in account 6100—Income from Non-Carrier Operations—Net.

NOTE C: Rentals for the use of revenue equipment shall be included in account 4270—Purchased Transportation.

4300 Terminal.

4310 Supervision.

This account shall include the total of amounts included in accounts 4311 to 4313 inclusive.

4311 Supervisory salaries.

This account shall include the salaries and bonuses of officials and other employees engaged in general supervision of terminal operations.

4312 Salaries and fees; billing and collecting.

This account shall include the pay of cashiers and other employees engaged in rating, billing and manifesting freight shipments and payments to outside organizations for manifesting, rating or collecting freight bills.

4313 Other office employees.

This account shall include the pay of stenographers, typists, telephone operators, information clerks and all other terminal office employees not provided for in accounts 4311 and 4312.

4320 Office and other expenses.

This account shall include the cost of office supplies and other supplies and expenses consumed in connection with the administrative functions of the terminal department.

ITEMS

Automobiles, maintenance and operation of, including taxes on gasoline, oil, tires and tubes.
Books.
Entertainment.
Hotels and meals.
Membership fees and dues in trade and other associations.
Postage.
Rents paid for the use of typewriters and other office machines.
Repairs to terminal office furniture, fixtures and equipment.
Stationery and printing.
Subscriptions to newspapers, trade journals, etc.
Traveling expenses.
Towel service.

4340 Salaries and wages; platform employees.

This account shall include the salaries and wages of platform superintendents, foremen, checkers, loaders, platform truckers, and other employees, including casual labor, engaged in loading, unloading and platform handling of freight at the carrier's terminals. (See instruction 11.)

4345 Employees' welfare expenses.

This account shall be charged with the costs incurred for the benefit of terminal employees in accordance with provisions of instruction 28.

4350 Other terminal employees.

This account shall include the pay of yardmen, watchmen, cleaners, janitors and other miscellaneous terminal employees.

4360 Commission agents.

This account shall include amounts paid to others on a commission or other basis for the solicitation, terminal handling and pickup and delivery of freight at points where the carrier does not operate terminals or participate with other carriers in joint terminal facilities. Include also amounts allowed commission agents for expenses such as advertising, rent, light, heat, power and water, telephone and telegraph service, and items of a similar nature.

NOTE A: Payments for the pickup and delivery of freight by commission agents shall be included in account 4270—Purchased Transportation, if they can be segregated from amounts paid agents for terminal handling, solicitation, and other expenses.

NOTE B: Commissions paid to freight solicitors, other than commission agents as set out in this account, are includible in account 4410—Supervision.

4380 Other terminal expenses.

This account shall include the cost of platform supplies and other expenses incurred in connection with the operation of terminals.

ITEMS

Ash removal.
Cleaning supplies.
Drinking water and refrigerants.
Heating or cooling including supplies.
Janitor service.
Laundry service, including supplies.
Lighting and electric power.
Repairs to terminal structures, platform furniture, fixtures and equipment.
Snow and dust removal.
Sprinkling terminal grounds.
Tools and supplies for terminal use.
Weighing freight at terminals.

4385 Operating rents.

(a) This account shall include rental payments for real estate and other property, used in motor carrier operations by the Terminal Department, not provided for elsewhere.

(b) This account shall be credited with amounts receivable as rents for the use of real estate and other property of the Terminal Department, not provided for elsewhere.

(c) This account shall also include amounts receivable as rental from the sublease of property rented from others if amounts payable as rent for the property by the reporting carrier are charged hereto.

NOTE A: Amounts payable or receivable for rental of real estate and other property included in the lease of a distinct operating unit (see definition 22) shall be included in account 5400—Lease of Distinct Operating Unit—Debit, or account 5500—Lease of Distinct Operating Unit—Credit, as appropriate.

NOTE B: Rentals for property and equipment used in noncarrier operations shall be included in account 6100—Income from Non-Carrier Operations—Net.

4391 Joint terminal facilities; debit.

This account shall include the carrier's proportion of costs incurred by others in maintaining and operating joint terminal equipment and facilities. (See definition 23 and instruction 25(a).)

4396 Joint terminal facilities; credit.

This account shall include the amounts chargeable to others as their proportions of the costs incurred by the reporting carrier in maintaining and operating joint terminal equipment and facilities. (See definition 23 and instruction 25 (b).)

4400 Traffic.

4410 Supervision.

(a) This account shall include the salaries and bonuses of officers, traffic managers and other employees who are directly in charge of the promotion and solicitation of traffic.

(b) This account shall also include the salaries and commissions of employees engaged in the solicitation of traffic, such as salesmen, solicitors and estimators, and commissions and fees paid to outside organizations for the solicitation of traffic with the exception of payments to commission agents (see account 4360); salaries of employees engaged in preparing tariffs, schedules and statistical data, and preparing and distributing advertising matter for the purpose of obtaining traffic; and salaries of other traffic department employees such as stenographers, typists, clerks, etc.

4420 Office and other expenses.

This account shall incluude all supervisory expenses not provided for elsewhere, including the cost of maintaining and operating automobiles; the carrier's proportion of expenses of traffic associations and membership fees in trade, technical and professional associations; officers and employees' hotel and traveling expenses; postage; and stationery and printing.

4430 Tariffs and schedules.

This account shall include the cost of printing and other expenses, except salaries, incurred in the preparation of tariffs and schedules, including postage and transportation charges. This account shall also include amounts payable to outside agencies for publishing the carrier's tariffs and schedules.

4445 Employees' welfare expenses.

This account shall be charged with the costs incurred for the benefit of traffic employees in accordance with provisions of instruction 28.

4450 Advertising.

This account shall include expenses, other than salaries, in connection with advertising for the purpose of securing traffic, such as the preparation, printing and distribution of advertising matter and copy, commissions and fees paid outside advertising agents, the cost of advertising space in newspapers and periodicals, expenses incurred in connection with advertising by radio, the cost of operating and maintaining neon and other display signs (permanent or portable) for attracting traffic, bulletin boards, display cards and cases, and photographs; also postage and express charges on advertising matter, cost of bill posting, etc.

4480 Other traffic expenses.

This account shall be charged with traffic department expenses that are not provided for elsewhere.

4485 Operating rents.

(a) This account shall include rental payments for real estate and other property used in motor carrier operations by the Traffic Department, not provided for elsewhere.

(b) This account shall be credited with amounts receivable as rents for the use of real estate and other property of the Traffic Department, not provided for elsewhere.

(c) This account shall also include amounts receivable as rental from the sublease of property rented from others if amounts payable as rent for the property by the reporting carrier are charged hereto.

NOTE A: Amounts payable or receivable for rental of real estate and other property included in the lease of a distinct operating unit (see definition 22) shall be included in account 5400—Lease of Distinct Operating Unit—Debit, or account 5500—Lease of Distinct Operating Unit—Credit, as appropriate.

NOTE B: Rentals for property and equipment used in noncarrier operations shall be included in account 6100—Income from Non-Carrier Operations—Net.

4500 Insurance and safety.

4510 Supervision.

This account shall include the salaries or wages, and bonuses, of insurance and safety department employees, and payments to others, as follows:

(a) The salaries of officers and other employees who are engaged in general supervision of the insurance and safety department.

(b) The salaries of employees engaged in handling insurance, safety, and claims.

(c) The salaries of officers and employees of the law department when specifically assigned to and engaged in injury, loss and damage cases, and payments to attorneys, investigators, adjustors, etc., who are not regular employees of the carrier, for services in connection with such cases.

4520 Office and other expenses.

(a) This account shall include all supervisory expenses not provided for elsewhere, including the cost of maintaining and operating automobiles; special costs incurred in procuring insurance, such as brokerage fees (not included in premiums), notarial fees, and insurance inspection service; costs of safety-first and other campaigns among employees or the public for the purpose of preventing accidents, losses and damage; officers' and employees' hotel and other traveling expenses including those of employees of the law department when specifically assigned to and engaged in injury, loss and damage cases; the cost of memberships in trade, technical and professional associations; postage; stationery and printing; rents paid for the use of typewriters

and other office machines; and subscriptions to newspapers, trade journals, etc.

(b) Reimbursements from insurance companies or others for expenses charged to this account in connection with injury, loss and damage cases shall be credited to this account.

4530 Public liability and property damage.

(a) This account shall include the net cost (i.e., the amounts of premiums less the amounts of dividends or refunds), of commercial insurance to protect the carrier against liability for deaths of or injuries to persons (other than the carrier's employees), and damages to the property of others (except property intrusted to the carrier for transportation or storage), resulting from the operation of owned and leased vehicles in motor carrier service. (See instruction 22(d).)

(b) This account shall also be charged each month and account 2680—Injuries, Loss and Damage Reserves, shall be credited with amounts sufficient to meet the probable liability under the classes of risks set out in paragraph (a) of this account 4530, not covered by commercial insurance.

4540 Workmen's compensation.

(a) This account shall include the net cost (i.e., the amounts of premiums less the amounts of dividends or refunds) of insurance required to provide for workmen's compensation or similar employee protection in connection with motor carrier operations, whether such insurance is provided by means of premiums payable to governmental agencies or commercial insurance companies. (See instruction 22(d).)

(b) This account shall also be charged each month and account 2680—Injuries, Loss and Damage Reserves, shall be credited, with amounts sufficient to meet the probable liability not covered by outside insurance, on account of claims for injuries to and deaths of employees arising under workmen's compensation and employer's liability acts.

NOTE: Payments to or on behalf of employees, other than claims covered by this account, including accident and death benefits, salaries, fees and expenses of surgeons, doctors, nurses, hospital expenses and medical supplies, etc., shall be accounted for as provided in instruction 28.

4545 Employees' welfare expenses.

This account shall be charged with the costs incurred for the benefit of insurance and safety department employees in accordance with provisions of instruction 28.

4550 Cargo loss and damage.

(a) This account shall include the net cost (i.e., the amounts of premiums less the amounts of dividends or refunds), of commercial insurance to protect the carrier against liability for claims resulting from loss and damage to, or delay of, property intrusted to it for transportation or storage. (See instruction 22(d).)

(b) This account shall also be charged each month and account 2680—Injuries, Loss and Damage Reserves, shall be credited, with amounts sufficient to meet the probable liability for claims under the classes of risks set out in paragraph (a) of this account 4550, that are not covered by commercial insurance.

(c) A freight claim register shall be maintained by all carriers in the form set out in instruction 22(e).

4560 Fire, theft and collision.

(a) This account shall include the net cost (i.e., the amounts of premiums less the amounts of dividends or refunds) of commercial insurance to protect the carrier against loss from fire, theft or collision damage to owned or leased vehicles and for fire insurance on structures, machinery, equipment, etc., used in motor carrier operations. (See instruction 22(f).)

(b) In case a carrier shall carry its own insurance risks, either wholly or in part, for the classes of coverage set out in paragraph (a) above, this account shall be charged each month and account 2660—Insurance Reserves, shall be credited, with an amount sufficient to meet the probable loss not covered by commercial insurance.

(c) If commercial or self-insurance coverage is not maintained by the carrier, losses arising under the classes of risks set out in paragraph (a) of this account 4560 shall be accounted for as provided in instruction 22 (b) and (f).

4570 Other insurance expense.

(a) This account shall include the net cost (i.e., the amounts of premiums less the amounts of dividends or refunds), of commercial insurance to protect the carrier against loss from boiler; burglar; fidelity; holdup; lightning; plate glass; owners, landlords, and tenants liability; and other risks not elsewhere provided for. (See instruction 22.) This account shall also be charged with premiums on performance and similar bonds.

(b) In case a carrier shall carry its own insurance risks, either wholly or in part, for the classes of coverage set out in paragraph (a) above, this account shall be charged each month and account 2660—Insurance Reserves, shall be credited, with an amount sufficient to meet the probable loss not covered by commercial insurance.

(c) If commercial or self-insurance coverage is not maintained by the carrier, losses arising under the classes of risks set out in paragraph (a) of this account 4570 shall be accounted for as provided in instruction 22 (b) and (f).

4580 Other insurance and safety department expenses.

This account shall be charged with insurance and safety department expenses other than risks or claims that are not provided for elsewhere.

4585 Operating rents.

(a) This account shall include rental payments for real estate and other property used in motor carrier operations by the Insurance and Safety Department, not provided for elsewhere.

(b) This account shall be credited with amounts receivable as rents for the use of real estate and other property of the Insurance and Safety Department, not provided for elsewhere.

(c) This account shall also include amounts receivable as rental from the sublease of property rented from others if amounts payable as rent for the property by the reporting carrier are charged hereto.

NOTE A: Amounts payable or receivable for rental of real estate and other property included in the lease of a distinct operating unit (see definition 22) shall be included in account 5400—Lease of Distinct Operating Unit—Debit, or account 5500—Lease of Distinct Operating Unit—Credit, as appropriate.

NOTE B: Rentals for property and equipment used in noncarrier operations shall be included in account 6100—Income From Non-Carrier Operations—Net.

4600 Administrative and general.

4610 Supervision.

This account shall include the total of amounts included in accounts 4611 to 4613, inclusive.

4611 Salaries; general officers.

(a) This account shall include the salaries, bonuses, and other forms of consideration for services of general officers whose jurisdiction extends over the carrier's entire transportation system, and also fees payable to receivers or trustees appointed by the courts. As here used, the term "general officers" would ordinarily include the following:

Chairman of the Board.	General Counsel.
President.	General Secretary.
Vice Presidents.	General Auditor.
Treasurer.	General Manager.
Comptroller.	

The salaries of the officers enumerated above shall be included in this account regardless of the fact that they may also perform duties in connection with the maintenance, transportation, terminal or other functional operations of the carrier, except that the pay of officers in charge of other functions who perform no general administrative duties, shall be charged to the appropriate accounts provided for the pay of supervisory employees in those groups of accounts.

(b) This account shall also include the amounts designated as salaries of sole proprietors, and partners in charge of the administration of non-incorporated motors carriers.

4612 Salaries; revenue accounting.

This account shall include the pay of employees engaged in handling revenue accounting such as, machine operators, sorters, file clerks, cashiers, revision clerks and employees handling interline accounting and credits.

4613 Salaries; other general office employees.

This account shall include the pay of all other general office employees not includible in account 4612, such as office managers, chief accountants, bookkeepers, attorneys, purchasing agents, stenographers, typists, switchboard operators, clerks, janitors, watchmen and

other employees attached to the general office.

4620 Office and other expenses.

This account shall include the total of amounts included in accounts 4621 to 4623, inclusive.

4621 Expenses of general officers.

This account shall include expenses incurred for the benefit of motor carrier operations by officers whose salaries are includible in account 4611 such as:

Cost of operation and maintenance of automobiles.
Traveling expenses.
Membership fees and dues in trade and professional organizations.

4622 Expenses of general office employees.

This account shall include traveling and incidental expenses incurred by general office employees whose salaries are includible in accounts 4612 or 4613, such as:

Cost of operations and maintenance of automobiles.
Traveling expenses.
Membership fees and dues in trade and professional organizations.

4623 Other general office expenses.

This account shall include the cost of supplies and expenses incurred in connection with the carrier's general administrative functions.

ITEMS

Books.
Drinking water and refrigeration.
Heat, light, power and water.
Janitor and cleaning supplies.
Postage.
Printed forms for general office use.
Rent for office machines.
Repairs to general office furniture and equipment.
Stationery and office supplies.
Subscriptions to newspapers, clipping bureaus, periodicals, etc.
Towel service.

4630 Law expenses.

This account shall include the cost of operating the carrier's law department, other than salaries of employees, including amounts payable to others for legal services and related expenses not provided for in other operating expense accounts (see account 4510).

ITEMS

Cost of lawsuits.
Cost of preparing and printing agreements, briefs, reports, etc.
Court costs.
Court fees.
Law books, periodicals and subscriptions to special services.
Law expenses of receivers.
Legal forms, law office supplies, postage and stationery.
Meals because of overtime work.
Payments to outside attorneys.
Premiums on court and other bonds.
Printing.
Tax reports, claims, etc., when handled by legal staff.
Transcripts of testimony, copies of exhibits, etc.
Traveling expenses of outside attorneys, witnesses, etc.
Witness fees.

NOTE A: The pay of the legal staff of the carrier shall be included in account 4611—Salaries—General Officers, 4613—Salaries—Other General Office Employees, or other appropriate accounts.

NOTE B: The pay of law department officers and employees engaged in formal cases before regulatory commissions, in cases to which such a commission is a party, or when specifically assigned to injury and damage cases, shall be charged to account 4670—Regulatory Expenses, account 4510—Supervision, or other appropriate accounts. (See instruction 11.)

NOTE C: Law expenses incident to the purchase of operating rights, the acquisition of such rights from Federal or State Commissions or securing from local authorities of franchises or consents with a life of more than 1 year shall be charged to the appropriate subdivision of account 1500—Organization, Franchises, and Permits, or account 1550—Other Intangible Property. Law expenses incident to the issuance of long-term debt or capital stock shall be charged to account 1880—Unamortized Debt Discount and Expense, account 2400—Unamortized Premium on Debt, or account 1910—Commission and Expense on Capital Stock, as appropriate.

4635 Outside auditing expenses.

This account shall include the cost of auditing and accounting services rendered by individuals or firms other than the carrier's own employees.

NOTE: The fees and expenses paid independent auditors and accountants for preparing financial and other statements incident to the issuance of long-term debt and capital stock, or to the acquisition of operating rights, shall be charged, as appropriate, to account 1880—Unamortized Debt Discount and Expense, account 2400—Unamortized Premium on Debt, account 1910—Commission and Expense on Capital Stock, account 1511—Franchises, or account 1550—Other Intangible Property. (See Note B under account 1511.)

4640 Communication service.

This account shall include the cost, including excise taxes, of all communication service payable to outside companies, such as telephone, teletypewriter, telegraph, radio, etc.

4645 Employees' welfare expenses.

This account shall be charged with the costs incurred for the benefit of general office employees in accordance with provisions of instruction 28.

4650 Management and supervision fees.

(a) This account shall include the amounts of fees and expenses incurred for services received from others under a service contract or other arrangement providing for the furnishing of general management, supervision, purchasing, financial or other general services.

(b) The records supporting the entries in this account shall be so maintained as to show the respective amounts paid to each provider of the service with respect to each class of service so furnished and the basis upon which the fees are assessed. If the costs incurred in the first instance by the person furnishing the service are apportioned to several recipients thereof, the records of the carrier shall indicate the aggregate cost to the furnishing person and the method of apportionment to the carrier.

(c) This account shall be subdivided to reflect:

(1) Fees and expenses of affiliated companies.

(2) Fees and expenses of other persons (see definition 29).

4660 Uncollectible revenues.

(a) This account shall be charged, and account 1120—Accounts Receivable—Agents, Customers and Interline, shall be credited, with receivables for carrier operating revenues, including interline proportions of revenue due from other carriers, which, after a reasonably diligent effort to collect, have proved impracticable of collection. If accounts which have been so written off are afterwards collected, the amount received shall be credited to this account: *Provided, however,* That such recoveries are from accounts charged off against this account.

(b) Charges to this account may be made monthly on the basis of the estimated average loss of revenue due to uncollectible accounts, in which case the concurrent credit shall be to account 2650—Reserve for Uncollectible Accounts. To the reserve thus established shall be charged such amounts as are determined to be uncollectible, and amounts written off and subsequently collected shall be credited to the reserve. When charges to this account are made by estimate, the estimate shall be adjusted at the end of each calendar year to conform to the experience of the accounting carrier as determined by analysis of its accounts receivable.

NOTE: Losses on receivables for other than carrier operating revenues, and losses on notes or claims receivable, shall be accounted for as provided in item (c) of account 7500—Other Deductions.

4670 Regulatory expenses.

(a) This account shall include expenses incurred by the carrier in connection with formal cases before Federal or State regulatory bodies or cases to which such a body is a party; also include payments made to a regulatory commission for fees or amounts assessed against the carrier for pay and expenses of the regulatory commission, its officers, agents and employees, other than those incurred in securing certificates of convenience and necessity and authority for the issuance of securities. (See Note B.)

(b) Amounts includible in this account which by approval or direction of the Commission are to be spread over future periods shall be charged to account 1890—Other Deferred Debits, and amortized by charges to this account.

ITEMS

Fees retainers, and expenses of counsel, solicitors, attorneys, clerks, attendants, witnesses, and others whose services are secured for the defense or prosecution of petitions or complaints presented to regulatory bodies.
The pay of officers and employees specifically assigned to or engaged in the valuation of property owned or used by the carrier, in connection with such cases, and the cost of similar work performed by others.

Amounts assessed by Federal and state regulatory commissions for pay and expenses of their officers, agents, and employees; office and traveling expenses; stationery, printing and engineering supplies; and other expenses and supplies including expenses of officers and employees upon matters covered by this account even though no portion of their pay is assignable hereto.

NOTE A: Expenses incurred for the improvement of service, for additional inspection, or rendering reports which are made necessary by the rules and regulations, or orders, of regulatory bodies, shall be charged to the appropriate operation and maintenance expense accounts.

NOTE B: Expenses incident to securing certificates of convenience and necessity from regulatory bodies shall be charged to the appropriate subdivisions of account 1500—Organization, Franchises and Permits. Expenditures incident to securing authorization for issuance of long-term debt or capital stock shall be charged to account 1880—Unamortized Debt Discount and Expense, account 2400—Unamortized Premium on Debt, or account 1910—Commission and Expense on Capital Stock, as appropriate.

4675 Purchasing and store expenses.

(a) This account shall include the cost of operating the carrier's purchasing department including amounts payable to persons, other than officers and employees of the carrier, for technical advice and services incident to the purchase of parts, gasoline, stationery supplies, etc. (See, however, account 4650—Management and Supervision Fees.)

(b) This account shall include credits for cash and other discounts when it is not practicable to apply such discounts directly to the cost of the materials to which they relate.

(c) This account shall include differences arising from inventory adjustments which have not been otherwise apportioned in accordance with Note B under account 1180—Material and Supplies.

NOTE: Suitable proportions of items included in this account may be allocated to the cost of materials and supplies. (See account 1180.)

4680 Other general expenses.

(a) This account shall include all general expenses connected with motor carrier operations not provided for elsewhere, including fees and expenses payable to the carrier's directors or trustees; expenses in connection with publishing and mailing reports and notices to stockholders, etc.; cash overages and shortages, other than defalcation of the carrier's funds; and fees and expenses of filing annual reports and other documents not specifically related to the obtaining of certificates or applications for issuance of securities; and repairs to general office structures and fixtures.

(b) This account shall also include contributions for charitable, social, or community welfare purposes, except contributions to employees' welfare associations (see instruction 28), and contributions provided for in account 7500—Other Deductions.

4685 Operating rents.

(a) This account shall include rental payments for real estate and other property, used in motor carrier operations by the Administrative and General Department, not provided for elsewhere.

(b) This account shall be credited with amounts receivable as rents for the use of real estate and other property of the Administrative and Genearl Department, not provided for elsewhere.

(c) This account shall also include amounts receivable as rental from the sublease of property rented from others if amounts payable as rent for the property by the reporting carrier are charged hereto.

NOTE A: Amounts payable or receivable for rental of real estate and other property included in the lease of a distinct operating unit (see definition 22) shall be included in account 5400—Lease of Distinct Operating Unit—Debit, or account 5500—Lease of Distinct Operating Unit—Credit, as appropriate.

NOTE B. Rentals for property and equipment used in noncarrier operations shall be included in account 6100—Income from Non-Carrier Operations—Net.

4691 Joint operating expense; debit.

This account shall include the carrier's proportion of costs incurred by others in maintaining and operating joint facilities for general purposes, such as a general office, or when amounts payable cannot be segregated between the functional groups of expense accounts provided in this system of accounts. (See definition 23 and instruction 25(a).)

4696 Joint operating expense; credit.

This account shall include the amounts chargeable to others as their proportions of the costs incurred by the reporting carrier in maintaining and operating joint facilities used for general purposes, such as a general office, or when the amounts receivable cannot be segregated between the functional groups of expense accounts provided in this system of accounts. (See definition 23 and instruction 25(a).)

DEPRECIATION EXPENSE

5000 Depreciation expense.

(a) This account shall include the amount of depreciation charges accruing each month for all classes of depreciable property owned by the carrier and used by it in motor carrier operations or leased to others as part of a distinct operating unit (see definition 22), including depreciation of the carrier's improvements to property leased from others. (See instruction 23.)

(b) The following subdivisions of this account shall be maintained.

5010 Depreciation of structures.

This account shall include depreciation of structures situated on owned land, including all appurtenant fixtures permanently attached thereto, and of improvements to owned land and other structures or constructions, the investment in which is included in account 1210—Structures.

5020 Depreciation of revenue equipment.

(a) This account shall include depreciation of revenue equipment. (See list of items in account 1220—Revenue Equipment.)

(b) This account shall be subdivided as follows (see instruction 27):

5021—Line Haul Equipment.
5025—Pickup and Delivery Equipment.

5030 Depreciation of service cars and equipment.

This account shall include depreciation of automobiles, wreckers, sand and salt cars, tow cars and other service equipment, the investment in which is included in account 1230—Service Cars and Equipment.

5040 Depreciation of shop and garage equipment.

This account shall include depreciation of machinery and equipment, the investment in which is included in account 1240—Shop and Garage Equipment.

5050 Depreciation of furniture and office equipment.

This account shall include depreciation of furniture, office appliances and equipment, the investment in which is included in account 1250—Furniture and Office Equipment.

5060 Depreciation of miscellaneous equipment.

This account shall include depreciation of equipment employed by the carrier in motor carrier operations and not provided for elsewhere, the investment in which is included in account 1260—Miscellaneous Equipment.

5070 Depreciation of improvements to leasehold property.

This account shall include depreciation of improvements to leasehold property installed by the carrier, the investment in which is included in account 1270—Improvements to Leasehold Property.

5080 Depreciation of undistributed property.

This account shall include depreciation of property temporarily included in account 1280—Undistributed Property.

5100 Depreciation adjustment.

This account shall include amounts representing adjustments for over or under accruals of depreciation when carrier operating property, depreciated under the unit plan, is retired from service. (See instruction 21(a).)

AMORTIZATION EXPENSE

5150 Amortization of carrier operating property.

This account shall be charged, and account 2600—Reserve for Amortization—Carrier Operating Property, shall be credited each month, with amortization charges applicable to amounts representing the cost of acquiring long-term leaseholds of land and easements used in carrier operations carried in account 1201—Land and Land Rights, and to amounts of fixed-term motor carrier franchises, permits, consents, licenses and patent rights carried in account 1500—Organization, Franchises and Permits. This account shall also be charged with the

unamortized book cost of such items at the time of retirement. (See instruction 21(b)(1).)

NOTE: Amortization charges on the book cost of intangible items that are not restricted to a fixed term, included in account 1500—Organization, Franchises and Permits and account 1550—Other Intangible Property, shall be charged to account 7500—Other Deductions. (See instruction 23(d).)

TAXES AND LICENSES

5200 Operating taxes and licenses.

(a) This account shall include the amount of Federal, State, county, municipal, and other taxing district taxes, which relate to motor carrier operations and property used therein (except taxes provided for in account 8800—Income Taxes on Ordinary Income).

(b) This account shall be charged each month with the amount of taxes applicable thereto, with concurrent credits to account 2120—Taxes Accrued, or account 1170—Prepayments, as appropriate. When it is not possible to determine the actual taxes, they shall be estimated and the applicable portion of the total tax included in this account each month. Taxes included in this account on an estimated basis shall be adjusted when the actual levies become known. Taxes on gasoline, other motor fuel and motor oil, shall be included in this account at the time of purchase.

(c) The records shall be kept so as to show separately for each of the following subdivisions the amount of each class of tax included in this account and the basis on which it is levied, segregated between the amounts levied by the Federal Government, and by State, municipal, and other taxing authorities.

5210 Gasoline, other fuel and oil taxes.

This account shall include all taxes on motor fuel and motor oil consumed by vehicles in motor carrier operations during the current accounting period, and shall be segregated as follows (see instruction 27):

5211—Line Haul Equipment.
5215—Pickup and Delivery Equipment.

NOTE: Taxes on gasoline and oil used in service equipment and automobiles shall be included in the accounts charged with other expenses of such vehicles.

5220 Vehicle license and registration fees.

This account shall include the cost of all taxes, licenses and fees assessed for the privilege of operating revenue vehicles over the highways, such as registration fees, license plate fees, mileage taxes, gross receipts taxes, gross weight taxes, ton-mile taxes, port of entry fees, permits for overload and oversize (when absorbed by the carrier), certificates of title fees, vehicle qualification fees and similar items, and shall be segregated as follows (see instruction 27):

5221—Line Haul Equipment.
5225—Pickup and Delivery Equipment.

NOTE: Licenses and registration fees for service equipment and automobiles shall be included in the accounts charged with other expenses of such vehicles.

5230 Real estate and personal property taxes.

This account shall include the amount of taxes based on the value of real estate and personal property.

5240 Social security taxes.

This account shall include the carrier's proportion of social security, unemployment, and old-age benefit taxes payable to the Federal and State governments.

5250 Other taxes.

This account shall include all other operating taxes, licenses, and fees not specifically provided for in accounts 5210 to 5240, inclusive.

ITEMS

Capital Stock taxes.
City licenses and permits.
Corporation taxes (for privilege of doing business as a corporation).
Gross receipts taxes not provided for elsewhere.
Occupancy taxes.
Permits to haul liquor, etc. (except overload or oversize).
Sales taxes paid by carrier as vendor.
Stock transfer taxes.
All other taxes, licenses or fees not otherwise provided for.

NOTE A: Taxes on property leased from others for use in motor carrier operations, when the lessee is obligated under the terms of the lease to pay such taxes in addition to stipulated rent, shall be included in these accounts.

NOTE B: All sales and excise taxes not provided for in these accounts shall be included in the account charged with the cost of the material, equipment or services to which the taxes apply.

NOTE C: The following other taxes and fees shall not be charged to this account:

1. Fees for filing annual reports and other documents not specifically related to certificates or applications for issuance of securities shall be charged to account 4680—Other General Expenses.

2. Special assessments for street or other improvements, and fees or charges, sometimes called taxes, such as water taxes, and charges for street sprinkling and sidewalk repairs, which are payments for some specific services rendered by municipal or other taxing bodies, shall be charged to the appropriate property investment accounts or operation and maintenance expense accounts. (See Note B under account 1201—Land and Land Rights.)

3. Taxes on property, the investment in which is included in account 1400—Non-Carrier Property, and other taxes incident to non-carrier operations, shall be charged to account 6100—Income from Non-Carrier Operations—Net.

4. Taxes on property leased to others as part of a distinct operating unit shall be charged to the account to which the rent revenue is credited. (See account 5500—Lease of District Operating Unit—Credit.)

5. Taxes paid on original issues of capital stock shall be included in account 1910—Commission and Expense on Capital Stock.

6. The cost of state and other identification plates, for which a small charge is made to cover cost of manufacture, shall be included in account 4280—Other Transportation Expenses.

LEASE OF DISTINCT OPERATING UNIT

5400 Lease of distinct operating unit; debit.

This account shall include amounts payable for rent of property constituting a distinct operating unit (see definition 22) or system leased from others for use in motor carrier operations when the carrier has exclusive possession.

5500 Lease of distinct operating unit; credit.

(a) This account shall include amounts receivable for rent of property constituting a distinct operating unit (see definition 22) leased by the carriers to others for use in motor carrier operations, when the lessee has exclusive possession.

(b) This account shall be charged with all expenses assumed by the lessor in connection with the property leased, and shall be subdivided to show separately for each such lease, the following:

(1) Rent revenue.
(2) Expenses.
(3) Taxes.
(4) Uncollectible rents.

NOTE: Accruals of depreciation on carrier operating property leased to others as part of a distinct operating unit shall be credited to account 2590—Reserve for Depreciation—Carrier Operating Property Leased to Others.

OTHER ORDINARY INCOME

6100 Income from non-carrier operations; net.

(a) This account shall include the revenues from and expenses incurred by the carrier in business activities that are not connected with its motor carrier operations, the investment in which is carried in account 1400—Non-Carrier Property.

(b) This account shall be subdivided to reflect separately:

(1) Revenue derived from noncarrier operations.

(2) Expenses incurred in noncarrier operations.

NOTE A: The expenses referred to in the text of this account include all elements of cost incurred in noncarrier operations, including depreciation and amortization of noncarrier property, rents, taxes (other than income taxes), insurance, etc.

NOTE B: Uncollectible income from noncarrier operations shall be included in this account. (See also account 7500—Other Deductions.)

NOTE C: Each carrier may adopt its own classification of revenues and expenses for this account. The classification shall be such, however, as to permit ready analysis.

6300 Interest income.

(a) This account shall include interest accruing to the accounting carrier upon securities of other companies and Federal, State, or municipal governments, on loans, notes, and advances; special deposits and all other interest bearing assets. Interest accrued shall not be credited to this account unless its payment is reasonably assured; in other cases, credits to this account shall be based upon the interest actually collected.

(b) This account shall be kept so as to show separately the interest income from each investment and from each affiliated company.

6400 Dividend income.

(a) This account shall include income derived by the accounting carrier from

the dividends on stock of other companies held by it. Accruals of guaranteed dividends may be included in this account if the payment is reasonably assured.

(b) This account shall be kept so as to show separately the dividend income from each investment and from each affiliated company.

6500 Other non-operating income.

This account shall include all income accrued to the accounting carrier in accordance with the terms of any contract by which the carrier is entitled to participate in the profits from the operations of others, and all other non-operating income not provided for in any of the foregoing accounts.

NOTE: "Profits from the operations of others" does not include any dividends on stock. Income from dividends shall be credited to account 6400—Dividend Income.

DEDUCTIONS FROM ORDINARY INCOME

7100 Interest.

(a) This account shall include all interest accrued on interest bearing obligations issued or assumed by the accounting carrier; also interest accrued on debentures and on receivers' certificates. This account shall not include interest on securities held by the accounting carrier in its treasury, in sinking or other special funds, or pledged as collateral

(b) This account shall be kept so as to show the interest expense (accrual) on each of the following:

(1) Advances.
(2) Bonds.
(3) Equipment obligations.
(4) Other long-term obligations.
(5) Current obligations.
(6) Matured long-term obligations.

7300 Amortization of debt discount and expense.

This account shall be charged each month with the applicable proportion of the unamortized discount and expense on outstanding long-term debt. This proportion shall be determined according to a rule, the uniform application of which during the interval between the issuance and maturity of any debt will completely amortize the discount at which such debt was issued and the debt expense connected therewith. Amounts charged to this account shall be concurrently credited to account 1880—Unamortized Debt Discount and Expense. (See instruction 17.)

7400 Amortization of premium on debt; credit.

This account shall be credited each month with the applicable proportion of the premium at which outstanding long-term debt was issued. This proportion shall be determined according to a rule the uniform application of which during the interval between the issuance and the maturity of any debt will completely amortize the premium at which such debt was issued. Amounts credited to this account shall be concurrently charged to account 2400—Unamortized Premium on Debt. (See instruction 17)

7500 Other deductions.

This account shall include all deductions from gross income not provided for in any of the foregoing accounts, such as:

(a) Unsecured accruals on obligations arising under contracts whereby the accounting carrier has guaranteed the annual or more frequent periodic payment of money or performance of other obligation on the part of another corporation or person and because of the default of such other corporation or person, the liability of the accounting carrier has become actual.

(b) Losses resulting from the operations of others, whenever, in accordance with the terms of any contract, the accounting carrier is bound to contribute toward reimbursement of such losses.

(c) Losses on receivables, notes or claims, that are not includible in account 4660—Uncollectible Revenues, or account 6100—Income from Non-Carrier Operations—Net.

(d) Amortization charges on the book cost of property included in account 1500—Organization, Franchises and Permits, and 1550—Other Intangible Property, which is not restricted to a fixed term, and other items among the carrier's assets. (See instruction 23(d))

(e) Contributions for charitable, social, or community welfare purposes that do not have a direct or intimate relationship to the protection of the property, development of the business or welfare of the carrier's employees. (See instruction 28, and account 4680—Other General Expenses)

(f) Penalties and fines for violations of law except for violations of traffic regulations which are provided for in account 4280—Other Transportation Expenses.

(g) The excess of premiums for life insurance carried on the lives of officers and employees over the increase in the cash surrender value of the policies, when the carrier is the beneficiary. (See note under instruction 22)

(h) Other deductions from gross income.

INCOME TAXES

8300 Income taxes on ordinary income.

(a) Monthly accruals for Federal, State, or other income taxes applicable to ordinary income shall be included in this account. See texts of account 8950—Income Taxes on Extraordinary and Prior Period Items, account 2938—Other Credits to Earned Surplus, and account 2948—Other Debits to Earned Surplus, for recording other income tax consequences.

Details pertaining to the tax consequences of other unusual and significant items and also cases where the tax consequences are disproportionate to the related amounts included in income accounts, shall be submitted to the Commission for consideration and decision as to proper accounting.

Income taxes which are refundable or reduced as the result of carry-back or carry-forward of operating loss shall be credited to this account, if a carry-back, in the year in which the loss occurs or, if a carry-forward, in the year in which such loss is applied to reduce taxes. However, when the amount constitutes an extraordinary item pursuant to instruction 8(a), it shall be included in account 8930—Prior Period Items.

(b) This account shall be subdivided as follows:

8810—Federal Income Taxes.
8820—State Income Taxes.
8830—Other Income Taxes.

NOTE: Personal income taxes of sole proprietors and members of partnerships shall not be charged to this account; if paid from funds of the business, the amounts thereof shall be charged to account 2800—sole proprietorship capital, or account 2810—partnership capital, as appropriate.

Extraordinary and Prior Period Items

8910 Extraordinary items (net).

(a) This account shall include extraordinary items accounted for during the current accounting year in accordance with instruction 8(a), upon approval of the Commission. Among the items which shall be included in this account are:

Net gain or loss on sale of land used for transportation purposes.

Net gain or loss on sale of securities acquired for long term investment purposes.

Net gain or loss on reacquisition of company bonds.

Loss on retirement of transportation property because of abandonment or other cause for which depreciation reserve has not been provided.

Changes in application of accounting principles.

(b) Income tax consequences of charges and credits to this account shall be included in account 8950—Income Taxes on Extraordinary and Prior Period Items.

(c) This account shall be maintained in a manner sufficient to identify the nature and gross amount of each debit and credit.

8930 Prior period items (net).

(a) This account shall include unusual delayed items accounted for during the current accounting year in accordance with the text of instruction 8(a), upon approval of the Commission. Among the items which shall be included in this account are:

Unusual adjustments, refunds, or assessments of income taxes of prior years.

Similar items representing transactions of prior years which are not identifiable with or do not result from business operations of the current year.

(b) Income tax consequences of charges and credits to this account shall be included in account 8950—Income Taxes on Extraordinary and Prior Period Items.

(c) This account shall be maintained in a manner sufficient to identify the nature and gross amount of each debit and credit.

8950 Income taxes on extraordinary and prior period items.

This account shall include the estimated income tax consequences (debit or credit) assignable to the aggregate of items of both taxable income and de-

ductions from taxable income which, for accounting purposes, are classified as unusual and extraordinary and are includible in account 8910—Extraordinary Items, or 8930—Prior Period Items, as appropriate.

8990 Form of income statement.

(The order in which the accounts are presented in this Form of Income Statement is not to be considered as necessarily indicative of the order in which they will be scheduled at all times in reports to the Commission.)

ORDINARY ITEMS

I. CARRIER OPERATING INCOME

Revenue:	
3000—Operating Revenues	$
Expenses:	
4000—Operation and Maintenance Expenses	
5000—Depreciation Expense	
5100—Depreciation Adjustment	
5150—Amortization of Carrier operating Property	
5200—Operating Taxes and Licenses	
Total Expenses	
Net Operating Revenue	
5400—Lease of Distinct Operating Unit—Debit	
5500—Lease of Distinct Operating Unit—Credit	
Net Carrier Operating Income	

II. OTHER INCOME

6100—Income from Non-Carrier Operations—Net	
6300—Interest Income	
6400—Dividend Income	
6500—Other Non-Operating Income	
Total Other Income	
Total Income	

III. MISCELLANEOUS DEDUCTIONS FROM INCOME

7100—Interest	
7300—Amortization of Debt Discount and Expense	
7400—Amortization of Premium on Debt—Credit	
7500—Other Deductions	
Total Miscellaneous Deductions	

IV. ORDINARY INCOME BEFORE INCOME TAXES

8300—Income Taxes on Ordinary Income	
Ordinary Income	

EXTRAORDINARY AND PRIOR PERIOD ITEMS

8910—Extraordinary Items (Net)	
8930—Prior Period Items (Net)	
8950—Income Taxes on Extraordinary and Prior Period Items	
Total Extraordinary and Prior Period Items	
Net Income (or Loss)	

CONDENSED CLASSIFICATION OF ACCOUNTS FOR CLASS II CARRIERS

9001 Instructions.

Entries recorded in the accounts prescribed for Class II motor carriers shall conform to the texts of corresponding Class I accounts.

9002 Pickup and delivery.

Class II common carriers which derive an average of 75 percent or more of their revenues from the intercity transportation of general commodities and which have average annual gross revenues of $500,000 or more, based on the three calendar years ending December 31, 1956, and on the latest three calendar years thereafter, shall separate expenses between line haul and pickup and delivery as provided in Instruction 27 Allocation of Expense Between Line Haul and Pickup and Delivery.

9003 Optional accounts.

Any Class II carrier subject to the provisions of this chart of accounts may, at its option, conform its accounting to the regulations prescribed for Class I carriers: *Provided, however*, That the exercise of such option shall not interfere with assembling or grouping such accounts, as hereinafter prescribed, for annual report purposes.

9004 Accounts prescribed.

Accounts maintained by Class II carriers shall be designated as follows and shall include the substance of the several Class I accounts to which they respectively correspond.

BALANCE SHEET—ASSET SIDE

ACCOUNTS PRESCRIBED FOR CLASS II CARRIERS		CLASS I ACCOUNTS	
	Current assets		*Current assets*
100	Cash and working funds	1000	Cash.
		1020	Working funds.
104	Special deposits	1040	Special deposits.
		1041	Interest special deposits.
		1042	Dividend special deposits.
		1043	Miscellaneous special deposits.
108	Notes receivable	1080	Notes receivable.
110	Receivables from affiliated companies	1100	Receivables from affiliated companies.
		1101	Loans and notes receivable.
		1105	Interest and dividends receivable.
		1109	Accounts receivable.
112	Accounts receivable—Other	1120	Accounts receivable—agents, customers, and interline.
		1130	Accounts receivable—other.
117	Prepayments	1170	Prepayments.
		1171	Prepaid taxes and licenses.
		1172	Prepaid insurance.
		1173	Prepaid interest.
		1174	Prepaid rents.
		1175	Prepaid stationery and printed matter.
		1176	Prepaid tires and tubes.
		1179	Miscellaneous prepayments.
118	Materials and supplies	1180	Material and supplies.
119	Other current assets	1060	Temporary cash investments.
		1140	Subscribers to capital stock.
		1160	Interest and dividends receivable.
		1190	Other current assets.
	Property and investments		*Tangible property*
120	Carrier property	1200	Carrier operating property.
		1300	Carrier operating property leased to others.
121	Land and structures	1201	Land and land rights.
		1210	Structures.
122	Revenue equipment	1220	Revenue equipment.
123	Service cars and equipment	1230	Service cars and equipment.
124	Other carrier property	1240	Shop and garage equipment.
		1250	Furniture and office equipment.
		1260	Miscellaneous equipment.
		1270	Improvements to leasehold property.
		1280	Undistributed property.
		1290	Unfinished construction.
140	Noncarrier property	1400	Noncarrier property.
			Intangible property
150	Organization, franchises and permits	1500	Organization, franchises and permits.
		1501	Organization.
		1511	Franchises.
		1541	Patents.
155	Other intangible property	1550	Other intangible property.
			Investment securities and advances
160	Investments and advances—affiliated companies.	1600	Investments and advances—affiliated companies.
165	Other investments, advances and special funds.	1650	Other investments and advances.
			Special funds
		1701	Sinking funds.
		1751	Depreciation funds.
		1781	Miscellaneous special funds.

BALANCE SHEET—ASSET SIDE

ACCOUNTS PRESCRIBED FOR CLASS II CARRIERS		CLASS I ACCOUNTS	
	Deferred and miscellaneous debits		*Deferred debits*
185	Deferred and miscellaneous debits	1880	Unamortized debt discount and expense.
		1890	Other deferred debits.
			Miscellaneous debit items
		1900	Discount on capital stock.
		1910	Commission and expense on capital stock.
186	Reacquired and nominally issued securities.	1920	Reacquired securities.
		1990	Nominally issued securities.

BALANCE SHEET—LIABILITY SIDE

ACCOUNTS PRESCRIBED FOR CLASS II CARRIERS		CLASS I ACCOUNTS	
	Current liabilities		*Current liabilities*
200	Notes payable and matured obligations.	2000	Notes payable.
		2020	Matured long-term obligations.
203	Payables to affiliated companies	2030	Payables to affiliated companies.
		2031	Loans and notes payable.
		2035	Interest and dividends payable.
		2039	Accounts payable.
205	Accounts payable	2050	Accounts payable.
		2051	Accounts payable—officers, stockholders and employees.
		2055	Interline account balances.
		2059	Accounts payable—other.
207	Salaries and wages payable	2070	Wages payable.
209	C.o.d.'s unremitted	2090	C.o.d.'s unremitted.
212	Taxes accrued	2120	Taxes accrued.
218	Other current and accrued liabilities	2100	Dividends declared.
		2150	Interest accrued.
		2160	Matured interest.
		2180	Other current liabilities.
	Long-term debt due within one year		*Long-term debt due within one year*
219	Equipment obligations and other debt.	2190	Equipment obligations and other debt.
	Equipment and other long-term obligations		*Advances payable*
220	Advances payable—affiliated companies.	2200	Advances payable—affiliated companies.
230	Equipment and other long-term obligations.	2250	Other advances payable.
			Equipment and other long-term obligations
		2300	Equipment obligations.
		2330	Bonds.
		2360	Other long-term obligations.
	Deferred credits and reserves		*Deferred credits*
240	Deferred credits	2400	Unamortized premium on debt.
		2450	Other deferred credits.
			Reserves
250	Reserve for depreciation—carrier property.	2500	Reserve for depreciation—carrier operating property.
		2590	Reserve for depreciation—carrier operating property leased to others.
251	Reserve for depreciation—structures.	2510	Reserve for depreciation—structures.
252	Reserve for depreciation—revenue equipment.	2520	Reserve for depreciation—revenue equipment.

BALANCE SHEET—LIABILITY SIDE

ACCOUNTS PRESCRIBED FOR CLASS II CARRIERS		CLASS I ACCOUNTS	
	Deferred credits and reserves		*Reserves*
253	Reserve for depreciation—service cars and equipment.	2530	Reserve for depreciation—service cars and equipment.
254	Reserve for depreciation—other carrier property.	2540	Reserve for depreciation—shop and garage equipment.
		2550	Reserve for depreciation—furniture office and equipment.
		2560	Reserve for depreciation—miscellaneous equipment.
		2570	Reserve for depreciation—improvements to leasehold property.
		2580	Reserve for depreciation—undistributed property.
260	Reserve for amortization—carrier property.	2600	Reserve for amortization—carrier operating property.
261	Reserve for depreciation and amortization—noncarrier property.	2610	Reserve for depreciation and amortization—other property.
269	Other reserves	2630	Reserve for adjustments—investments and advances.
		2650	Reserve for uncollectible accounts.
		2660	Insurance reserves.
		2680	Injuries, loss, and damage reserves.
		2690	Other reserves.
	Capital and surplus		*Capital stock*
270	Capital stock	2700	Preferred capital stock.
		2710	Common capital stock.
		2730	Capital stock subscribed.
			Proprietors' capital
280	Sole proprietorship capital	2800	Sole proprietorship capital.
281	Partnership capital	2810	Partnership capital.
			Capital surplus
290	Premiums and assessments on capital stock.	2900	Premiums and assessments on capital stock.
291	Other capital surplus	2910	Other capital surplus.
292	Earned surplus—appropriated	2920	Earned surplus—appropriated.
293	Earned surplus—unappropriated	2930	Earned surplus—unappropriated.

INCOME ACCOUNTS

ACCOUNTS PRESCRIBED FOR CLASS II CARRIERS		CLASS I ACCOUNTS	
	I *Carrier Operating Income*		I *Carrier Operating Income*
	Revenues		*Revenues*
300	Operating revenues	3000	Operating revenues.
310	Freight revenue—intercity common carrier.	3100	Freight revenue—intercity common carrier.
311	Freight revenue—intercity contract carrier.	3110	Freight revenue—intercity contract carrier.
312	Freight revenue—local cartage	3120	Freight revenue—local cartage.
313	Intercity transportation for other Class II and Class I motor carriers.	3130	Intercity transportation for other Class I and Class II motor carriers.
390	Other operating revenue	3900	Other operating revenue.

ACCOUNTS PRESCRIBED FOR CLASS II CARRIERS		CLASS I ACCOUNTS	
I Carrier Operating Income		*I Carrier Operating Income*	
Expenses		*Expenses*	
400	Operation and maintenance expenses.	4000	Operation and maintenance expenses.
410	Equipment maintenance.	4100	Equipment maintenance.
411	Supervision, office and other expenses.	4110	Supervision.
		4120	Office and other expenses.
413.0	Repairs and service—revenue equipment.	4130	Repairs and servicing—revenue equipment.
413.1	Line haul.	4131	Line haul.
413.5	Pickup and delivery.	4135	Pickup and delivery.
416.0	Tires and tubes—revenue equipment.	4160	Tires and tubes—revenue equipment.
416.1	Line haul.	4161	Line haul.
416.5	Pickup and delivery.	4165	Pickup and delivery.
418	Other maintenance expenses.	4145	Employees' welfare expenses.
		4180	Other maintenance expenses.
		4185	Operating rents.
419	Joint garage expense—net.	4191	Joint garage expense—debit.
		4196	Joint garage expense—credit.
420	Transportation.	4200	Transportation.
421	Supervision, office and other expenses.	4210	Supervision.
		4220	Office and other expenses.
423.0	Drivers and helpers.	4230	Drivers and helpers.
423.1	Line haul.	4231	Line haul.
423.5	Pickup and delivery.	4235	Pickup and delivery.
425.0	Fuel and oil—revenue equipment.	4250	Fuel for revenue equipment.
425.1	Line haul.	4251	Line haul.
425.5	Pickup and delivery.	4255	Pickup and delivery.
		4260	Oil for revenue equipment.
		4261	Line haul.
		4265	Pickup and delivery.
427.0	Purchased transportation.	4270	Purchased transportation.
427.1	Equipment rents—intercity—with drivers.	4271	Equipment rents—intercity—with drivers.
427.2	Equipment rents—intercity—without drivers.	4272	Equipment rents—intercity—without drivers.
427.3	Other purchased transportation—intercity.	4273	Other purchased transportation—intercity.
427.5	Equipment rents—pickup and delivery—with drivers.	4275	Equipment rents—pickup and delivery—with drivers.
427.6	Equipment rents—pickup and delivery—without drivers.	4276	Equipment rents—pickup and delivery—without drivers.
427.7	Other purchased pickup and delivery.	4277	Other purchased pickup and delivery.
427.9	Equipment rents—credit.	4279	Equipment rents—credit.
428	Other transportation expenses.	4245	Employees' welfare expenses.
		4280	Other transportation expenses.
		4285	Operating rents.
430	Terminal.	4300	Terminal.
431.0	Supervision.	4310	Supervision.
431.1	Supervisory salaries.	4311	Supervisory salaries.
431.2	Salaries and fees—billing and collecting.	4312	Salaries and fees—billing and collecting.
431.3	Other office employees.	4313	Other office employees.

ACCOUNTS PRESCRIBED FOR CLASS II CARRIERS		CLASS I ACCOUNTS	
I Carrier Operating Income		*I Carrier Operating Income*	
Expenses		*Expenses*	
432	Office and other expenses.	4320	Office and other expenses.
434	Salaries and wages—platform employees.	4340	Salaries and wages—platform employees.
435	Other terminal employees.	4350	Other terminal employees.
436	Commission agents.	4360	Commission agents.
438	Other terminal expenses.	4345	Employees' welfare expenses.
		4380	Other terminal expenses.
		4385	Operating rents.
439	Joint terminal facilities—net.	4391	Joint terminal facilities—debit.
		4396	Joint terminal facilities—credit.
440	Traffic.	4400	Traffic.
441	Supervision, office and other expenses.	4410	Supervision.
		4420	Office and other expenses.
443	Tariffs and schedules.	4430	Tariffs and schedules.
448	Other traffic expenses.	4445	Employees' welfare expenses.
		4450	Advertising.
		4480	Other traffic expenses.
		4485	Operating rents.
450	Insurance and safety.	4500	Insurance and safety.
451	Supervision, office and other expenses.	4510	Supervision.
		4520	Office and other expenses.
453	Public liability and property damage.	4530	Public liability and property damage.
454	Workmen's compensation.	4540	Workmen's compensation.
455	Cargo, loss and damage.	4550	Cargo, loss and damage.
456	Fire, theft and collision.	4560	Fire, theft and collision.
457	Other insurance expense.	4570	Other insurance expense.
458	Other insurance and safety department expenses.	4545	Employees' welfare expenses.
		4580	Other insurance and safety department expense.
		4585	Operating rents.
460	Administrative and general.	4600	Administrative and general.
461.0	Supervision.	4610	Supervision.
461.1	Salaries—general officers.	4611	Salaries—general officers.
461.2	Salaries—revenue accounting.	4612	Salaries—revenue accounting.
461.3	Salaries—other general office employees.	4613	Salaries—other general office employees.
462	Other general office expenses.	4620	Office and other expenses.
		4621	Expenses—general officers.
		4622	Expenses—general office employees.
		4623	Other general office expenses.
463	Law and outside auditing expenses.	4630	Law expenses.
		4635	Outside auditing expenses.
464	Communication service.	4640	Communication service.
466	Uncollectible revenues.	4660	Uncollectible revenues.
467	Regulatory expenses.	4670	Regulatory expenses.
468	Other general expenses.	4645	Employees' welfare expenses.
		4650	Management and supervision fees.
		4675	Purchasing and store expenses.
		4680	Other general expenses.
		4685	Operating rents.
469	Joint operating expense—net.	4691	Joint operating expense—debit.
		4696	Joint operating expense—credit.

INCOME ACCOUNTS

ACCOUNTS PRESCRIBED FOR CLASS II CARRIERS		CLASS I ACCOUNTS	
	I *Carrier Operating Income Expenses*		I *Carrier Operating Income Expenses*
500	Depreciation expense	5000	Depreciation expense.
501	Depreciation of structures	5010	Depreciation of structures.
502.0	Depreciation of revenue equipment	5020	Depreciation of revenue equipment.
502.2	Line haul	5021	Line haul.
502.5	Pickup and delivery	5025	Pickup and delivery.
503	Depreciation of service cars and equipment.	5030	Depreciation of service cars and equipment.
504	Depreciation of shop and garage equipment.	5040	Depreciation of shop and garage equipment.
505	Depreciation of furniture and office equipment.	5050	Depreciation of furniture and office equipment.
506	Depreciation of miscellaneous equipment.	5060	Depreciation of miscellaneous equipment.
507	Depreciation of other carrier property.	5070	Depreciation of improvements to leasehold property.
		5080	Depreciation of undistributed property.
510	Depreciation adjustment	5100	Depreciation adjustment.
515	Amortization of carrier property	5150	Amortization of carrier operating property.
520	Operating taxes and licenses	5200	Operating taxes and licenses.
521.0	Gasoline, other fuel and oil taxes	5210	Gasoline, other fuel and oil taxes.
521.1	Line haul	5211	Line haul.
521.5	Pickup and delivery	5215	Pickup and delivery.
522.0	Vehicle license and registration fees.	5220	Vehicle license and registration fees.
522.1	Line haul	5221	Line haul.
522.5	Pickup and delivery	5225	Pickup and delivery.
523	Real estate and personal property taxes.	5230	Real estate and personal property taxes.
524	Social security taxes	5240	Social security taxes.
525	Other taxes	5250	Other taxes.
540	Lease of distinct operating unit—debit.	5400	Lease of distinct operating unit—debit.
550	Lease of distinct operating unit—credit.	5500	Lease of distinct operating unit—credit.
	II *Other Income*		II *Other Income*
610	Income from noncarrier operations—net.	6100	Income from noncarrier operations—net.
650	Interest, dividends, and other nonoperating income.	6300	Interest income.
		6400	Dividend income.
		6500	Other nonoperating income.
	III *Miscellaneous Deductions from Income*		III *Miscellaneous Deductions from Income*
710	Interest	7100	Interest.
750	Other income deductions	7300	Amortization of debt discount and expense.
		7400	Amortization of premiums on debt—credit.
		7500	Other deductions.
880	Income taxes on ordinary income	8800	Income taxes on ordinary income.
		8810	Federal income taxes.
		8820	State income taxes.
		8830	Other income taxes.
	IV *Extraordinary and Prior Period Items*		IV *Extraordinary and Prior Period Items*
890	Extraordinary and prior period items (net).	8910	Extraordinary items (net).
		8930	Prior period items (net).
		8950	Income taxes on extraordinary and prior period items.

PART 1208—MARITIME CARRIERS

CROSS REFERENCE: For uniform system of accounts for operating-differential subsidy contractors, issued by Federal Maritime Board, Maritime Administration, Department of Commerce, see Title 46, Part 208.

01 Abstract from law: Interstate Commerce Act.

GENERAL INSTRUCTIONS

1 Definitions.
2 Records.
3 Unaudited items.
4 Submission of questions.
5 Terminated voyages.
6 Balance-sheet accounts.
7 Conversion of securities.
8 Contingent assets and liabilities.
9 Revenue accounts.
10 Expense accounts.
11 Extraordinary and prior period items.

BALANCE SHEET ACCOUNTS

ASSETS

100 Cash.
101 Cash on deposit; domestic.
106 Cash on deposit; foreign.
111 Imprest and petty cash funds.
114 Cash on hand and in transit.
115 Special cash deposits.
120 Marketable securities.
130 Notes receivable.
140 Notes and accounts receivable; related companies.
150 Accounts receivable.
151 Traffic accounts receivable.
155 Claims receivable.
160 Maritime Administration; accounts receivable.
165 Accounts receivable; miscellaneous.
169 Accrued accounts receivable.
170 Inventories.
171 Vessels stores, supplies, and equipment ashore.
175 Other shipping inventories.
180 Non-shipping inventories for sale.
185 Non-shipping inventories for consumption.
189 Miscellaneous inventories.
190 Other current assets.
191 Prepaid current insurance.
192 Other prepaid current expenses.
199 All other current assets.
200 Unterminated voyage expense.
300 Special funds and deposits.
301 Capital reserve fund.
302 Special reserve fund.
303 Construction reserve fund.
304 Insurance funds.
306 Debt retirement funds.
307 Escrow funds.
308 Construction funds.
309 Other special funds.
310 Restricted funds.
312 Special and guaranty deposits.
315 Investments.
316 Securities of related companies.
320 Non-current receivables; related companies.
325 Cash value of life insurance.
328 Other investments.
329 Reserve for revaluation of investments.
330 Property and equipment.
331 Floating equipment; vessels.
332 Reserve for depreciation; vessels.
337 Other floating equipment.
338 Reserve for depreciation; other floating equipment.
343 Terminal property and equipment.
344 Reserve for depreciation; terminal property and equipment.
349 Other shipping property and equipment.
350 Reserve for depreciation; other shipping property and equipment.
353 Non-shipping property and equipment.
354 Reserve for depreciation; non-shipping property and equipment.
359 Construction work in progress.
360 Other assets.
361 Claims pending.
362 Spare parts.
364 Notes and accounts receivable from officers and employees.
365 Interest accruals for deposit in statutory reserve fund.
367 Deferred operating-differential subsidy receivable.
368 Other non-current notes and accounts receivable.
369 Reserve for doubtful notes and accounts receivable.
370 Maritime Administration allowance for obsolete vessels.
374 Miscellaneous other assets.
375 Deferred charges and prepaid expenses.
376 Unexpired long-term insurance.
380 Advances to employees for expenses.
384 Debt discount and expense.
385 Leaseholds.
386 Organization and pre-operating expenses.
389 Deferred prepayments and other deferred charges.
390 Goodwill and other intangible assets.
391 Goodwill.
399 Other intangible assets.

LIABILITIES

400 Notes payable.
401 Bank loans.

410 Insurance notes.
414 Other short-term notes.
415 Notes and accounts payable; related companies.
420 Accounts payable.
421 Trade accounts payable.
422 Traffic accounts payable.
428 Officers and employees accounts payable.
430 Maritime Administration; accounts payable.
438 Dividends payable.
439 Miscellaneous accounts payable.
440 Accrued taxes payable.
459 Other accrued accounts payable.
479 Other current liabilities.
489 Miscellaneous reserves for unrecorded liabilities.
495 Advance ticket sales and deposits.
500 Unterminated voyage revenue.
525 Long-term debt.
526 Mortgage notes; Maritime Administration.
527 U.S. Government insured Merchant Marine mortgage bonds and mortgage notes.
530 Other mortgage bonds and debentures.
534 Other long-term debt.
540 Other liabilities.
541 Non-current payables; related companies.
549 Non-current notes and accounts payable; officers and employees.
550 Recapturable profits; Maritime Administration.
554 Miscellaneous other liabilities.
555 Deferred credits.
556 Premium on funded debt.
564 Miscellaneous deferred credits.
565 Operating reserves.
566 Reserve for repairs.
570 Reserve for insurance.
571 Reserve for pensions and welfare.
579 Miscellaneous operating reserves.
580 Net worth.
581 Capital stock.
585 Capital stock subscribed.
587 Discount on capital stock.
590 Capital surplus.
598 Earned surplus; appropriated.
599 Earned surplus; unappropriated.

INCOME ACCOUNTS

ORDINARY ITEMS

Water Line Operating Revenue

600 Operating revenue; terminated voyages.
601 Freight; foreign.
605 Freight; coastwise and intercoastal.
608 Passenger; foreign.
612 Passenger; coastwise and intercoastal.
615 U.S. mail; foreign.
616 U.S. mail; coastwise and intercoastal.
617 Foreign mail.
619 Ad valorem.
620 Charter revenue.
624 Other voyage revenue.

Subsidies

625 Operating-differential subsidy.

Other Shipping Revenue

640 Collections from pools.
645 Revenue from terminal operations.
650 Revenue from cargo handling operations.
655 Revenue from tug and lighter operations.
660 Revenue from other shipping operations.
670 Agency fees, commissions, and brokerage earned.

Other Credit Accounts

675 Interest income.
685 Dividend income.
690 Miscellaneous other income.
691 Release of premium on long-term debt.
695 Income from non-shipping operations.

Water Line Operating Expense

700 Operating expense; terminated voyages.
701 Wages.
708 Payroll taxes.
709 Contributions; welfare plans.
710 Subsistence; purchased domestic.
714 Subsistence; purchased foreign.
715 Stores, supplies, and equipment purchased domestic.
724 Stores, supplies and equipment; purchased foreign.
725 Other maintenance expense.
735 Fuel.
740 Repairs performed; domestic.
749 Repairs performed; foreign.
755 Insurance; hull and machinery.
757 Insurance; P. & I.
759 Insurance; other.
760 Charter hire.
764 Other vessel expense.
765 Agency fees and commissions.
770 Wharfage and dockage.
779 Other port expenses.
780 Stevedoring.
789 Other cargo expenses.
790 Freight brokerage.
793 Passenger brokerage.
795 Canal tolls.
799 Other voyage expense.
800 Inactive vessels expense.
850 Contributions to pools.
855 Expense of terminal operations.
865 Expense of cargo handling operations.
875 Expense of tug and lighter operations.
885 Expense of other shipping operations.
890 Interdepartmental credits for services and facilities.
900 Administrative and general expense.
901 Salaries of officers.
902 Wages of employees.
905 Legal and accounting fees and expenses.
910 Rent, heat, light, and power.
915 Communication expenses.
920 Office supplies, stationery, and printing.
925 Membership dues and subscriptions.
929 Entertaining and solicitation.
930 Traveling expenses.
931 Insurance and bond premiums.
932 Pensions and relief.
933 Postage.
934 Maintenance of office buildings and equipment.
944 Miscellaneous.
945 Management and operating commissions.
950 Advertising.
955 Taxes; miscellaneous.
972 Amortization; leaseholds.
980 Depreciation; shipping property and equipment.
981 Depreciation; floating equipment; vessels.
984 Depreciation; other floating equipment.
987 Depreciation; terminal property and equipment.
988 Depreciation; other shipping property and equipemnt.

Other Debit Accounts

960 Interest expense.
970 Amortization of deferred charges.
971 Amortization; debt discount and expense.
973 Amortization; organization and preoperating expense.
974 Miscellaneous amortization expense.
975 Doubtful notes and accounts receivable.
979 Miscellaneous deductions from income.
985 Expense of non-shipping operations.
986 Depreciation; non-shipping property and equipment.
989 Federal income taxes on ordinary income.

EXTRAORDINARY AND PRIOR PERIOD ITEMS

990 Extraordinary items (net).
994 Prior period items (net).
998 Federal income taxes on extraordinary and prior period items.

APPENDIX

CLEARANCE ACCOUNTS

1000 List of clearance accounts.
1001 Masters and pursers.
1005 Allotments on wages of crews.
1010 Agents and branch houses.
1012 Sub-agency operations.
1015 Related companies; accounts current.
1025 Collections and deposits for passenger transportation.
1030 Collections on unrecorded freight manifests.
1035 Advance and prepaid beyond charges, and miscellaneous manifested items.
1040 Bar accounts.
1045 Slop chest account.
1050 Foreign exchange account.
1055 Pool participation.
1060 Stores, supplies and equipment aboard vessels.
1095 Profit and loss account.

FINANCIAL STATEMENTS

2000 Balance sheet statement.
2001 Income statement.
2002 Water-line operating revenue and expense statement.

AUTHORITY: The provisions of this Part 1208 issued under sec. 12, 24 Stat. 383, as amended, 54 Stat. 933, sec. 20, 24 Stat. 386, as amended, 54 Stat. 944, as amended; 49 U.S.C. 12, 904, 20, 913.

01 Abstract from law: Interstate Commerce Act.

Parts I and III of the Interstate Commerce Act, of which section 313(c) of part III reads as follows:

The Commission may, in its discretion, for the purpose of enabling it the better to carry out the purposes of this part, prescribe a uniform system of accounts, applicable to any class of water carrier, and a period of time, within which such class shall have such uniform system of accounts and the manner in which such accounts shall be kept.

NOTE: For comparable provisions, under part I, see section 20(3).

GENERAL INSTRUCTIONS

1 Definitions.

When used in this system of accounts:

(a) "Additions" means structures, facilities, or equipment added to those in service and not replacing property or equipment previously in service.

(b) "Related companies" means companies or persons that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the accounting carrier.

NOTE: Where reference is made to control (in referring to a relationship between any person or persons and another person or persons), such reference shall be construed to include actual as well as legal control, whether maintained or exercised through or by reason of the method of or circumstances surrounding organization or operation, through or by common directors, officers, or stockholders, a voting trust or trusts, a holding or investment company or companies or through or by any other direct or indirect

means; and to include the power to exercise control.

(c) "Current assets" means cash, as well as those assets that are readily convertible into cash or are held for current operation, and other amounts accruing to the carrier and subject to settlement within one year from date of the balance sheet.

(d) "Current liabilities" means those obligations the amounts of which are definitely determined or can be closely estimated and which are either matured at the date of the balance sheet or become due upon demand or within one year from the date of the balance sheet.

(e) "Debt expense" means all expense in connection with the issuance and sale of evidences of long-term debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds, certificates of indebtedness, and other evidences of debt; fees paid trustees; specific cost of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing evidences of debt; fees and expenses of listing on exchanges; and other like costs.

(f) "Discount," as applied to securities issued or assumed by the carrier, means the excess of the par or face value of the securities, plus interest or dividends accrued to the date of the sale, over the cash value of the consideration received from the sale.

(g) "Nonshipping property" means property neither used in nor held for transportation service.

(h) "Premiums," as applied to securities issued or assumed by the carrier, means the excess of the cash value of the consideration received at their sale over the sum of their par or face value plus interest or dividends accrued to the date of sale.

(i) "Shipping property" means property which is used or held for use by the carrier in the conduct of its shipping operations.

2 Records.

(a) The carrier's records shall be kept with sufficient particularity to show fully the facts pertaining to all entries in its accounts.

(b) Where the general book entries do not contain complete information they shall be supported by other detailed records, cross-referenced for ready identification.

(c) All records shall be filed in such manner as to be readily accessible for examination.

(d) All accounts kept shall conform in number and title to those prescribed herein.

(e) Accounts included in this system may be subdivided if such subaccounts do not impair the integrity of the accounts or records prescribed herein.

(f) The accounts for each month shall be recorded currently so that all transactions applicable to each month, as nearly as may be ascertained, shall be entered in the books of the carrier.

3 Unaudited items.

(a) When it is known that a transaction has occurred which affects operating revenues, operating expenses, or income, but the amount involved and its effect upon the accounts cannot be determined with absolute accuracy, the amount thereof shall be estimated and included in the appropriate operating or income and balance-sheet accounts. Any such estimate shall be adjusted as soon as the actual amount is determined.

(b) Accruals shall not be recorded for purely speculative items, but shall be limited to reasonable estimates on reliable information of transactions that will be consummated.

4 Submission of questions.

To promote and maintain uniformity of accounting, carriers shall submit all questions of doubtful interpretation of the accounting regulations for consideration and decision to the agency having jurisdiction over the carrier's accounts.

5 Terminated voyages.

(a) The carrier shall keep its records in such manner that it can report with respect to operating revenue, operating expense, and other accounts affected, the revenues accruing and the expenses incurred for each terminated voyage of its vessels operated in line service.

(b) The revenues and expenses for uncompleted voyages or periods, included in unterminated voyage accounts, shall be recorded in such detail that the operating revenue, operating expense, or other accounts affected may be transferred from the unterminated voyage accounts to the appropriate revenue, expense, and other accounts involved.

6 Balance-sheet accounts.

The balance-sheet accounts are intended to disclose the financial condition of the carrier as of a given date by showing the assets, liabilities, capital stock, and surplus (or deficit) of the carrier.

7 Conversion of securities.

Journal entries which record the reacquirement of capital stock or funded debt securities by issuing in exchange the carrier's capital stock or funded debt shall be submitted to the Interstate Commerce Commission for approval before being recorded upon the books by carriers reporting to that Commission.

8 Contingent assets and liabilities.

Contingent assets and liabilities shall not be included in the accounts, but such records shall be kept as will enable the carrier to report all items of significant amount.

9 Revenue accounts.

(a) The revenue accounts are designed to show the amounts of revenue which the carrier becomes entitled to receive from furnishing of transportation service, including service incidental thereto.

(b) The accounting for operating revenues shall be coincident with the transactions which create them. For the purpose of meeting this requirement, the carrier shall account for unaudited revenues upon an accrual basis.

10 Expense accounts.

(a) The expense accounts are designed to show expenses of the carrier in furnishing transportation service, and services incidental thereto including the expenses of maintenance (repairs and depreciation) of the property used in such service.

(b) The accounting for expenses shall be coincident with the transactions which create them. For the purpose of meeting this requirement, the carrier shall account for unaudited expenses upon an accrual basis.

11 Extraordinary and prior period items.

(a) All items of profit and loss recognized during the year are includable in ordinary income except nonrecurring items which in the aggregate for the same class are both material in relation to operating revenues and ordinary income for the year and are clearly not identified with or do not result from the usual business operations of the year. Important items of the kind which occur from time to time and which, when material in amount, are to be excluded from ordinary income are those resulting from unusual sales of property and investment securities other than temporary cash investments; from wars and similar calamities and catastrophes, which are not a recurrent hazard of the business and which are not usually covered by insurance; from change in application of accounting principles; and from prior period items (other than ordinary adjustments of a recurring nature). Material items are those which, unless excluded from ordinary income, would distort the accounts and impair the significance of ordinary income for the year. Items so excludible from ordinary income are to be entered directly in the income accounts provided for extraordinary and prior period items upon approval or direction of the Commission.

Adjustments constituting items of customary business activities or corrections or refinements resulting from the natural use of estimates inherent in the accounting process, including those arising from disposal of a unit of property sold or retired in the regular course of business operations, shall not be considered extraordinary or prior period items regardless of size.

(b) In determining materiality, items of a similar nature shall be considered in the aggregate; dissimilar items should be considered individually. As a general standard, an item to qualify for inclusion as an extraordinary or prior period item, shall exceed one percent of total water line operating revenues and ten percent of ordinary income for the year.

(c) Ordinary delayed items and adjustments arising during the current year which are applicable to or related to transactions of prior years shall be included in the same accounts which would have been charged or credited if the item had been taken up or adjusted in the period to which it pertained. Ordinary

delayed items excludes items of the character described in paragraph (a).

BALANCE SHEET ACCOUNTS

ASSETS

100 Cash.

(a) This account shall include the amount of current funds available for use on demand in the hands of financial officers or deposited in banks or trust companies including cash in transit for which agents or others have received credit. Cash appropriated for replacement, debt retirements, funded reserves, etc., and cash on deposit to guarantee performance of agreements shall be carried in appropriate accounts numbered 115 and 301 to 312, inclusive. If the withdrawal of any portion of the cash included in this account is restricted for any purpose whatsoever, the balance sheet must carry an appropriate notation to that effect.

(b) This account shall be subdivided as set forth in accounts 101, 106, 111 and 114.

101 Cash on deposit; domestic.

This account shall include all cash on deposit in banks in the United States and available for general purposes.

106 Cash on deposit; foreign.

This account shall include all cash on deposit in foreign banks and available for general purposes.

111 Imprest and petty cash funds.

This account shall include cash funds maintained at fixed amounts to be used in making change or in the nature of revolving funds for minor disbursements requiring immediate payment, the funds being regularly reimbursed from the general cash. Subsidiary accounts shall be maintained by agents or employees.

114 Cash on hand and in transit.

This account shall include cash in the hands of financial officers; cash transfers between banks; and cash in transit from agents, branch houses, and employees.

115 Special cash deposits.

(a) This account shall include the amounts of cash on special deposit (other than in special funds or deposits as elsewhere provided) for the payment of dividends, interest, and other debts of a current nature, when such payments are due one year or less from date of deposit; also amounts of cash deposited to insure the performance of contracts to be performed within one year from date of deposit; and other cash deposits of a special nature not provided for elsewhere.

(b) This account shall also include cash realized from the sale of the carrier's securities and deposited with trustees to be held until disbursed for the purpose for which the securities were sold: *Provided*, That cash held for such purposes, including cash held for redemption of securities, shall be included in the appropriate special funds unless the liability for the disbursement is included under current liabilities.

(c) Cash on deposit in special bank accounts where the funds are available for current requirements shall be included in account 100, Cash.

120 Marketable securities.

This account shall be subdivided as follows:

121. United States Government securities.
122. State, county, and municipal securities.
125. Other marketable domestic securities.
126. Foreign marketable securities.

These accounts shall include the cost of government securities and temporary investments in other readily marketable securities which are available for general purposes of the business. Securities issued or assumed by the carrier or by a related company shall not be included in these accounts.

129. *Discounts and premiums.* This account may be charged with accumulation of any discount and may be credited with amortization of any premium on marketable securities, at the time of accrual or collection of interest thereon, with contra entry to account 679, "Interest income—Marketable securities," if it is the practice of the carrier to adjust that account to a yield basis. When the securities are disposed of, any balance applicable thereto in this account shall be transferred to the account in which the cost of such securities is recorded.

130 Notes receivable.

This account shall include the amount of all collectible obligations in the form of short-term notes receivable, or other similar evidences (except interest coupons) of money receivable on demand or within one year from date of issue, except notes receivable from related companies subject to current settlement which shall be included in account 140, "Notes and accounts receivable—Related companies." This account shall be subdivided as follows:

131. Miscellaneous notes receivable.
135. Subscriptions to capital stock.

140 Notes and accounts receivable; related companies.

(a) This account shall include the amounts receivable from related companies which are subject to current settlement, such as balances in open accounts for services rendered, materials furnished, traffic and interline accounts, rents for use of property, and similar items; also interest, dividends, loans, notes, and drafts for which related companies are liable.

(b) Items which are not subject to current settlement shall be included in account 320, "Non-current receivables—Related companies."

(c) Subsidiary accounts shall be maintained by companies and shall show all essential detail.

150 Accounts receivable.

This account shall be subdivided as set forth in accounts, 151, 155, 160, 165, 169.

151 Traffic accounts receivable.

(a) This account shall include accounts receivable from shippers, consignees, connecting carriers, and others (excluding related companies) arising incident to the carriage of passengers, excess baggage, freight, and mail.

(b) Subsidiary accounts shall be maintained by individual debtors or by vessels and voyages subdivided as between (1) prepaid freight outward and collect freight inward, (2) collect freight outward and prepaid inward (when agents are required to remit in full), (3) connecting carriers, (4) other government departments, and (5) passengers and brokers. Receivables from any agent with whom arrangements are made to disburse vessels from revenue collections shall not be included in this account, but shall be included in account 1010, "Agents and branch houses."

155 Claims receivable.

(a) This account shall include claims transferred from account 361, "Claims pending," including insurance claims which have been compiled and presented to underwriters for payment, and other adjusted claims collectible within one year.

(b) Subsidiary accounts shall be maintained in the names of the insurance underwriters or adjusters, connecting carriers and others.

160 Maritime Administration; accounts receivable.

This account shall include operating-differential subsidy accruals and such other current receivables as may arise from transactions between the carrier and the Administration.

165 Accounts receivable; miscellaneous.

(a) This account shall include all accounts receivable from other than related companies for which no other account is specifically provided, and all amounts receivable from officers and employees which are collectible in the ordinary course of business within one year.

(b) Subsidiary accounts shall be maintained alphabetically by names of debtors.

169 Accrued accounts receivable.

(a) This account shall include monthly or other periodical accruals of unmatured receivables, including interest, rentals, dividends, charter hire, except the accrual of interest on securities on deposit in account 301, "Capital reserve fund," and account 302, "Special reserve fund," and all other unaudited current items receivable accrued to the date of the balance sheet.

(b) No amounts representing interest, dividends, or rents receivable shall be included in this account unless collection thereof is reasonably assured by past experience, anticipated provisions, or otherwise.

(c) No dividends or other returns on securities issued or assumed by the company shall be included in this account.

(d) Interest, dividends, and rents receivable from related companies shall be included in account 140, "Notes and accounts receivable—Related companies."

(e) This account shall be subdivided as follows: Interest, rentals, dividends, charter hire, etc.

170 Inventories.

(a) This account shall include the cost, less trade discounts, of all unissued and unapplied materials, articles in process of manufacture by the carrier, fuel, tools, stationery, and other stores and supplies, but excluding fuel, stores, and supplies on board vessels, and spare parts includible in account 362, "Spare parts."

(b) For balance sheet purposes only, this account shall include the balances on unterminated voyages in clearing account 1040, "Bar accounts," and clearing account 1045, "Slop chest account."

(c) The costs chargeable to this account are the actual costs of the material and supplies at point of free delivery, plus custom duties, sales and other taxes, insurance, inspection, special tests, loading and unloading, and transportation charges paid for transporting the material from the free point of delivery to the carrier's line. No charge shall be made to this account for the cost of transporting material and supplies when performed by the carrier.

(d) An annual inventory of material and supplies shall be taken, except in instances where inventories are waived by the Interstate Commerce Commission or the Maritime Administration, and the necessary adjustments made to bring this account into harmony with actual inventory balance. In effecting such adjustments, determined differences for important classes of material shall be equitably assigned among the accounts to which such classes are ordinarily chargeable. Other differences shall be equitably apportioned among the primary accounts.

(e) This account shall be subdivided as set fourth in accounts 171, 175, 180, 185 and 189.

171 Vessels, stores, supplies, and equipment ashore.

(a) This account shall include the cost of all stores, supplies, and equipment held for delivery to vessels at some future date, including quantity purchases warehoused and delivered to vessels as required.

(b) Subsidiary accounts shall be so maintained as to show location of inventories.

175 Other shipping inventories.

(a) This account shall include the cost of all stores, supplies, and equipment held for use in the conduct of the shipping business and its auxiliaries, such as terminal, cargo handling, tug and lighters, and other incidental shipping operations, for which no other account is specifically provided.

(b) Subsidiary accounts shall be so maintained as to show location of inventories.

180 Non-shipping inventories for sale.

In instances of companies engaged in non-shipping enterprises, inventories of merchandise for sale shall be included in this account. The account shall be maintained so as to show separately the major classes of inventory such as raw materials, work in process, and finished goods.

185 Non-shipping inventories for consumption.

This account shall include the cost of all stores, supplies, and equipment, held for use in the conduct of non-shipping enterprises, other than merchandise for sale.

189 Miscellaneous inventories.

This account shall include the cost of all stores, supplies, and equipment acquired for use in the conduct of the business, which cannot be allocated as between shipping and non-shipping enterprises.

190 Other current assets.

This account is provided for balance sheet purposes and shall be subdivided as set forth in accounts 191, 192, and 199.

191 Prepaid current insurance.

This account shall include the unexpired amount of insurance premiums prepaid, or recorded as a liability in advance of payment, but only to the extent that such premiums apply to the period within one year of the date of the balance sheet and are properly chargeable within that period to account 200, "Unterminated voyage expense," or to other accounts appropriate for insurance expense. This account shall be subdivided to show separately prepayments on the several classes of insurance.

192 Other prepaid current expenses.

This account shall include the amount of prepaid current expenses such as interest, taxes, rentals, advertising, charter hire, and similar expense not otherwise specifically provided for, but only to the extent that such prepayments apply to the period within one year from the date of the balance sheet and are properly chargeable within that period to account 200, "Unterminated voyage expense," or to other accounts appropriate for such expenses. Minor items may be charged directly to the appropriate expense accounts.

199 All other current assets.

This account shall include the amount of assets of a current nature not includible in any of the foregoing current asset accounts. Subsidiary accounts shall be maintained so as to show separately each class of such other current assets.

200 Unterminated voyage expense.

(a) This account shall be charged with all vessels expenses while voyages are in progress. After each voyage has terminated, and substantially all expenses have been recorded, the balance in the account shall be transferred to account 700, "Operating expense—Terminated voyages."

(b) In instances where inventories of vessels stores, supplies, and/or equipment are taken and priced at the end of each voyage, the value of such inventories shall be credited in this account to the terminating voyage and charged to the succeeding voyage.

(c) Subsidiary accounts are to be maintained by vessels and consecutively by voyages, and according to the classification of expenses shown in the chart of accounts.

300 Special funds and deposits.

This account shall be subdivided as set forth in accounts 301–304, 306, 309 and 312.

301 Capital reserve fund.

This account shall be subdivided as follows:

301–1 *Cash and securities, nontrust.* This account shall be charged with cash and the approved value of securities deposited in this fund, and shall be credited with withdrawals therefrom in accordance with the provisions of section 607(b) of the Merchant Marine Act, 1936, as amended, and under such rules and regulations as the Maritime Administration may issue from time to time. Subsidiary accounts are to be subdivided as to depositories or trustees, as the case may be, and further subdivided to show the amount of (1) cash and (2) marketable securities.

301–2 *Discounts and premiums, nontrust.* This account may be charged with accumulation of any discount and may be credited with amortization of any premium on securities, at the time of accrual or collection of interest thereon, with contra entry in account 680, "Interest income—Special funds and deposits," if it is the practice of the carrier to adjust that account to a yield basis. When such securities are disposed of, any balance applicable thereto in this account shall be transferred to account 301–1.

301–3 *Common stock trust.* This account shall be charged with the amount of the non-trust portion of the Capital Reserve Fund transferred to the Capital Reserve Fund-Common Stock Trust, the acquisition cost of common stock in which the trust is invested, the income, capital gains, and other principal, and shall be credited with withdrawals therefrom and capital losses in accordance with the provisions of section 607(d) of the Merchant Marine Act, 1936, as amended, and under such rules and regulations as the Maritime Administrator may issue. Subsidiary accounts of the Capital Reserve Fund-Common Stock Trust are to be maintained to record cash, common stocks, and other principal.

302 Special reserve fund.

This account shall be subdivided as follows:

302–1 *Cash and securities, nontrust.* This account shall be charged with cash and the approved value of securities deposited in this fund, and shall be credited with withdrawals therefrom in accordance with the provisions of section 607(c) of the Merchant Marine Act, 1936, as amended, and under such rules and regulations as the Maritime Administration may issue from time to time. Subsidiary accounts are to be maintained as described in account 301–1.

302–2 *Discounts and premiums, nontrust.* This account may be charged with accumulation of any discount and may be credited with amortization of any premium on securities, at the time of accrual or collection of interest thereon, with contra entry in account 680, "Interest income—Special funds and deposits," if it is the practice of the carrier to adjust that account to a yield basis. When such securities are disposed of, the balance applicable thereto in this account shall be transferred to account 302–1.

302–3 *Common stock trust.* This account shall be charged with the amount of the non-trust portion of the Special Reserve

Fund transferred to the Special Reserve Fund-Common Stock Trust, the acquisition cost of common stock in which the trust is invested, the income, capital gains, and other principal, and shall be credited with withdrawals therefrom and capital losses in accordance with the provisions of section 607(d) of the Merchant Marine Act, 1936, as amended, and under such rules and regulations as the Maritime Administrator may issue. Subsidiary accounts of the Special Reserve Fund-Common Stock Trust are to be maintained to record cash, common stocks, and other principal.

303 Construction reserve fund.

(a) This account shall be charged with cash and the cost of approved securities deposited in such fund, and shall be credited with withdrawals therefrom in accordance with the provisions of section 511 of the Merchant Marine Act, 1936, as amended, and section 112(b) of the Internal Revenue Code, and other Internal Revenue Acts. It shall also include accretions on investments in such fund when retainable therein.

(b) Subsidiary accounts are to be maintained as described in account 301.

304 Insurance funds.

(a) This account shall include cash, marketable securities, and other quick assets placed on deposit or in the hands of trustees to guarantee the satisfaction of obligations for losses in instances where the carrier is a self-insurer in whole or in part.

(b) Subsidiary accounts shall be maintained by depositories or trustees, as the case may be, and further subdivided as to (1) cash, and (2) marketable securities.

306 Debt retirement funds.

(a) This account shall include cash, marketable securities, and other quick assets placed on deposit or in the hands of trustees as a sinking fund to meet obligations maturing in the future, or to carry out such operations as the retirement of preferred stock or the purchase of serial bonds.

(b) Subsidiary accounts shall be maintained by depositories or trustees, further subdivided to show cash or marketable securities and purposes of the fund.

307 Escrow funds.

This account shall be charged with the amounts required to be deposited in the Escrow fund and credited with disbursements therefrom, in connection with the insurance of loans and mortgages financed by sale of bonds to the general public, pursuant to the provisions of section 1111 of the Merchant Marine Act, 1936, as amended, and/or the provisions of contracts or agreements as may be entered into. These funds shall be reported separately and maintained in accordance with such rules and regulations as the Maritime Administrator may issue.

308 Construction funds.

This account shall be charged with the amounts required to be deposited therein, representing the difference between the principal of insured bonds and the principal amount required to be deposited in the Escrow fund or such other amounts required by contracts or agreements entered into, and shall be credited with authorized disbursements therefrom. These funds shall be reported separately and maintained in accordance with such rules and regulations as the Maritime Administrator may issue.

309 Other special funds.

(a) This account shall include cash, marketable securities, and other quick assets appropriated for replacement of unsubsidized vessels (except in instances where account 303, "Construction reserve fund," is applicable), to fund reserves for pensions, and any other special fund for which no specific account is provided.

(b) Subsidiary accounts shall be maintained for each class of fund by depositories or trustees, and further subdivided to show (1) cash, and (2) marketable securities.

310 Restricted funds.

This account shall be established at the time of the first deposit required therein, and shall be charged with deposits pursuant to the provisions of contracts or agreements. This account shall be credited with authorized withdrawals therefrom. These funds shall be reported separately and maintained in accordance with such rules and regulations as the Maritime Administrator may issue.

312 Special and guaranty deposits.

(a) This account shall include cash and the cost of securities deposited to guarantee the performance of conference and similar agreements; also deposits in lieu of mortgaged property sold, and other trust deposits, to be held until equivalent property is acquired or pending other disposition. This account shall also include deposits on containers such as oil drums, ammonia cylinders, etc.

(b) Subsidiary accounts shall be maintained by depositories.

315 Investments.

This account shall be subdivided as set forth in accounts 316, 320, 325, 328, and 329.

316 Securities of related companies.

This account shall include the investment in securities issued or assumed by related companies.

320 Non-current receivables; related companies.

(a) This account shall include all loans, advances, and other receivables from related companies for other than services rendered, supplies furnished, and other transactions customarily subject to current settlement.

(b) Subsidiary accounts shall be maintained by companies and shall show all essential detail.

325 Cash value of life insurance.

This account shall include the cash surrender value of life insurance policies, under which the carrier is the beneficiary, less the amount of any loans which have been obtained on such policies and not repaid.

328 Other investments.

This account shall include the investment in unpledged securities of other than related companies, including investment advances to companies and individuals, and miscellaneous investments not provided for elsewhere.

329 Reserve for revaluation of investments.

(a) This account shall be credited at the close of each accounting period with amounts necessary to reflect the decline in value of securities and other assets held as investments, where there appears to be a permanent impairment in their value, by contra charge to account 979, "Miscellaneous deductions from income," or account 990, "Extraordinary items," as appropriate.

(b) When securities are disposed of, the reserve balance in this account applicable to such securities shall be charged hereto.

330 Property and equipment.

(a) This account shall include the cost of acquisition or construction, including additions and betterments, of property and equipment owned by the carrier.

(b) This account shall be subdivided as set forth in accounts 331, 332, 337, 338, 343, 344, 349, 350, 353, 354 and 359.

331 Floating equipment; vessels.

(a) This account shall include the cost of construction or acquisition, including additions and betterments, of vessels (steamships and motorships) and of appurtenances, furniture, and fixtures necessary to equip them for service including inspection, trial runs, and tests.

(b) As regards vessels with respect to which an operating-differential subsidy is paid, capitalizable costs must be determined in accordance with applicable orders, rules, and regulations prescribed or adopted by the Maritime Administration.

(c) Subsidiary accounts shall be maintained in such manner as to show by vessels the original cost to the carrier and cost of additions and betterments.

332 Reserve for depreciation; vessels.

(a) This account shall be credited with all depreciation on vessels charged to account 981, "Depreciation—Floating equipment—Vessels."

(b) Credits to this account applicable to subsidized vessels shall be computed on a twenty-year life expectancy, except in instances where some other basis is specifically authorized by the Maritime Administration, with such allowances for residual values as approved by that Administration, and in accordance with applicable orders, rules, and regulations prescribed or adopted by the Maritime Administration.

(c) Subsidiary accounts shall be maintained by vessels.

337 Other floating equipment.

(a) This account shall include the cost of construction or acquisition including additions and betterments, of other floating equipment, such as tugs, barges, scows, launches, lighters, floating cranes, etc., and of appurtenances, furniture and fixtures necessary to equip for service including inspection, trial runs, and tests.

(b) Subsidiary accounts shall be maintained in such manner as to show the foregoing information by the various kinds of other floating equipment.

338 Reserve for depreciation; other floating equipment.

(a) This account shall be credited with all depreciation charged to account 984, "Depreciation—Other floating equipment".

(b) Subsidiary accounts should be maintained in the same manner as the corresponding accounts supporting account 337.

343 Terminal property and equipment.

(a) This account shall include the cost of construction or acquisition, including additions and betterments, of terminal, land, buildings (including improvements to property under long-term lease), shore cranes, trucks, furniture and fixtures, and other terminal gear and equipment.

(b) Subsidiary accounts shall be subdivided as between the various kinds of property and equipment, and shall be maintained in such manner as to show location, original cost, cost of additions and betterments.

344 Reserve for depreciation; terminal property and equipment.

(a) This account shall be credited with all depreciation on terminal property and equipment which is charged to account 987, "Depreciation—Terminal property and equipment".

(b) Subsidiary accounts shall be maintained in the same manner as the corresponding accounts supporting account 343.

349 Other shipping property and equipment.

(a) This account shall include the cost of additions and betterments of land and buildings, furniture and fixtures, stevedoring and other cargo handling gear, repair yards, highway vehicles, and any other property and equipment used exclusively in shipping and auxiliary operations which are not applicable to accounts 331, 337, and 343.

(b) Subsidiary accounts shall be subdivided as between the various kinds of property and equipment and maintained in such manner as to show location, original cost, cost of additions and betterments.

350 Reserve for depreciation; other shipping property and equipment.

(a) This account shall be credited with all depreciation on other shipping property and equipment (as described in account 349) which is charged to account 988, "Depreciation—Other shipping property and equipment."

(b) Subsidiary accounts shall be maintained in the same manner as the corresponding accounts supporting account 349.

353 Non-shipping property and equipment.

(a) In instances where companies are engaged in non-shipping enterprises all property and equipment which can be allocated properly to such non-shipping enterprises shall be included in this account.

(b) Subsidiary accounts shall be subdivided as between the various kinds of non-shipping property and equipment, and maintained in such manner as to show location, original cost, and cost of additions.

354 Reserve for depreciation; non-shipping property and equipment.

(a) This account shall be credited with all depreciation on non-shipping property and equipment which is charged to account 986, "Depreciation—non-shipping property and equipment".

(b) Subsidiary accounts shall be maintained in the same manner as the corresponding accounts supporting account 353, "Non-shipping property and equipment."

359 Construction work in progress.

(a) This account shall be charged with all payments incident to the costs on vessels or other transportation property in process of construction which can be capitalized in accordance with sound accounting procedure.

(b) Subsidiary accounts shall be subdivided as between the various kinds of construction, and maintained in such manner as to show type of construction and location. When the construction is completed, the cost thereof shall be credited to this account and charged to the appropriate property accounts.

360 Other assets.

This account shall be subdivided as set forth in accounts 361, 362, 364, 365, 367–369 and 374.

361 Claims pending.

(a) This account shall include any claims in litigation, and insurance claims in process of compilation or adjustment. After adjudication of claims in litigation, or adjustment of insurance claims, this account shall be credited and a charge made to account 155, "Claims receivable." Deductible average insurance losses (if policies provide deductibles) should at the same time be transferred to account 570, "Reserves for insurance."

(b) Subsidiary accounts shall be subdivided as between hull underwriters, P.&I. underwriters, general average claims connecting carriers, and such further classes as may be necessary. Each group of subsidiary accounts shall be maintained by vessels and voyages supported by sufficient detail to permit ready identification and analysis of each claim.

362 Spare parts.

This account shall include the acquisition cost (or other applicable acquisition base) of shore side reserve spare parts and spare equipment acquired as standby equipment, such as propellers, propeller blades, tail shafts, crank shafts, pumps, rudders, hoisting engines, generators, rotors, anchors, etc., held for future installation on vessels of the carrier, the individual minimum gross book value of which is not less than $1,000. (The use of this account is mandatory for carriers having vessels under operating-differential subsidy agreements with the Maritime Administration.)

364 Notes and accounts receivable from officers and employees.

This account shall include all amounts due from officers, directors, and employees other than (a) unpaid subscriptions to capital stock, and (b) amounts collectible in the ordinary course of business within one year. Records supporting entries to this account and subsidiary accounts shall be so maintained as to show separately such major classes as officers' personal accounts, employees' salary advances, and amounts due for such items as group insurance, and retirement annuity deposits.

365 Interest accruals for deposit in statutory reserve funds.

This account shall include the periodic (not less frequent than annual) accruals of interest on cash and securities on deposit in account 301, "Capital reserve fund," and account 302, "Special reserve fund," with corresponding credit to account 680, "Interest income—Special funds and deposits."

367 Deferred operating-differential subsidy receivable.

This account shall include that part (if any) of accrued operating-differential subsidy receivable, the payment of which is withheld by the Maritime Administration, pursuant to 62 Stat. 1196, or any subsequent legislation having the same or substantially similar force and effect.

368 Other non-current notes and accounts receivable.

(a) This account shall include all non-current receivables from other than officers, employees, or related companies which, by agreement, are to run for more than one year from date established.

(b) Subsidiary accounts shall be maintained by individual debtors.

369 Reserve for doubtful notes and accounts receivable.

This account shall be credited at the close of each accounting period with the amount charged to account 975, "Doubtful notes and accounts receivable," to provide for estimated uncollectible notes and accounts. (For balance sheet purposes, the balance in this account shall be segregated between current and non-current items.)

370 Maritime Administration allowance for obsolete vessels.

This account shall include the gross amounts allowed by the Administration for obsolete vessels traded in, except where the obsolete vessel is retained under a Use Agreement, in which case this account is debited with the net trade-in allowance. Credit this account and debit account 359, "Construction work in progress," with the amount of progress payments on new construction made by the Administration for the account of the purchaser (operator).

374 Miscellaneous other assets.

This account shall include the estimated value of salvage recoverable from property retired when the recovery of the salvage is deferred for any reason; funds on deposit with closed banks; and all other deferred items not covered by other deferred asset accounts.

375 Deferred charges and prepaid expenses.

This account shall be subdivided as set forth in accounts 376, 380, 384, 386 and 389.

376 Unexpired long-term insurance.

This account shall include the amount of unexpired insurance premiums prepaid or recorded as a liability in advance of payment, but only to the extent that such premiums apply to a period more than one year following the date of the balance sheet. The proportions of the same premium payments properly chargeable to expenses prior to such period are provided for in account 191, "Prepaid current insurance." This account shall be subdivided to show separately prepayments on the several classes of insurance.

380 Advances to employees for expenses.

(a) This account shall include all amounts advanced to officers and employees for travel, entertainment, and similar expenses, from which such expenses are to be paid and accounted for. This account shall not include imprest and petty cash funds in fixed amounts held by employees and branch offices for the purpose of making minor expenditures, requiring immediate payments, for which such funds are regularly reimbursed.

(b) Subsidiary accounts shall be maintained by employees, agents, or branch offices.

384 Debt discount and expense.

(a) This account shall include all discount and expense for all classes of funded debt. The debt discount and expense shall be amortized periodically over the respective lives of the securities by charge to account 971, "Amortization—Debt discount and expense."

(b) When an issue of funded debt, or any part thereof, is refunded and at the date of refunding there is a balance of unamortized discount and expense relating to such issue, such balance, together with any premium paid in retiring such issue, shall be charged to account 979, "Miscellaneous deductions from income," or to account 990, "Extraordinary items," as may be appropriate, in accordance with the text of these accounts.

385 Leaseholds.

(a) This account shall include the unamortized balance of the cost of acquiring long-term leases including rental applicable to future periods paid in advance, and the cost of alterations thereto and fixtures installed in leased property. This account should not include buildings erected on land under long-term lease or improvements thereto which shall be carried in appropriate property accounts.

(b) Amounts included in this account shall be amortized through such periodic charges to account 972, "Amortization—Leaseholds," as may be necessary for equitable cost distribution.

386 Organization and pre-operating expenses.

This account shall include the unamortized balance of expenses incurred in the formation and development of the business. The balance of this account shall be amortized by annual charges to account 973, "Amortization—Organization and pre-operating expense."

389 Deferred prepayments and other deferred charges.

This account shall include the amount of prepaid expenses such as interest, taxes, rentals, advertising, charter hire, and similar expenses not otherwise specifically provided for in accounts 380, 384, 385, and 386, but only to the extent that such prepayments apply to a period more than one year following the date of the balance sheet. The proportions of the prepayments and other deferred charges in this account, properly chargeable to expenses prior to such period, are provided for in account 192, "Other prepaid current expenses." Minor items and nominal payments covering such expenses may be charged directly to the appropriate expense accounts even though they relate to periods in excess of one year.

390 Goodwill and other intangible assets.

This account shall be subdivided as set forth in accounts 391 and 399.

391 Goodwill.

This account shall include only goodwill actually purchased in taking over assets, trade name, etc., calculated to enhance future profits of the business.

399 Other intangible assets.

This account shall include the purchase price of such intangible assets as patents, copyrights, operating rights, etc.

LIABILITIES

400 Notes payable.

(a) This account shall include the face value of notes, drafts, and other evidences of indebtedness issued or assumed by the carrier (except interest coupons) which are payable on demand or within one year from date of issue.

(b) This account shall be subdivided as set forth in accounts 401, 410 and 414.

401 Bank loans.

Subsidiary accounts shall be subdivided to show separately (a) amount secured, and (b) amount unsecured.

410 Insurance notes.

This account shall include the face amount of notes issued by the company to cover deferred payments of insurance premiums.

414 Other short-term notes.

This account shall include notes payable within one year from date of issue, for which no other account is specifically provided, but excluding notes issued to related companies. This account shall be maintained to show (a) notes secured, and (b) notes unsecured.

415 Notes and accounts payable; related companies.

(a) This account shall include amounts payable to related companies which are subject to current settlement, such as credit balances in open accounts for services rendered, materials furnished, traffic and interline accounts, claims, rents, and for interest, dividends, loans, notes, and drafts.

(b) No amount representing dividends payable shall be included in this account unless they have been declared.

(c) Items which are not subject to current settlement shall be included in account 541, "Non-current payables—Related companies."

(d) Subsidiary accounts shall be maintained by companies and shall show all essential detail.

420 Accounts payable.

This account shall be subdivided as set forth in accounts 421, 422, 428, 430, 438–440 and 459.

421 Trade accounts payable.

This account shall include all liabilities currently due to trade creditors for services rendered and supplies furnished in the general conduct of the business.

422 Traffic accounts payable.

This account shall include exchange orders and other amounts due connecting carriers, freight and passenger brokerage, amounts due for hotel reservations and sightseeing tours, custodian funds payable such as head taxes, freight and passenger manifest stamp taxes, consular fees; advance, prepaid beyond, and transshipping charges, and claims payable, but excluding amounts due related companies.

428 Officers and employees accounts payable.

This account shall include amounts due to officers, directors, individual stockholders, and employees, which are payable within one year from the date the liability is incurred.

430 Maritime Administration; accounts payable.

This account shall include all current accounts payable to the Maritime Administration, including accrued interest, that arise from transactions with that agency.

438 Dividends payable.

This account shall include the amount of dividends declared on actually outstanding capital stock, unpaid at the date of the balance sheet, except dividends payable to related companies which shall be reflected in account 415, "Notes and accounts payable—Related companies."

439 Miscellaneous accounts payable.

This account shall include all current accounts payable to other than related companies, including unclaimed wages, taxes withheld or collected from others for the account of taxing agencies, and other items for which no other account is specifically provided.

440 Accrued taxes payable.

(a) This account shall include the accruals of all taxes payable. Subsidiary accounts shall be maintained as between:

(1) Federal income tax.
(2) Federal old age benefit tax.
(3) Unemployment insurance tax.
(4) Foreign.
(5) Other.

(b) Taxes withheld or collected from others for the account of taxing agencies shall be included in account 439, "Miscellaneous accounts payable."

459 Other accrued accounts payable.

(a) This account shall include monthly or other periodical accruals of unmatured payables other than taxes.

(b) Subsidiary accounts shall be maintained as between (1) interest, (2) rentals, (3) voyage payrolls, and such other classes as frequently occur.

479 Other current liabilities.

(a) This account shall include all current liabilities for which no classification is elsewhere provided.

(b) Subsidiary accounts shall be maintained to show separately each class of current liability.

489 Miscellaneous reserves for unrecorded liabilities.

This account shall include reserves provided to cover known current obligations or commitments, either actual or estimated. When the obligation or commitment falls due and the amount thereof is definitely known, this account shall be debited and the proper payable account credited. This account should not be confused with other reserve accounts created for specific purposes.

495 Advance ticket sales and deposits.

This account shall include the credit balance remaining in account 1025, "Collections and deposits for passenger transportation," after the balances in that account have been analyzed and those relating to completed transactions have been transferred to the appropriate other accounts designated in the chart.

500 Unterminated voyage revenue.

(a) This account shall be credited with the gross freight, passenger, mail, excess baggage, salvage, and other voyage revenue as soon as the manifests are ready for journalization. The account shall be charged with the total of the revenue of each terminated voyage, when account 600, "Operating revenue—Terminated voyages," is credited.

(b) The subsidiary accounts are to be maintained alphabetically by vessels and consecutively by voyages, according to the classification of revenue as shown on the chart of accounts.

(c) Postings shall be subdivided as between revenue earned on outward, inward, and intermediate legs of voyages.

(d) For purposes of postings in subsidiary accounts, coastwise and intercoastal service shall be deemed to be all commerce conducted by vessels between ports of the forty-eight States of the United States and foreign commerce shall be deemed to be all commerce conducted by vessels over the seas other than commerce between the ports of the forty-eight States of the United States: *Provided*, That, with respect to operators receiving an operating-differential subsidy, the subdivision in the subsidiary accounts shall be expanded so as to show, separately, revenue earned on coastwise and/or intercoastal legs of voyages described in section 605 (a) of Title VI of the Merchant Marine Act, 1936, as amended, as well as commerce between ports of the forty-eight States of the United States as hereinbefore required.

525 Long-term debt.

This account shall be subdivided as set forth in accounts 526, 527, 530 and 534.

526 Mortgage notes; Maritime Administration.

(a) This account shall include all mortgage notes payable to the Maritime Administration.

(b) Subsidiary accounts shall be maintained by vessel and subdivided as between Merchant Ship Sales Act of 1946 and Merchant Marine Act, 1936.

527 U.S. Government insured Merchant Marine Mortgage bonds and mortgage notes.

This account shall include all U.S. Government insured Merchant Marine mortgage bonds and mortgage notes issued pursuant to the provisions of contracts or agreements, and shall be maintained by vessel.

530 Other mortgage bonds and debentures.

This account shall include the face amount of bonds and debentures not provided for in other accounts and shall be maintained to show full particulars in respect to each issue outstanding. Reacquired bonds and debentures shall be charged to this account at face amount.

534 Other long-term debt.

This account shall include all long-term obligations, excluding amounts due related companies, for which no other account has been specifically provided, and shall be subdivided to show separately long-term obligations secured by capital assets and unsecured long-term debt.

540 Other liabilities.

This account shall be subdivided as set forth in accounts 541, 549, 550 and 554.

541 Non-current payables; related companies.

(a) This account shall include all loans, advances, and other payables to related companies not subject to current settlement.

(b) Subsidiary accounts shall be maintained by companies and shall show all essential detail.

549 Non-current notes and accounts payable; officers and employees.

This account shall include all short-term notes and accounts payable to officers, directors, individual stockholders, and employees, which by arrangement become due later than one year from date established.

550 Recapturable profits; Maritime Administration.

(a) If excess profits accrue to the Maritime Administration under the "recapture" provisions of sections 606 and 607 of the Merchant Marine Act, 1936, as amended, this account shall, at the end of the first accounting period in which such profits accrue, be credited with the amount thereof. At the close of each succeeding accounting period within the recapture period involved, this account shall be adjusted so as to reflect the net amount of such excess profits accrued to the Administration as at that date.

(b) The account shall be charged with amounts transferred to account 430, "Maritime Administration—Accounts Payable."

554 Miscellaneous other liabilities.

This account shall include all liabilities which cannot be allocated properly to any other account classification.

555 Deferred credits.

This account shall be subdivided as set forth in accounts 556 and 564.

556 Premium on funded debt.

(a) This account shall include premiums for all classes of funded debt which are to be amortized periodically over the respective lives of the securities by credit to account 691, "Release of premium on long-term debt."

(b) When an issue of funded debt or any part thereof is refunded and at the date of refunding there is a balance of unamortized premium relating thereto, the amount of such balance shall be credited to account 690, "Miscellaneous other income," or to account 990, "Extraordinary items," as may be appropri-

ate, in accordance with the text of these accounts.

564 Miscellaneous deferred credits.

This account shall include all deferred income and unadjusted credits for which no other account is specifically provided, such as unexpended proceeds from insurance recoveries.

565 Operating reserves.

This account shall be subdivided as set forth in accounts 556, 570, 571 and 579.

566 Reserve for repairs.

(a) When reserves are provided for equalization of repair expenses incurred at domestic ports, this account shall be credited and account 200, "Unterminated voyage expense," charged. Actual repair expenses incurred at the domestic ports will be charged to this account. Repair expenses incurred at foreign ports will be charged direct to account 200. Any balance in this account applicable to terminated voyages at the end of the accounting year shall be distributed equally to such voyages in account 700, "Operating expense—Terminated voyages," after all repair expenses actually incurred and all commitments against voyages terminated during the period have been recorded.

(b) Subsidiary accounts shall be arranged alphabetically by vessel and consecutively by voyages.

570 Reserve for insurance.

(a) Agreed amounts for Marine and P. & I. Insurance deductibles (if provided in the policies) should be charged to each voyage in account 200, "Unterminated voyage expense," and the corresponding credits posted to this account. When the amount within the deductibles average chargeable against each voyage is determined, it should be transferred from account 361, "Claims pending," as a charge to this account.

(b) This account may also be used for equalization of other insurance risks assumed by the carrier, as for example, self-carried workmen's compensation, and public liability insurance. At the end of each accounting year, any balance in this account applicable to voyages terminated during the preceding accounting year, in those instances where the records indicate that all claims have been settled, should be transferred to the appropriate insurance expense account, consistent with instruction 11(c).

(c) Subsidiary accounts shall be maintained by the various classes of insurance for which provisions are made and shall be arranged alphabetically by vessel and consecutively by voyage.

571 Reserve for pensions and welfare.

This account shall include the liability of the carrier for the amount of assets (whether contributed by the carrier, by the employees, or by others) in the hands of the treasurer or of a trustee or manager as the administrator of employees' pension, savings, relief, hospital, or other association funds.

579 Miscellaneous operating reserves.

(a) This account shall include all provisions for the equilization of operating expenses for which no other reserve account is specifically provided.

(b) Subsidiary accounts shall be maintained by the various classes of reserve arranged alphabetically by vessels and consecutively by voyages, or by other accounting units.

580 Net worth.

This account shall be subdivided as set forth in accounts 581 and 585.

581 Capital stock.

(a) This account shall include the par value, or for stock without par value the money value of the consideration received, in respect of capital stock or other form of proprietary interest in the carrier which has been issued to purchasers and has not been reacquired and canceled. It shall also include stock issued representing appropriations of surplus for stock dividends. When capital stock is retired, this account shall be charged with the book value at which such stock is recorded herein. Capital stock reacquired and held for resale or investment shall be charged to this account at a value equivalent to its book liability. The book value of nonpar stock reacquired shall be determined by a prorate of the amount recorded for shares of the particular subclass of stock of which the shares reacquired are a part actually outstanding immediately prior to acquisition.

(b) The credits hereto shall be divided as follows:

(1) *Preferred stock.* (Stock having a preference or priority in respect to dividend participation.)

(2) *Common stock.* (Stock entitled to a dividend, if any, after preferred stock.)

(c) A separate record shall be kept for each subclass showing the number of shares authorized by the articles of incorporation and amendments, the number of shares issued, the number of shares reacquired, the number of shares canceled, the number of shares outstanding, and their book value.

585 Capital stock subscribed.

This account shall include the amount of subscriptions to capital stock of the carrier. It shall be credited with the par value, or with the subscription price of stock without par value, exclusive of dividends, if any. Concurrently, account 135, "Subscriptions to capital stock," shall be debited with the agreed price and any discount or premium shall be included in the appropriate account. When properly executed stock certificates are issued, this account shall be debited and account 581, "Capital stock," credited.

587 Discount on capital stock.

(a) This account shall include the discount suffered and commissions paid in connection with the sale of capital stock. Records supporting the entries to this account shall be maintained to show the discount and commissions on each class and series of capital stock.

(b) When capital stock is reacquired the amount in this account with respect to the shares reacquired shall be credited hereto.

590 Capital surplus.

(a) This account shall include the amount of capital donated or paid in as surplus (including premiums and assessments on capital stock) and also gains from reacquired or donated shares of capital stock, from forfeiture of subscriptions and from reduction of the par or recorded value of capital stock.

(b) This account shall be charged with amounts included herein capitalized by stock dividends or otherwise; losses from retirement or resale of reacquired shares not exceeding the credit herein applicable thereto; and may be charged with discount, commissions, and expense on capital stock to the extent of credits herein applicable thereto.

598 Earned surplus; appropriated.

(a) Surplus appropriated for replacement of capital assets, debt retirement, contingencies, and other funded reserves shall be credited to this account with a corresponding charge to account 599, "Earned surplus—Unappropriated."

(b) Subsidiary accounts shall be maintained by classes of appropriations.

599 Earned surplus; unappropriated.

(a) All profits and losses shown in account 1095, "Profit and loss account", at the end of the accounting year shall be recorded in this account.

(b) Any part of earned surplus appropriated for any purpose shall be charged to this account, including excess profits accruing to the Maritime Administration under the "recapture" clauses in sections 606 and 607 of the Merchant Marine Act, 1936, which shall be credited to account 550, "Recapturable profits—Maritime Administration."

(c) This account shall include losses on resale of reacquired capital stock and charges which reduce or write off discount on capital stock issued by the company but only to the extent that such charges exceed credit balances in capital surplus for shares reacquired.

(d) This account shall include other adjustments, net of assigned Federal income taxes, not provided for elsewhere in this system but only after such inclusion has been authorized by the Commission.

INCOME ACCOUNTS

ORDINARY ITEMS

Water Line Operating Revenue

600 Operating revenue; terminated voyages.

(a) This account shall include all revenue on terminated voyages transferred from account 500, "Unterminated voyage revenue." Revenue items recorded on terminated voyages, after the transfer has been made, shall be posted in detail direct to this account. Revenue items

arising in connection with voyages terminated in prior years shall be accounted for as ordinary delayed items pursuant to instruction 11(c).

(b) Subsidiary accounts shall be maintained alphabetically by vessels and consecutively by voyages, according to the classification of revenues, as shown in the chart of accounts. Postings shall be subdivided as between revenues earned on outward, inward, and intermediate legs of voyages.

(c) For purposes of postings in subsidiary accounts, coastwise and intercoastal service shall be deemed to be all commerce conducted by vessels between ports of the fifty States of the United States and foreign commerce shall be deemed to be all commerce conducted by vessels over the seas other than commerce between the ports of the fifty States of the United States: *Provided*, That, with respect to operators receiving an operating-differential subsidy, the the subdivision in the subsidiary accounts shall be expanded, so as to show, separately, revenue earned on coastwise and/or intercoastal legs of voyages described in section 605(a) of Title VI of the Merchant Marine Act, 1936, as amended, as well as commerce between ports of the fifty States of the United States as hereinbefore required.

(d) The same subsidiary ledger forms may be used for both account 500 and account 600, and the sheets may be physically transferred or the totals, by classifications, transferred to new sheets, as the carrier elects.

(e) This account shall be subdivided as set forth in accounts 601, 605, 608, 612, 615–617, 619, 620, and 624.

601 Freight; foreign.

(a) This account shall include all revenue accruing from the transportation of freight based upon tariff rates or in the absence of tariff provisions on basis of contracts. It shall include revenue earned from the carriage of:

(1) General cargo.
(2) Refrigerated cargo.
(3) Bulk cargo.
(4) Dead freight.
(5) Express.
(6) Heavy lift charges.
(7) Primage.
(8) Revenue from cargo charters (contracts).

(b) It will also include the surcharge on freight revenue.

(c) It shall be charged with refunds due to errors in classification or computation of rates and charges; refunds due to errors in routing or shipping freight; refunds and uncollectible charges on lost, damaged, or destroyed freight shipments; and with refunds of overcharges assumed by the carrier under the voucher minimum.

605 Freight; coastwise and intercoastal.

(a) This account shall include all revenue accruing from the transportation of freight based upon tariff rates or in the absence of tariff provisions on basis of contracts. It shall include revenue earned from the carriage of:

(1) General cargo.
(2) Refrigerated cargo.
(3) Bulk cargo.
(4) Dead freight.
(5) Express.
(6) Heavy lift charges.
(7) Revenue from cargo charters (contracts).

(b) It will also include the surcharge on freight revenue.

(c) It shall be charged with refunds due to errors in classification or computation of rates and charges; refunds due to errors in routing or shipping freight; refunds and uncollectible charges on lost, damaged, or destroyed freight shipments; and with refunds of overcharges assumed by the carrier under the voucher minimum.

608 Passenger; foreign.

This account shall include all revenue accruing from the transportation of passengers based upon tariff rates. It shall include the revenue from transportation of passengers, the rental of staterooms, berths, or living accommodations, and the furnishing of meals.

612 Passenger; coastwise and intercoastal.

(a) This account shall include all revenue accruing from the transportation of passengers based upon tariff rates. It shall include the revenue from transportation of passengers, the rental of staterooms, berths, or living accommodations, and the furnishing of meals.

(b) The credits to this account shall be subdivided as follows among (1) revenue from passenger fares, (2) revenue from staterooms, (3) revenue from meals, and (4) revenue that cannot be separated among subparagraphs (1), (2), and (3) of this paragraph.

615 U.S. mail; foreign.

This account shall include revenue from the transportation of United States mail between foreign ports and between domestic and foreign ports. It shall be charged with mail penalties imposed upon the carrier.

616 U.S. mail; coastwise and intercoastal.

This account shall include revenue from the transportation of United States mail between the ports of the 50 States of the United States. It shall be charged with mail penalties imposed upon the carrier.

617 Foreign mail.

This account shall include revenue from the transportation of mail of countries other than the United States. It shall be charged with mail penalties imposed upon the carrier.

619 Ad valorem.

This account shall include all revenue from the transportation of cargo, the charges for the transportation of which are based on a percentage of the invoiced value thereof, such as bullion, currency, precious metals, etc.

620 Charter revenue.

This account shall include revenue from contracts for the charter of vessels to others when the amount receivable for charter is not directly related to and dependent upon the commodities and volume transported, such as bareboat and time form charters. The compensation is usually based upon daily or monthly hire of the vessel.

624 Other voyage revenue.

This account shall include all revenue accruing from other services by and activities aboard vessels, not otherwise provided for, such as:

Advances, prepaid beyond and manifest transaction, net credit.
Assisting vessels in distress—salvage.
Barber shop and other services to passengers aboard vessels.
Concessions aboard vessels granted to others.
Demurrage and dispatch.
Excess baggage.
Parcel rooms aboard vessels.
Radio service aboard vessels.
Refrigeration aboard vessels.
Rent from steamer chairs and other equipment to passengers.
Sale of periodicals and newsstand supplies to passengers.
Sale of buffet and bar supplies to passengers, net credit.
Sale of slop chest supplies to crew, net credit.
Transportation of animal pets.
Weighing and vending machines aboard vessels.

Subsidies

625 Operating-differential subsidy.

(a) This account shall be credited with sums accruing to the carrier under the subsidy provisions of the operating-differential subsidy agreement.

(b) Subsidiary accounts, to which postings shall be made by vessel and voyage, shall be maintained according to classifications shown in chart of accounts.

626. Wages of officers and crew.
628. Subsistence of officers and crew.
629. Subsistence of passengers.
630. Maintenance.
632. Repairs not compensated by insurance.
634. Shore gang repairs—upkeep.
636. Hull insurance premiums.
637. Hull insurance deductible repairs.
638. P. & I. insurance.

Other Shipping Revenue

640 Collections from pools.

This account shall be credited with collections for each accounting period in accordance with pooling agreements by transfers from account 1055, "Pool Participation."

645 Revenue from terminal operations.

(a) This account shall include all revenue derived from the rental, lease, or use by others of the carrier's terminal facilities, including dockage, side wharfage, top wharfage, storage, use of doorways, lights, furnishing water, protective service, refrigeration, precooling, and similar service.

(b) Any agreed amounts for the use of such facilities by vessels owned or operated by the carrier which are charged to account 200, "Unterminated

voyage expense," shall be credited to account 890, "Interdepartmental credits for services and facilities."

(c) Subsidiary accounts shall be maintained to show separately for each terminal the different kinds of revenue earned.

650 Revenue from cargo handling operations.

(a) This account shall include all revenue derived from the performance by the carrier for others of stevedoring and other cargo handling services, such as checking, tallying, receiving, delivering, coopering, loading, and discharging cargo; also use of gear, equipment, etc.

(b) Any agreed amounts for the use of such facilities by vessels owned or operated by the carrier which are charged to account 200, "Unterminated voyage expense," shall be credited to account 890, "Interdepartmental credits for services and facilities."

(c) Subsidiary accounts shall be maintained to show separately for each port the different kinds of services earning revenues.

655 Revenue from tug and lighter operations.

(a) This account shall include all revenue derived from services performed for others by the carrier's tugs, lighters, barges, scows, launches, floating cranes, and other equipment, including rental and charter hire for use of such equipment.

(b) Any agreed amounts for the use of such facilities by vessels owned or operated by the carrier which are charged to account 200, "Unterminated voyage expense," shall be credited to account 890, "Interdepartmental credits for services and facilities."

(c) Subsidiary accounts shall be maintained to show separately for each port the different kinds of services earning revenues.

660 Revenue from other shipping operations.

(a) This account shall be credited with gross revenue derived from the performance of repairs, and any other services or operations for others which are incidental to the shipping business and for which no other account is specifically provided.

(b) Any agreed amounts for the use of such facilities by vessels owned or operated by the carrier which are charged to account 200, "Unterminated voyage expense," shall be credited to account 890, "Interdepartmental credits for services and facilities."

(c) Subsidiary accounts shall be maintained to show separately for each port the different kinds of services earning revenues.

670 Agency fees, commissions, and brokerage earned.

(a) This account shall include revenues received from others covering gross agency fees, commissions and brokerage, less amounts paid to subagents therefrom.

(b) Any agreed amounts for services performed for vessels owned or operated by the carrier which are charged to account 200, "Unterminated voyage expense," shall be credited to account 890, "Interdepartmental credits for services and facilities."

(c) Subsidiary accounts shall be maintained by offices, and postings shall show sources of earnings and classification thereof, such as agency fees, management and operating commissions, freight brokerage, passenger brokerage, and names of sub-agents in instances where such payments are charged to this account.

Other Credit Accounts

675 Interest income.

(a) This account shall be credited with all interest accrued. If it is the practice of the carrier to adjust such interest to a yield basis, this account shall be charged with amortization of any premium and shall be credited with accumulation of any discount on securities at the time of accrual or collection of interest thereon.

(b) Interest shall not be credited before actual collection unless its payment is reasonably assured by past experience, guaranty, anticipated provisions, or otherwise.

(c) This account shall not include interest on securities issued or assumed and owned by the carrier.

(d) This account shall be subdivided as follows:

676. Cash on deposit.
677. Notes and accounts receivable—Related companies.
678. Notes and accounts receivable—Others.
679. Marketable securities.
680. Special funds and deposits.
681. Investments in related companies.
682. Other investments.
684. Miscellaneous.

685 Dividend income.

(a) This account shall be credited with all dividends received. Dividends may be credited prior to actual collection if their payment is reasonably assured by past experience, guaranty, anticipated provisions, or otherwise. This account shall not include dividends on the carrier's own capital stock.

(b) This account shall be subdivided as follows:

686. Marketable securities.
687. Special funds and deposits.
688. Investments in related companies.
689. Miscellaneous.

690 Miscellaneous other income.

This account shall include all income not provided for elsewhere, such as:

Cash discounts.
Profits from conversion of foreign currencies.
Transferred from account 050, "Foreign exchange account."
Fees collected in connection with exchange of coupon bonds for registered bonds.
Profit from sale of securities.
Profit from sale of shipping and nonshipping property.
Profit from company bonds reacquired.

When the profit from sale of property and equipment, or securities, or from reacquisition of the company's own bonds is of an amount sufficiently large to constitute an extraordinary item, pursuant to instruction 11, such profit shall be credited to account 990, "Extraordinary items".

691 Release of premium on long-term debt.

This account shall include for each fiscal period such proportion of the premium on funded debt as is transferred from account 556, "Premium on funded debt."

695 Income from non-shipping operations.

(a) This account shall include the gross income derived from ventures other than shipping and shipping auxiliary operations.

(b) Separate accounts shall be maintained for each enterprise and location.

Water Line Operating Expense

700 Operating expense; terminated voyages.

(a) This account shall be charged with all expenses of terminated voyages transferred from account 200, "Unterminated voyage expense." Expense items recorded on terminated voyages after the transfer has been made shall be posted in detail direct to this account. Expense items arising in connection with voyages terminated in prior years shall be accounted for as ordinary delayed items pursuant to instruction 11(c).

(b) Subsidiary accounts shall be maintained alphabetically by vessels and consecutively by voyages, according to the classification of expense as shown in the chart of accounts.

(c) The same subsidiary ledger forms may be used for both account 200 and account 700, and the sheets may be physically transferred or the totals, by classifications, transferred to new sheets, as the carrier elects.

(d) This account shall be subdivided according to the classifications of expense in accounts 701–799, inclusive.

701 Wages.

This account shall include the pay of masters, officers, pursers, radio operators, and other members of crews of vessels, including regular wages, emergency allowances, overtime, vacation pay, and bonuses.

708 Payroll taxes.

This account shall include taxes computed on the basis of a payroll such as old age benefits, unemployment compensation and similar social security taxes.

709 Contributions; welfare plans.

This account shall include contributions to welfare and pension plans of seamen made in accordance with union agreements.

710 Subsistence; purchased domestic.

This account shall include the cost (including sales taxes and delivery

and inspection charges thereon) of all edibles (but not bar and slop chest supplies and water) purchased in the United States and its territories and possessions except the Virgin Islands, American Samoa, Wake Island, Midway Island, Kingman Reef, and the Island of Guam (excluding purchases out of bond) for consumption by passengers, officers, and crews of vessels. This account shall also include board and room allowances to officers and crews in lieu of subsistence and lodging aboard vessels.

714 Subsistence; purchased foreign.

This account shall include the cost (including sales taxes and delivery and inspection charges thereon) of all edibles (except bar and slop chest supplies and water) purchased in foreign countries or in the Virgin Islands, American Samoa, Wake Island, Midway Island, Kingman Reef, and the Island of Guam, or purchased in the United States out of bond, for consumption by passengers, officers, and crews of vessels.

715 Stores, supplies, and equipment; purchased domestic.

This account shall include the cost (and related sales taxes) of all consumable stores and supplies and expendable equipment (other than edibles, bar and slop chest supplies, fuel and water) purchased in the United States and its territories and possessions, except the Virgin Islands, American Samoa, Wake Island, Midway Island, Kingman Reef, and the Island of Guam (excluding purchases out of bond), for use aboard vessels. The term "expendable equipment" includes all tools, utensils, instruments, small machinery, strainers, burner parts, valve parts, and paraphernalia of a portable or removable nature, as distinguished from "permanent equipment" fastened to the vessel or installed as an integral part thereof, and spares required by the classification societies. The cost of such permanent equipment and spares shall be included in account 740, "Repairs performed—Domestic," or 749, "Repairs performed—Foreign," as the case may be.

724 Stores, supplies and equipment; purchased foreign.

This account shall include the cost (including related sales taxes) of all consumable stores and supplies and expendable equipment (other than edibles, bar and slop chest supplies, fuel and water) purchased in foreign countries or in the Virgin Islands, American Samoa, Wake Island, Midway Island, Kingman Reef, and the Island of Guam, or purchased in the United States out of bond, for use aboard vessels.

725 Other maintenance expense.

(a) This account shall include such expenses as laundry and pressing services; wages of shoregang labor for cleaning, painting, scraping, or other vesselupkeep services usually performed by the crew; inspection service charges; and the cost of maintaining expendable equipment, such as adjustment compasses, rating chronometers, retinning utensils, mending linens, upholstering chairs, repairing typewriters, etc.

This account shall include the cost of any agreed amounts charged for the use of the carrier's own facilities or for services rendered by the carrier to its owned or operated vessels, such amounts being credited to account 890, "Interdepartmental credits for services and facilities."

735 Fuel.

This account shall include the cost of bunker coal and fuel oil and of services and facilities incident to delivery, inspection, and trimming thereof.

740 Repairs performed; domestic.

(a) This account shall include the cost incident to repairs (not recoverable from insurance) directly attributable to replacement by duplication of, or restoration to satisfactory condition of damaged or worn parts of vessels, their machinery, and equipment which are integral parts of vessels, including the purchase of permanent equipment and spares required by the classification societies, in the United States and its territories and possessions, except the Virgin Islands, American Samoa, Wake Island, Midway Island, Kingman Reef, and the Island of Guam. The cost of repairing or servicing expendable equipment shall be included in account 725, "Other maintenance expense." In instances where reserves are maintained by the carrier to equalize repair expenses, this account shall also include the reserve provision and the unexpended or debit balance of the repair reserve applicable to the period covered by this report in excess of the amount reserved for uncompleted repairs, if it is the practice of the carrier to close such balances at the end of each accounting period.

(b) This account shall also include any agreed amounts charged for the use of the carrier's own facilities or for services rendered by the carrier to its owned or operated vessels, such amounts being credited to account 890, "Interdepartmental credits for services and facilities."

749 Repairs performed; foreign.

This account shall include the premicident to repairs (not recoverable from insurance) directly attributable to replacement by duplication of, or restoration to satisfactory condition of, damaged or worn parts of vessels, their machinery and equipment which are integral parts of vessels, including the purchase of permanent equipment and spares required by the classification societies, in foreign countries or in the Virgin Islands, American Samoa, Wake Island, Midway Island, Kingman Reef, and the Island of Guam.

755 Insurance; hull and machinery.

This account shall include the premiums on full navigating, total loss (including disbursements and/or earnings), war-risk and port-risk insurance coverage; provisions for deductible average losses, in instances where reserves are maintained by the carrier to equalize such losses; and the unexpended or debit excess of the amount reserved for pending claims, if it is the practice of the carrier to close such balances at the end of each accounting period.

757 Insurance; P.&I.

This account shall include the premiums on protection and indemnity insurance coverage; provisions for deductible average losses, in instances where reserves are maintained by the carrier to equalize such losses; and the unexpended or debit balances of reserves for deductible average losses applicable to the period, in excess of the amount reserved for pending claims, if it is the practice of the carrier to close such balances at the end of each accounting period.

759 Insurance; other.

This account shall include the premiums on all classes of marine-risk coverage carried by the carrier which are not properly allocable to account 755, "Insurance—Hull and machinery," and account 757, "Insurance—P.&I.," as defined in account 757.

760 Charter hire.

This account shall include the cost of hiring vessels from others under bareboat, time, trip, or other forms of charter.

764 Other vessel expense.

This account shall include all miscellaneous expenses directly incident to the management and maintenance of vessels which are not properly chargeable to other account classification, such as:

Ashes, removal of.
Bill of health.
Crew transportation and cost of securing.
Dispatch.
Emblems and stack marks.
Fresh water.
Garbage service.
Inventory expense.
Launch hire.
Lights furnished from shore when ship is dead.
Masters, expenses of.
Medical, examination of ship personnel.
Pursers, expenses of.
Payroll insurance.
Rental of radio equipment.
Rental of submarine signal apparatus.
Seaworthy certificate.
Steam for winches, furnishing.
Taxi hire.

765 Agency fees and commissions.

(a) This account shall include agency fees, attendance fees, and commissions for services performed by agents at outports. This should not be confused with commissions paid to any other persons or concern acting as managing or operating agent of the carrier in instances where the latter does not maintain an operating organization, which expenses should be included in account 945, "Management and operating commissions."

(b) This account shall also include any agreed amounts charged for the use of the carrier's own facilities or for services rendered by the carrier to its owned or operated vessels, such amounts being credited to account 890, "Interdepartmental credits for services and facilities."

770 Wharfage and dockage.

(a) This account shall include the cost of terminal facilities furnished vessels of the carrier such as dockage or side-wharfage, top-wharfage, storage, use of doorways, lights, etc.

(b) This account shall also include any agreed amounts charged for the use of the carrier's own facilities or for services rendered by the carrier to its owned or operated vessels, such amounts being credited to account 890, "Interdepartmental credits for services and facilities."

779 Other port expenses.

This account shall include port service charges, dues, and taxes, such as:

Anchor dues.
Bridge openings.
Brokerage, customs.
Buoy hire.
Canal tolls other than Panama, Suez, Saint Lawrence Seaway Canals (see account 795).
Cargo dues.
Certificates, loading, discharge.
Chamber of commerce dues.
Clearance dues and fees.
Consular charges.
Contributions to hospital.
Custom house dues and overtime.
Entry dues and fees.
Fumigation.
Handling lines.
Harbor dues.
Health and immigration office fees.
Launch hire.
Lighthouse dues.
Mooring and unmooring.
Packet privileges.
Permits, loading, discharge.
Pilotage.
Port dues and taxes.
Quarantine charges.
Running lines.
Sanitary dues.
Shifting vessel.
Stamp dues.
Tonnage tax.
Towage.
Tug hire.
Watching vessel.

780 Stevedoring.

(a) This acount shall include the cost of removing and handling cargo from the piles on the pier or in pier sheds, or from cars, barges, lighters, scows, or booms alongside, and stowing the same in or on any part of the vessel, and the cost of discharging cargo from any part of the vessel onto the pier or into pier sheds, or into or on cars, barges, lighters, scows, or booms alongside the vessel and piling the same on the pier or in pier sheds, such as:

Straight time
Overtime.
Detentions.
Extra labor:
  Breaking down.
  Handling baggage and mail.
  Heading cotton.
  Heavy-lift charges.
  High piling.
  Long trucking.
  Rigging and unrigging.
  Shifting barges and lighters.
  Shifting cargo.
  Sorting.
  Tiering.
  Transshipping cargo into sheds and barges.
Hire of stevedoring gear and equipment, including cargo slings, hatch bridles, hatch tents, save-alls, etc.
Transportation, traveling time, and feeding of stevedores.
Trimming or leveling cargo.
Insurance, premium on workmen's compensation and public liability, based on labor charges included under this classification.

(b) This account shall also include any agreed amounts charged for the use of the carrier's own facilities or for services rendered by the carrier to its owned or operated vessels, such amounts being credited to account 890, "Interdepartmental credits for services and facilities."

789 Other cargo expenses.

(a) This account shall include all expenses directly incident to the handling and carriage of cargo which are not properly allocable to account 780, "Stevedoring," defined in account 780, such as:

Cleaning holds and tanks for reception of cargo.
Sweeping and cleaning wharves and docks.
Cartage of baggage and mail.
Checking and tallying.
Clerk hire, receiving and delivering.
Coopering (labor and materials).
Cotton inspection.
Demurrage on cars and lighters.
Dunnage, including cost of handling.
Grain inspection.
Hire of:
  Barges and lighters.
  Cranes and derricks.
  Electric lights for loading or discharging.
  Grain elevators.
  Tarpaulins.
Installation of special cargo fittings.
Landing charges and collections.
Measuring cargo.
Port marking.
Separation cloths for grain cargoes.
Spiral charges.
Survey of cargo and hatches.
Towage of barges and lighters.
Watching cargo.
Weighing cargo.
Insurance, premium on workmen's compensation and public liability, based on labor charges included under this classification.

(b) This account shall also include any agreed amounts charged for the use of the carrier's own facilities or for services rendered by the carrier to its owned or operated vessels, such amounts being credited to account 890, "Interdepartmental credits for services and facilities."

790 Freight brokerage.

This account shall include commissions to brokers for procuring cargo.

793 Passenger brokerage.

This account shall include commissions to brokers and booking agencies for procuring business.

795 Canal tolls.

This account shall include only the cost of tolls levied against vessels for traversing the Panama Canal, Suez Canal, and Saint Lawrence Seaway. Tolls assessed for passage through other canals shall be included in account 779, "Other port expenses."

[15 F.R. 7675, Nov. 11, 1950, as amended at 25 F.R. 13908, Dec. 29, 1960]

799 Other voyage expense.

(a) This account shall include all miscellaneous expenses incident to traffic operations and conduct of voyages which are not properly chargeable to other account classifications, such as:

Arrival notices.
Ballast expense (cost of ballast as well as expense of loading and discharging).
Bank commission.
Cargo plant.
Communication expenses, including telegrams, cables, radio dispatches, and telephone tolls.
Demurrage.
Extending protest.
Noting protest.
Postage and petties.
Reporting vessels.
Stowage plans.
Transshipment of cargo for vessel's convenience.

(b) This classification shall also include net losses resulting from advance and prepaid beyond transactions, miscellaneous other manifested items, bar and slop chest sales on such voyages.

800 Inactive vessels expense.

(a) The account shall include all expenses incurred during and directly incident to inactive periods of vessels which are owned and controlled by the carrier, such as wages of officers and crews, subsistence, stores, supplies and equipment, fuel, repairs, insurance, charter hire, wharfage and dockage, port charges, etc.

(b) Subsidiary accounts shall be maintained alphabetically by vessels, further divided as to lay-up periods, and according to classifications of expenses as follows:

801. Wages.
803. Payroll taxes.
804. Contributions—Welfare plans.
807. Subsistence.
809. Stores, supplies, and equipment.
810. Other maintenance expense.
815. Fuel.
817. Repairs.
823. Insurance—Hull and machinery.
825. Insurance—P. & I.
826. Charter hire.
829. Wharfage and dockage.
839. Port expenses.
849. Miscellaneous.

(c) For detailed description of items chargeable to each account see classification of items for corresponding expenses under account 700, "Operating expense—Terminated voyages."

850 Contributions to pools.

This account shall be charged with contributions for each accounting period in accordance with pooling agreements by transfers from account 1055, "Pool participation."

855 Expense of terminal operations.

(a) This account shall include the gross expense incurred in the maintenance and operation of terminal facilities by the carrier such as salaries, wages (and related payroll taxes), rent, heat, light, power, repairs, dredging, and insurance for its owned or operated vessels or for the vessels of others.

(b) In instances where such services are performed by the carrier for its owned or operated vessels at agreed

amounts, such agreed amounts shall be credited to account 890, "Interdepartmental credits for services and facilities," with a corresponding charge to account 200, "Unterminated voyage expense," or account 700, "Operating expense—Terminated voyages."

(c) Subsidiary accounts shall be maintained to show separately the principal classes of expense incurred in the operation of each terminal.

865 Expense of cargo handling operations.

(a) This account shall include the gross expense incurred in the performance by the carrier of stevedoring and other cargo handling services such as checking, tallying, delivering, coopering, watching, etc. (and related payroll taxes), for its owned or operated vessels or for the vessels of others.

(b) In instances where such services are performed by the carrier for its owned or operated vessels at agreed amounts, such agreed amounts shall be credited to account 890, "Interdepartmental credits for services and facilities," with a corresponding charge to account 200, "Unterminated voyage expense," or account 700, "Operating expense—Terminated voyages."

(c) Subsidiary accounts shall be maintained to show separately the principal classes of expenses incurred in the performance of stevedoring and other cargo handling operations at each port.

875 Expense of tug and lighter operations.

(a) This account shall include the gross expense incurred in the maintenance and operation by the carrier of tugs, lighters, barges, scows, launches, floating cranes, and similar floating equipment for its owned or operated vessels or for the vessels of others.

(b) In instances where such services are performed by the carrier for its owned or operated vessels at agreed amounts, such agreed amounts shall be credited to account 890, "Interdepartmental credits for services and facilities," with a corresponding charge to account 200, "Unterminated voyage expense," or account 700, "Operating expense—Terminated voyages."

(c) Subsidiary accounts shall be maintained to show separately the principal classes of expenses incurred in the maintenance and operation of such floating equipment at each port.

885 Expense of other shipping operations.

(a) This account shall include the gross expense incurred in the performance by the carrier of repairs and any other services or operations incidental to the shipping business for its owned or operated vessels or for the vessels of others, and for which no other account is specifically provided.

(b) In instances where such services are performed by the carrier for its owned or operated vessels at agreed amounts, such agreed amounts shall be credited to account 890, "Interdepartmental credits for services and facilities," with a corresponding charge to account 200, "Unterminated voyage expense," or account 700, "Operating expense—terminated voyages."

(c) Subsidiary accounts shall be maintained to show separately the principal classes of expense incurred in the performance of repairs and other auxiliary operations at each port.

890 Interdepartmental credits for services and facilities.

(a) This account shall be credited with agreed amounts concurrently charged to account 200, "Unterminated voyage expense," or account 700, "Operating expense—Terminated voyages," representing services performed and facilities furnished by the carrier for its owned or operated vessels, the expenses for which are included in the following accounts:

Account 855 Expense of terminal operations.
Account 865 Expense of cargo handling operations.
Account 875 Expense of tug and lighter operations.
Account 885 Expense of other shipping operations.
Account 900 Administrative and general expense. (Agency fees and commissions.)

(b) Subsidiary accounts, to which postings shall be made by vessel and voyage, shall be subdivided as follows:

891 Credits from terminal operations.
892 Credits from cargo handling operations.
893 Credits from tug and lighter operations.
894 Credits from other shipping operations.
895 Credits from branch house operations.

900 Administrative and general expense.

(a) This account shall include all administrative and general expenses incurred in the operation of the business for which no other specific account is provided, including the corresponding expenses of branch houses.

(b) Subsidiary accounts shall be maintained separately by offices.

(c) This account shall be subdivided according to the classification of expenses in accounts 901–944, inclusive.

901 Salaries of officers.

This account shall include the compensation of officers and directors, including fees of receivers and trustees, commissions in lieu of salaries and taxes computed on basis of payroll such as old age benefits, unemployment compensation, and similar social security taxes.

902 Wages of employees.

This account shall include the compensation of all employees other than officers and directors, including taxes computed on basis of payroll such as old age benefits, unemployment compensation and similar social security taxes.

905 Legal and accounting fees and expenses.

This account shall include fees, retainers, and other expenses for professional services of attorneys, auditors, accountants, and others, including cost of law books, legal forms, testimony, notarial and witness fees, law and court expenses, and audit reports of investigations and lawsuits.

910 Rent, heat, light, and power.

This account shall include the cost of light, heat, power, water, and air conditioning; also rents payable for use of buildings, general offices, and storage space.

915 Communication expenses.

This account shall include the cost of telephone, telegraph, cable, radio, teletype, and all other communication services.

920 Office supplies, stationery, and printing.

This account shall include the cost of office supplies and of stationery and printing used in general offices, including the cost of printing annual reports, contracts, leases, passes, and tariffs.

925 Membership dues and subscriptions.

This account shall include membership dues and fees in associations and subscriptions to periodicals and newspapers. This account shall also include all expenses incurred in administering pooling agreements. (Contributions of revenues to pooling agreements shall be charged to account 850, "Contributions to pools.")

929 Entertaining and solicitation.

This account shall include expenses of canvassing and solicitation in connection with the procurement of traffic and all entertaining expenses.

930 Traveling expenses.

This account shall include all traveling expenses of officers and their employees on official business of the company.

931 Insurance and bond premiums.

This account shall include premiums on insurance such as burglary, theft, robbery, etc., and premiums on fidelity bonds on officers and employees.

932 Pensions and relief.

(a) This account shall include pensions and gratuities paid to retired or incapacitated employees, or heirs of employees, and expenses in connection therewith; also cost of life and benefit insurance on employees.

(b) A carrier may account for pensions on an accrual basis when funded under an established retirement plan whereby it definitely agrees to pay pensions to its retired employees.

(c) No charges shall be made to this account in anticipation of discretionary pension payments in the future. (Contributions to welfare plans of seamen shall be charged to account 709, "Contributions—Welfare plans.")

933 Postage.

This account shall include the cost of postage for mailing official business, including parcel post and registered mail, not provided for elsewhere.

934 Maintenance of office buildings and equipment.

This account shall include the cost of repairing general office buildings and equipment, furniture, and machines. It shall also include the rental of tabulating machines and other office equipment.

944 Miscellaneous.

This account shall include all expenses of a general character for which no other account is provided, such as:

Clipping service.
Credit investigations.
Draping buildings.
Donations.
Office cleaning service.
Publishing notice of stockholders' meetings.
Registrar and transfer agent's fees.
Rent of safe deposit boxes.
S.E.C. fees.
Towel service.
Watchman service.

945 Management and operating commissions.

This account shall include commissions accruing and payable to other persons or concerns acting as managing or operating agents of the carrier, where the carrier does not maintain an operating organization. It does not include the customary agency fees, commissions, and brokerage paid general and sub-agents at out-ports, which latter shall be charged to account 200, "Unterminated voyage expense."

950 Advertising.

This account shall be charged with the cost of all freight, passenger, and other advertising.

955 Taxes; miscellaneous.

(a) This account shall include all taxes other than Federal income taxes, sales taxes, and taxes computed on basis of payrolls such as old age benefits, unemployment compensation, and similar social security taxes.

(b) Sales taxes and taxes assessed against carriers for electrical energy, telegraph, telephone, radio, cables, checks, rental and safe deposit boxes, motor vehicle licenses, etc., shall be included in the respective accounts to which the cost of the material or services is charged. Social security taxes are to be included in the respective accounts to which the payrolls are charged.

972 Amortization; leaseholds.

This account shall include the amortization of the cost of acquiring long-term leases, and the cost of alterations to, and fixtures installed in, leased property, with a corresponding credit to account 385, "Leaseholds."

980 Depreciation; shipping property and equipment.

(a) This account shall include all accruals applicable to the accounting period for depreciation of all shipping property and equipment operated in transportation service by the carrier which is subject to depreciation accounting.

(b) This account shall be subdivided as set forth in accounts 981, 984, 987, and 988.

981 Depreciation; floating equipment; vessels.

This account shall include the accrual of depreciation of vessels (steamships and motor ships) owned by the carrier with a corresponding credit to account 332, "Reserve for depreciation; Vessels."

984 Depreciation; other floating equipment.

This account shall include the accrual of depreciation of tugs, lighters, barges, scows, launches, floating cranes, and similar floating equipment, with a corresponding credit to account 338, "Reserve for depreciation; Other floating equipment."

987 Depreciation; terminal property and equipment.

This account shall include the accrual of depreciation of terminal buildings, shore cranes, trucks, furniture and fixtures, and other terminal gear and equipment with a corresponding credit to account 344, "Reserve for depreciation; Terminal property and equipment."

988 Depreciation; other shipping property and equipment.

This account shall include the accrual of depreciation of property and equipment incident to shipping and its auxiliary operations for which no other account has been specifically provided, including stevedoring and other cargo handling gear and equipment, repair yards and equipment and highway vehicles, with a corresponding credit to account 350, "Reserve for depreciation; Other shipping property and equipment."

Other Debit Accounts

960 Interest expense.

(a) This account shall include all interest expense accrued. It shall not include interest on obligations issued and assumed and owned by the carrier.

(b) This account shall be subdivided as follows:

961. Bank loans.
962. Insurance notes.
963. Notes and accounts payable—Related companies.
964. Notes and accounts payable—Others.
965. Mortgage notes—Maritime Administration.
966. Mortgage bonds.
967. Debentures.
968. Other long-term debt.
969. Miscellaneous.

970 Amortization of deferred charges.

This account shall be subdivided as set forth in accounts 971, 973, and 974.

974 Amortization; debt discount and expense.

This account shall include for each fiscal period such proportion of debt discount and expense on funded debt as is transferred from account 384, "Debt discount and expense."

973 Amortization; organization and pre-operating expense.

Amortization of expenses incurred in the formation or development of the business shall be charged to this account as transferred from account 386, "Organization and pre-operating expense."

974 Miscellaneous amortization expense.

Amortization of any deferred charges for which no other account is specifically provided shall be included in this account.

975 Doubtful notes and accounts receivable.

(a) This account shall be charged with provisions for reserves against all notes and accounts receivable considered doubtful of collection.

(b) Separate subsidiary accounts shall be maintained for doubtful accounts of related companies as distinguished from those of non-related companies.

979 Miscellaneous deductions from income.

This account shall include amounts properly chargeable to income, not provided for elsewhere, such as:

Calls for bids in accordance with provision of mortgages.
Cost of advertising bonds drawn for redemption.
Losses due to conversion of foreign currencies. (Transferred from account 050, "Foreign exchange account".)
Premiums on bonds to assure performance of contracts when chargeable to income.
Taxes on interest on funded debt payable at source under tax-free covenants.

When the loss from sale of property and equipment, or securities, or from write down of securities because of impairment in value, or reacquisition of the company's own bonds is of an amount sufficiently large to constitute an extraordinary item, pursuant to instruction 11, such loss shall be charged to account 990, "Extraordinary items."

Trusts, current expenses of maintaining and administering.
Trustees' commissions and fees for paying bond interest on coupons and expenses connected with such payments.
Loss on sale of shipping and nonshipping property and equipment.
Loss on sale of securities and charges to write down the ledger value of securities because of impairment in their value.
Loss on company bonds reacquired.

985 Expense of non-shipping operations.

(a) This account shall include the gross expense, other than amortization and depreciation, incurred in ventures other than shipping and shipping auxiliary operations.

(b) Separate accounts shall be maintained for each enterprise and location.

986 Depreciation; nonshipping property and equipment.

The annual or other periodical accrual of depreciation of property and equipment used in ventures other than shipping and shipping auxiliary operations shall be charged to this account with a

corresponding credit to account 354, "Reserve for depreciation—Nonshipping property and equipment."

989 Federal income taxes on ordinary income.

This account shall be charged with accrued provision for Federal income taxes applicable to ordinary income of the accounting year. See the text of account 599, "Earned surplus; unappropriated" and account 998, "Federal income taxes on extraordinary and prior period items," for recording other income tax consequences.

Details pertaining to the tax consequences of other unusual and significant items and also cases where the tax consequences are disproportionate to the related amounts included in the income accounts, shall be submitted to the Commission for consideration and decision as to proper accounting.

Income taxes which are refundable or reduced as the result of carry-back or carry-forward of operating loss shall be credited to this account, if a carry-back, in the year in which the loss occurs, or, if a carry-forward, in the year in which such loss is applied to reduce taxes. However, when the amount constitutes an extraordinary item pursuant to instruction 11, it shall be included in account 994, "Prior period items."

EXTRAORDINARY AND PRIOR PERIOD ITEMS

990 Extraordinary items (net).

(a) This account shall include extraordinary items accounted for during the current accounting year in accordance with the text of instruction 11, upon approval of the Commission. Among the items which shall be included in this account are:

Net gain or loss on sale of shipping and nonshipping property and equipment.
Net gain or loss on sale of securities and charges to write down the ledger value of such securities because of impairment of value.
Net gain or loss on reacquisition of company bonds.
Change in application of accounting principles.

(b) This account shall be maintained to show the nature and gross amount of each debit and credit, together with the applicable year, vessel name and voyage number.

(c) Federal income tax consequences of charges and credits to this account shall be recorded in account 998, "Federal income taxes on extraordinary and prior period items."

994 Prior period items (net).

(a) This account shall include unusual delayed items accounted for during the current accounting year in accordance with the text of instruction 11, upon approval of the Commission. Among the items which shall be included in this account are:

Unusual adjustments, refunds or assessments of Federal income taxes of prior years.
Similar items representing transactions of prior years which are not identifiable with or do not result from business operations of the current year.

(b) This account shall be maintained to show the nature and gross amount of each debit and credit, together with the applicable year, vessel name and voyage number.

(c) Federal income tax consequences of charges and credits to this account shall be recorded in account 998, "Federal income taxes on extraordinary and prior period items."

998 Federal income taxes on extraordinary and prior period items.

This account shall include the estimated Federal income tax consequences (debit or credit) assignable to the aggregate of items of both taxable income and deductions from taxable income which, for accounting purposes, are classified as unusual and extraordinary, and are recorded in accounts 990, "Extraordinary items" and 994, "Prior period items."

APPENDIX

CLEARANCE ACCOUNTS

1000 List of clearance accounts.

(a) This group of accounts is designed to accommodate transactions which cannot be allocated directly to balance sheet or income and expense accounts until such transactions have been completely accounted for. In the preparation of periodical financial and operating statements, it is essential that these clearance accounts be analyzed and the balances reflected therein be distributed to appropriate account classifications on such statements.

(b) The balances in this group of accounts applicable to terminated voyages, or other accounting units of a closed fiscal year, must not be carried forward to the succeeding fiscal year.

1001 Masters and pursers.

(a) This account shall be charged with amounts advanced to or collected by masters and pursers. The account shall be credited with the net amount of vessels' payrolls, with cash advances to members of the crew, with allowable expenses incurred, with endorsed travelers checks, and unexpended cash balances returned.

(b) Subsidiary accounts shall be maintained alphabetically by masters and pursers, and a separate account maintained for each voyage or other accounting unit.

1005 Allotments on wages of crews.

This account shall be charged with payments made to allottees of crews and shall be credited with deductions made therfor on vessels payrolls.

1010 Agents and branch houses.

(a) This account shall serve as a clearance account for all current transactions with foreign and domestic agents, and branch houses of the carrier. The account shall be charged with cash advances to agents and branch houses, and with freight and other voyage revenue collectible by the agent or branch house in instances where arrangements are made with them to disburse vessels therefrom. Freight and other voyage revenues collectible by agents who are required to remit in full shall be recorded in account 151, "Traffic accounts receivable." This account shall be credited with remittances by the agents or branch houses, and with approved disbursements made for the account of the carrier.

(b) Subsidiary accounts shall be maintained alphabetically by names of agents or branch houses.

1012 Sub-agency operations.

(a) This account shall serve as a clearance account for all current transactions with other principals for whom the carrier acts as agent.

(b) The balances in this account shall be reflected in account 165, "Accounts receivable—Miscellaneous," and account 421, "Trade accounts payable," for balance-sheet purposes.

1015 Related companies; accounts current.

(a) This account shall be charged with receivables and credited with payables which are customarily subject to current settlement. Under no circumstances shall loans, advances, or other transactions, the settlement of which is deferred beyond one year, be recorded in this account.

(b) The balances in this account shall be reflected in account 140, "Notes and accounts receivable—Related companies," or account 415, "Notes and accounts payable—Related companies," for balance-sheet purposes.

(c) Subsidiary accounts shall be arranged alphabetically by companies, and a description of each transaction shall be reflected in the accounts.

1025 Collections and deposits for passenger transportation.

(a) Gross passenger ticket sales and deposits, including those for future reservations, hotel accommodations, shore excursions, passenger taxes, etc., shall be credited to this account.

(b) As transportation is furnished to passenger by vessels of the carrier, this account shall be charged and account 500, "Unterminated voyage revenue," credited. Deposits or collections for other purposes, including commissions earned or payable incident thereto, shall be cleared from this account as soon as practicable to appropriate accounts designated in the chart. The credit balances remaining in this account shall be reflected in account 495, "Advance ticket sales and deposits," for balance-sheet purposes.

(c) Subsidiary accounts shall be maintained in sections corresponding to the classifications shown on the daily ticket sales report, examples of which are: Prepaid orders, one-way tickets, round-trip tickets, exchanges orders, railroad fares, hotel reservations, sightseeing tours, head tax, U.S. Government stamp tax, foreign government passenger taxes,

commissions due agents and brokers, and commissions earned.

1030 Collections on unrecorded freight manifests.

(a) This account shall be credited with all collections of freight revenue from shippers or consignees prior to the recording of the revenue manifests. When the manifest is recorded, the balance in this account applicable thereto shall be cleared with a corresponding credit to account 500, "Unterminated voyage revenue."

(b) Subsidiary accounts shall be maintained alphabetically by vessels and consecutively by voyages or other accounting units.

1035 Advance and prepaid beyond charges, and miscellaneous manifested items.

(a) When vessels manifests are journalized, this account shall be credited with advance charges, prepaid beyond charges, and miscellaneous manifested items, such as: Consular fees, cargo insurance, handling, transshipment, and transfer charges. The account shall be charged with expenses incurred in the performance of the services for which these collections were made. As transactions applicable to terminated voyages are completely accounted for, net debit balances in this account shall be transfered to account 700, "Operating expense—Terminated voyages," and net credit balances to account 600, "Operating revenue—Terminated voyages."

(b) Subsidiary accounts should be subdivided as between advance charges, prepaid beyond charges, and miscellaneous manifested items. Each group of accounts should be maintained alphabetically by vessels and consecutively by voyages.

1040 Bar accounts.

(a) This account shall be charged with inventories of bar supplies aboard vessels at the beginnings of each voyage for sale to passengers, and with all purchases of such supplies during the voyage. The account shall be credited with the inventory of bar supplies on hand at the end of each voyage, and with gross sales during the voyage. As transactions applicable to terminated voyages are completely accounted for, net debit balances in this account shall be transferred to account 700, "Operating expense—Terminated voyages," and net credit balances to account 600, "Operating revenue—Terminated voyages." The balance remaining in this account after profits and losses, on sales applicable to voyages terminated during the accounting period, have been cleared to the vessel operating accounts, shall be reported on the balance sheet under the classification "Inventories".

(b) The subsidiary accounts shall be maintained alphabetically by vessels and consecutively by voyages.

1045 Slop chest account.

(a) This account shall be charged with inventories of slop chest supplies aboard vessels at the beginning of each voyage for sale to members of the crew, and with all purchases of such supplies during the voyage. The account shall be credited with the inventory of slop chest supplies on hand at the end of each voyage, and with all gross sales during the voyage. As tranactions applicable to terminated voyages are completely accounted for, net debit balances in this account shall be transferred to account 700, "Operating expense—Terminated voyages," and net credit balances to account 600, "Operating revenue—Terminated voyages." The balance remaining in this account after profits and losses, on sales applicable to voyages terminated during the accounting period, have been cleared to the vessel operating accounts, shall be reported on the balance sheet under the classification "Inventories".

(b) The subsidiary accounts shall be maintained alphabetically by vessels and consecutively by voyages.

1050 Foreign exchange account.

All gains or losses in foreign exchange shall be recorded in this account. At the close of each accounting period the balance in the account shall be transferred to account 690, "Miscellaneous other income," or account 979, "Miscellaneous deductions from income," as the case may be.

1055 Pool participation.

(a) This account shall be charged with contributions to pools for the purpose of equalizing revenue in accordance with pooling agreements and shall be credited with gross collections received from pools for the same purpose.

(b) Charges against the carrier in administering the pooling agreements shall be recorded in account 925, "Membership dues and subscriptions." The balances in this account at the close of each accounting period, as prescribed in pooling agreements, shall be transferred to account 640, "Collections from pools" and account 850, "Contributions to pools."

(c) This account shall be maintained to show separately transactions under each pooling agreement and accounting period.

1060 Stores, supplies, and equipment aboard vessels.

(a) Where inventories of vessels stores, supplies and/or equipment are not taken and priced at the end of each voyage, the value of such inventories shall be charged to this account at the beginning of each contract period and at the beginning of each subsequent accounting period. The account should also be credited with the value of inventories of stores, supplies, and/or equipment at the end of each accounting period, after which any balance therein shall be charged or credited, as the case may be, to the last voyage of each vessel involved terminated during the accounting period.

(b) The accounts will not be used in instances where inventories of stores, supplies and/or equipment are taken and priced at the end of each voyage.

(c) The balance in the account at the end of each accounting period, applicable to the subsequent accounting period, will be reflected in balance sheet account 200, "Unterminated voyage expense."

1095 Profit and loss account.

At the end of the accounting year this account shall be credited or charged, as the case may be, with the balances in all ordinary, extraordinary and prior period revenue and expense accounts, except where otherwise specifically indicated. After all entries have been made; the account shall reflect the net income for the accounting year. The net balance in this account after adjustments have been made for the accounting year shall be transferred to account 599, "Earned surplus—Unappropriated."

FINANCIAL STATEMENTS

2000 Balance sheet statement.

Assets

Account No.	
	Current assets:
100	Cash.
115	Special cash deposits.
120	Marketable securities.
130	Notes receivable.
140	Notes and accounts receivable—Related companies.
150	Accounts receivable.
170	Inventories.
190	Other current assets.
	Total current assets.
369	Less: Reserve for doubtful accounts.
	Total current assets after reserve.
	Voyages in progress (when a net debit balance):
200	Unterminated voyage expense.
500	Less: Unterminated voyage revenue.
	Special funds and deposits:
301	Capital reserve fund.
302	Special reserve fund.
303	Construction reserve fund.
304	Insurance funds.
306–312	Other special funds and deposits.
	Total special funds and deposits.
	Investments:
316	Securities of related companies.
320	Non-current receivables—Related companies.
325	Cash value of life insurance.
328	Other investments.
	Total investments.
329	Less: Reserve for revaluation of investments.
	Total investments after reserve for revaluation.
	Property and equipment:
331	Floating equipment—Vessels.
332	Less: Reserve for depreciation.
337	Other floating equipment.
338	Less: Reserve for depreciation.
343	Terminal property and equipment.
344	Less: Reserve for depreciation.
349	Other shipping property and equipment.
350	Less: Reserve for depreciation.
353	Non-shipping property and equipment.
354	Less: Reserve for depreciation.
359	Construction work in progress.
	Total property and equipment after reserves.
	Other assets:
361	Claims pending.
362	Spare parts.
364	Notes and accounts receivable from officers and employees.
365	Interest accruals for deposit in capital reserve fund.
367	Deferred operating-differential subsidy receivable.

Assets—Continued

Account No.

368 Other non-current notes and accounts receivable.
369 Less: Reserve for doubtful accounts.
Total other assets after reserve.
374 Miscellaneous other assets.
Total other assets.
375 Deferred charges and prepaid expenses:
390 Goodwill and other intangible assets:
Total assets.

NOTE: Contingent assets (not included above).

Liabilities and Capital

Curent liabilities:
400 Notes payable.
415 Notes and accounts payable—Related companies.
420 Accounts payable.
479 Other current liabilities.
489 Miscellaneous reserves for unrecorded liabilities.
495 Advance ticket sales and deposits.
Long-term debt (due within one year):
526 Mortgage notes—Maritime Administration.
530 Mortgage bonds and debentures.
534 Other long-term debt.
Total current liabilities.
Voyages in progress (when a net credit balance):
500 Unterminated voyage revenue.
200 Less: Unterminated voyage expense.
Long-term debt (due after one year):
526 Mortgage notes—Maritime Administration.
530 Mortgage bonds and debentures.
534 Other long-term debt.
Total long-term debt.
Other liabilities:
541 Non-current payables—Related companies.
549 Non-current notes and accounts payable—Officers and employees.
550 Recapturable profits—Maritime Administration.
554 Miscellaneous other liabilities.
Total other liabilities.
Deferred credits:
556 Premium on funded debt.
564 Miscellaneous deferred credits.
Total deferred credits.
Operating reserves:
566 Reserve for repairs.
570 Reserve for insurance.
571 Reserve for pensions and welfare.
579 Miscellaneous operating reserves.
Total operating reserves.
Total liabilities.
Net worth: Capital stock:
581 Issued and outstanding.
585 Subscribed.
587 Less: Discount on capital stock.
Total capital stock.
Surplus:
590 Capital surplus.
Earned surplus (or deficit):
598 Appropriated.
599 Unappropriated.
Total surplus.
Total net worth.
Total liabilities and capital.

NOTE: Contingent liabilities (not included above).

2001 Income statement.

Ordinary Items

Shipping operations:
600–670 Water-line operating revenue.
700–988 Water-line operating expense.
Gross profit (loss) from shipping operations.
Other income:
675 Interest income.
685 Dividend income.

Ordinary Items—Continued

Account No.

690 Miscellaneous other income.
691 Release of premium on long-term debt.
Total other income.
Other deductions from income:
960 Interest expense.
970 Amortization of deferred charges.
975 Doubtful notes and accounts receivable.
979 Miscellaneous deductions from income.
Total other deductions from income.
Net profit (or loss) from shipping operations.
Nonshipping operations:
695 Income from nonshipping operations.
985 Expense of nonshipping operations.
Gross profit (or loss) from nonshipping operations.

Ordinary Items—Continued

Account No.

985 Overhead expense.
986 Depreciation—Nonshipping property and equipment.
Total expenses.
Net profit (or loss) from nonshipping operations.
Ordinary income (or loss) before Federal income taxes.
989 Federal income taxes on ordinary income.
Ordinary income.
Extraordinary and prior period items:
990 Extraordinary items (net).
994 Prior period items (net).
998 Federal income taxes on extraordinary and prior period items.
Total extraordinary and prior period items.
Net income (or loss).

2002 Water-line operating revenue and expense statement.

Account No.		Revenue	Expense	Net
	Shipping operations.			
600–700	Terminated voyage results			
800	Inactive vessels expense			
640–850	Collections from and contributions to pools			
	Gross profit (or loss) from vessel operations before subsidy			
625	Operating-differential subsidy			
	Gross profit (or loss) from vessel operations after subsidy			
645–855	Terminal operations			
650–865	Cargo handling operations			
655–875	Tug and lighter operations			
660–885	Other shipping operations			
670	Agency fees, commissions and brokerage earned			
890	Interdepartmental credits for services and facilities		(.....)	
	Gross profit (or loss) from shipping operations before overhead, amortization, and depreciation			
	Overhead:			
900	Administrative and general expense			
945	Management and operating commissions			
950	Advertising			
955	Taxes-miscellaneous			
	Gross profit (or loss) from shipping operations before amortization and depreciation			
	Depreciation—Shipping property and equipment:			
972	Amortization—Leaseholds			
981	Depreciation—Floating equipment—Vessels			
984	Depreciation—Other floating equipment			
987	Depreciation—Terminal property and equipment			
988	Depreciation—Other shipping property and equipment			
	Total water-line operating revenue and expense			
	Gross profit (or loss) from shipping operations			

PART 1209—INLAND AND COASTAL WATERWAYS CARRIERS

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84 Maintenance expenses.
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CURRENT ASSETS

100 Cash.
101 Imprest funds.
102 Special cash deposits.
103 Marketable securities.
104 Traffic and car-service balances—Dr.
105 Notes receivable.
106 Affiliated companies; notes and accounts receivable.
107 Accounts receivable.
108 Claims receivable.
109 Reserve for doubtful accounts.
110 Subscribers to capital stock.
112 Accrued accounts receivable.
113 Working advances.
114 Prepayments.
115 Material and supplies.
116 Other current assets.

SPECIAL FUNDS

122 Insurance funds.
123 Sinking funds.
124 Other special funds.
125 Special deposits.

INVESTMENT SECURITIES

130 Investments in affiliated companies.
131 Other investments.
132 Reserve for revaluation of investments.
133 Cash value of life insurance.

PROPERTY AND EQUIPMENT

140 Transportation property.
141 Line equipment.
142 Harbor equipment.
143 Miscellaneous floating equipment.
144 Buildings and other structures.
145 Office and other terminal equipment.
146 Motor and other highway equipment.
147 Land.
148 Public improvements.
149 Construction work in progress.
150 Depreciation reserve; transportation property.
151 Acquisition adjustment.
158 Improvements on leased property.
159 Amortization reserve; leased property.
160 Noncarrier physical property.
161 Depreciation reserve; noncarrier physical property.

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166 Claims pending.
170 Other deferred assets.

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171 Incompleted voyage expenses.
174 Debt discount and expense.
175 Other deferred debits.

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180 Organization expenses.

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190 Reacquired and nominally issued long-term debt.
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CURRENT LIABILITIES

200 Notes payable.
201 Affiliated companies; notes and accounts payable.
202 Accounts payable.
203 Traffic and car-service balance—Cr.
204 Accrued interest.
205 Dividends payable.
206 Accrued taxes.
208 Accrued accounts payable.
209 Other current liabilities.

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210 Equipment obligations and other debt due within one year.

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211 Funded debt unmatured.
212 Receivers' and trustees' securities.
213 Affiliated companies; advances payable.

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220 Maintenance reserves.
221 Insurance reserves.
222 Pension and welfare reserves.
223 Amortization reserves; intangible assets.
229 Other reserves.

DEFERRED CREDITS

230 Incompleted voyage revenues.
231 Premium on long-term debt.
232 Other deferred credits.

CAPITAL AND SURPLUS

240 Capital stock.
241 Capital stock subscribed.
243 Discount and expense on capital stock.
245 Proprietorial capital.
250 Capital surplus.
250–1 Premiums and assessments on capital stock.
250–2 Paid-in surplus.
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260 Retained income—Appropriated.
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299 Form of balance sheet statement.

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281 Net income balance.

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286 Miscellaneous reservations of retained income.
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300 Water-line operating revenues.

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301 Freight revenue.
302 Passenger revenue.
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305 Express.
306 Miscellaneous voyage revenue.
312 Demurrage.
313 Revenue from towing for regulated carriers.

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320 Special services.
321 Ferry service.

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331 Revenue from cargo-handling operations.
332 Revenue from tug and lighter operations.
333 Agency fees, commissions and brokerage.
334 Miscellaneous operating revenue.

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341 Revenue from charters.
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351 Motor-carrier revenue.
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400 Water-line operating expense.

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421 Supervision.
422 Wages of crews.
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426 Stores, supplies and equipment.
427 Buffet supplies.
428 Other vessel expenses.
429 Outside towing expenses.
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431 Port expenses.
432 Agency fees and commissions.
433 Lay-up expenses.

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441 Supervision.
442 Agents.
443 Stevedoring.
444 Precooling and cold-storage operations.
445 Light, heat, power, and water.
446 Stationery and printing.
447 Tug operations.
448 Operation of highway vehicles.
449 Local transfers.
450 Other terminal operations.

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456 Supervision.
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458 Advertising.
459 Other traffic expenses.

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461 General officers and clerks.
462 General office supplies and expenses.
463 Law expenses.
464 Management commissions.
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467 Other expenses.

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500 Other income.

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502 Income from noncarrier operations.
503 Dividend income.
504 Interest income.
505 Income from sinking and other special funds.
506 Release of premium on long-term debt.
507 Miscellaneous income.
508 Profits from sale or disposition of property.

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523 Expenses of noncarrier operations.
524 Uncollectible accounts.
525 Losses from sale or disposition of property.
526 Maintenance of investment organization.
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601 Material and stores expense.

AUTHORITY: Part 1209 issued under sec. 313, 54 Stat. 944, as amended; 49 U.S.C. 913.

Introduction

(i) *Regulations prescribed.*

Carriers by water operating on inland and coastal waterways, and every lessor thereof subject to provisions of the Interstate Commerce Act, shall comply with regulations in this part which, as presented hereinafter, include all modifications thereof effective June 30, 1959, and prior thereto.

(ii) *Classification of carriers.*

(a) For the purpose of this system of accounts, carriers by water are divided into two classes as follows:

Class A. Companies having average annual operating revenues exceeding $500,000.
Class B. Companies having average annual operating revenues exceeding $100,000 but not more than $500,000.

Class A companies shall keep all of the accounts of this system of accounts which are applicable to their affairs.

Class B companies shall keep all of the accounts of this system of accounts which are applicable to their affairs, except that their accounts for operating revenues and operating expenses may be kept under the accounts of the condensed classification provided herein.

(b) When a uniform system of accounts is prescribed for companies having average annual operating revenues of $100,000 or less, carriers subject thereto will be given due notice.

NOTE: Carriers by water subject to these regulations shall adopt the class of operating accounts indicated by the average of their annual operating revenues for 3 years immediately preceding the effective date of this uniform system of accounts. If subsequently at the close of any calendar year the average of such annual revenues for the 3 latest years is more or less than the amount applicable to the class in which the carrier has been accounting, the appropriate class of operating accounts based on such average shall be adopted. New companies shall estimate the amount of their annual operating revenues and adopt the class of operating accounts appropriate for the amount of such estimated revenues.

General Instructions

1 Records.

(a) The carrier's records shall be kept with sufficient particularity to show fully the facts pertaining to all entries in the accounts.

(b) Where the general book entries do not contain complete information, they shall be supported by other detail records, cross-referenced for ready identification.

(c) All records shall be filed in such manner as to be readily accessible for examination by representatives of the Commission.

(d) Attention is directed to the following extract from section 313 of part III of the Interstate Commerce Act:

(g) The Commission may issue orders specifying such operating, accounting, or financial papers, records, books, blanks, tickets, stubs, correspondence, or documents of water carriers or lessors as may, after a reasonable time, be destroyed, and prescribing the length of time the same shall be preserved.

The Commission's order specifying the records which may be destroyed is contained in its "Regulations to Govern the Destruction of Records" Part 1227 of this chapter.

(e) All accounts kept shall conform in numbers and titles to those prescribed herein, except that:

(1) Carriers may subdivide the accounts provided such subdivision does not impair the integrity of the accounts prescribed.

(2) The titles of all subdivisions or subaccounts shall refer by number or title to the accounts of which they are subdivisions.

(3) When subaccounts are thus kept, it is not required that the main accounts of which they are subdivisions shall also be kept in the carrier's books.

(f) Clearing accounts may be kept when necessary or useful in making the proper distribution of items to the appropriate primary accounts.

(g) The accounts for each month shall be recorded currently so that all transactions applicable to each month, as nearly as may be ascertained, shall be entered in the books of the carrier. Each carrier shall close its books as of the end of the calendar year.

2 Definitions.

When used in this system of accounts the term:

(a) "Actually issued" as applied to certificates of capital stock or evidences of funded debt issued or assumed by the carrier means those which have been sold to bona fide purchasers for a valuable consideration (including those issued in exchange for other securities or other property) under the condition that the purchaser secured them free from all control by the issuing carrier; also securities issued as dividends on stock.

(b) "Actually outstanding" as applied to certificates of capital stock or evidences of funded debt issued or assumed by the carrier means those which have been "actually issued" and are neither retired nor held by or for the carrier.

(c) "Additions" are structures, facilities, or equipment added to transportation property in existence and not replacing property retired.

(d) "Affiliated companies" means companies or persons that directly or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the accounting carrier.

NOTE: Where reference is made to control (in referring to a relationship between any person or persons and another person or persons), such reference shall be construed to include actual as well as legal control, whether maintained or exercised through or by reason of the method of or circumstances surrounding organization or operation, through or by common directors, officers, or stockholders, a voting trust or trusts, a holding or investment company or companies, or through or by any other direct or indirect means; and to include the power to exercise control.

(e) "Book cost" means the amount at which assets are recorded in the accounts of the carrier without deduction of any related reserves or other items. If the book cost of units and minor items of property retired cannot be definitely determined from the carrier's records, the book cost of such items shall be estimated.

(f) "Book liability" means the amount at which liabilities (including securities issued or assumed by the carrier) are recorded in the accounts of the carrier.

(g) "Carrier" when not otherwise indicated in the context, means the accounting carrier.

(h) "Cost of removal" means the cost of demolishing, or otherwise disposing of transportation property, and recovering the salvage.

(i) "Component rates" as applied to depreciation accounting means the rates applied to the various subclasses of property within a primary account in arriving at the depreciation charge.

(j) "Debt expense" as applied to funded debt means all expense in connection with the issue and sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds, certificates of indebtedness, and other commercial paper having a life of

more than one year; fees paid trustees, specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges, and other like costs.

(k) "Delayed items" means items relating to transactions which occurred before the current calendar year, but which were not recorded in the books of account in such prior years. It includes adjustments of errors in the operating revenue, operating expense, or income accounts of prior years. See instructions 3 and 4.

(l) "Depreciable accounts" are those in which is recorded the cost of property for which depreciation accounting is required.

(m) "Depreciation" means the loss in service value not restored by current maintenance, and incurred in connection with the consumption or prospective retirement of physical property in the course of service from causes against which the carrier is not protected by insurance, which are known to be in current operation, and whose effect can be forecast with a reasonable approach to accuracy.

(n) "Discount" as applied to securities issued or assumed by the carrier means the excess of the par or face valve of the securities, plus interest or dividends accrued at the date of the sale, over the current money value of the consideration received at their sale.

(o) "Fixed improvements" means buildings, wharves, docks, and other structures attached to the land, including fixtures, machinery, and other appurtenances.

(p) "Investment advances" means advances, represented by notes or by book accounts, which it is mutually agreed or intended between the creditor and the debtor shall be settled by the issuance of capital stock or funded debt or carried with no intention of making settlement.

(q) "Minor items" means any part of physical property which is not designated as a unit of property.

(r) "Nominally issued" as applied to certificates of capital stock or evidences of funded debt issued or assumed by the carrier means those which have been signed, certified, or otherwise executed and placed with the proper officer for sale, or pledged or otherwise placed in some special fund of the carrier, but which have not been sold.

(s) "Nominally outstanding" as applied to certificates of capital stock or evidences of funded debt issued or assumed by the carrier means those which after being actually issued have been reacquired by or for the carrier under such circumstances as required them to be considered as held alive and not retired.

(t) "Nonaffiliated companies" means all companies other than those defined as affiliated.

(u) "Noncarrier property" means property neither used in nor held for transportation service.

(v) "Nondepreciable accounts" are those in which are recorded the book cost of those classes of transportation property for which no charges to operating or other accounts for depreciation are permitted.

(w) "Premiums" as applied to securities issued or assumed by the carrier means the excess of the current money value of the consideration received at their sale over the sum of their par or face value plus interest or dividends accrued at the date of the sale.

(x) "Property retired" means physical property which has been permanently withdrawn from transportation service.

(y) "Retirement" as applied to physical property means the permanent withdrawal of the property from transportation service.

(z) "Replacement" means the installation of physical property in substitution for other property which has been retired.

(aa) "Service life" means the period of time between the installation of a unit of property and its retirement.

(bb) "Service value" is the book cost of property retired plus the cost to the carrier of demolishing the property and recovering the salvage less the value of the salvage.

(cc) "Straight-line method" as applied to depreciation accounting means the plan under which the annual depreciation charge is computed by applying such percentage rates to the book cost of items of depreciable property as will distribute their estimated service value in equal annual charges as nearly as may be to operating expenses and other accounts over their service lives.

(dd) "These accounts" means the accounts of the particular group to which the instruction relates.

(ee) "Time of installation" means the date at which property is completed and placed in transportation service.

(ff) "Time of retirement" means the date at which property is permanently withdrawn from the transportation service.

(gg) "Unit plan" means the plan under which depreciation charges are computed and the records maintained so that the total amount of depreciation accruals applicable to each unit can be determined.

(hh) "Value of salvage" means the amount received for transportation property retired and disposed of, or the amount at which material recovered will be charged if reused. In the event property is sold before it has reached the end of its useful life the amount received from the sale, less the expenditures incurred in connection therewith, shall be the value of the salvage.

3 Unaudited items.

When the amount of any item affecting revenues, expenses, or income cannot be accurately determined in time for inclusion in the accounts of the month in which the transaction occurs, the amount of the item shall be estimated and included in the proper accounts and debited or credited to the appropriate balance-sheet account. When the item is audited the necessary adjustment shall be made through the accounts in which the estimate was recorded. If, during the interval between the date of inclusion of the item in the accounts and the date on which it is audited, a substantial difference from the initial estimate is determined, appropriate adjustment shall be made in the current accounts to cover such difference. The carrier is not required to anticipate items which would not appreciably affect the accounts.

4 Extraordinary and prior period items.

(a) All items of profit and loss recognized during the year are includible in ordinary income except nonrecurring items which in the aggregate for the same class are both material in relation to operating revenues and ordinary income for the year and are clearly not identified with or do not result from the usual business operations of the year. Important items of the kind which occur from time to time and which, when material in amount, are to be excluded from ordinary income are those resulting from unusual sales of property and investment securities other than temporary cash investments; from wars and similar calamities and catastrophes, which are not a recurrent hazard of the business and which are not usually covered by insurance; from change of accounting principles; and from prior period items (other than ordinary adjustments of a recurring nature). Material items are those which, unless excluded from ordinary income, would distort the accounts and impair the signifiance of ordinary income for the year. Items so excludible from ordinary income are to be entered directly in the income accounts provided for extraordinary and prior period items upon approval of the Commission.

Adjustments constituting items of customary business activities or corrections or refinements resulting from the natural use of estimates inherent in the accounting process, including those arising from disposal of a unit of property sold or retired in the regular course of business operations, shall not be considered extraordinary or prior period items regardless of size.

(b) In determining materiality, items of a similar nature should be considered in the aggregate; dissmiliar items should be considered individually. As a general standard, an item to qualify for inclusion as an extraordinary or prior period item, shall exceed 1 percent of total water-line operating revenues and ten percent of ordinary income for the year.

(c) Ordinary delayed items and adjustments arising during the current year which are applicable to or related to transactions of prior years shall be included in the same accounts which would have been charged or credited had the item been taken up or adjusted in the period to which it pertained. Ordinary delayed items exclude items of the character described in paragraph (a).

5 Insurance.

(a) The amount of all insurance premiums paid in advance, other than those covering property under construction, shall be included in account 114, "Prepayments," and equitably distributed to

the accounts of the period to which applicable except that minor premiums may be so distributed when audited. The cost of insurance shall be charged in accordance with the character of the loss or damage insured against.

(b) The following provisions apply if the carrier elects to insure its own risks and provides a reserve to equalize losses which may be sustained:

(1) The charges to the appropriate accounts and credits to the insurance-reserve account shall be upon the basis of rates which will fairly cover the risks insured. These rates shall be determined according to the carrier's experience and best estimates as to the hazard covered. The rates charged shall be reasonable and in no case shall they be in excess of commercial rates.

(2) Schedules of risks covered by the reserve shall be maintained giving a description of the property or the character of risks covered.

(3) If the carrier reinsures with insurance companies the risks initially covered by the insurance reserves, the premiums for such reinsurance shall be charged and amounts recovered from such commercial insurance shall be credited to the insurance reserve.

(c) The accounting in connection with claims covered by insurance shall be as follows:

(1) Units of property destroyed by casualties shall be accounted for as retired and the amount recoverable from insurance companies or chargeable to the insurance reserve shall operate to reduce the service value. No charge shall be made to the depreciation reserve for service value of property covered by insurance until the amount of insurance recovered has been exhausted: and correspondingly no profit from insurance shall be recognized unless an amount is recovered in excess of the net book value (book cost less recorded depreciation) of the property insured.

(2) The amount of claims covered by insurance shall be charged to account 166, "Claims pending." As the claims are completed and presented for collection, the amounts collectible shall be cleared from that account to account 108, "Claims receivable," and any uncleared balance in account 166, "Claims pending," with respect to such claim shall be cleared to the appropriate accounts to which chargeable.

7 Securities or other assets pledged.

The carrier shall maintain a record of securities or other assets owned, which have been pledged as collateral security for any of its funded debt, short-term loans, or other obligations. The record shall be kept in such manner as to show with respect to a particular obligation the identity of the securities or other assets pledged as collateral.

8 Interpretation of item lists.

List of "items" appearing in the texts of the accounts are given for the purpose of clearly indicating the application of the prescribed accounting rules. The lists do not comprise all items includible in the accounts, but merely are representative. On the other hand, the appearance of an item in a list warrants its inclusion in the account only when the text of the account also indicates inclusion, inasmuch as the same item frequently appears in more than one list.

9 Submission of questions.

To promote and maintain uniformity of accounting the carrier shall submit all questions of doubtful interpretation of the prescribed accounting rules to the Commission for consideration and decision.

11 Depreciation accounting.

The accounting for depreciation shall be in accordance with the following:

(a) *Computing and filing of depreciation rates.* (1) If percentage rates have not been prescribed, the carrier shall file with the Commission component annual percentage rates estimated to be applicable to the book cost of each class of depreciable transportation property owned by it. These percentage rates shall be based on the estimated service values and service lives developed by a study of the carrier's history and experience and such engineering and other information as may be available with respect to prospective future conditions. They shall be such that the service value of the property may be distributed under the straight-line method to operating expenses during its service life. The annual percentage rates, when filed, shall be accompanied by a statement showing the bases therefor and the methods employed in their computation.

(2) In the event annual percentage rates prescribed by the Commission are no longer considered currently applicable, the carrier shall file revised annual percentage rates which in its judgment should be established. Where property is acquired for which no rates have been prescribed, the carrier shall compile and submit to the Commission appropriate estimates.

(3) The carrier shall keep such records of depreciable property and property retirements as will reflect the service life of property which has been retired, or will permit the determination of service-life indications by mortality, turnover, or other appropriate methods; also such records as will reflect the percentage of value of the salvage for property retired from each class of depreciable property. The carrier shall at any time, upon direction of the Commission, compute and submit for approval revised percentage rates in cases where existing rates are deemed inapplicable.

(b) *Depreciation charges.* All depreciation charges to operating expenses, and concurrent credits to the depreciation reserve shall be made monthly. In computing such monthly charges and credits, the prescribed annual percentage rates shall be applied to the book cost recorded in the respective primary accounts as of the first of each month and the result divided by twelve.

(c) *Depreciation rates.* A separate component annual percentage rate for each class of depreciable property shall be used in computing depreciation charges. Such rates shall be those prescribed by the Commission, except that where no rates have been prescribed, the carrier's estimate shall be used until rates are prescribed.

(d) *Depreciable property accounts.* Depreciable property accounts are as follows:

141. Line equipment.
142. Harbor equipment.
143. Miscellaneous floating equipment.
144. Buildings and other structures.
145. Office and other terminal equipment.
146. Motor and other highway equipment.

(e) *Accrued depreciation.* At the time of retirement of depreciable property the amount of depreciation accrued and included in account 150, "Depreciation reserve—Transportation property," with respect to the particular unit or item retired shall be charged thereto. Any differences between the service value of the particular unit or item retired and the amount charged to account 150 shall be included in the appropriate income account.

(f) *Insurance recoverable.* When amounts are recoverable from insurance companies or chargeable to the insurance reserve in connection with retirement of depreciable property, the difference between the insurance recoverable and the net book value of the property (book cost less recorded depreciation) shall be included in the appropriate income account.

(g) *Inadequate or excessive balance.* A carrier may request, or the Commission may direct, that special accounting be applied in situations causing undue inflation or deflation of depreciation reserves. A carrier's request for special accounting shall contain full particulars concerning the situation, including the basis for its proposal. Alternative accounting techniques shall be applied to the extent approved or directed by the Commission.

(h) *List of accounting units of property.* (1) The following list of units of floating equipment and other transportation property is established for the purpose of designating items of physical property included in each depreciable account, the book cost of which, if not less than $500, shall be credited to the respective property accounts at time of retirement. The replacement of items of property costing less than $500 shall be charged to the appropriate maintenance account and no adjustment is required of the property account. Upon application to the Commission a minimum lower than $500 may be authorized.

(2) The book cost of all property retired and not replaced shall be credited to the transportation property accounts.

(3) Accounting units of property shall include major units acquired as standby equipment such as a complete propulsion engine, boiler, propulsion motor, generator, etc. The carrier may include the cost of these standby units as part of the book cost of the units of floating equipment to which they apply or such standby units may be carried in a subaccount as a separate accounting unit.

I. FLOATING EQUIPMENT—VESSELS

141. Line equipment:
A barge, canal boat, ferry boat, lighter, motor ship, motor launch, power boat, power ship, sailing vessel, steamboat, steamship, tug boat, or other complete unit of floating equipment.
A complete propulsion engine, boiler, propulsion motor or generator for propulsion power.

II. OTHER FLOATING EQUIPMENT

142. Harbor equipment:
A barge, car or other float, ferry boat, lighter, motor launch, transfer boat, tug boat, or other complete unit of floating equipment.
A complete propulsion engine, boiler propulsion motor or generator for propulsion power.
143. Miscellaneous floating equipment:
A float or other complete unit of floating equipment.
A complete propulsion engine, boiler, propulsion motor or generator for propulsion power.
A complete derrick, dredge, or pile driver.

III. TERMINAL PROPERTY AND EQUIPMENT

144. Buildings and other structures:
A complete building.
A complete platform not an integral part of a building. Complete paving at a terminal.
A complete fence.
A complete heating, lighting, ventilating, water-supply, air-conditioning, plumbing, or draining system.
A complete elevator system.
A motor, generator, steam engine, pump, ventilating fan, air washer, elevator drum, machine tool, or similar item of equipment.
A fuel station.
A refrigerator plant.
A section of track.
A complete toilet-room equipment.
A dust-collecting system.
A complete slip.
A complete wharf.
A ferry bridge.
A float bridge.
A complete unit of machinery equipment for transferring and handling coal or ore.
145. Office and other terminal equipment:
Any article of furniture, office appliance, engineering instrument or other complete unit of equipment costing $500 or more.
146. Motor and other highway equipment:
A complete vehicle.
A motor.
A trailer.
A semitrailer.

12 Amortization of investment in leased property.

Under the conditions that improvements made by the lessee to leased property revert to the lessor at the termination of the lease, the amount of such improvements shall be amortized over the life of the lease through charges to account 413, "Amortization of investment—Leased property."

Balance-Sheet Instructions

21 Purpose of balance-sheet accounts.

The balance-sheet accounts are intended to disclose the financial condition of the carrier as of a given date by showing the assets, liabilities, capital stock, and surplus or deficit of the carrier.

22 Current assets.

(a) In the group of accounts designated as current assets shall be included cash, those assets which are readily convertible into cash or held for current use in operations, current claims against others, and amounts accruing to the carrier which are subject to current settlement.

(b) There shall not be included in this group any item the collection of which is not reasonably assured by the known financial condition of the debtor. Items of current character but of doubtful value shall be written down or written off by charges to account 109, "Reserve for doubtful accounts." Items of a noncurrent character shall be included in account 170, "Other deferred assets," at an amount not in excess of a reasonable estimate of future value. If it is desired to retain a record of assets written off, they shall be recorded at a nominal value in account 170, "Other deferred assets."

23 Book cost of securities owned.

(a) Securities of others acquired by the carrier shall be recorded in these accounts at the money value, at time of acquisition, of the consideration given therefor by the carrier, but excluding amounts paid for accrued interest and dividends.

(b) The carrier shall write down such book cost in recognition of a decline in the value of the securities, but fluctuations in market values shall not be recorded. A permanent impairment in the values of the securities shall be recognized, and they shall be written down to a fair value, or written off if there is no reasonable prospect of future value.

The amount of such adjustment shall be charged to account 527, "Miscellaneous income charges", or account 570, "Extraordinary items", as appropriate.

(c) When securities with a fixed maturity date are purchased at a discount or premium (i.e., when the total cost, including brokerage, taxes, commissions, etc., is less or more than par), such discount or premium may be amortized over the remaining life of the securities, through periodic debits in the case of discount, and periodic credits in the case of premium, to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and with corresponding credits and debits to the account in which the interest income is recorded.

(d) No debits, however, shall be recorded in respect of discount upon securities held as investments, or in special funds, if there is reason to believe that such securities will be disposed of by redemption or otherwise at less than par value or the par value will not be collected at date of maturity.

24 Company securities owned.

Securities actually issued or assumed by the carrier which have been reacquired shall be either retired or if not retired, carried in accounts 191, "Reacquired and nominally issued capital stock," or 190, "Reacquired and nominally issued long-term debt," unless it is required by provisions of a mortgage or by decision of a trustee, not subject to control by the carrier, that funded debt securities be retained alive in sinking or other special funds. Reacquired securities not retired shall be shown at par or face value.

25 Income from sinking and other reserve funds.

(a) When interest and other income arising from funds are required by the mortgage or other provisions to be held in the funds, the amounts shall be charged to the appropriate fund. If such fund was established by reservations of retained income, amounts so set aside shall be charged to account 286, "Miscellaneous reservations of retained income," and credited to account 260, "Retained income—Appropriated."

(b) Accretions representing interest, dividends, or other returns accrued on fund investments and retainable in such funds shall, at the time such accretions are charged to the fund, be credited to account 505, "Income from sinking and other special funds," and also charged to account 286, "Miscellaneous reservations of retained income," with concurrent credit to account 260, "Retained income—Appropriated."

26 Discount, expense, and premium on capital stock.

(a) Separate ledger accounts shall be kept in which to record discount suffered, expense incurred, and premium realized at the sale of each class and series of capital stock issued, or assumed by the carrier; also in which to record general levies or assessments against stockholders for each class and series of capital stock against which levies or assessments are made.

(b) The debit balances in the ledger accounts for discount and expense shall be included in account 243, "Discount and expense on capital stock," and the credit balances in the ledger accounts for premiums, levies, or assessments shall be included in account 250–1, "Premiums and assessments on capital stock."

(c) Discount and expense on capital stock may be amortized by charges to account 285, "Miscellaneous debits," or discount and expense may be retained and carried in account 243 until the stock to which the discount and expense apply is retired. Premiums and assessments on capital stock shall be carried in account 250–1 until the stock to which the premiums and assessments apply is retired.

(d) When an issue of capital stock or any part thereof is reacquired, it shall be retired or carried in account 191, "Reacquired and nominally issued capital stock," at par, or if nonpar stock, at the pro rata proportion at which it is carried in account 240, "Capital stock", unless it is required that it be retained alive in sinking or other funds. The difference between the amount at which such reacquired stock was recorded in account 240, "Capital stock," and the amount paid by the accounting company for such stock, combined with the recorded premium or discount and expense in respect to the reacquired stock at the date reacquired, shall be included in account 250–2, "Paid-in surplus." In no event, however, shall net debits exceed

the accumulated credits in account 250–2, "Paid-in surplus," applicable to the particular class of capital stock reacquired. Any excess of debits over the accumulated credits in account 250–2 shall be charged to account 285, "Miscellaneous debits."

(c) If reacquired capital stock is resold, the difference between the amount at which such stock is recorded in the accounts and the net sale price realized from its sale shall be included in account 250–2, "Paid-in surplus," except that debits to that account shall be limited to the accumulated credits therein applicable to that particular class of stock and any excess shall be charged to account 285, "Miscellaneous debits."

27 Discount, premium, and expense or long-term debt.

(a) Separate discount, premium, and debt expense ledger accounts shall be kept in which to include both discount suffered, premium realized, and expense incurred, in connection with the sale of each class and series of long-term debt (including receivers' and trustees' securities) issued or assumed by the carrier.

(b) Each month there shall be credited to each account in which there is a debit balance, such proportion (based upon the ratio of the period to the remaining life of the security) of the debit balance therein as is applicable to the period. The amounts thus credited shall be concurrently charged to account 530, "Amortization of discount on long-term debt." Correspondingly, each month there shall be charged to each account in which there is a credit balance a similar proportion of the credit balance therein applicable to the period. The amounts thus charged shall be concurrently credited to account 506, "Release of premium on long-term debt."

(c) Except as provided in instruction 44(i)(3), no part of the balance for discount, premium, and expense on long-term debt shall be included as part of the cost of acquiring property or part of the cost of operation.

(d) Except as otherwise provided in this instruction, the balance in each account shall be carried until the reacquirement of the securities to which it relates at which time the proportion (based on the relation of the amount reacquired to the total outstanding before reacquirement) of the balance in the account for the particular class of long-term debt reacquired shall be closed to account 507, "Miscellaneous income", account 527, "Miscellaneous income charges", or account 570, "Extraordinary items", as appropriate.

(e) In stating the balance sheet, if the net in the ledger accounts for all classes of long-term debt outstanding is a debit balance, the amount shall be included in account 174, "Debt discount and expense," and if a credit balance, the amount shall be included in account 231, "Premium on long-term debt."

28 Conversion of securities.

Journal entries which record the reacquirement of capital stock or funded-debt securities by issuing in exchange therefore the carrier's capital stock or funded debt securities, shall be submitted to the Commission for approval before they are spread upon the carrier's books. The text of such entries shall give complete information concerning the plan of exchange, the authority of the regulatory body with respect thereto, if any; and the basis upon which the amounts in the entries have been determined.

29 Contingent assets and liabilities.

(a) Contingent assets represent possible sources of value to the carrier contingent upon the fulfillment of conditions regarded as uncertain. Contingent liabilities include items which may, under certain conditions, become obligations of the carrier but are not obligations at the date of the balance sheet.

(b) Contingent assets and liabilities shall not be included in these accounts, but such records shall be kept as will enable the carrier to report all items of significant amount. If the contingent assets and liabilities become actual, they shall be included in the appropriate accounts herein, and prior to such time they shall be shown in a supplemental statement accompanying the carrier's balance sheet.

30 Reorganizations.

(a) Where a carrier involved in receivership or bankruptcy is so reorganized as to preserve in whole or in part the interests of its owners and creditors, whether through the owning corporation or a successor corporation, or is a company resulting from reorganization of a carrier in any other manner, and such carrier or company emerges from such reorganization as the owner of investments, it shall at the time of recording such investments on its books include in account 151, "Acquisition adjustment," the net difference between the total of accounts 100 to 191, inclusive, and the total of accounts 200 to 245, inclusive, as those accounts are properly adjusted under the reorganization plan.

(b) The carrier shall apply to the Commission for permission to use the adjustment account, so far as it is adequate, for the adjustment of all differences between amounts originally set up with respect to such investment items and the values of such items as finally determined; and retained income shall be affected only by losses and gains clearly attributable to operations subsequent to date of reorganization.

Property Instructions

41 Purpose of the property accounts.

The primary property accounts are designed to show an accounting analysis of the book cost of:

(a) Property owned and used by the carrier in its transportation service.

(b) Property owned by the carrier and leased to others for transportation service.

42 Basis of charges.

The costs includible in these accounts, except as provided in instructions 45 and 49, are actual money costs to the carrier. When the consideration for the acquisition of property is other than money, the current cash value of such consideration shall be recorded as the cost of the property acquired.

44 Cost of construction.

The cost of the construction of transportation property chargeable to these accounts shall include the following:

(a) "Cost of labor" includes the amount paid for labor performed by the carrier's employees. The salaries and expenses of engineers and other officers specifically assigned to construction work shall be included in the accounts appropriate for the cost of the property in connection with which their services are rendered. No charge shall be made to these accounts for the pay of operating officers and members of their staffs who merely render service incidentally in connection with construction work.

NOTE: The office, traveling, and other personal expenses of officers and employees shall be included in the accounts to which their pay is chargeable, except that traveling and incidental expenses incurred by operating officers and members of their staffs while rendering service incidentally in connection with construction shall be included in the cost of the work upon which they are incidentally engaged.

(b) "Cost of material, supplies, and small tools" includes the purchase price at the point of free delivery, plus costs of royalties, if any, inspection, loading, transportation, and an equitable proportion of store expenses.

In determining the cost of material used, proper allowance shall be made for the value of unused portions, small tools recovered and used for other purposes, and all other salvage.

NOTE: The cost of individual items of equipment of small value ($25.00 or less) or of short life, including small tools, shall not be charged to the cost of construction unless the correctness of the accounting is verified by current inventories, but shall be charged to operating expenses.

(c) "Special-machine service" includes the cost of material and supplies used in operating the carrier's machines and work equipment; it also includes expenditures for the rental, maintenance, and operation of machines and equipment of others.

NOTE: No charge shall be made to these accounts to cover a return upon the carrier's investment in special machines or work equipment used in construction service.

When special machines and work equipment are purchased for use in construction work, their cost shall be included in account 149, "Construction work in progress." If the machines or equipment are sold at the completion of the work, their sale price shall be credited to account 149. In case they are retained for use in transportation service their appraised value at the completion of the work shall be charged to the appropriate property account and concurrently credited to account 149.

(d) "Cost of transportation" includes the amounts paid to other companies or individuals for the transportation of men, material and supplies, special-machine outfits, appliances, and tools in connection with construction.

NOTE: Freight charges paid other carriers for the transportation of construction material shall be included, so far as practicable, as a part of the cost of the material.

(e) "Cost of contract work" includes amounts paid for work performed under contract by other companies, firms, or individuals, engineering and supervision applicable to such work, costs incident to the award of the contracts, and inspection of the work.

(f) "Cost of protection" includes expenditures for protection in connection with construction.

(1) From casualties, including the cost of protection against fire, payments for discovery or extinguishment of fires, cost of detecting incendiaries including witness fees, amounts paid to municipal corporations and others for fire protection, and analogous items.

(2) From damages to others, including the cost of protecting the property of others from damage in the processes of construction work, and analogous items.

(g) "Cost of injuries and damages" includes expenditures on account of injuries to persons or damage to property when incident to construction. Such costs shall be included in the cost of the work in connection with which the injury or damage occurs, except that unusual losses that result in the destruction of units that have to be entirely replaced prior to completion of the projects shall be charged to account 525, "Losses from sale or disposition of property", or account 570, "Extraordinary items", as appropriate; also the portion of premiums paid for insuring against casualties applicable to the period prior to the completion of the property insured. The cost of injuries and damages in connection with the removal of old structures which are incumbrances on newly acquired land shall be included in account 147, "Land."

(h) "Taxes" on physical property belonging to the carrier including payroll taxes assessed during construction and before the facilities are used for transportation service shall be included in the accounts appropriate for the cost of the property so taxed.

(i) "Interest during construction" includes the net cost of borrowed funds used for construction purposes. Such interest shall be charged to the accounts appropriate for the cost of the property in connection with which the funds are expended. The period for which interest may be charged shall be limited to the period of construction. The interest includible in these accounts is:

(1) Interest on bonds, notes, and other evidences of indebtedness sold, and on interest-bearing debt incurred for the acquisition or construction of property for use in transportation service. It includes the interest accruing on that part of the debt representing the cost of property acquired (less interest, if any, allowed to carriers on unexpended balances) after such funds become available for use and before the completion of the property acquired. Interest accruing before the proceeds from the sale of the securities become available for use shall not be included in these accounts.

(2) There shall be deducted from such interest charges a proportion of premium on securities sold. The amount of premium thus deductible shall be determined by the ratio which the period between the date the proceeds from the securities issued become available and the completion of the property bears to the entire life of the securities issued.

(3) There shall be added to such interest charges a proportion of discount and expense on funded debt securities sold. The amount of discount and expense thus chargeable shall be determined by the ratio which the period between the date the proceeds from the securities issued become available and the completion of the property bears to the entire life of the securities issued. In no case except as provided in this paragraph shall discounts be included in these accounts.

(4) On expenditures made for a construction project that has been suspended, no interest charges from the date of suspension shall be included in these accounts unless specifically authorized by the Commission.

(j) The cost of disposing of material excavated, including privilege of wasting in connection with construction, shall be considered as a part of the cost of the work, except that when such material is used for filling, the cost of loading, hauling, and dumping shall be equitably apportioned between the work in connection with which the removal occurs and the work in connection with which the material is used.

(k) The cost of launching and trial trips of floating equipment which is borne by the carrier shall be considered as part of the purchase price of floating equipment.

(l) When any equipment or other water-line property is acquired under an agreement which provides that the cost shall be paid in installments, the cost shall be charged to the appropriate property accounts at the time of its acquisition, in the same manner as the cost of property purchased outright. When notes or other securities are issued in payment, or in part payment, for such property and their value on a current cash basis is more or less than their face value, the difference between the face value of the securities and their cash value shall be charged or credited to the appropriate discount and expense or premium account.

45 Water-line property acquired.

(a) When transportation property constituting an operating unit or system is acquired by purchase, merger, consolidation or otherwise, the cost to the accounting carrier of the property acquired shall be included temporarily in account 151, "Acquisition adjustment." If the consideration is other than cash, the cash value thereof at the time control was acquired (estimated if not known) shall be the cost of the property acquired.

(b) When the assets acquired include not only transportation property but also securities and other assets, a reasonable estimate, as nearly as determinable of the value inherent in such securities and other assets, except intangible assets, shall be deducted from the total cash cost and the remainder shall be included in account 151, "Acquisition adjustment." The values assigned to the securities and other assets acquired shall be incuded in the accounts appropriate for such assets. The cost of intangible assets such as operating rights shall be retained in account 151, "Acquisition adjustment." (See account 223, "Amortization reserves—Intangible assets.") The par or recorded value of any securities issued and the cash value at date of contract of other liabilities assumed shall be included in determining the cost of the transportation property acquired with contra credit to the appropriate liability accounts. Any necessary adjustment between par value and cash value of securities issued shall be included in the appropriate premium or discount accounts.

(c) The accounting for the acquisition of transportation property shall be completed as follows:

The book cost of the physical property at the date of acquisition as shown by the records of the former owner shall be appropriately distributed and charged to the primary property accounts with contra credit to account 151, "Acquisition adjustment." Concurrently, account 150, "Depreciation reserve—Transportation property," shall be credited and account 151, "Aquisition adjustment," charged with the amount carried in the depreciation reserve of the former owner. Under no circumstances shall the amount charged to the primary accounts as the book cost of transportation property acquired exceed the original cost of the property when first devoted to transportation service.

(d) If the transportation property when acquired is in such physical condition that it is necessary substantially to rebuild the property in order to meet the standard required by the accounting carrier, the cost of such work shall be included in account 151, "Acquisition adjustment," and the distribution to primary accounts shall be deferred until the rehabilitation program has been completed so that the cost of the new property installed may be distributed to the appropriate primary account rather than the cost of the property retired.

(e) In connection with the acquisition of transportation property the accounting carrier shall procure all existing records relating to the property acquired or certified copies thereof and shall preserve such records until authorized by the Commission to destroy or otherwise dispose of them.

(f) Journal entries which record the acquisition of transportation property shall be submitted to the Commission for approval before they are spread upon the accounting carrier's books. The text of

such entries shall give a complete description of the property acquired.

(g) Any balance in account 151, "Acquisition adjustment," is subject to such disposition as the Commission may direct.

46 Overhead construction costs.

(a) Overhead construction costs, such as engineering, supervision, legal expenses, insurance, injuries, damages, taxes, and interest shall be distributed equitably to the work benefited, so that the entire cost of construction, both direct and indirect, may be included in the appropriate primary account.

(b) These instructions shall be interpreted as requiring the assignment of the actual overhead costs to the cost of each particular project.

47 Retirements and replacements.

(a) *Book cost.* At the time of retirement, the book cost (estimated if not known) of transportation property retired from service, shall be credited to the appropriate property accounts in which included.

(1) Land retired including the proportional cost of public improvements pertaining to the land.

(2) Units of depreciable property retired.

NOTE: The dismantling of a structure or unit of equipment in order to replace parts with improved parts, the purpose of which is to modernize the unit and create an expectation of life fairly comparable with a new unit shall be accounted a retirement. The dismantling of such property only to the extent necessary to recondition or replace defective parts shall be accounted as repairs.

(3) Minor items of depreciable property retired and not replaced.

NOTE: If the book cost of a minor item retired is small, is not under a general plan, and in the judgment of the carrier does not affect the condition and value of the property for valuation or depreciation purposes, and will be accounted for by inclusion in the unit of property, of which it is a part when such unit is retired, no separate credit to the property account is required when such minor item is retired.

(4) Minor items of depreciable property retired and replaced with items of a different type or design or constructed of a different grade of material effecting a substantial improvement and rendering the part applied more durable or of greater capacity than that retired.

NOTE: If the retirement and replacement of minor items is in kind or does not effect a substantial improvement, the cost of the replacement including cost of removal shall be charged to the maintenance account appropriate for repairs, and no adjustment shall be made of the property accounts.

(b) The amounts thus credited to the primary property accounts shall be charged as follows:

(1) Units and minor items of property. The accounting for units and minor items of property accounted for as retired shall be in accordance with instruction 11(h).

(2) The value of salvage from retired property shall be charged according to the disposition of the material recovered. If retired property is held temporarily without being torn down, the estimated value of the salvage recoverable shall be included in account 170, "Other deferred assets," until the property is dismantled or otherwise disposed of. If retired property is held by the carrier for other than water-line service, its appraised value shall be included in account 160, "Noncarrier physical property", provided the appraised value shall not exceed the net book value (book cost less recorded depreciation) of such retired property.

(3) The cost of removal shall be included in determining the service value of property retired.

(c) *Land retired.* The book cost of the land, including the proportional cost of public improvements pertaining to the land, retired from service shall be credited to accounts 147, "Land," and 148, "Public improvements," respectively. If the land is sold, the necessary adjustment between the book cost and the sale price shall be included in account 508, "Profits from sale or disposition of property", or account 525, "Losses from sale or disposition of property", or retained income, as appropriate. If the land is sold, the necessary adjustment between the book cost and the sale price shall be included in account 508, "Profits from sale or disposition of property", account 525, "Losses from sale or disposition of property", or account 570, "Extraordinary items", as appropriate. If the land is retained, the lesser of its appraised value or book cost shall be charged to account 160, "Noncarrier physical property", and the necessary adjustment included in account 525, or account 570, as appropriate.

(d) *Sale of property.* In case carrier or noncarrier depreciable property is sold or otherwise disposed of and the net proceeds realized, including insurance and salvage, are in excess of the net book value (book cost less recorded depreciation), such excess shall be credited to account 508, "Profits from sale or disposition of property", or account 570, "Extraordinary items", as appropriate.

48 Leased property.

(a) The cost of initial improvements (including rearrangements and additions) to property leased from others for transportation service made in the course of preparing the property for such service and the cost of any subsequent additions or improvements made to such leased property shall be charged to account 158, "Improvements on leased property."

(b) When improvements to leased property are of relatively minor cost or the lease is for a period not exceeding one year, the cost shall be charged to the appropriate repair account in operating expenses.

49 Donations.

(a) The carrier shall credit account 151, "Acquisition adjustment," at the time of acquisition, with the current money value of land and other grants contributed by governmental agencies or donations by individuals or companies toward the construction or acquisition of property used in transportation service, after obtaining the approval of the Commission.

(b) Any advances made by individuals and companies with provisions for partial or complete reimbursement shall not be considered as donations prior to the fulfillment of all conditions, and then only to the extent to which the liability for reimbursement is nullified. Prior to such determination the amounts received shall be credited to account 232, "Other deferred credits."

Surplus Instructions

51 Purpose of capital surplus account.

The capital surplus account is designed to show surplus arising from sources other than retained income.

52 Purpose of retained income account.

The retained income accounts are designed to show the changes in retained income during each calendar year as affected by the balance of the income account as reported for the period; by any disposition of retained income made solely at the option of the carrier; and, when authorized by the Commission, other items.

53 Segregation of surplus.

The carrier shall maintain account 250, "Capital surplus," account 260, "Retained income—Appropriated," and account 280, "Retained income—Unappropriated." If prior to January 1, 1942, a separation has not been maintained, the surplus shall be segregated, so far as practicable between capital surplus and retained income. The carrier shall carry any surplus that cannot be segregated in an account entitled "Surplus prior to January 1, 1942." The account so designated shall be carried until the balance therein has been entirely cleared.

Income Instructions

61 Purpose of income accounts.

The income accounts are designed to show as nearly as practicable for each calendar year the amount of money that a carrier becomes entitled to receive for transportation services rendered, the income accrued upon investments in securities and noncarrier property, the accrued costs payable for the transportation services rendered, the amounts accrued for taxes, for use of moneys, for use of properties of others, and for extraordinary and prior period items. See instruction 4.

62 Statement of income accounts.

The accounting for income shall be, as nearly as practicable, coincident with the transactions which create them. For the purpose of meeting this requirement, the carriers shall account for unaudited income upon an accrual basis.

Operating Revenue Instructions

71 Purpose of operating revenue accounts.

The operating revenue accounts are designed to show the amounts of revenue

which the carrier becomes entitled to receive from the furnishing of transportation service, including service incidental thereto.

72 Statement of operating revenue accounts.

(a) The accounting for operating revenues, as nearly as practicable, shall be coincident with the transactions which create them. For the purpose of meeting this requirement, the carrier shall account for unaudited revenues upon an accrual basis.

(b) The revenue accounts shall not be used as clearing accounts for other carriers' proportions of revenue, except that overcharges or undercharges may be carried in these accounts until adjusted.

Operating Expense Instructions

81 Purpose of operating expense accounts.

The operating-expense accounts are designed to show expenses of the carrier in furnishing transportation service, and services incidental thereto including the expenses of maintenance (repairs, depreciation, and amortization) of the property used in such service.

82 Statement of operating expense accounts.

The accounting for operating expenses, as nearly as practicable, shall be coincident with the transactions which create them. For the purpose of meeting this requirement, the carrier shall account for unaudited expenses upon an accrual basis.

84 Maintenance expenses.

The accounts provided for maintenance are designed to show the cost of repairs, including the cost of replacing minor items of retired property in kind; the cost of supervision and inspecting and testing to determine the need of repairs, rearrangements, and inspecting and testing after repairs have been made. (See accounts 473, "Hull insurance and damage" and 477, "Other insurance," respecting repair costs borne by carriers under deductible provisions of insurance policies or otherwise not collectible from underwriters or others.)

85 Cost of repairs.

(a) The cost of repairing fixed improvements or equipment shall be included in the appropriate repair accounts of this classification.

(b) The several items of cost here referred to are defined as follows:

(1) "Cost of labor" includes the pay and expenses for work performed by the carrier's employees, including the pay and expenses of members of vessel's crews while actually engaged in making or supervising repairs on vessels in inactive service.

(2) "Cost of material and supplies," including small tools, is the purchase price at the point of free delivery, plus the cost of inspection and loading borne by the carrier, and a suitable proportion of store expense; it includes freight charges paid to other carriers, but shall not include freight charges over the carrier's lines. Cash discounts on material purchased which can be directly assigned shall be credited to the cost of the materials to which they apply. Other discounts shall be apportioned on the basis of the apportionment of store expenses. In calculating the cost of materials, proper allowance shall be made for the value of unused portions and other salvage.

(3) "Cost of equipment work service" includes wages paid crews, including wages of crews held in readiness for such service; and the cost of fuel and other supplies consumed in the operation of equipment, including pile drivers, dredges, and other machines used in work service.

(4) "Contract work" includes amounts paid for repair work performed under contract by other companies, firms, or individuals, and costs incident to the awarding of the contract.

(5) "Cost of protection from casualties" includes expenditures for protection against fire, flood, etc., such as payments for discovery or extinguishment of fires, cost of detecting and prosecuting incendiaries, including witness fees, amounts paid to municipal corporations and others for fire protection and protection against damages by floods, and analogous items. It does not include insurance premiums paid to assure reimbursement for prospective losses.

Balance Sheet Accounts

Asset Side

Current Assets

100 Cash.

This account shall include the amount of current funds available for use of demand or for general purposes in the hands of financial officers and agents or deposited in banks or trust companies including cash in transit for which agents or others have received credit.

Note: If the withdrawal of any portion of the cash recorded in this account is restricted for any purpose except the usual time limit for savings accounts, the balance sheet must carry an appropriate notation to that effect.

101 Imprest funds.

This account shall include cash funds maintained at fixed amounts as revolving funds to be used for minor disbursements requiring immediate payment, the funds being regularly reimbursed from the general cash.

102 Special cash deposits.

(a) This account shall include the amounts of cash on special deposit (other than in special funds or deposits as elsewhere provided) for the payment of dividends, interest, and other debts, of a current nature, when such payments are due one year or less from the date of deposit; also the amount of cash deposited to insure the performance of contracts to be performed within one year from the date of deposits; and other cash deposits of a special nature not provided for elsewhere.

(b) This account shall include also cash realized from the sale of the carrier's securities and deposited with trustees to be held until disbursed for the purpose for which the securities were sold, provided that cash so held until disbursed for such purpose, including cash held for redemption of securities, shall be included in account 124, "Other special funds," unless the liability for the disbursement is included under current liabilities.

Note A: Cash on deposit in special accounts, where the funds are available for the current requirements of the carrier, shall be included in account 100, "Cash."

Note B: Deposits for more than one year not offset by current liabilities shall be charged to account 125, "Special deposits."

103 Marketable securities.

This account shall include the book cost of readily marketable securities acquired for the purpose of temporarily investing cash, such as demand and time loans, including certificates of deposit, bankers' acceptances, United States Treasury bills, and other marketable securities readily converted into cash, but excluding securities of affiliated companies.

Note A: Securities issued or assumed by the carrier shall not be included in this account.

Note B: Investments in securities of other companies shall be included in the appropriate investment account unless they were purchased with the intention to sell them within one year, and they have not been held one year.

104 Traffic and car-service balances—Dr.

This account shall include the net of the balances receivable from or payable to other companies representing traffic and interline accounts, when such balance results in a net debit.

Note: When the net of the balances is a credit, it shall be included in account 203, "Traffic and car-service balances—Cr."

105 Notes receivable.

This account shall include the book cost not includible elsewhere of all collectible obligations in the form of notes receivable, or other similar evidences (except interest coupons) of money receivable on demand or within a time not exceeding one year from date of issue.

Note A: Notes receivable from affiliated companies subject to current settlement shall be included in account 106, "Affiliated companies—Notes and accounts receivable."

Note B: Notes discounted, sold, or transferred, unless transferred without recourse shall be separately accounted for.

Note C: Notes evidencing investment advances to other companies shall be included in the appropriate investment account.

106 Affiliated companies; notes and accounts receivable.

This account shall include the total of amounts receivable from affiliated companies which are subject to current settlement, such as balances in open accounts for services rendered, material furnished, traffic or interline accounts, claims, rent for use of property, and

similar items; interest and dividends due from affiliated companies; and loans, notes, and drafts for which affiliated companies are liable.

NOTE A: No amounts representing dividends receivable shall be included in this account unless they have been declared or guaranteed.

NOTE B: Investment advances shall be included in account 130, "Investments in affiliated companies."

107 Accounts receivable.

(a) This account shall include amounts due from others (except affiliated companies) for material and supplies furnished and services rendered, including transportation and other services, use of property, matured rents, amounts owing by public authorities, and amounts of collectible judgments.

(b) This account shall also include net balances in current accounts due from agents, masters, pursers, and other employees and representatives charged with the collection and custody of current revenues.

NOTE: Amounts of cash advanced to masters, pursuers, or others as working funds shall be included in account 113, "Working Advances."

108 Claims receivable.

This account shall include claims transferred from account 166, "Claims pending," including insurance claims which have been compiled and presented to underwriters for collection and other adjusted claims collectible within one year.

109 Reserve for doubtful accounts.

(a) This account shall be credited each month with amounts estimated as the loss due to uncollectible accounts. To this account shall be charged such amounts as are determined to be uncollectible. Amounts written off as uncollectible and later collected shall be credited to this account.

(b) The estimates shall be adjusted at the end of each year to conform to the experience of the carrier as determined by an analysis of its notes, accounts, and claims receivable.

110 Subscribers to capital stock.

This account shall include demand or short-term notes receivable or other amounts charged to subscribers to capital stock at the time subscriptions are accepted. Concurrently there shall be credited to account 241, "Capital stock subscribed," the par value of the stock subscribed, or the agreed purchase price in the case of stock without par value. Appropriate entries shall likewise be made with respect to any discount or premium. Payments made by subscribers shall be credited to this account.

112 Accrued accounts receivable.

This account shall include the amount of interest accrued to the date of the balance sheet on bonds, notes, deposits, open accounts, and other interest-bearing obligations, the amount of matured dividends, and dividends accrued on stocks when contracts require that the dividends be paid at stated times. It shall also include unmatured rents receivable and other unaudited current items receivable accrued to the date of the balance sheet. It is not required that minor items shall be accounted for upon an accrual basis.

NOTE A: No amounts representing interest, dividends, or rents receivable shall be included in this account unless collection thereof is reasonably assured by past experience, anticipated provision, or otherwise.

NOTE B: No dividends or other returns on securities issued or assumed by the carrier shall be included in this account.

NOTE C: Interest, dividends, and rents receivable from affiliated companies shall be included in account 106, "Affiliated companies—Notes and accounts receivable."

113 Working advances.

This account shall be charged with the amount of cash advanced to officers, employees, and masters, pursers, and other ship officers as working advances from which payroll, traveling, and other cash disbursements are to be made and accounted for. This account shall be credited, in the course of closing the voyage accounts and recording the transactions in the accounts, with all disbursements made with the approval of the master.

114 Prepayments.

This account shall include amounts representing prepayments of taxes, insurance, interest, rents, and miscellaneous. Deposits made to cover insurance premiums, such as premiums computed on payrolls, shall be considered premiums paid in advance.

This account shall be credited and the appropriate account charged in such manner as to distribute the amount of prepayment over the term to which applicable. Minor payments may be charged directly to final account.

115 Material and supplies.

(a) This account shall include the cost, less cash and other discounts, of all unissued and unapplied material and supplies, articles in process of manufacture by the carrier, fuel, tools, stationery, commissary and other supplies. This account shall include the cost of fuel on board vessels when such supplies are carried in the material and supplies accounts of the stores department. This account also shall include the cost of spare parts, except major standby units of the nature described in Instruction 11 (h) (3), which are to be included in appropriate property accounts.

(b) The costs chargeable to this account are the actual cash costs of the material and supplies at point of free delivery plus customs duties, excise and other taxes, insurance, inspection, special tests, loading and unloading and transportation charges paid for transporting the material from the free delivery point to the carrier's line.

(c) Amounts paid for containers, which are refundable if containers are returned, shall be charged to this account until refund is collected.

(d) Reusable material recovered in connection with maintenance work or the demolishing of fixed improvements or equipment shall be charged to this account at amounts not to exceed cost, estimated if not known. Scrap and nonusable materials shall be carried at estimated salvage value; when sold or disposed of, the difference between proceeds and recorded values shall be adjusted (as far as practicable) through the accounts which were credited when the material was recovered and taken into this account.

NOTE A: Interest paid on material bills, the payment of which is delayed, shall be charged to account 529, "Interest on unfunded debt."

NOTE B: An annual inventory of material and supplies shall be taken and the necessary adjustments shall be made to bring this account into harmony with the actual inventory balances. In effecting this adjustment determined differences in accounting for important classes of material shall be equitably assigned among the accounts to which such classes of material are ordinarily chargeable. Other differences shall be equitably apportioned among the primary accounts.

NOTE C: No charges shall be made to this account for the cost of transporting material and supplies over the carrier's line.

116 Other current assets.

This account shall include the amount of assets of a current nature not includible in any of the foregoing current asset accounts.

SPECIAL FUNDS

122 Insurance funds.

(a) This account shall include cash cost of securities of other companies or governmental bodies, par value of reacquired stocks, bonds, or other evidences of indebtedness, issued or assumed by the carrier, and cost of other assets placed on deposit or in the hands of trustees to guarantee the satisfaction of obligations for losses, in instances where the carrier is a self-insurer in whole or in part.

(b) It shall also include accretions representing interest, dividends, or other returns accrued on insurance fund investments when retainable in such fund.

(c) Subsidiary accounts shall be maintained by depositories or trustees.

NOTE: Reacquired stocks, bonds, and other evidences of indebtedness issued or assumed by the carrier and held alive and not retired shall be considered to be nominally outstanding.

123 Sinking funds.

(a) This account shall include cash, cost of securities of other companies, par value of reacquired stocks, bonds, or other evidences of indebtedness, issued or assumed by the carrier, and cost of other assets placed on deposit or in the hands of trustees as a sinking fund to meet obligations maturing in the future, or to carry out such operations as the retirement of preferred stock or the purchase of serial bonds.

(b) It shall also include accretions representing interest, dividends, or other returns accrued on sinking fund investments when retainable in such fund.

(c) Subsidiary accounts shall be maintained by depositories or trustees, and

under titles which shall designate the obligation in respect of which the fund is created.

NOTE: Reacquired stocks, bonds, and other evidences of indebtedness issued or assumed by the carrier and held alive and not retired shall be considered to be nominally outstanding.

124 Other special funds.

(a) This account shall include cash, cost of securities of other companies, par value of reacquired stocks, bonds, or other evidences of indebtedness, issued or assumed by the carrier, and cost of other assets, which are in the hands of trustees or managers of employees' pension, savings, relief, hospital, and other funds or any special funds for which no specific account is provided.

(b) It shall also include accretions representing interest, dividends, or other returns accrued on investments held in such funds when retainable therein.

(c) Subsidiary accounts shall be maintained for each fund by depositories or trustees.

NOTE A: Reacquired stocks, bonds, and other evidences of indebtedness issued or assumed by the carrier and held alive and not retired shall be considered to be nominally outstanding.

NOTE B: Amounts deposited with a trustee under the terms of an irrevocable trust agreement for pensions or other employees' benefits shall be accounted for in accordance with the note to account 465, "Pensions and relief."

125 Special deposits.

This account shall include cash and cost of securities deposited to guarantee the performance of contracts and other agreements, or with utility corporations; also deposits in lieu of mortgaged property sold and other trust deposits, which are held until equivalent property is acquired or pending other disposition.

INVESTMENT SECURITIES

130 Investments in affiliated companies.

This account shall include the cost of the carrier's investment in securities issued or assumed by affiliated companies (other than securities held in special deposits or in special funds) including investment advances to affiliated companies.

NOTE A: Accounts with affiliated companies which are subject to current settlement shall be classed as current assets or current liabilities, as may be appropriate.

NOTE B: No amounts representing interest or dividends on securities or investment advances shall be included in this account.

NOTE C: The value of securities borrowed by the carrier shall not be included in this account.

131 Other investments.

This account shall include the cost of carrier's investment in securities issued or assumed by nonaffiliated companies (other than securities purchased as temporary investments or held in special deposits or in special funds), including investment advances to nonaffiliated companies or individuals, and miscellaneous investments not provided for elsewhere.

NOTE A: Accounts with nonaffiliated companies which are subject to current settlement shall be classed as current assets or liabilities, as may be appropriate.

NOTE B: The value of securities borrowed by the carrier shall not be included in this account.

132 Reserve for revaluation of investments.

This account shall be credited with such reserves as are maintained to reflect the decline or loss in book value of securities or like assets held for investment where there appears to be a permanent impairment in value as recorded in accounts 130, "Investments in affiliated companies," or 131, "Other investments." If reserves are maintained for specific securities, when such securities are disposed of, the amount included in this account with respect thereto shall be charged hereto. If a general reserve is maintained for all securities when securities are disposed of, the amount of the loss to the extent of the credit balance herein, shall be charged hereto.

133 Cash value of life insurance.

This account shall include the cash surrender value of life insurance policies, under which the carrier is the beneficiary, less the amount of any loans which have been obtained on such policies and not repaid.

PROPERTY AND EQUIPMENT

140 Transportation property.

This account shall include the cost to the carrier of construction or acquisition, including additions and improvements, of all physical property used by the carriers or others in transportation operations, as detailed in the primary property accounts number 141 to 149, both inclusive.

141 Line equipment.

This account shall include the cost of marine or floating equipment, purchased or built by the carrier, for use in transportation service between terminals, including all appurtenances, furniture, and fixtures necessary to equip it for service, and cost of inspection and transportation to port at which it enters service.

LINE EQUIPMENT

Barges for line service.
Canal boats.
Ferry boats.
Lighters for line service.
Motor ships.
Motor launches.
Power boats.
Power ships.
Sailing vessels.
Steamboats.
Steamships.
Tug boats for line service.

APPURTENANCES, FURNITURE, AND FIXTURES

Aerial attachments.
Anchors.
Ash discharging apparatus.
Awnings and fixtures.
Berths.
Boats, life.
Boilers.
Boiler foundations.
Boiler tubes.
Brick, fire.
Cables.
Covering, floor.
Crockery, china and glassware.
Deck fittings and plates.
Dynamos.
Electric equipment and fixtures.
Engines.
Engine foundations.
Fixtures, electric.
Floor covering.
Flooring.
Furniture.
Galley equipment.
Generators.
Glass, window.
Heating equipment.
Hoisting apparatus.
Hose.
Hull plates.
Kitchen equipment.
Launches.
Life preservers.
Life rafts.
Life boats.
Lighting equipment.
Linens.
Machines.
Machine foundations.
Masts.
Musical instruments.
Pantry equipment.
Plumbing.
Propellers.
Pumps.
Refrigerator equipment.
Rigging.
Rotors.
Rudders.
Shafting.
Smokestacks.
Steam distribution system.
Steering equipment.
Tail shaft.
Tanks.
Telephone apparatus.
Tracks on floats.
Winches.
Windlasses.
Wireless apparatus.

142 Harbor equipment.

This account shall include the cost of marine or floating equipment purchased or built by the carrier, for use in harbor-transportation service, including all appurtenances, furniture, and fixtures necessary to equip it for service, and cost of inspection and transportation to port at which it enters service.

HARBOR EQUIPMENT

Barges for harbor service.
Car and other floats for harbor service.
Ferry boats.
Lighters for harbor service.
Motor launches.
Transfer boats.
Tug boats.

143 Miscellaneous floating equipment.

This account shall include the cost of marine or floating equipment purchased or built by the carrier for use in miscellaneous transportation service, including the cost of all appurtenances, furniture, and fixtures to equip it for service, and cost of inspection and transportation to the port at which it enters service.

MISCELLANEOUS FLOATING EQUIPMENT

Derricks.
Dredges.
Floats.
Pile drivers.
Row boats.

144 Buildings and other structures.

This account shall include the cost of fixed improvements purchased or built by the carrier for use in transportation service, such as buildings, wharves, docks, and other structures, including fixtures, machinery, appurtenances, and the cost of securing title and possession.

BUILDING, STRUCTURES, ETC.

Alarm systems.
Baggage rooms.
Bins for material.
Blacksmith shops.
Breakwaters for protection of structures.
Boilers.
Boiler rooms.
Boiler shops.
Buildings.
Bulkheads.
Carpenter shops.
Cisterns.
Coaling trestles.
Counters.
Cofferdams.
Docks.
Drainage systems.
Dredging.
Driveways.
Eating rooms.
Electric-light plants.
Electric wiring.
Elevators and machinery.
Fences.
Fire-alarm systems.
Fire-equipment houses.
Fire-extinguisher systems.
Foundations.
Foundries.
Freight houses.
Fuel stations.
Fuel storage tanks.
Garages.
General office buildings.
Generators.
Grain elevators.
Grain warehouses.
Greenhouses.
Heating plants.
Hedges.
Hose houses.
Hydrants.
Ice houses.
Lighting plants.
Lumber sheds.
Machine shops.
Motors.
Office buildings.
Paint shops.
Pavement within grounds.
Piers.
Piling.
Plumbing.
Pipe lines, interior.
Power plants.
Pumping stations.
Railings.
Refrigeration equipment.
Roofs.
Sewer systems.
Shelving.
Shops.
Sidewalks.
Slips.
Sprinkler systems.
Stables.
Steam and hot water distribution systems.
Storehouses.
Tracks.
Vaults.
Waiting rooms.
Washrooms.
Water-supply systems.
Watchhouses.
Wharves.

NOTE: The cost of movable equipment shall be include in account 145, "Office and other terminal equipment."

145 Office and other terminal equipment.

This account shall include the cost of all movable equipment and furniture of buildings and other fixed improvements devoted to transportation service.

SHOP EQUIPMENT

Acetylene-cutting and welding machines.
Anvils.
Assorted dies and blocks.
Beltings.
Bench vises.
Bolt cutters.
Boring bars.
Boring brasses.
Burning torches.
Cast iron face plates.
Chain blocks.
Charging boards (equipment for charging electric trucks).
Compressed-air apparatus.
Crosscut circular saws.
Die-stock ratchets.
Drill presses.
Drills.
Electric drills.
Emery grinders.
Forges.
Furnaces.
Hydraulic jacks.
Iron horses.
Lathes.
Magnetos.
Motors.
Mould filling brasses.
Paint burners.
Paint-spraying machines.
Pipe cutters.
Portable boring bars.
Portable electric grinders.
Power machines.
Power saws.
Propeller fans.
Punch and shears.
Reamers.
Riveters' hammers.
Saws.
Scales.
Scaling hammers.
Sewing machines.
Shapers.
Sledges.
Stamping tools.
Stationary engines.
Steam hammers.
Steam-test pumps.
Stencil machines.
Stillson wrenches.
Swedges.
Taper shanks.
Tools.
Torches.
Tube expanders.
Twist drills.
Twist-drill and tool grinder.
Ventilating set.
Wrenches.

GARAGE EQUIPMENT

Adding machines.
Addressing machines.
Billing machines.
Bins.
Blackboards.
Blueprinting machines.
Bookkeeping machines.
Bookcases.
Brief cases.
Cabinets.
Cages.
Calculating machines.
Call bells.
Cameras.
Carpets.
Chairs.
Check protectors.
Clocks.
Comptometer machines.
Coolers.
Costumers.
Counters.
Cuspidors.
Desks.
Dictaphones.
Dishes.
Display racks.
Drafting and engineering instruments.
Duplicating machines.
Electric cooking utensils.
Electric fans.
Filing cabinets.
Fire extinguishers.
Floor covering.
Floor scrubbing machines.
Freight handling equipment.
Guns.
Jardinieres.
Lamps.
Lockers.
Mailing machines.
Mimeograph machines.
Mirrors.
Motion picture projectors.
Numbering machines.
Photostatic equipment.
Pictures.
Polishing machines.
Printing press and printing equipment.
Racks.
Refrigerators.
Revolvers.
Rugs.
Safes.
Scales, mail or postal.
Settees.
Shelving, fixed or movable.
Smokeadors.
Stands.
Stools.
Stoves.
Tables.
Tableware.
Typewriters.
Vacuum cleaners.
Vending machines installed in station and office buildings.

WHARF EQUIPMENT

Canvas covers.
Canvas slings.
Cargo blocks.
Cargo chutes.
Cargo hooks.
Cargo rollers.
Chain slings.
Coal buckets.
Conveyors.
Cranes.
Crowbars.
Derricks, movable.
Drum hoisters.
Escalators.
Fire barrels.
Fire buckets.
Fire extinguishers.
Fire hose.
Freight-handling equipment.
Gangways.
Gas tanks.
Hand trucks.
Lift jacks.
Motor trucks, power driven.
Paper slings.
Platform scales.
Platform trays.
Pontoons.
Racks.
Rope.
Rope slings.
Scales.

Skids.
Stages.
Stalls for transportation of animals.
Tackles.
Tarpaulins.
Tents.
Tools, miscellaneous.
Tractors.
Trailers.
Truck trays.
Wharf fenders.
Wire falls.
Wire rope slings.

GARAGE EQUIPMENT

Air compressors and tanks.
Anvils.
Arbor presses.
Battery-charging outfits.
Belts, shafts, and countershafts.
Boring and reaming machines.
Car washing machines.
Cranes and hoists (portable)
Creepers.
Drill presses.
Electric equipment.
Engines and boilers.
Forges.
Gasoline and oil pumps and portable tanks.
Greasing racks and pumps.
Grinders.
Jacks.
Lathes.
Lockers.
Machine tools.
Motor-driven hand tools.
Oil reclaiming machines.
Paint sprayers.
Pneumatic tools.
Storage bins and shelving (portable).
Storeroom equipment (except office equipment).
Stoves.
Testing equipment.
Tire-changing equipment.
Tool racks.
Vises.
Vulcanizing equipment.
Weighing devices.
Welding apparatus.
Wheel pullers.
Work benches.

NOTE: Fixtures and appurtenances which form an integral part of a building or other structure shall be included in the cost of the structure.

146 Motor and other highway equipment.

This account shall include the cost of motor and other highway vehicles, and the cost of transportation to the carrier's line.

HIGHWAY EQUIPMENT

Automobiles.
Buses.
Lift vans.
Tractors, trailers, and semitrailers.
Trucks.

NOTE: Records shall be maintained in such manner as to show separately the cost of highway vehicles used in—

1. Transportation service subject to part II, and
2. Transportation service subject to part I and part III of the Interstate Commerce Act.

147 Land.

(a) This account shall include the cost of land used or held for use in transportation service, including:

(1) Cost of rights to occupy land permanently not purchased outright for transportation purposes.

(2) Cost of grounds for buildings and other fixed improvements and of the land for ingress to or egress from such grounds.

(3) Cost of "ground rents."

(4) Cost of riparian or littoral rights.

(5) Cost of removing and locating elsewhere the property of others (including cost of land for relocation of property when such cost is assumed by the carrier).

(b) Proceeds from the sale of timber, mineral deposits or improvements purchased with land, less the cost of removal, shall be credited to this account up to the amount of the purchase price allocated as their cost. Any excess shall be credited to account 507, "Miscellaneous income", or, when qualifying as extraordinary pursuant to instruction 4, shall be included in account 570, "Extraordinary items".

DETAILS

1. Abstracts and guarantees of title.
2. Appraisals.
3. Commissions paid.
4. Compensation and expenses of land agents solely engaged in acquiring land.
5. Condemnation expenses, including court costs, and special counsel fees; also fees of parties appointed by the court to assess damages.
6. Costs, including agreed settlements, judgments, witness fees, and decreed court costs in proceedings to clear or defend titles against defects antedating the carrier's acquisition of property.
7. Cost of filling submerged or low land to establish a general level and grading land to render it usable for construction of fixed improvements.
8. Cost of making changes in or relocating property of others, when borne by carrier in order to secure permanent rights to locations, the cost of which is includible in this account; also the cost of securing sites for such relocations.
9. Ditches for waterways when part of consideration.
10. Easements, granting right of permanent occupancy of property for transportation service.
11. Lump-sum payments for right to use in perpetuity or for a period of years public property for transportation service. Such amounts paid for the right to use for a period of years only shall be amortized through account 486, "Water-line tax accruals," during the period of use.
12. Notarial fees.
13. Payments to vendors to secure release from restrictive provisions of original deeds.
14. Plats.
15. Premiums on condemnation bonds.
16. Recording deeds and easements.
17. Removal and relocation of buildings and other structures not purchased.
18. Surveys in connection with the purchase of the land.
19. Taxes and assessments for public improvements assumed at time of purchase.

NOTE A: When the acquisition of land for transportation service involves also the purchase of land not to be used for such purpose, the charges to this account shall be based upon the cost of the land purchased, less the estimated fair value of that portion which will not be so used.

NOTE B: The cost of land acquired for purposes other than transportation shall be included in account 160, "Noncarrier physical property." The cost of land acquired for which there is a definite plan for use in transportation service shall be included in account 149, "Construction work in progress," until the completion of the facilities constructed thereon.

NOTE C: Periodical payments for use of land for transportation purposes held under "ground rents" shall be charged to account 483, "Other operating rents."

NOTE D: When land with buildings thereon is acquired, each shall be separately appraised and the cost apportioned between the land and the buildings on the basis of such appraisals. If the removal of the buildings is contemplated, the cost of the land and buildings shall be accounted for as the cost of land and the salvage value of the buildings less the cost of removal if disposed of shall be deducted from the cost of the land.

NOTE E: Held for use referred to in paragraph (A) implies the ability of the carrier to substantiate by plans or policy its characterization of the probable future use which is to be made of the land within a reasonable period of time.

148 Public improvements.

This account shall include amounts assessed on carrier property by governmental authority to cover the cost of constructing public improvements, when such assessments are made against property within defined areas of taxing districts. It shall include also the cost borne by the carrier of public improvements constructed by it under governmental requirements.

DETAILS

1. Curbing streets and highways.
2. Drainage systems.
3. Flood protection.
4. Grade eliminations.
5. Grading streets and highways.
6. Guttering streets and highways.
7. Irrigation systems.
8. Levees.
9. Paving streets and highways.
10. Sewer systems.
11. Sidewalks.
12. Street-lighting systems.
13. Viaducts carrying streets and highways over terminal property.
14. Water works.

NOTE A: The cost to the carrier of assessments on carrier property for maintaining or renewing public improvements shall be included in operating expenses.

NOTE B: Any portion of the cost of public improvements which is included in the general tax levy for a regular taxing district shall be included in the account appropriate for taxes.

NOTE C: When an assessment for the construction of public improvements is to be paid in installments over a period of more than one year, the full amount thereof shall be charged to this account when the assessment is levied and the amount of the deferred payments shall be appropriately credited to account 211, "Funded debt unmatured." The installments of the assessments shall be charged to that account as they become due and payable. Interest on the assessments shall be included in account 528, "Interest on funded debt."

NOTE D: Penalties imposed for failure to pay assessments within the allotted time shall be charged to account 529, "Interest on unfunded debt."

NOTE E: Assessments on noncarrier property for the cost of constructing public improvements shall be charged to account 160, "Noncarrier physical property."

149 Construction work in progress.

(a) This account shall include the cost of transportation property in process of

construction and not completed at the date of the balance sheet. When any property, the cost of which has been included in this account, is completed, the cost thereof shall be credited to this account and charged to appropriate primary accounts of this classification provided for such property.

(b) The cost of land acquired for which there is a definite plan for use in transportation service shall be included in this account until the completion of the carrier facilities constructed thereon.

NOTE: It is not required that this account shall include the cost of construction work which is placed in service as the work progresses.

150 Depreciation reserve; transportation property.

(a) This account shall be credited with amounts charged to operating expenses to cover the estimated loss in service value of depreciable property. It shall also include other entries which may be authorized by the Commission; see instruction 11. This account shall be subdivided so as to show separately:

(1) Depreciation reserve—transportation property.

(2) Past provision for amortization of defense projects.

(b) At the time of retirement of depreciable property the amount of depreciation accrued and included herein with respect to the particular unit or item retired shall be charged hereto.

151 Acquisition adjustment.

(a) This account shall include the difference between (1) the cost to the accounting company of water-line property acquired as an operating unit or system by purchase, merger, consolidation, or otherwise than in reorganization, and (2) the amount distributed to the primary property accounts, less amounts which may be credited to the depreciation and amortization reserves with respect to such property in accordance with instruction 45.

(b) This account shall also include the difference between the assets acquired and the par or recorded value of the accounting company's capital stock, plus its debts and other liabilities in respect of water-line property acquired in reorganization under the circumstances set forth in instruction 30.

(c) This account shall also include the cost of operating rights and other intangible assets. (See account 223, "Amortization reserves—Intangible assets.")

(d) This account shall be credited with donations or contributions in cash or property from governmental agencies, individuals, and others for construction purposes concurrent charges being made to the appropriate property or other asset accounts. (See instruction 49.)

158 Improvements on leased property.

(a) This account shall include the cost to the carrier of additions and improvements made to physical property leased from others and used in transportation operations.

(b) The carrier's records shall be so kept as to show the charges and credits to this account classified in accordance with the accounts for property owned.

159 Amortization reserve; leased property.

This account shall be credited with amounts charged to operating expenses to create a reserve to cover, at date of reversion of the leased property to the lessor, the cost of improvements thereon.

160 Noncarrier physical property.

This account shall include the cost to the carrier of land, structures, and equipment not used in transportation operations, including hotels, restaurants, power plants, equipment, and other property that is entirely distinct from the transportation property of the carrier and not operated in connection with or incident to its transportation operations.

161 Depreciation reserve; noncarrier physical property.

(a) This account shall be credited with amounts charged to account 523, "Expenses of noncarrier operations," to cover the depreciation of property included in account 160, "Noncarrier physical property."

(b) When depreciable noncarrier physical property is destroyed, sold, or otherwise retired from service, the amount included herein with respect to the property retired shall be charged hereto. In case the net proceeds realized, including insurance and salvage, are in excess of the net book value (book cost less recorded depreciation), such excess shall be credited to account 508, "Profits from sale or disposition of property", or account 570, "Extraordinary items", as appropriate.

DEFERRED ASSETS

166 Claims pending.

This account shall include claims in litigation and insurance claims in process of compilation or adjustment. After adjustment of claims, this account shall be cleared and the amounts receivable included in account 108, "Claims receivable." Deductible average insurance losses (if policies provide deductibles) shall be transferred at the same time to account 221, "Insurance reserves," provided the carrier accrues a reserve for such deductibles, otherwise the charge shall be made to the appropriate expense accounts.

170 Other deferred assets.

This account shall include noncurrent notes and accounts receivable, the settlement of which has been deferred beyond one year, or which by agreement are to run for more than one year from date of issue.

It shall also include the estimated value of salvage recoverable from property retired, when recovery is deferred for any reason; items of current character but doubtful value; funds on deposit with closed banks; advances to traffic associations and bureaus as working funds; and other deferred items not provided for elsewhere.

DEFERRED DEBITS

171 Incompleted voyage expenses.

(a) This account shall include all voyage expenses of incompleted voyages or other periods accrued and held in suspense until the voyage or period is completed, and the appropriate expense accounts are charged directly with such expenses. After each voyage or period has terminated, the expenses pertaining thereto shall be transferred to the appropriate operating-expense accounts. All voyage expenses may be recorded in the appropriate operating-expense primary accounts, and at the end of each month the balance relating to incompleted voyages may be transferred to this account with a reversal of the entries in the following month.

(b) This account shall also include the cost of food; deck, engine and steward department stores; buffet supplies; and fuel and other supplies on board vessels at the beginning of the voyage or period, when inventories are taken at the end of the voyage or period and charged to the succeeding voyage or period and credited to the completed voyage or period.

(c) When inventories are not taken at the end of each voyage or period, the value of vessel stores and supplies issued during the voyage or period shall be charged to the expenses of the voyage or period, and no adjustment is required until an inventory is taken.

174 Debt discount and expense.

(a) This account shall include the net total if a debit balance of all discount, expense, and premium accounts for long-term debt.

(b) When an issue of debt securities, or any part thereof, is refunded and at the date of refunding there is a balance of unamortized discount and expense relating thereto, such amount, together with any premium paid in retiring the debt, shall be charged to account 527, "Miscellaneous income charges", or account 570, "Extraordinary items", as appropriate.

175 Other deferred debits.

(a) This account shall include the amount of debit balances in suspense accounts that cannot be entirely cleared and disposed of until additional information is received, such as:

Amounts paid for options pending final disposition;

Cost of preliminary surveys, investigations, or appraisals in connection with contemplated acquisition or sale of property or securities;

Balance in account 601, "Material and stores expenses";

Commissions on tickets not honored;

Similar items, the proper and final disposition of which is uncertain.

(b) When the proper disposition of any item included in this account is determined, the amount thereof shall be credited to this account and concurrently charged to the appropriate account.

ORGANIZATION

180 Organization expenses.

(a) This account shall include expenditures incident to incorporation or other form of organization of the company.

(b) Include in this account:

Fees paid for the privilege of incorporation.
Legal and office expenses incident to organizing the company.
Cost of stock and minute books and corporate seal.
Cost of preparing and filing amendments to the certificate of incorporation.
Special counsel and other fees and expenses in mergers, consolidations, and reorganizations.

(c) Charges to income under a program to amortize organization expenses shall be credited to account 223, "Amortization reserves—Intangible assets."

NOTE A: This account shall not include discount upon securities issued or assumed; costs incident to negotiating loans, selling bonds or other evidence of debt; or discount, commissions and expense incident to the authorization, issuance and sale of capital stock.

NOTE B: When charges are made to this account for expenses in mergers, consolidations, or reorganizations, amounts previously included in this account on the books of the various companies shall not be carried over.

COMPANY SECURITIES

190 Reacquired and nominally issued long-term debt.

(a) This account shall include the par value of long-term debt of the carrier nominally issued or reacquired and held uncanceled by it, except debt held in sinking or other special funds.

(b) The difference between the par value of long-term debt and the amount paid therefor, including commissions and expenses in connection with its reacquisition and the portion of unamortized premium, discount, and expense relating to the long-term debt reacquired shall be included in account 507, "Miscellaneous income", account 527, "Miscellaneous income charges", or account 570, "Extraordinary items", as appropriate.

(c) When reacquired long-term debt is resold, this account shall be cleared and the accounting for its sale shall be that provided for its original sale.

NOTE A: The provisions of this account shall apply to funded debt reacquired for sinking and other special funds.

NOTE B: Reacquired bonds and other evidences of indebtedness issued or assumed by the carrier and not retired shall be considered to be nominally outstanding.

191 Reacquired and nominally issued capital stock.

This account shall include the par value of capital stock of the carrier nominally issued or reacquired and uncanceled, except when held in sinking or other special funds. If no par stock, it shall be charged at the pro rata proportion at which it is credited to account 240, "Capital stock." Stock having no par value classable as nominally issued shall be recorded by the number of shares.

NOTE: The accounting for the reacquisition and resale of capital stock actually issued or assumed by the company shall be in accordance with instruction 26 (d) and (e).

LIABILITY SIDE

CURRENT LIABILITIES

200 Notes payable.

This account shall include the face value of notes, drafts, and other evidences of indebtedness issued or assumed by the carrier (except interest coupons) which are payable on demand or not more than one year from date of issue.

NOTE: Notes payable to affiliated companies subject to current settlement shall be included in account 201, "Affiliated companies—Notes and accounts payable."

201 Affiliated companies; notes and accounts payable.

This account shall include the total of amounts payable to affiliated companies which are subject to current settlement, such as credit balances in open accounts for services rendered, material furnished, traffic or interline accounts, claims, rent for use of property, and similar items; interest and dividends due to affiliated companies; and loans, notes, and drafts which are payable to affiliated companies.

NOTE A: No amount representing dividends payable shall be included in this account unless they have been declared.

NOTE B: Items which are not subject to current settlement shall be included in account 213, "Affiliated companies—Advances payable."

202 Accounts payable.

(a) This account shall include amounts payable to others (except affiliated companies) for materials and supplies, and services received, including matured rents, amounts due to public authorities, amounts of payable judgments, current accounts with officers and employees, personal injury and property damage claims, and other similar items.

(b) This account shall also include amount of wages accrued at the date of the balance sheet; balances representing unclaimed wages; deductions from payrolls (except amounts payable to affiliated companies); outstanding drafts drawn by agents and others; amounts due sightseeing, hotel, or amusement companies for their services; and other items of the nature of demand liabilities.

203 Traffic and car-service balance—Cr.

This account shall include the net of the balances receivable from or payable to other companies representing traffic or interline accounts, when such balance results in a net credit.

NOTE: When the net of the balance is a debit, it shall be included in account 104, "Traffic and car-service balances—Dr."

204 Accrued interest.

This account shall include the amount of unpaid interest accured to the date of the balance sheet actually outstanding on loans, funded debt and other interest-bearing obligations except interest accured on obligations payable to affiliated companies.

NOTE A: This account shall be so kept that the carrier can report separately the amount of matured interest unpaid.

NOTE B: Interest payable to affiliated companies shall be included in account 201, "Affiliated companies—Notes and accounts payable."

205 Dividends payable.

This account shall include the amount of dividends declared on actually outstanding capital stock and unpaid at the date of the balance sheet.

NOTE: Dividends payable to affiliated companies shall be included in account 201, "Affiliated companies—Notes and accounts payable."

206 Accrued taxes.

(a) This account shall be credited each period with the amount of taxes accrued during the period, with concurrent debits to the appropriate accounts for tax charges. As credits to this account will necessarily be based upon estimates, they shall be adjusted from time to time during the year so that as nearly as possible the tax charge account may show the taxes applicable to the year. Payments of taxes for which accruals have been made shall be debited to this account. Prepayments of taxes shall be included in account 114, "Prepayments."

(b) The records supporting the entries to this account shall be kept to show separately the accural of Federal income taxes, Federal old-age pension tax, unemployment compensation tax, and other taxes.

208 Accrued accounts payable.

This account shall include estimates of all unaudited items payable by the carrier to the date of the balance sheet which are chargeable to revenue, expense, or income and are in the nature of current liabilities. (See instruction 3.)

209 Other current liabilities.

This account shall include all liabilities of a current character not provided for in the foregoing accounts.

LONG-TERM DEBT DUE WITHIN ONE YEAR

210 Equipment obligations and other debt due within one year.

This account shall include the total amount of all funded obligations (except amounts due affiliated companies which shall be included in account 213, "Affiliated companies—Advances payable") which are past due or which will mature within one year from the close of the accounting period and for which arrangements have not been entered into for an extension of time as to payment. This includes the portion of long-term debt maturing serially or payable in installments within one year.

LONG-TERM DEBT DUE AFTER ONE YEAR

211 Funded debt unmatured.

(a) The account shall include the total face value of funded debt, including bonds, notes, certificates and other evidences of indebtedness issued or assumed by the carrier and maturing more than one year from date of issue, which have not been reacquired and canceled.

(b) The amounts included in this account shall be further divided so as to show the amount of each class of funded debt, as follows:

(1) *Equipment obligations.* Equipment bonds or equipment notes, secured only by lien on specific equipment.

(2) *Mortgage bonds.* Bonds secured by lien on physical property and not includible in the other subdivisions of this account.

(3) *Collateral trust bonds.* Bonds and notes secured by lien on securities or other negotiable paper, and stock trust certificates that are similar in character to collateral trust bonds.

(4) *Income bonds.* Bonds which are a lien on a carrier's income alone, or bonds which, while being a lien on its property and franchises can claim payment of interest only in case interest is earned.

(5) *Miscellaneous obligations maturing more than one year after date of issue.* All funded obligations not provided for by the other subdivisions of this account, unpaid installment of assessments for public improvements, also notes, unsecured certificates of indebtedness, real-estate mortgages executed or assumed, and other similar obligations.

(6) *Receipts outstanding for funded debt.* When certificates are issued for amounts paid on account of funded debt, the face value shall be included in the account covering the class of funded debt for which the certificates are issued.

(c) A record shall be maintained for each class and series of funded debt showing:

Amounts authorized.
Amounts issued.
Amounts reacquired and canceled.
Amounts outstanding.
Date of issue.
Date of maturity.
Interest dates.
Rate of interest.

NOTE A: Advances from affiliated companies (except such as may be properly includible in account 201, "Affiliated companies—Notes and accounts payable") shall be included in account 213, "Affiliated companies—Advances payable."

NOTE B: Reacquired bonds and other evidences of indebtedness issued or assumed by the carrier and not retired shall be considered to be nominally outstanding.

212 Receivers' and trustees' securities.

When receivers or trustees acting under the orders of a court are in possession of the property of the carrier and under the order of the court issue evidences of indebtedness, or assume the payment of such indebtedness, the par value of such obligations shall be credited to this account.

NOTE: Reacquired securities issued or assumed by receivers or trustees and not retired shall be considered to be nominally outstanding.

213 Affiliated companies; advances payable.

(a) This account shall include the amount of advances from affiliated companies, whether evidenced by notes or open accounts which are not subject to current settlement, including interest accrued thereon, when such interest is not subject to current settlement.

(b) This account shall be subdivided as follows:

Notes payable.
Open accounts not subject to current settlement.
Interest accrued on amounts included in this account not subject to current settlement.

NOTE: Amounts of advances which are subject to current settlement shall be included in account 201, "Affiliated companies—Notes and accounts payable."

RESERVES

220 Maintenance reserves.

(a) This account shall include balances representing reserves created for the purpose of equalizing the cost of repairs to vessels in line service or other floating equipment, also the cost of repairs to buildings and structures and dredging to deepen channels. When the repairs are made, their cost, to the extent of the provision herein, shall be charged to this account. The accruals credited to these reserves shall be based on the carrier's experience and class surveys of anticipated expenditures for major repairs.

(b) This account shall be kept to show the accruals for each vessel or other item of property for which provision is made.

221 Insurance reserves.

(a) Agreed amounts for marine hull and protection and indemnity insurance deductibles (if provided in the policies) or the carrier's proportion of self-carried insurance shall be charged for each voyage or period to the appropriate expense account and the corresponding credit included in this account. When the amount of deductible losses chargeable against each voyage or period is determined, it shall be cleared from account 166, "Claims pending," by a charge to this account.

(b) This account shall also be used for equalization of other insurance risks, such as self-carried workmen's compensation, public liability insurance, and loss and damage claims.

NOTE A: The records supporting the entries in this account shall be kept to show separately the transactions with respect to hull, cargo, and liability self-carried insurance or deductible costs, and each class of other insurance risks for which reserves have been created.

NOTE B: This account shall not include appropriations of retained income (surplus) which should be reflected in account 260, "Retained income—Appropriated."

222 Pension and welfare reserves.

This account shall include the book balances representing the liability of the carrier for the amount of the assets (whether contributed by the carrier, by the employees, or by others) in the hands of its treasurer, or of trustees or managers acting for it in the administration of employees' pension, savings, relief, hospital, and other association funds.

NOTE: Amounts deposited with a trustee under the terms of an irrevocable trust agreement for pensions or other employees' benefits shall be accounted for in accordance with the note to account 465, "Pensions and relief."

223 Amortization reserves; intangible assets.

(a) This account shall be credited with amounts charged to account 527, "Miscellaneous income charges," which will equitably distribute the cost of intangible assets over a definite period. When an intangible asset is sold or relinquished, or otherwise expires or is abandoned, the reserve shall be charged with the balance therein with respect to such asset and the remainder of the cost of the asset shall be charged to account 527.

(b) This account shall be maintained so that a separate reserve is stated for each item of intangible property.

229 Other reserves.

This account shall include the net credit balances representing reserves created by accruals to the appropriate accounts in operating expenses to meet the probable liabilities not covered by other reserves. When the liability is determined, this account shall be cleared and amount payable credited to the appropriate liability account.

NOTE A: The records supporting entries in this account shall be kept to show separately the transactions with respect to each separate reserve.

DEFERRED CREDITS

230 Incompleted voyage revenues.

This account shall include all voyage revenues of incompleted voyages or periods accrued and held in suspense until the voyage or period is completed, if the appropriate revenue accounts are not credited directly with such revenue. After each voyage or period has terminated, the revenues pertaining thereto shall be transferred to the appropriate operating-revenue accounts. The carrier may, if it so elects, credit the appropriate primary revenue account with the revenue as recorded, and at the end of each month transfer the revenue so recorded from such primary accounts to this account by voyage totals and reverse the entries in the succeeding month.

231 Premium on long-term debt.

(a) This account shall include the net total if a credit balance of all discount, expense, and premium accounts for long-term debt.

(b) When an issue of debt securities, or any part thereof, is refunded and at the date of refunding there is a balance of unamortized premium relating thereto, such amount shall be credited to account 507, "Miscellaneous income", or account 570, "Extraordinary items", as appropriate.

232 Other deferred credits.

(a) This account shall include the amount of all deferred credits not provided for elsewhere, such as:

Deposits by employees to assure the return of company property.

(b) This account shall include also the amount of credit balances in suspense accounts that cannot be entirely cleared and disposed of until additional information is received, such as:

Proceeds from passenger ticket sales representing tickets sold for future sailings or return portions of round-trip tickets.
Deposits on passenger, hotel, or shore excursion reservations, etc.
Proceeds from sales of damaged, unclaimed and over freight held awaiting claim.

(c) When the proper disposition of any item included in this account is determined, the amount thereof shall be debited to this account and concurently credited to the appropriate account.

CAPITAL AND SURPLUS

240 Capital stock.

(a) This account shall include the total par value, or for stock without par value the money value of the consideration received, in respect to capital stock or other form of proprietary interest in the carrier which has been issued to bona fide purchasers and has not been reacquired and canceled, including the par value of capital stock nominally issued. It shall also include stock dividends representing appropriations of retained income. When capital stock is retired, this account shall be charged with the amount at which such stock is recorded herein.

(b) The credits hereto shall be divided as follows:

(1) Preferred stock (stocks having a preference or priority in respect to dividend participation).

(2) Common stock (stocks entitled to a dividend, if any, after preference stocks).

(c) A separate record shall be kept for each subclass showing the number of shares authorized by the articles of incorporation and amendments, the number of shares issued, the number of shares reacquired, the number of shares canceled, the number of shares outstanding, and their book value.

(d) The book value for nonpar stock reacquired shall be determined by a prorate of the amount recorded for shares of the particular subclass of stock of which the shares reacquired are a part actually outstanding immediately prior to the acquisition.

(e) In case capital stock is reacquired and held in the treasury or in sinking or other special funds, such stock shall be included in the appropriate accounts, in accordance with paragraphs (d) and (e) of instruction 26.

241 Capital stock subscribed.

This account shall include the amount of subscriptions to capital stock of the carrier. It shall be credited with the par value, or with the subscription price in case of stock without par value, exclusive of accrued dividends, if any. Concurrently, a debit shall be made to account 110, "Subscribers to capital stock," for the agreed price and any discount or premium shall be included in the appropriate account. When properly executed stock certificates have been issued, this account shall be debited and account 240, "Capital stock," credited.

243 Discount and expense on capital stock.

(a) This account shall include all discount suffered and commissions and expense incurred in connection with the issuance and sale of capital stock. Records supporting the entries to this account shall be so kept as to show the discount, commissions, and expense on each class and series of capital stock.

(b) When capital stock is reacquired, the amount in this account with respect to the shares reacquired shall be credited hereto.

245 Proprietorial capital.

This account shall include the permanent investment by one or more proprietors in the business of a water-line carrier when organized as an unincorporated firm, copartnership or otherwise than as an incorporated company subject to change only by additional investments or by withdrawals of amounts invested.

NOTE A: Amounts payable to the proprietors as fair and reasonable compensation for services performed shall be charged to the appropriate operating expense or other accounts.

NOTE B: Income and surplus accounts shall be maintained and entries thereto shall be made in accordance with the provisions thereof.

NOTE C: Separate subaccounts shall be kept to show the equity of each member of a copartnership, and the transactions affecting the interest of each partner.

250 Capital surplus.

(a) This account shall include surplus arising from sources other than those provided under retained income.

(b) Subaccounts shall be maintained as follows:

250–1 Premiums and assessments on capital stock.

(a) This account shall include the excess of actual cash value of the consideration received over the par value and accrued dividends, of par value stock issued, together with assessments against stockholders representing payments in excess of the par or recorded values as included in account 240, "Capital stock".

(b) When capital stock is reacquired the amount in this account with respect to the shares reacquired shall be charged hereto.

250–2 Paid-in surplus.

This subaccount shall include such items as gains from retirement or resale of reacquired or donated shares of capital stock; from forfeiture of subscriptions; from debt of the carrier forgiven by stockholders; and from reduction of the par or recorded value of capital stock when approved by the commission.

This subaccount shall be charged with amounts included herein capitalized by stock dividends or otherwise; losses from retirement or resale of reacquired shares up to an amount not in excess of credits herein applicable thereto; and may be charged with the amortization of discount and expense on capital stock to the extent of credits herein applicable thereto.

250–3 Other capital surplus.

This subaccount shall include capital surplus as defined herein arising from other sources.

260 Retained income—Appropriated.

(a) This account shall include the net balance of appropriations of retained income for replacement of capital assets, debt retirement, and other special or funded reserves. It shall also include income accretions to such funds when retained therein.

(b) A subdivision of this account shall be provided for each reserve, the title of which shall indicate the purpose of the reserve.

280 Retained income—Unappropriated.

(a) This account shall include the net balance, either debit or credit, of unappropriated retained income arising from earnings. It shall not include credits from reductions of the carrier's capital stock or transfers from capital surplus without the approval of the Commission.

(b) The balance of all retained income accounts (281 to 287, inclusive) shall be closed into this account at the end of each calendar year.

BALANCE SHEET STATEMENT

299 Form of balance sheet statement.

ASSET SIDE

I. CURRENT ASSETS

100—Cash		$
101—Imprest funds		
102—Special cash deposits		
103—Marketable securities		
104—Traffic and car-service balances—Dr.		
105—Notes receivable	$	
106—Affiliated companies—Notes and accounts receivable		
107—Accounts receivable		
108—Claims receivable		
109—Reserve for doubtful accounts		
110—Subscribers to capital stock		
112—Accrued accounts receivable		
113—Working advances		
114—Prepayments		
115—Material and supplies		
116—Other current assets		
Total current assets		

ASSET SIDE—Continued

II. SPECIAL FUNDS

	Total book assets at close of year	Respondent's own issues included	
122—Insurance funds	$	$	$
123—Sinking funds			
124—Other special funds			
125—Special deposits			
Total special funds			

III. INVESTMENTS

130—Investments in affiliated companies		$	
131—Other investments			
132—Reserve for revaluation of investments			$
133—Cash value of life insurance			
Total investments			

IV. PROPERTY AND EQUIPMENT

140—Transportation property		$	
150—Depreciation reserve—Transportation property			$
151—Acquisition adjustment			
158—Improvements on leased property			
159—Amortization reserve—Leased property			
160—Noncarrier physical property			
161—Depreciation reserve—Noncarrier physical property			
Total property and equipment			

V. DEFERRED ASSETS

166—Claims pending			$
170—Other deferred assets			
Total deferred assets			

VI. DEFERRED DEBITS

171—Incompleted voyage expenses			$
174—Debt discount and expense			
175—Other deferred debits			
Total deferred debits			

VII. ORGANIZATION

180—Organization expense			$

VIII. COMPANY SECURITIES

190—Reacquired and nominally issued long term debt	$		
191—Reacquired and nominally issued capital stock			
Total assets			$

LIABILITY SIDE

IX. CURRENT LIABILITIES

200—Notes payable			$
201—Affiliated companies—Notes and accounts payable			
202—Accounts payable			
203—Traffic and car-service balances—Cr			
204—Accrued interest			
205—Dividends payable			
206—Accrued taxes			
208—Accrued accounts payable			
209—Other current liabilities			
Total current liabilities			

LIABILITY SIDE—Continued

X. LONG-TERM DEBT DUE WITHIN ONE YEAR

210—Equipment obligations and other long-term debt due within one year	$

XI. LONG-TERM DEBT DUE AFTER ONE YEAR

	Total issued	Held by or for respondent	
211—Funded debt unmatured	$	$	$
212—Receivers' and trustees' securities			
213—Affiliated companies—Advances payable			
Total long-term debt			

XII. RESERVES

220—Maintenance reserves		$
221—Insurance reserves		
222—Pension and welfare reserves		
223—Amortization reserves—Intangible assets		
229—Other reserves		
Total reserves		

XIII. DEFERRED CREDITS

230—Incompleted voyage revenue		$
231—Premium on long-term debt		
232—Other deferred credits		
Total deferred credits		

XIV. CAPITAL AND SURPLUS

CAPITAL STOCK

	Total issued	Held by or for respondents	
240—Capital stock	$	$	$
241—Capital stock subscribed			
243—Discount and expense on capital stock			
Total capital stock			
245—Proprietorial capital			

CAPITAL SURPLUS

250—Capital surplus:		
1. Premiums and assessments on capital stock		$
2. Paid-in surplus		
3. Other capital surplus		
Total capital surplus		

RETAINED INCOME

260—Retained income—Appropriated		$
280—Retained Income—Unappropriated		
Total retained income		
Total capital and surplus		
Total liabilities		$

NOTE: Amount of cumulative dividends in arrears $

Amount of principal, interest, or sinking fund provisions of long-term debt in default $

Retained Income Accounts

231 Net income balance.

This account shall include the net balance of the income accounts for the calendar year.

CREDIT ACCOUNTS

283 Miscellaneous credits.

This account shall include other credit adjustments, net of assigned income taxes, not provided for elsewhere in this system, but only after such inclusion has been authorized by the Commission.

DEBIT ACCOUNTS

285 Miscellaneous debits.

(a) This account shall include losses from resale of reacquired capital stock, and charges which reduce or write off discount on capital stock issued by the company, but only to the extent that such charges exceed credit balances in paid-in surplus for shares reacquired.

(b) This account shall also include other debit adjustments, net of assigned income taxes, not provided for elsewhere in this system, but only after such inclusion has been authorized by the commission.

286 Miscellaneous reservations of retained income.

(a) This account shall include appropriations of retained income set aside in special reserve, including amounts appropriated to sinking fund and other special funds maintained by the carrier.

(b) Amounts charged to this account shall be credited to account 260, "Retained income—Appropriated." The use of this account is conditional upon the carrier's having an adequate credit balance in retained income.

287 Dividend appropriations of retained income.

(a) This account shall include amounts definitely declared payable from retained income as dividends on actually outstanding capital stock issued or assumed by the carrier, other than debenture stock. If a dividend is not payable in cash, the consideration shall be described in the entry with sufficient particularity to identify it.

(b) This account shall be subdivided so as to show separately the dividends on the various subclasses of capital stock.

NOTE: This account shall not include dividends on capital stock issued or assumed by the carrier and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or other special funds.

Income Accounts

ORDINARY ITEMS

300 Water-line operating revenues.

This account shall include the total revenues derived from transportation service as detailed in primary operating revenue accounts number 301 to 355, both inclusive.

OPERATING REVENUE; LINE SERVICE

301 Freight revenue.

This account shall include the revenue accruing from the transportation of freight upon the basis of lawful tariff rates or special contracts.

Items to be credited:

1. Revenue upon the basis of local freight tariff rates.
2. The carrier's proportion of revenue upon the basis of just freight tariff rates.
3. Revenue from the transportation of mail matter and empty mail pouches at freight rates.
4. Arbitraries in the division of joint freight rates for such allowances as cargo insurance, and similar items.
5. Revenue from transportation of freight on basis of special contract excluding towing in line service for other regulated carriers.
6. Revenue from towing service performed for private carriers.
7. Revenue from charter rental of vessels to shippers when such rental is dependent upon the commodities and volume of freight transported.
8. Revenue from the transportation of automobiles at special rates when incident to the transportation of passengers.
9. The proportion accruing to the carrier of revenue from pools for the purpose of equalizing revenues.

Items to be charged:

1. Refunds of overcharges due to erroneous weights, measurements, rate classifications, or computations.
2. The carrier's proportions of refunds on account of errors in routing and billing.
3. The carrier's proportions of uncollected charges on lost, damaged, or destroyed shipments where neither shipper nor consignee is liable.
4. Foreign lines' proportions of overcharges assumed by the carrier under reciprocal rule establishing a voucher minimum.
5. Amounts payable for switching service and collection and delivery service when performed as part of the transportation of freight.

NOTE A: Other carriers' proportions of uncollectible undercharges paid by the carrier on account of its errors in routing and billing shall be charged to account 450, "Other terminal operations."

NOTE B: Other carriers' proportions of uncollected tariff charges paid by the carrier on freight lost, destroyed, or damaged in transit shall be charged to account 452, "Loss and damage—Freight," when not recoverable from insurance.

NOTE C: This account shall be maintained to show separately payments and allowances (a) to rail carriers, (b) to motor truck operators and others, and (c) allowances to shippers and consignees for collection and delivery service and switching service when performed at terminals as part of the transportation of freight on basis of tariff rates.

302 Passenger revenue.

This account shall include the revenue accruing from the transportation of passengers based upon lawful tariff fares.

The credits to this account shall appear under appropriate subheads as follows:

1. Revenue from transportation of passengers not including sleeping accommodations and meals.
2. Revenue from the rent of staterooms, berths in staterooms, and other sleeping and living accommodations.
3. Revenue from the sale of meals and food supplies.
4. Revenue from the transportation of passengers, including sleeping accommodations and meals (when not separable).

Items to be credited:

1. Revenue upon the basis of local fares.
2. The carrier's proportion of revenue from joint tariff fares.
3. Revenue from extra fares for limited service.
4. Revenue from mileage and scrip coupons honored.
5. Revenue from the transportation of corpses.

Items to be charged:

1. Redemptions of unused or partially used local passenger tickets.
2. The carrier's proportion of redemptions of unused or partially used joint tariff passenger tickets.
3. Refunds of overcharges resulting from collections in excess of lawful fares.

NOTE: No credits shall be included in this account for transportation, accommodations, and meals furnished employees.

303 Baggage.

This account shall include the revenue accruing from the transportation of baggage in excess of free authorized allowance; also the revenue from the transportation of packages, baby carriages, bicycles, animal pets, and other articles at other than freight or express tariff rates.

304 Mail.

This account shall include the revenue accruing from the transportation of mail at established rates for specific routes; from the use of special facilities; from bonuses for special mail transportation; and all other revenues accruing under the terms of general mail contracts with the Government.

Items to be charged: Fines and penalties imposed by the Government when not collected from agents or employees.

NOTE A: The revenue from the transportation of mail matter and empty mail pouches as freight shall be included in account 301, "Freight revenue."

NOTE B: When contracts with the Government provide specific amounts for the rent of mail facilities at stations, such amounts shall be included in account 342, "Other rent revenue."

305 Express.

This account shall include the revenue accruing from transportation of express matter and from the use of facilities on vessels and at stations incident to such transportation.

When a carrier transacts an express business through its regular organization, the revenue therefrom shall be credited to this account.

NOTE: When contracts for express privileges provide specific amounts for the rent of facilities at stations, such amounts shall be included in account 342, "Other rent revenue."

306 Miscellaneous voyage revenue.

This account shall include the revenue earned by a carrier from sources incidental to transportation service and not provided for elsewhere.

Items to be credited:

1. Receipts from the sale of tobacco, cigars, cigarettes, beverages, mineral waters, ice cream, and buffet and bar supplies.
2. Receipts from the sale of books, periodicals, and other newsstand supplies.
3. Revenue from the rent of steamer chairs, rugs, and cushions.
4. Revenue from parcel rooms on vessels.
5. Revenue from weighing and vending machines on vessels.
6. Revenues from pay toilets on vessels.
7. Commissions from baggage insurance sold.
8. Tolls on radio messages.
9. Revenue from concession given to others to sell buffet and other supplies on vessels.
10. Revenue from the furnishing of exclusive service of stewardesses, stewards, or other vessel employees to passengers.
11. Revenue from barber or valet services rendered to passengers.
12. Revenue from telephone calls made from ship.
13. Revenue from refrigeration aboard vessels.
14. Revenue from special services by vessels in assisting other craft when aground, helping through cutoffs, catching vessels adrift, and other similar services.

312 Demurrage.

This account shall include per diem earned by the carrier for use of equipment on account of delay in excess of free time in loading and discharging cargo or releasing equipment.

313 Revenue from towing for regulated carriers.

This account shall include the revenue derived from services performed for other regulated water carriers in towing loaded or empty barges, and other similar equipment by line vessels.

NOTE A: Charges assessed against the carrier for whom such services are performed shall be included in account 429, "Outside towing expenses."

NOTE B: Revenue derived from towing performed for private carriers shall be included in account 301, "Freight revenue."

OTHER OPERATING REVENUE

320 Special services.

This account shall include the revenue from short excursions or special trips at lump-sum charges for such services between designated points.

321 Ferry service.

(a) This account shall include the revenue from the transfer by ferry of freight, passengers, vehicles, and livestock upon the basis of tariff rates for services performed.

(b) The credits to this account shall be recorded under appropriate subheads as follows:

1. Freight.
2. Passengers.
3. Vehicles and livestock.
4. Other.

REVENUE FROM TERMINAL OPERATIONS

331 Revenue from cargo-handling operations.

This account shall include the revenue derived from the performance by the carrier of stevedoring and other cargo-handling services for others, such as checking, tallying, receiving, transferring, delivering, coopering, and use of gear and equipment, including wharfage, transfer, handling and car loading and unloading when allowed as arbitraries in division of rates.

332 Revenue from tug and lighter operations.

This account shall include the revenue derived from services performed by the carrier for others by its tugs, lighters, barges, scows, launches, floating cranes, and similar floating equipment, including rental of equipment, arbitraries allowed in division of lighterage rates and demurrage on lighter and other harbor equipment.

333 Agency fees, commissions, and brokerage.

This account shall include revenue derived from agency fees, commissions, and brokerage covering services rendered to others when acting as agents for their vessels.

334 Miscellaneous operating revenue.

This account shall include revenue derived from shore operations incidental to the shipping business for which no other accounts are provided.

Items to be charged:

1. Revenue from advertising space in timetables, folders, and magazines.
2. Revenue from amusement parks.
3. Forwarding fees.
4. Revenue from clergy bureaus.
5. Revenue from commissions for collecting from employees premiums on insurance policies and installment payments for books, watches, etc.
6. Revenue from commissions received on ticket sales.
7. Revenue from garnishment fees.
8. Revenue from penalties for loss of baggage and parcel-check.
9. Revenue from operation of parcel rooms and lavatories at terminals.
10. Revenue from public telephone messages.
11. Revenue from sale of elecricity.
12. Revenue from the sale of tariffs.
13. Revenue from sight-seeing tickets sold.
14. Revenue from storage of freight.
15. Revenue from ticket-validation agencies.
16. Revenue from vending machines at terminals.
17. Revenue from waste paper and old records sold.
18. Revenue from water sold.
19. Revenue from protective service such as refrigeration and precooling.
20. Insurance collections in excess of expenses applicable to maintenance or operation.
21. Revenue from watchmen's services.
22. Revenue from holding charges.
23. Revenue from terminal operations not provided for elsewhere.

RENT REVENUE

341 Revenue from charters.

(a) This account shall include the revenue receivable by the carrier under contract for the charter of its vessels to other carriers (or to shippers when the amount receivable for charter is not dependent upon the commodities and volume of freight transported) such as bare boat and time charters.

(b) The carrier shall include the charter revenue receivable under the contract in this account and shall include in the appropriate operating-expense accounts, the operating expenses, if any incurred and borne by it in operating vessels so chartered.

NOTE: Charter revenue derived from rental of vessels to shippers where such revenue is dependent upon the commodities and volume of freight transported shall be included in account 301, "Freight revenue."

342 Other rental revenue.

This account shall include the amounts derived from rental or lease of terminal facilities by the carrier to others including dockage, side wharfage, top wharfage, use of doorways, lights, etc., including revenue from freight and passenger privileges over the carrier's wharves and docks.

MOTOR-CARRIER OPERATIONS

351 Motor-carrier revenue.

(a) This account shall include the operating revenues accruing to the carrier from the transportation of passengers, freight, express, and mail by motor vehicles operated in highway service in addition to or in lieu of services performed by vessels.

(b) The carrier shall maintain the primary revenue accounts prescribed by the Commission in the uniform systems of accounts for motor carriers of property and persons.

355 Interdepartmental credits.

If a carrier so elects, this account may include amounts which are credited to appropriate primary revenue accounts and concurrently charged to appropriate primary operating expense accounts representing interdepartmental items in connection with the operation of the carrier's terminal facilities while used by its own vessels in its own service. The carrier shall maintain subaccounts corresponding to the primary revenue accounts to which such credits shall be first allocated, and after closing the accounts, the amounts in these subaccounts shall be transferred to this account. In preparing and rendering reports to this Commission, the amounts in this account shall be omitted.

(Continued on Page 20383, Section 3)

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PART II

Section 3

Interstate Commerce Commission

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REPUBLICATION AND REDESIGNATIONS OF REGULATIONS



THE NATIONAL ARCHIVES OF THE UNITED STATES • 1934 •

Small Carriers

399 **Condensed revenue accounts for small carriers.**

Accounts To Be Kept by Class A Companies	*Accounts To Be Kept by Class B Companies*
I. Operating Revenue—Line Service	I. Operating Revenue—Line Service
301. Freight revenue.	301. Freight revenue.
302. Passenger revenue.	302. Passenger revenue.
303. Baggage.	
304. Mail.	
305. Express.	303. Other line service revenues.
306. Miscellaneous voyage revenue.	
312. Demurrage.	
313. Revenue from towing for regulated carriers.	313. Revenue from towing for regulated carriers.
Accounts To Be Kept by Class C Companies	*Accounts To Be Kept by Class A Companies*
II. Other Operating Revenue	II. Other Operating Revenue
320. Special services.	320. Special services.
321. Ferry service.	321. Ferry service.
III. Revenue from Terminal Operations	III. Revenue from Terminal Operations
331. Revenue from cargo-handling operations.	
332. Revenue from tug and lighter operations.	331. Terminal revenues.
333. Agency fees, commissions, and brokerage.	
334. Miscellaneous operating revenue.	
IV. Rent Revenue	IV. Rent Revenue
341. Revenue from charters.	
342. Other rent revenue.	341. Charter and other rents.
V. Motor-Carrier Operations	V. Motor-Carrier Operations
351. Motor-carrier revenue.	351. Motor-carrier revenue.

Operating Expenses

400 **Water-line operating expenses.**

This account shall include the total expenses incurred in conducting transportation services as detailed in primary operating expense accounts number 401 to 495, both inclusive.

Maintenance Expenses

401 **Supervision.**

This account shall include the pay of department heads and their assistants directly in charge of and engaged in maintenance, including clerks and attendants and the office and other expenses of the employees whose pay is chargeable to this account.

Items

Auto service.
Books.
Directories.
Express charges.
Heat.
Ice.
Light.
Maps and plans.
Membership in association.
Newspapers.
Periodicals.
Photographs.
Supplies for cleaning.
Supplies for office.
Stationery and printing.
Telegraph and telephone.
Traveling expenses.
Wireless service.

Note: When department heads have direct supervision over other operating departments, the pay and expenses of their office shall be apportioned equitably over the departments under their supervision.

402 **Repairs of floating equipment.**

This account shall include the cost of material and labor expended in making repairs to vessels and other floating equipment directly attributable to replacement or restoration to a satisfactory condition of damaged and worn parts of vessels and other floating equipment, their machinery and fixtures comprising integral parts of such units.

The following is a representative list of items:

(a) *Repairs to hull.*
Beam frames, floors, girders, stringers.
Bulkheads and watertight.
Cargo lights and accessories.
Cargo ports and hatches.
Caulking decks.
Cost of surveys.
Credit for salvage material.
Deck houses, doors, windows, canvas decks, companionways, skylights.
Decks and superstructure.
Degaussing-Depermining, wiping and flashing.
Derricks, cargo cranes.
Dry-docking and painting bottom.
Fire and general alarm systems.
Hold stanchions and ladders.
Loud speakers.
Other mechanical work on deck fitting and appliances.
Other miscellaneous hull work.
Railings, port lights, scuttles, coal holes, and ventilators.
Rudder and attachments (including quadrant).
Sea chests and sea valves.
Shell plating, deck plating, bulkheads, casings, built-in tanks, tank tops.
Sluice gates, bilge suction systems, sounding pipes, scuppers, fire-main.
Sprinklers.
Steering-gear loads, sheaves, controlling gear.
(b) *Repairs to machinery.*
Air conditioning equipment.
All pumps, independent and attached to engine.
Ash-hoisting apparatus, discharge pipe and hopper.
Auxiliary condenser.
Boiler ash pans, ash guards, and boiler repairs.
Boiler casting for furnace, connecting doors (labor).
Boiler furnaces and combustion chambers.
Boiler heads and shell.
Boiler smoke pipe, uptakes, furnace fronts.
Boiler tubes.
Boiler valves and mounting.
Blowers and airducts.
Capstans.
Cargo winches.
Dynamos and electrical fittings.
Electric generators and switchboards (including those for space occupied by machinery only).
Engine and boiler room floor plates and supporting structures.
Evaporators, distiller, filter tanks, donkey tank.
Hoisters.
Insulation on machinery, boilers, piping (not including sanitary lines, heating system, refrigerating or fresh water service).
Large ventilating fans.
Main condenser.
Main engine cylinders, pistons, valves, main engine parts, thrust bearings.
Piping fixtures, valves (not including sanitary, heating, refrigerator, or fresh water system).
Propeller, shafting and stern tube.
Refrigerating apparatus as far as loads to storage boxes.
Steering engine.
Windlass.
(c) *Repairs to fixtures.*
Brickwork on floors, tiling, asphalting cementing.
Drinking tanks, filters, fountains.
Emergency escape panel kickout.
Ice boxes, refrigerating pipes and insulation.
Labor and material on heating system, steam to galley and pantry.
Labor and material—sanitary, drains, fresh water, hand pumps, sinks.
(d) *Miscellaneous.*
All repairs to floating equipment not provided elsewhere. Towage of floating equipment to and from repair yards and docking and undocking.

Note: The cost of repairs resulting from casualties shall be charged to account 166, "Claims pending," when covered by insurance. See account 473, "Hull insurance and damage," with respect to amounts not recoverable from insurance companies.

404 **Repairs of buildings and other structures.**

This account shall include:

1. Cost of material used and labor expended in repairing fixed improvements of all classes, such as wharves, docks, and other landings or structures; pontoons, slips, sea walls, bulkheads, jettles, drydocks, and inclines thereto, including filling, strengthening, bracing, and painting.

2. Cost of repairing crib-work, racks, and bulkheads constructed for preserving the depth of water secured by dredging.

3. Cost of dredging to restore the depth of water.

4. Cost of repairs to guard and other piling, also cutting ice around docks and wharves to prevent damage, expenditures for protection against fire, and other expenses of a like nature.

5. Cost of repairs to general office and other buildings or structures, platforms, inclines to buildings.

6. Cost of repairing fixtures, machinery, and appurtenances.

Labor and material used in repairing the following:

Alarm system.
Arc lights.
Asbestos covering for boilers and pipes.
Asphalt.
Awnings.
Baggage rooms.
Bars and window.
Bins for material.
Blacksmith shops.
Boiler foundations.
Boiler rooms.
Boilers.
Boiler shops.
Boiler tubes.
Booths, telephone.
Bracing.
Breakwaters for protection of structures.
Buildings.
Bulkheads.
Canopies.
Carpenter shops.
Chutes.
Cisterns.
Coaling trestles.
Cofferdams.
Cord, window sash.
Counters.
Cross ties.
Docks.
Doors.
Door stops.
Drainage and sewage systems.
Drinking fountains.
Driveways.
Dynamos.
Eating rooms.
Electric light plants.
Electric wiring.
Elevators and machinery.
Express on repair material.
Faucets.
Fences.
Fenders, dock.
Fire buckets.
Fire houses.
Fire escapes.
Fire lines.
Fire sprinkler lines.
Floors.
Foundations.
Foundries.
Freight charges on repair material.
Freight cranes and derricks attached to buildings.
Freight house.
Fuel stations.
Garage buildings.
Gates.
General office buildings.
Grain elevators.
Grain warehouses.
Greenhouses.
Heating plants.
Hedges.
Hoisting engines for handling freight.
Hosehouses.
Hydrants.
Icehouses.
Lighting plants.
Lumber sheds.
Machine shops.
Office buildings.
Paint and painting.
Paint shops.
Partitions.
Pavement within grounds.
Piers.
Piling.
Pipe lines, interior.
Plumbing.
Power plants.
Pumping stations.
Radiators.
Railings.
Ramps.
Refrigeration plants.
Roofing.
Screens, window and door.
Shelving.
Shops.
Sidewalks.
Sprinkler systems.
Stables.
Stairs.
Steam and hot water distributing system.
Storehouses.
Skylights.
Toilets.
Tracks.
Vaults.
Ventilators.
Waiting rooms.
Wash bowls.
Wash rooms.
Watchhouses.
Water meters.
Water-supply systems.
Wharves.
Windows.
Window shades.

NOTE A: The cost of repairs of movable equipment of fixed structures shall be included in account 405, "Repairs of office and other terminal equipment."

NOTE B: The cost of repairs resulting from casualties shall be charged to account 166, "Claims pending," when covered by insurance. See account 477, "Other insurance" with respect to amounts not recoverable from insurance companies.

405 Repairs of office and terminal equipment.

This account shall include the cost of material and repair parts used and labor expended in repairing all movable equipment of building and other fixed terminal structures.

SHOP EQUIPMENT

Acetylene cutting and welding machines.
Anvils.
Assorted dies and blocks.
Belting.
Bench vises.
Blue printing machines.
Bolt cutter.
Boring bar.
Boring brasses.
Burning torches.
Cages.
Cast iron face plate.
Chain blocks.
Charging boards.
Chisels.
Compressed-air equipment.
Crosscut saw.
Die stock ratchet.
Drill press.
Drills.
Electric drills.
Emery grinder.
Forges.
Furnaces.
Hydraulic jacks.
Iron horse.
Lathe.
Magnetos.
Motors.
Mould filling brasses.
Paint burners.
Paint spraying machine.
Pipe cutter.
Photostatic machine.
Portable boring bars.
Portable electric grinder.
Power machine.
Power saw.
Propeller fan.
Punch and shears.
Reamers.
Riveters' hammers.
Saws.
Scales.
Scaling hammers.
Sewing machines.
Shapers.
Sledges.
Stamping tools.
Stationary engine.
Steam hammer.
Steam-test pump.
Stencil machine.
Stilson wrenches.
Swedges.
Taper shanks.
Tools.
Torches.
Tube expanders.
Twist drills.
Twist drill and tool grinder.
Ventilating set.
Vises.
Wire cutters.
Wrenches.

OFFICE EQUIPMENT

Adding machines.
Addressing machines.
Billing and bookkeeping machines.
Blackboards.
Blueprinting machines.
Book cases.
Brief cases.
Cabinets.
Calculating machines.
Cameras.
Carpets.
Chairs.
Check protectors.
Clocks.
Comptometer machines.
Costumers.
Counters.
Desks.
Dictaphones.
Display racks.
Drafting and engineering instruments.
Duplicating machines.
Filing cabinets.
Fire extinguishers.
Floor covering.
Floor scrubbing and polishing equipment.
Guns.
Lamps.
Linoleum.
Lockers.
Mailing machines.
Mimeograph machines.
Numbering machines.
Pictures.
Polishing machines.
Printing press and printing equipment.
Refrigerators.
Rugs and floor coverings.
Safes.
Scales.
Settees.
Shelving, portable.
Stools.
Stoves.
Tables.
Typewriters.
Vacuum cleaners.
Vending machines.

WHARF EQUIPMENT

Airplane platforms.
Batteries.
Bumpers.
Canvas covers.
Canvas slings.
Cargo blocks.
Cargo chutes.
Cargo hooks.
Cargo rollers.
Chains.
Chain slings.
Coal buckets.

Conveyors and belts, castors and rollers.
Cranes, movable.
Crow bars.
Derricks, movable.
Drum hoisters.
Electric truck warehouse.
Escalators and castors, chains, and gears.
Fire barrels.
Fire buckets.
Fire hose.
Freight-handling equipment.
Gangplanks.
Gangways.
Gas tanks.
Hand trucks.
Hardware.
Lawn mowers.
Lift jacks.
Motor trucks, warehouse.
Mechanical parts for wharf equipment.
Paper slings.
Platforms.
Platform scales.
Platform trays.
Platforms, truck.
Pontoons.
Racks.
Rope.
Rope slings.
Scales, dock.
Seats.
Skids.
Tarpaulins.
Tents, canvas.
Tools, miscellaneous.
Tractors, warehouse.
Trailers, warehouse.
Trucks and truck bodies, warehouse.
Ventilator and heaters.
Wharf fenders.
Wheels.
Wire falls.
Wire-rope slings.

GARAGE EQUIPMENT

Air compressors and tanks.
Anvils.
Arbor presses.
Battery-charging outfits.
Belts, shafts, and countershafts.
Boring and reaming machines.
Car washing machines.
Cranes and hoists (portable).
Creepers.
Drill presses.
Electric equipment.
Engines and boilers.
Forges.
Gasoline, oil pumps, and portable tanks.
Greasing racks and pumps.
Grinders.
Jacks.
Lathes.
Lockers.
Machine tools.
Motor-driven hand tools.
Oil reclaiming machines.
Paint sprayers.
Pneumatic tools.
Storage bins and shelves (portable).
Storeroom equipment, except office.
Stoves.
Testing equipment.
Tire-changing equipment.
Tool racks.
Vises.
Vulcanizing equipment.
Weighing devices.
Welding apparatus.
Wheel pullers.
Work benches.

406 Repairs of highway equipment.

This account shall include the cost of labor, material, and other expenses incurred in the maintenance of highway vehicle and service equipment used in motor operations subject to parts I and III of the Interstate Commerce Act.

HIGHWAY EQUIPMENT

Automobiles.
Buses.
Lift vans.
Tractors, trailers, and semitrailers.
Trucks.

NOTE: The cost of repairing motor highway equipment subject to part II of the Interstate Commerce Act is chargeable to account 491, "Motor-carrier expenses."

407 Shop expenses.

This account shall include the cost of labor, material, and other expenses incurred in the operation of machine shops at which mechanical work is done.

ITEMS OF EXPENSE

Cleaning shops and yards.
Fuel, lubricants, etc.
Heat, light, and power.
Ice used in shops.
Portable hand tools of short life.
Supplies used in shops.

NOTE: When work done is chargeable to others, the expenses of operating the shop shall be included in a suspense account and only the carrier's proportion shall be cleared to this account.

408 Other maintenance expenses.

This account shall include all expenses incident to the maintenance of property used in transportation service for which no other account is provided.

DEPRECIATION AND AMORTIZATION

411 Depreciation; transportation property.

This account shall include the amount of depreciation charges applicable to the accounting period for all depreciable transportation property currently operated in the service of the carrier.

413 Amortization of investment; leased property.

(a) This account shall include the amount of amortization charges applicable to the accounting period relating to the carrier's investment in improvements on leased property.

(b) The amortization charges shall be computed to distribute as nearly as practicable the book cost of such investments in equal annual charges over the period of their useful life in the service of the carrier.

TRANSPORTATION EXPENSES

LINE SERVICE

421 Supervision.

This account shall include the pay of department heads and their assistants in charge of or engaged in the operation of vessels in line service, including the pay of clerks and attendants and office and other expenses of employees whose pay is chargeable to this account.

ITEMS OF EXPENSE AND SUPPLIES

Auto service.
Books.
Directories.
Express charges.
Heat.
Ice.
Light.
Maps.
Membership in associations.
Newspapers.
Painting signs on office doors.
Periodicals.
Photographs.
Supplies for cleaning.
Supplies for office.
Stationery and printing.
Telegraph and telephone.
Traveling expenses.
Wireless service.

NOTE: When department heads have direct supervision over other operating departments, their pay and expenses, and the pay and expenses of their employees, shall be apportioned equitably among the departments over which they have supervision.

422 Wages of crews.

This account shall include the wages of crews of vessels engaged in line service.

(a) *Deck department.* The pay of captains and all other employees of the deck department.

LIST OF EMPLOYEES

Boatswains.
Captains.
Carpenters.
Chief officers.
Deck hands.
Mates.
Pilots.
Portmen.
Quartermasters.
Sailors.
Seamen.
Watchmen, deck, cargo, and saloon.
Wireless telegraph operators.

(b) *Engineers' department.* The pay of chief engineers and all other employees of the engineers' department.

LIST OF EMPLOYEES

Assistant engineers.
Chief engineers.
Coal passers.
Electricians.
Firemen.
Oilers.
Plumbers.
Watertenders.
Wipers.

(c) *Stewards' department.* The pay of pursers and all other employees of the stewards' department.

LIST OF EMPLOYEES

Bakers.
Barbers.
Bellboys.
Butchers.
Cashiers.
Chefs.
Cooks.
Cruise directors.
Dishwashers.
Doctors.
Entertainers.
Food checkers.
Hostesses.
Messboys.
Messmen.
Musicians.
Nurses.
Pantrymen.
Porters.
Printers.
Pursers.
Scullions.
Stewardesses.
Stewards.
Storekeepers.
Telephone operators.
Waiters.

NOTE: When vessels are laid up in inactive service, the pay of the crews while engaged in repair work shall be charged to the appropriate accounts for repairs. If not engaged in repair work, the pay of the crews shall be charged to account 433, "Lay-up expenses."

423 Fuel.

This account shall include the cost of coal (including trimming when purchased f.o.b. lighters), oil, wood, and other fuel used for generating power, heat, and light on vessels in line service. This account shall also include the cost of analyzing or testing the quality of ships' fuel.

NOTE: When vessels are laid up in inactive service, the cost of fuel consumed during such period shall be charged to account 433, "Lay-up expenses."

424 Lubricants and water.

This account shall include the cost of oil, grease, tallow, graphite, and other lubricants; also of water and cost of analyzing and treating water for boilers of vessels in line service.

NOTE: When vessels are laid up in inactive service, the cost of lubricants and water used during such period shall be charged to account 433, "Lay-up expenses."

425 Food supplies.

This account shall include the cost of food furnished to the stewards' department of vessels in line service and consumed by officers, crew, and passengers, including cost of delivery on board and inspection.

LIST OF SUPPLIES

Bread.
Butter.
Cakes.
Cereals.
Cheese.
Coffee.
Condiments.
Crackers.
Cream.
Dry provisions.
Eggs.
Extracts.
Fish, fresh, salted and canned, shell, and frozen.
Flour.
Fruits, fresh, preserve and dry.
Groceries.
Honey.
Ice cream.
Ices.
Jams.
Jellies.
Juices, fruit, berry, and vegetable.
Milk.
Molasses.
Meats, fresh, salted, and prepared.
Nuts.
Olives.
Pickles.
Poultry.
Preserves.
Relishes.
Rolls.
Salt.
Sauces.
Sugar.
Spices.
Tea.
Vegetables, fresh, and canned.
Yeast products.

NOTE A: Food, such as fruit, ice cream, ices, etc., sold as buffet supplies shall be charged to account 427, "Buffet supplies."

NOTE B: When vessels are laid up in inactive service, the food consumed during such period shall be charged to account 433, "Lay-up expenses."

426 Stores, supplies and equipment.

This account shall include the cost of stores, supplies and equipment used by the deck department, the engineer's department, and the stewards' department of vessels in line service.

DECK AND ENGINEER'S DEPARTMENT

Acids.
Alcohol.
Ammonia.
Antiseptics.
Asbestos.
Ash bags.
Asphalt.
Atomizers.
Axes.
Babbitt metal.
Badges.
Barometer charts.
Batteries.
Beeswax.
Bits.
Blocks.
Boiler compound.
Bolts.
Borer.
Braces.
Brass sheet.
Bricks.
Brooms and brushes.
Buckets.
Bulbs, electric light.
Burlap.
Buttons for uniforms.
Calipers.
Can, squirt.
Candles.
Cans, oil.
Canvas.
Caps.
Carbonic acid gas.
Carbons, searchlight.
Cement.
Chalk.
Charts.
Cheesecloth.
Chemicals.
Chisels.
Clamps.
Coal bags.
Coils.
Cost of delivery on board of stores.
Couplings, hose and pipe.
Cups, oil and grease.
Curled hair.
Dies.
Disinfectants.
Drayage on stores.
Drills.
Drinking cups.
Dry cells.
Drugs and medicines.
Dusters.
Dustpans.
Elbows.
Electric plugs.
Emery.
Emery cloth.
Epaulets.
Extinguishers, fire.
Falls.
Files.
Filter sheets.
Fire clay.
Fire extinguishing supplies.
First-aid kits.
Flags.
Flashlights.
Freight or express charges on stores.
Funnels.
Fuses.
Gaskets.
Gasoline.
Gauze, wire.
Glass, ground.
Globes.
Glue.
Glycerine.
Grommets.
Halyards, signal.
Hammers.
Hand tools.
Hatchets.
Hinges.
Hooks.
Hooks, boat.
Hose, water, steam, and metallic.
Hydrometers.
Ice.
Kerosene.
Lampblack.
Lamp burners.
Lamp chimneys.
Lamp guards.
Lamp oil.
Lamp wicks.
Lantern globes.
Lead, red.
Lead, white.
Line.
Linseed oil.
Lumber for dunnage.
Mail bags.
Maps.
Marline.
Marline spikes.
Master's permit.
Matches.
Medical and surgical supplies.
Medicine.
Metal polish.
Mop wringer pails.
Mops.
Nails.
Nipples.
Nozzles, hose.
Nuts.
Oil.
Oxalic acid.
Packing.
Padlocks.
Pails.
Paint.
Paint remover.
Paper cups.
Paste, polishing.
Pennants.
Plugs, fusible.
Plugs, pipe.
Polish, metal and other.
Potash.
Powder, soap.
Pumice stone.
Putty.
Rags.
Rat traps.
Rivets.
Rockets.
Rope.
Sail needles.
Sand.
Sandpaper.
Sawdust.
Saws.
Screw drivers.
Screws.
Sheet rubber.
Shellac.
Shovels.
Signal oil.
Small tools.
Soap.
Soda ash.
Solder.
Soldering supplies.
Sponges.
Springs.
Staples.
Stoppers.
Tacks.
Tallow.

Tape.
Tar.
Telephone charges.
Thermometers.
Tin, sheets of.
Tobacco cloth.
Torches, blow.
Trowels.
Turpetine.
Twine.
Uniforms.
Valves.
Varnish.
Washers.
Waste.
Wicks.
Wire.
Wrenches.
Zinc, white.

STEWARDS' DEPARTMENT

Aprons, coats, caps, uniforms for employees.
Badges, waiters.
Bed sheets.
Bedding.
Blankets.
Books for library.
Bowls.
Chinaware.
Cooking utensils.
Counterpanes.
Covers, pillow and mattress.
Crew eating gear.
Crockery.
Dishes.
Drinking cups, paper.
Epaulets.
Floral or other decorations.
Fresh water for drinking.
Freight or express charges on stores.
Fuel for cooking.
Galley fuel.
Glassware.
Ice.
Kettles.
Kitchen utensils.
Linen.
Matches.
Mattresses.
Mattress covers.
Menu.
Musical instruments.
Music rolls.
Napkins.
Necktles.
Nut crackers.
Pans.
Paper cups, napkins, and towels.
Phonograph records.
Pillows and pillow cases.
Pots.
Radio tubes, batteries, and parts (for passenger entertainment).
Sheets.
Sheet music.
Silverware.
Slips, pillow.
Soup.
Stationery and post cards for passenger use.
Suits.
Tableware.
Tablecloths.
Toilet paper.
Toothpicks.
Towels and toweling.

NOTE: When vessels are laid up in inactive service, the cost of stores, supplies, and equipment consumed during such period shall be charged to account 433, "Lay-up expenses."

427 Buffet supplies.

This account shall include the cost of buffet supplies for vessels in line service.

LIST OF BUFFET SUPPLIES

Alcoholic beverages.
Candy.
Carbonic acid gas.
Cigarettes.
Cigars.
Fruit.
Ice cream.
Mineral water.
Periodicals.
Post cards.
Souvenirs.
Tobacco.

428 Other vessel expenses.

This account shall include expenses incurred incident to the operation of vessels in line service and not properly chargeable to other accounts.

ITEMS OF EXPENSE

Ashes, removal of.
Ballast expense.
Board and room allowance for crew on shore.
Canal tolls
Capacity plans.
Carrier's proportion of expenses incurred in operating pools for the purpose of equalizing revenues.
Chronometers, rating.
Compass, adjusting.
Crew, transportation and cost of securing.
Emblems.
Fresh water.
Garbage service.
Inventory expense.
Launch hire.
Lights furnished from shore.
Masters, expenses of.
Medical examinations of ship personnel.
Payroll expense.
Pianos, tuning.
Postage and petties.
Rental of motion picture reels.
Rental of radio equipment.
Rental of submarine signal apparatus.
Seaworthy certificate.
Stationery and printing.
Steam furnished.
Taxi hire.

NOTE: When vessels are laid up in inactive service, such expenses shall be charged to account 433, "Lay-up expenses."

429 Outside towing expenses.

This account shall include amounts paid to others for towing services performed for the carrier by line vessels of others not under charter.

430 Wharfage and dockage.

This account shall include expenditures for the privilege of using docks, wharves, piers, trestles, or floats belonging to others, for loading and discharging cargo, and for mooring vessels in line service.

This account may be subdivided in order to allocate wharfage and dockage expenses between those incurred for boats and those incurred for barges.

NOTE A: Tollage charge assessed on cargo on a per ton basis for the privilege of handling freight over docks is chargeable to account 443, "Stevedoring."

NOTE B: When vessels are laid up in inactive service, the expenditures for wharfage and dockage incurred by such vessels during such period shall be charged to account 433, "Lay-up expenses."

431 Port expenses.

This account shall include expenses and charges incident to port service of vessels in line service.

LIST OF CHARGES

Anchorage dues.
Bridges, opening.
Brokerage, customs.
Buoy hire.
Cargo dues.
Certificates, loading and discharging.
Chamber of Commerce dues.
Clearance dues and fees.
Consular fees and tonnage charges.
Customhouse dues.
Customs house, overtime.
Entry dues and fees.
Fumigation.
Handling lines.
Harbor dues.
Health office dues and fees.
Lighthouse dues.
Mooring and unmooring.
Packet privileges.
Permit for loading and discharging.
Pilotage.
Port dues and taxes.
Quarantine expenses.
Running lines.
Sanitary dues.
Shifting vessels.
Stamp for manifests.
Stamp tax and stamp paper.
Tonnage dues.
Towage.
Tug operation or hire.
Watching vessel.

NOTE: When vessels are laid up in inactive service, the expenses incident to port service shall be charged to account 433, "Lay-up expenses."

432 Agency fees and commissions.

This account shall include amounts payable as fees, commissions, and brokerage to outside agents as sub-agents appointed to look after the carrier's operations and who are compensated on the basis of an allowance or charge for agency or attendance fee.

NOTE: The agency fees paid agents engaged exclusively in canvassing and soliciting traffic shall be included in account 457, "Outside traffic agencies."

433 Lay-up expenses.

This account shall include the pay of crews while not engaged in repairs of vessels which are laid up in inactive service, including the cost of fuel, food, stores, supplies, and equipment; port expenses, wharfage, dockage, and other expenses.

NOTE A: When vessels are laid up in inactive service undergoing repairs, the pay of crews while actually engaged in making repairs shall be charged to the repair account.

NOTE B: Expenses of vessels in an inactive status, for a limited number of days or awaiting cargo, etc., shall be charged to appropriate line-service accounts.

TERMINAL SERVICE

441 Supervision.

This account shall include the pay of department heads and their assistants in charge of or engaged in the operation of terminals, and their clerks and attendants, including office and other ex-

penses of employees whose pay is chargeable to this account.

ITEMS OF EXPENSE AND SUPPLIES

Books.
Business-auto service.
Directories.
Express charges.
Fees and dues in associations having a direct or immediate relation to the operation of equipment in terminal service.
Heat.
Ice.
Light.
Maps.
Membership in associations.
Newspapers.
Periodicals.
Photographs.
Supplies for cleaning.
Telegraph and telephone.
Traveling expenses.
Wireless service.

NOTE: Where department heads have direct supervision over other operating departments, their pay and expenses and the pay of their employees shall be apportioned equitably among the departments over which they have supervision.

442 Agents.

This account shall include the pay of agents, clerks and attendants and other agency employees, and the office and other expenses of those engaged in operating stations, wharves, and docks.

OFFICE EMPLOYEES

Accountants.
Agents.
Assistant agents.
Baggagemen.
Bookkeepers.
Cashiers.
Charwomen.
Clerks.
Collectors.
Comptometer operators.
Messengers.
Porters.
Stenographers.
Telephone operators.
Tellers.
Ticket agents.
Typists.

WHARF EMPLOYEES

(When not chargeable to account 443, "Stevedoring.")

Cleaners.
Clerks.
Gatemen.
Roundsmen.
Timekeepers.
Warehouse foremen.
Watchmen.

ITEMS OF EXPENSE AND SUPPLIES

Advertising for help.
Books.
Brooms and brushes.
Business-auto service.
Changing combination of safes.
Cleaning offices.
Cleaning supplies.
Directories.
Express charges.
Heat.
Ice.
Light.
Licenses of ticket agents.
Maps.
Membership in associations.
Messenger service.
Newspapers and periodicals.
Office supplies.
Polish.
Telephone and telegraph.
Traveling expenses.
Uniforms for employees.
Weighing and inspection bureaus.

443 Stevedoring.

This account shall include the following:

(a) The pay of stevedores, foremen, and longshoremen, engaged in:

1. Loading, stowing, or unloading cargoes of vessels.
2. Breaking down piles on docks and loading trucks for trucking to vessels.
3. Breaking down cargoes in vessels and loading trucks for discharging cargoes.
4. Loading and discharging baggage, express, and mail.
5. Trucking from dock, lighters or cars to vessels or from vessels to dock, lighters, or cars.
6. Rigging and unrigging gear.
7. Operating escalators or conveyors.
8. Opening holds, placing skids and nets.
9. Closing holds, taking in skids, nets, etc.
10. Piling or trucking cargo discharged from vessels.
11. Winchmen, switchmen, and routers.
12. Installation of cargo battens, cargo trimmers, cattle fittings, grain fittings, shifting boards and dunnage, and heading cotton.
13. Loading and discharging lighters direct to and from vessels.

(b) The pay of laborers and clerks engaged in:

1. Receiving, delivering, checking, tallying, measuring, and weighing cargo.
2. Stenciling and marking cargo.
3. Coopering cargo.
4. Sorting cargo.
5. Tiering cargo received for shipment and high piling of discharged cargo.
6. Loading and unloading and sealing freight cars when performed by carrier.
7. Cleaning holds and tanks for reception of cargo.
8. Shifting cargo on docks and watching cargo.
9. Tollage charges assessed on cargo on a per ton basis for the privilege of handling freight over docks.

(c) Hire of cranes, derricks, stevedore gear and equipment, including cargo slings, hatch bridles, save-alls, tarpaulins, hatch tents, and heavy lift charges.

(d) Transportation, traveling time, and feeding of stevedores and longshoremen; demurrage on lighters awaiting cargoes or transfers; landing charges and collections; and shifting barges and lighters at terminals.

(e) Inspection of fruit, vegetables, cotton, grain, etc.

(f) Barrel hoops, staves, heads, and metal strips; cooperage supplies and material, crayon and chalk for marking; lumber for coopering; material for packing and tagging freight; hardware, sawdust, burlap, and shaving; and seals for cars.

(g) Cost of gasoline and other fuel used in operating wharf equipment.

(h) This account shall also include amounts paid to others covering the cost of labor, material, and hire of equipment in the checking, receiving, loading, and unloading of vessels including Federal old-age pensions and unemployment compensation taxes. Such expense paid to others shall be kept in a separate subaccount from amounts expended by the carrier for labor and supplies.

444 Precooling and cold-storage operations.

This account shall include all expenses in connection with the operation of plants for precooling and cold storage of freight shipments. It shall include the pay and expenses of engineers, mechanics, and other employees, and the cost of fuel, lubricants, electric power, salt, and other supplies consumed in the operation of the plants.

445 Light, heat, power, and water.

This account shall include the expenses of light, heat, power, and water used in operations, except as otherwise provided for, whether produced by the carrier or purchased from others.

446 Stationery and printing.

This account shall include the cost of all stationery, stationery supplies, printing, books, and blank forms used in connection with the operation of terminals, including capacity plans, cargo plans, stowage plans, waybills, tickets, baggage checks, bills of lading, etc.

For list of items see account 466, "Stationery and printing."

447 Tug operations.

This account shall include all expenses in connection with the operation of tugs employed in transfer service, including expenses in connection with the operation of lighters and other similar floating equipment employed in such service and engaged in handling, loading, transporting and discharging lightered cargo when not incurred in connection with line service operations.

NOTE: When tub operations are incurred in connection with line service operations, they shall be charged to account 431, "Port expenses."

448 Operation of highway vehicles.

This account shall include expenses incurred in the operation of highway vehicles in connection with the transportation of passengers, freight, express, or mail in connection with handling cargo or passengers in loading and unloading vessels.

ITEMS OF EXPENSE

Bridge and tunnel charges.
Ferriage.
Fuel.
Garage supplies and expenses.
Gasoline.
Labor cleaning and preparing equipment for service.
Loading or unloading vehicles.
Lubricants.
Medicine.
Pay of operators and helpers, including the time held for duty.
Water and other supplies.

NOTE: Operating expenses incurred by the carrier in transporting passengers, freight, express, and mail by highway vehicles operated in addition to or in lieu of performing line service by vessels shall be included in account 491, "Motor-carrier expenses."

449 Local transfers.

This account shall include amounts expended for transfer service in connection with the transportation of passengers, freight, express, or mail by others

when such payments are not includible in account 301, "Freight revenue."

450 Other terminal operations.

This account shall include all expenses incident to operation of terminal for which no other account is provided.

TRAFFIC EXPENSES

456 Supervision.

This account shall include the pay of department heads and their employees in charge of or engaged in supervising the soliciting and advertising of traffic; also the office, traveling, and other expenses of employees whose pay is includible in this account.

ITEMS OF EXPENSE AND SUPPLIES

Books.
Business-auto service.
Cleaning supplies.
Directories.
Heat.
Ice.
Light.
Maps.
Newspapers.
Periodicals.
Stationery and printing.
Telegraph and telephone.
Traveling expenses.

NOTE A: The pay and expenses of commercial, city, district, and other agents, their clerks, and attendants engaged exclusively in canvassing and soliciting traffic shall be charged to account 457, "Outside traffic agencies."

NOTE B: When department heads have direct supervision over other operating departments, their pay and expenses, and the pay and expenses of their employees shall be apportioned equitably among the department over which they have supervision.

457 Outside traffic agencies.

This account shall include the pay of commercial, city, district, and other agents engaged exclusively in canvassing and soliciting traffic; employees of their offices, traveling solicitors; and the cost of supplies, office, traveling, and other expenses of employees whose pay is included in this account.

Commissions paid to tourist agents and other companies for securing passengers, commissions and brokerage paid others for securing freight traffic, and fees paid outside agents engaged exclusively in canvassing and soliciting traffic shall also be included in this account.

458 Advertising.

This account shall include the pay and expenses of employees in connection with advertising for the purpose of increasing traffic, including expenses incurred in the preparation, printing, and distribution of advertising matter.

This account shall also include commissions paid outside advertising agents or firms.

NOTE: Amounts received from the sale of advertising space in timetable folders, shall be credited to account 334, "Miscellaneous operating revenue."

459 Other traffic expenses.

This account shall include expenses in connection with securing traffic not properly chargeable to other traffic accounts, including the cost of printing freight and passenger tariffs, classifications, and division sheets.

GENERAL EXPENSES

461 General officers and clerks.

This account shall include the pay of general officers not otherwise provided for and their assistants, clerks and attendants, including salaries and fees of receivers and traveling and other expenses of such employees.

LIST OF OFFICERS

Auditor.
Auditor of Disbursements.
Auditor of Revenue.
Chairman of the Board.
Comptroller.
Executive Committee.
General Accountant.
General Auditor.
General Manager.
Local Treasurer.
President.
Purchasing Agent.
Receiver.
Secretary.
Transfer Agent.
Treasurer.
Vice-president.

LIST OF EMPLOYEES

Accountants.
Bookkeepers.
Cashiers.
Charwomen.
Chief accountants.
Cleaners.
Clerks.
Comptometer operators.
Elevator operators.
Janitors.
Key-punch operators.
Machine operators.
Messengers.
Paymasters.
Porters.
Secretaries of officers.
Statisticians.
Stenographers.
Telephone operators.
Traveling accountants.
Traveling auditors.
Typists.
Watchmen.

462 General office supplies and expenses.

This account shall include the office expenses of general officers, their clerks, and attendants.

ITEMS OF EXPENSE AND SUPPLIES

Atlases.
Books.
Brushes.
Brooms.
Cable tolls.
Changing combination on safes.
Cleaning offices.
Cloth towels.
Directories.
Express charges.
Fee for transportation of cash.
Heat.
Laundering.
Light.
Local messenger service.
Maps.
Paper drinking cups and towels.
Periodicals and newspapers.
Radio service.
Rent of general offices.
Repairs of rented general offices.
Reports of commercial standings.
Safety deposit box rent.
Tabulating machine rent.
Telegraph service.
Telephone service.
Uniforms and caps for porters, janitors, and watchmen.
Water.
Watchman service.

463 Law expenses.

This account shall include the pay of officers in charge of the law department; of solicitors and attorneys, their clerks and attendants; and fees and retainers for services of attorneys not regular employees of the carrier; also office and traveling expenses of such officers and of their clerks; costs of lawbooks, printing briefs, legal forms, testimony and reports. It shall also include cost of suits and payments of special fees, notarial and witness fees not provided for in other accounts; fees paid arbitrators for settlement of disputed questions, and law and court expenses not provided for elsewhere.

OFFICERS AND EMPLOYEES

Attorney.
Clerks.
Counsel.
General attorney.
General counsel.
General solicitor.
Law agent.
Law clerk.
Librarian.
Office and staff forces.
Patent attorney.
Solicitor.
Special counsel.
Tax attorney.

ITEMS OF EXPENSE AND SUPPLIES

Agreements, briefs, contracts, legal forms, and reports, cost of preparing and printing.
Arbitrator's services in settlement of disputed questions.
Collecting revenue and other accounts, law expense in connection with.
Cost of taking depositions.
Cost of testimony.
Cost of suits.
Court bonds.
Court expenses.
Drawing and recording agreements.
Fees and retainers of attorneys (not regular employees).
Law books.
Legal forms.
Legal reports.
Membership fees and dues in law associations.
Notarial fees not provided for elsewhere.
Office expenses.
Special fees.
Telegraph services.
Telephone services.
Witness fees not provided for elsewhere.

464 Management commissions.

This account shall include amounts payable as commissions and fees to other concerns acting for the carrier in supervising and managing its operations, in instances where the carrier does not maintain an operating organization.

NOTE: The customary agency fees, commissions, and brokerage paid general and subagents at outports shall not be included in this account.

465 Pensions and relief.

(a) *Pensions.* This account shall include pensions or gratuities paid out of the carrier's funds to retired employees

or the heirs of former employees and the expenses incurred solely in connection therewith.

(b) *Relief.* It shall include premiums on policies under which employees are insured, and they or their heirs are the beneficiaries, and also expenses incurred and amounts contributed toward funds or other provisions for the relief of employees.

NOTE: If, under a contractual pension plan which definitely established the payment, of specific pensions to employees regularly retired for superannuation or disability, the carrier elects to set aside in an irrevocable trust fund each month amounts, determined through the application of equitable actuarial factors to the current payrolls, which, together with interest accruals thereon, will, as nearly as may be, meet its liabilities for the payment of pensions or for the purchase of annuities for employees upon their retirement, it shall concurrently charge to this account and credit to account 222, "Pension and welfare," amounts equal to those set aside in the trust fund. The carrier shall maintain a complete record of the actuarial computations through which the accrual each month of its pension liabilities is established.

Before adopting the accrual plan of accounting for pensions, the carrier shall inform the Commission of complete details of its pension plan, giving full statement of the facts which in its judgment establish an irrevocable contractual obligation for pension payments, together with actuarial formula under which it proposes to create its pension fund.

No charge to this account shall be made in anticipation of discretionary pension payments in the future.

466 Stationery and printing.

This account shall include the cost of stationery, office supplies, passes, printing, tabulating cards, books, and blank forms, including contracts, leases, and stationery and printing of law department not provided for elsewhere, except cost of law books and the cost of printing briefs, legal forms, testimony and reports for the law department.

STATIONERY AND PRINTING ITEMS

Arm rests.
Baskets, letter.
Binders.
Blank books.
Blotters.
Blueprint paper.
Calendars.
Carbon paper.
Cardboard.
Card, blank and printed.
Circulars.
Clips, paper.
Computing tables.
Copy (impression) books.
Copying brushes.
Copying cloths.
Crayons.
Cross-section books.
Cross-section paper.
Dating stamps and ribbons.
Desk baskets.
Desk trays.
Drawing paper.
Electrotypes.
Envelopes.
Erasers.
Eyelet punches.
Eyelets.
Fasteners.
Filing cases.
Forms, blank and printed.
Glue.
Indexes.
Ink.
Inkstands.
Invoice books.
Lease blanks.
Ledgers.
Legal-cap paper.
Letter paper.
Letter presses.
Manifold paper.
Manifold pens.
Mending tissue.
Mucilage.
Mucilage brushes.
Notebooks.
Note paper.
Notice blanks.
Oil paper.
Order blanks.
Pads, blank and ruled paper.
Pad, ink.
Paper.
Paper baskets.
Paper clips.
Paper cutters.
Paper fasteners.
Paper files.
Paperweights.
Paper, writing.
Pass forms.
Paste.
Pay checks.
Pencil sharpeners.
Pencils.
Penholders.
Penracks.
Pens.
Perforators.
Pins.
Postage.
Profile books and paper.
Punches.
Ribbons.
Rubber bands.
Rubber stamps.
Rulers.
Ruling pens.
Scissors.
Scrapbooks.
Sealing wax.
Seals.
Shears.
Shipping tags.
Sponge cups.
Sponges.
Stamps, impression.
Tablets, blank and printed.
Tacks, thumb.
Tags.
Tape.
Telegraph blanks.
Tickets, time.
Tissue (impression) paper.
Tracing cloth.
Tracing paper.
Twine.
Typewriter ribbons.
Wage tables.
Wastebaskets.
Water colors.
Wrapping paper.
Wringers, copying press.

NOTE: The cost of dictionaries, periodicals, and technical books shall be charged to the appropriate supervision account. The cost of law books, etc., shall be charged to account 463, "Law expenses."

467 Other expenses.

This account shall include expenses of a general nature not properly chargeable to other general accounts.

ITEMS OF EXPENSE

Annual audits or investigations.
Annual reports, printing and publishing.
Association membership fees and dues.
Bank charges for services.
Contributions.
Corporate and fiscal notices of general character.
Cost of valuations and appraisals.
Donations to local fire departments.
Donations to YMCA and similar institutions.
Election of directors.
Exchange, domestic, on checks cashed or deposited and drafts bought.
Fees and expenses paid directors.
Fees paid for collection of insured loss.
Loss by fire or burglary of funds, or from defalcation of employees when not recoverable from insurance.
Loss from acceptance of counterfeit money.
Notice of dividends.
Pay to former employees separated from service.
Premiums paid less cash surrender value of insurance on lives of officers when carrier is the beneficiary.
Stockholders' meetings.

CASUALTIES AND INSURANCE

471 Supervision.

This account shall include the pay, traveling and other expenses of the departmental heads and their employees in charge of or engaged in the supervision, adjustment, investigation and settlement of claims for loss and damage to cargo and baggage, damage to property, and injuries to persons.

NOTE: Legal expenses of conducting suits or settling claims arising in connection with insurance coverage shall be charged to the appropriate insurance accounts.

472 Baggage insurance and losses.

(a) This account shall include insurance premiums paid to insure against amounts payable for loss, damage, delays, or destruction of baggage and other personal property as well as amounts payable when not recoverable through insurance or from other carriers; also pay and expenses of adjusters of baggage claims or while engaged as witnesses in lawsuits.

(b) This account shall be credited with the net amount received from the sale of unclaimed or damaged baggage.

473 Hull insurance and damage.

This account shall include the cost of insurance to protect the carrier against loss or damage sustained in the operation of floating equipment in line service or terminal service due to marine accidents, perils of the sea, fire and other losses covered by usual hull insurance policies.

This account also shall include the cost of repairs to floating equipment arising from such causes borne by the carrier under the deductible provisions of insurance policies or otherwise not collectible from underwriters or others. The account may be charged each month with an amount estimated to be sufficient to meet the probable liability for deductibles or the carrier's proportion of self-carried risks with concurrent credit to account 221, "Insurance reserves," and this latter account shall be charged when the liability is determined. Amounts recovered from underwriters or others less expenses in connection with such recovery shall be credited to this account or to account 221, "Insurance reserves," as appropriate.

474 Cargo insurance, loss and damage.

This account shall include the cost of insurance to protect the carrier against loss and damage to cargo.

This account also shall include amounts payable for loss, damage, delay, or destruction of freight shipments not recoverable through insurance or from other carriers. The account shall include uncollectible freight charges payable on lost, damaged, or refused shipments, and costs of repacking and boxing damaged freight. The account may be charged monthly with an amount estimated to be sufficient to meet the probable liability for freight claims with concurrent credit to account 221, "Insurance reserves," and this latter account shall be cleared when liability is determined. Amounts receivable from the sale of refused, unclaimed and damaged freight shall be credited to this account or to account 221, "Insurance reserves," as appropriate.

475 Liability insurance and losses, marine operations.

This account shall include the cost of insurance to protect the carrier against losses resulting from injury and illness of crew and passengers on its vessels, crew repatriation, damage to property of others caused by carrier's vessels, and other losses covered by protection and indemnity or other marine liability insurance policies, as well as penalties imposed by governmental authorities.

This account shall also include (1) amounts payable by the carrier for damage to or destruction of property owned by others, but excepting freight and baggage entrusted to the company for transportation, and (2) payments and expenses connected with injuries or death of persons and employees which occur in connection with marine operations in performing transportation service when such payments and expenses are borne by the carrier under the deductible provisions of insurance policies or not otherwise collectible from underwriters or others. The account may be charged each month with an amount estimated to be sufficient to meet probable liability for personal injuries and property damage claims arising from marine operations with concurrent credit to account 221, "Insurance reserves," and this latter account shall be cleared when liability is determined.

476 Liability insurance and losses, nonmarine operations.

This account shall include the cost of insurance to protect the carrier against liability for claims of employees who are employed on shore such as stevedores, shop employees, fleet employees, general and branch office employees ordinarily covered by workmen's compensation insurance, and cost of insurance to protect the carrier against claims arising from public liability in connection with shore operations.

This account also shall include (1) amounts payable by the carrier for damage, arising from shore operations, to or destruction of property owned by others, but excepting freight or baggage entrusted to the company for transportation, and (2) payments and expenses connected with injuries or death of persons and employees which occur in connection with shore operations where such payments and expenses are borne by the carrier under the deductible provisions of insurance policies or otherwise not collectible from underwriters or others. The account may be charged each month with an amount estimated to be sufficient to meet the probable liability for personal injury and property damage claims arising from shore operations with concurrent credit to account 221, "Insurance reserves," and this latter account shall be cleared when liability is determined.

This account shall include expenses of consultants, witnesses in connection with personal injury claims, payments to hospitals and payments to physicians, surgeons, and nurses attending injured shore employees or other persons injured in shore operations.

477 Other insurance.

This account shall include the cost of insurance to protect the carrier against loss or damage not provided elsewhere, such as fire, theft, collision, public liability and property damage insurance on motor vehicles; fire insurance on structures, machinery, and equipment; and burglar, fidelity, and holdup insurance, including any payments and expenses borne by the carrier under the deductible provisions of such insurance policies or otherwise not collectible from underwriters or others.

OPERATING RENTS

481 Charter rents—Transportation property.

(a) This account shall include the rent payable by the carrier under contract for the charter of vessels (when the amount payable as charter rent is not dependent upon the commodities and volume of freight transported), such as bare boat or time charters.

(b) The carrier shall include the rent payable under the contract in this account, and shall include in other appropriate operating expense accounts additional expenses incurred by it in operating vessels chartered from others.

483 Other operating rents.

This account shall include, when not provided for elsewhere, rents payable for the use of land, structures, terminal facilities, and equipment used for transportation purposes.

OPERATING TAXES

485 Pay-roll taxes.

This account shall include old-age benefit, unemployment compensation, social security, and other similar taxes that are computed on basis of the payrolls.

486 Water-line tax accruals.

(a) This account shall include provisions for Federal, capital stock, state, county, municipal and other taxing district taxes (excluding income and excess profit taxes) applicable to the period for which the income account is stated. Taxes accruing prior to their payment shall be credited to account 206, "Accrued taxes."

(b) This account shall be kept in such a manner as to show the amount of each class of taxes.

(c) This account shall include:

(1) Taxes on earnings or income when in lieu of taxes on transportation property.

(2) Taxes on franchises or privileges of conducting transportation operations.

NOTE A: Taxes on other than transportation operations or property shall be charged to account 523, "Expenses of noncarrier operations." When taxes are levied so that the amount applicable to each class of property is not definitely stated, the total amount of the levy shall be apportioned on an equitable basis.

NOTE B: Special assessments for street and other improvements, and special benefit taxes, such as water taxes and the like, shall be included in operating expenses.

NOTE C: Discount allowed for prompt payment of taxes shall be credited to the account to which the taxes are chargeable.

NOTE D: Interest and penalties on tax assessments shall be charged to account 529, "Interest on unfunded debt."

NOTE E: Taxes on interest on carrier's long-term debt paid at the source under tax-free covenants shall be charged to account 527, "Miscellaneous income charges."

NOTE F: Where sales or other taxes are assessed as part of the cost of tangible personal property, they shall be included in the cost of the property purchased.

NOTE G: Taxes assessed against carriers for electric energy, telegraph, telephone, radio, cable messages, checks, and safe-deposit boxes, social security taxes, and motor vehicle drivers' licenses shall be included in operating expenses.

NOTE H: Taxes collected which are payable to governmental agencies shall be included in account 202, "Accounts payable."

MOTOR CARRIER OPERATIONS

491 Motor-carrier expenses.

(a) This account shall include the operating expenses incurred by the carrier in transporting passengers, freight, express, and mail by motor vehicles operated in highway service, in addition to or in lieu of services performed by line vessels.

(b) The carrier shall maintain the primary operating-expense accounts prescribed by the Commission in the uniform systems of accounts for motor carriers of property and persons.

495 Interdepartmental debits.

If a carrier so elects, this account may include amounts which are debited to appropriate primary operating-expense accounts and concurrently credited to appropriate primary revenue accounts representing interdepartmental items in connection with the operation of the carrier's terminal facilities while used by its own vessels in its own service.

The carriers shall maintain subaccounts corresponding to the primary operating-expense accounts to which such debits shall be first allocated, and after closing the accounts the amounts in these subaccounts shall be transferred to this account. In preparing and rendering reports to this Commission, the amount in this account shall be omitted.

Small Carriers

499 Condensed expense accounts for small carriers.

Accounts To Be Kept by Class A Companies	*Accounts To Be Kept by Class B Companies*
I. Maintenance Expenses	I. Maintenance Expenses
401. Supervision.	401. Maintenance of vessels and other property.
402. Repairs of floating equipment.	
404. Repairs of buildings and other structures.	
405. Repairs of office and terminal equipment.	
406. Repairs of highway equipment.	
407. Shop expenses.	
408. Other maintenance expenses.	
II. Depreciation and Amortization	II. Depreciation and Amortization
411. Depreciation—Transportation property.	411. Depreciation and amortization.
413. Amortization of investment—Leased property.	
III. Transportation Expenses	III. Transportation Expenses
A. Line Service	A. Line Service
421. Supervision.	421. Operation of vessels.
422. Wages of crews.	
423. Fuel.	
424. Lubricants and water.	
425. Food supplies.	
426. Stores, supplies, and equipment.	
427. Buffet supplies.	
428. Other vessel expenses.	
429. Outside towing expenses.	
430. Wharfage and dockage.	
431. Port expenses.	
432. Agency fees and commissions.	
433. Lay-up expenses.	433. Lay-up expenses.
B. Terminal Service	B. Terminal Service
441. Supervision.	441. Terminal expenses.
442. Agents.	
443. Stevedoring.	
444. Precooling and cold-storage operations.	
445. Light, heat, power, and water.	
446. Stationery and printing.	
447. Tug operations.	
448. Operation of highway vehicles.	
449. Local transfers.	
450. Other terminal operations.	
IV. Traffic Expenses	IV. Traffic Expenses
456. Supervision.	456. Traffic expenses.
457. Outside traffic agencies.	
458. Advertising.	
459. Other traffic expenses.	
V. General Expenses	V. General Expenses
461. General officers and clerks.	461. General expenses.
462. General office supplies and expenses.	
463. Law expenses.	
464. Management commissions.	
465. Pensions and relief.	
466. Stationery and printing.	
467. Other expenses.	
VI. Casualties and Insurance	VI. Casualties and Insurance
471. Supervision.	471. Casualties and insurance.
472. Baggage insurance and losses.	
473. Hull insurance and damage.	
474. Cargo insurance, loss and damage.	
475. Liability insurance and losses, marine operations.	
476. Liability insurance and losses, nonmarine operations.	
477. Other insurance.	
VII. Operating Rents	VII. Operating Rents
481. Charter rents—Transportation of property.	481. Charter and other rents.
483. Other operating rents.	
VIII. Operating Taxes	VIII. Operating Taxes
485. Payroll taxes.	485. Payroll and other water-line tax accruals.
486. Water-line tax accruals.	
IX. Motor-Carrier Operations	IX. Motor-Carrier Operations
491. Motor-carrier expenses.	491. Motor-carrier expenses.

OTHER INCOME

500 Other income.

This account shall include the net of all items of income, other than revenues from water-line operations, and all items of income deductions, other than expenses incurred in water-line operations, as both such income and income deductions are detailed in primary income accounts number 502 to 532, both inclusive.

CREDIT ACCOUNTS

502 Income from noncarrier operations.

This account shall include the income derived from noncarrier physical property and also from noncarrier physical property leased from others.

503 Dividend income.

(a) This account shall include dividends declared on stocks of other companies whether such stocks are owned by the carrier and held in its treasury, or deposited in trust, or controlled through lease or otherwise.

(b) Dividends may be credited prior to actual collection if their payment is reasonably assured by past experience, guaranty, anticipated provisions, or otherwise.

NOTE A: Dividends on stocks of other companies held in sinking or other special funds shall be credited to account 505, "Income from sinking and other special funds."

NOTE B: This account shall not include credits for dividends on stocks issued or assumed by the carrier, whether held in the treasury, in sinking or other reserve funds, or pledged as collateral.

504 Interest income.

(a) This account shall include the interest on securities and debenture stock of other companies, whether such securities are owned by it and held in its treasury or deposited in trust, or controlled through lease or otherwise. It shall include also interest on bank balances, certificates of deposit, open accounts, and other analogous items. Interest shall not be credited before actual collection unless its payment is reasonably assured.

(b) There may be included in this account for each fiscal period the applicable amount requisite to extinguish, during the interval between the date of acquisition and the date of maturity, the discount or premium on funded securities owned, the income from which is includible in this account. Amounts thus credited or charged shall be concurrently included in the accounts in which the investment in the securities is carried. Any discount or premium remaining unextinguished upon the maturity and satisfaction of such securities shall be cleared to account 507, "Miscellaneous income", or to account 527, "Miscellaneous income charges", as appropriate.

NOTE A: Interest on securities of other companies, held in sinking or other special funds shall be included in account 505, "Income from sinking and other special funds."

NOTE B: Discount on bills for material purchased shall operate to reduce the cost of the material.

NOTE C: This account shall not include interest on securities issued or assumed by the carrier whether held in the treasury in sinking or other funds or pledged as collateral.

505 Income from sinking and other special funds.

(a) This account shall include the income accrued on cash, securities of other companies, and other assets (not including securities issued or assumed by the carrier) held in sinking and other special funds.

(b) There may be included in the accounts for each fiscal period the applicable amount requisite to extinguish during the interval between the date of acquisition and the date of maturity the discount or premium on funded securities of other companies held in sinking or other reserve funds. Amounts thus credited or charged shall be concurrently charged or credited to the accounts in which the book cost of the securities is included.

NOTE A: Credits to this account representing income from special funds (retainable in them) shall be concurrently charged to account 286, "Miscellaneous reservations of retained income," and credited to account 260, "Retained income—Appropriated."

NOTE B: No dividends or interest on securities issued or assumed by the carrier shall be credited to this account.

506 Release of premium on long-term debt.

This account shall include during each fiscal period such proportion of the premiums on outstanding long-term debt as is applicable to that period.

507 Miscellaneous income.

This account shall include items not provided for elsewhere properly creditable to income during the fiscal period.

ITEMS

1. Profits from sale of securities, including temporary cash investments.
2. Proceeds from the sale of timber or improvements purchased with the land, or mineral deposits, in excess of the cost thereof including cost of recovery.
3. Credits resulting from adjustments required to bring to par long-term obligations issued or assumed by the carrier and reacquired at a cost less than per value.
4. Unamortized premium on long-term debt reacquired before maturity.
5. Profits derived from conversion of money of a foreign country into U.S. money.
6. Fees collected in connection with the exchange of coupon bonds for registered bonds.
7. Cancellation of liability accounts (including unclaimed wages) or erroneous collections (except unrefundable revenue overcharges) written off because of carrier's inability to locate the creditor or payee.
8. Recovery of fines previously charged to account 527, "Miscellaneous income charges".
9. Remittances received from anonymous sources.

When the profits, proceeds or adjustments resulting from any of the first four items are of amounts sufficiently large to constitute extraordinary items, pursuant to instruction 4, such profits, proceeds or adjustments shall be credited to account 570, "Extraordinary items".

508 Profits from sale or disposition of property.

This account shall include profits realized from the sale or other disposition of carrier or noncarrier property. The amount includible in this account is the net proceeds or salvage realized or recovered in excess of the net book value (book costs less recorded depreciation).

When the profit from the sale of carrier and noncarrier property is of an amount sufficiently large to constitute an extraordinary item, pursuant to instruction 4, such profit shall be credited to account 570, "Extraordinary items".

DEBIT ACCOUNTS

523 Expenses of noncarrier operations.

This account shall include the expenses (including depreciation, taxes, rent, and insurance) of maintaining and operating noncarrier physical property; also of noncarrier physical property leased from others. The rental for such property and directly assignable organization or administration expenses incident to investment in noncarrier physical property shall be included in this account.

524 Uncollectible accounts.

This account shall be charged each month with amounts estimated as the loss from uncollectible accounts. Concurrently, credits shall be made to account 109, "Reserve for doubtful accounts," which latter account shall be charged with amounts determined to be uncollectible and credited with amounts written off and subsequently collected. The estimates shall be adjusted at the end of the calendar year to conform to the experience of the carrier as determined by an analysis of its accounts. This account shall also be charged with amounts determined to be uncollectible when no reserves are provided for doubtful accounts.

525 Losses from sale or disposition of property.

This account shall include losses sustained from the sale or other disposition of carrier or noncarrier property. The amount includible in this account is the deficiency between the net proceeds, insurance, or salvage realized or recovered and the net book value (book cost less recorded depreciation).

When the loss from the sale of carrier and noncarrier property is of an amount sufficiently large to constitute an extraordinary item, pursuant to instruction 4, such loss shall be charged to account 570, "Extraordinary items".

526 Maintenance of investment organization.

This acccount shall include the directly assignable organization and administration expenses of a lessor company which are incident to its investment in waterline property leased to others, and in stocks, bonds, or other securities.

NOTE: Organizational and administration expenses incident to operations are provided for in operating expenses.

527 Miscellaneous income charges.

This account shall include items not provided for elsewhere properly chargeable to income.

ITEMS OF EXPENSE

1. Losses resulting from revaluation or sale of securities of others held as investments.
2. Debits resulting from adjustments required to bring to par long-term debt obligations issued or assumed by the carrier and reacquired at a cost exceeding par value.
3. Unextinguished discounts and expenses on funded debt reacquired before maturity.
4. Loss on funds due to bank failures.
5. Book cost (in excess of reserve provisions) of improvements on leased property at time of reversion to lessor.
6. Payments of liabilities previously written off.
7. Penalties and fines for violations of the Interstate Commerce Act, and other Federal or state laws, when not specifically provided for elsewhere.
8. Calls for bids in accordance with provisions of mortgages.
9. Cost of advertising bonds drawn for redemption.
10. Losses due to conversion of money of a foreign country into U.S. money.
11. Premiums on bonds to assure performance of agreements when chargeable to income accounts.
12. Taxes on interest on carrier's funded debt paid at the source under tax-free covenants.
13. Trusts, current expenses of maintaining and administering.
14. Trustee's commissions and fees for paying out bond interest and expense including registrars' fees connected with such payments.

When the losses or adjustments resulting from any of the first four items are of amounts sufficiently large to constitute extraordinary items, pursuant to instruction 4, such losses or adjustments shall be charged to account 570, "Extraordinary items".

528 Interest on funded debt.

This account shall include current accruals of interest on all classes of debt the principal of which is includible in long-term debt.

NOTE A: This account shall not include charges for interest on funded-debt obligations issued or assumed by the carrier and owned by it.

NOTE B: Interest provided for in the face amount of securities issued in the acquisition of equipment or other property shall be charged at the time of issuance to account 114, "Prepayments," and cleared to this account as the interest accrues.

NOTE C: Interest on matured debt shall be included in account 529, "Interest on unfunded debt."

529 Interest on unfunded debt.

(a) This account shall include current accruals of interest payable, except that chargeable to account 528, "Interest on funded debt." Discount and expense on short-term notes shall be charged to this account.

(b) A list of representative items follows:

ITEMS

1. Advances other than investment advances from affiliated companies.
2. Bond coupons, matured and unpaid.
3. Claims and judgments.

4. Long-term debt matured.
5. Open accounts (other than those includible in account 213, "Affiliated companies—Advances payable").
6. Short-term notes payable on demand or having maturity dates one year or less from date of issue.
7. Tax assessments, past due.

530 Amortization of discount on long-term debt.

This account shall include during each fiscal period such proportion of the discount and expenses on outstanding long-term debt as is applicable to that period.

532 Income taxes on ordinary income.

(a) This account shall include accruals for Federal and state income taxes, when not in lieu of a property tax, applicable to ordinary income. See the texts of account 590, "Income taxes on extraordinary and prior period items", account 283, "Miscellaneous credits", and account 285, "Miscellaneous debits", for recording other income tax consequences.

Details pertaining to the tax consequences of other unusual and significant items, and also cases where tax consequences are disproportionate to related amounts included in income accounts, shall be submitted to the Commission for consideration and decision as to proper accounting.

(b) Federal income taxes which are refundable or reduced as the result of a carry-back or carry-forward of operating loss shall be credited to this account, if a carry-back, in the year in which the loss occurs, or if a carry-forward, in the year in which such loss is applied to reduce taxes. However, when the amount constitutes an extraordinary item pursuant to instruction 4, it shall be included in account 580, "Prior period items".

EXTRAORDINARY AND PRIOR PERIOD ITEMS

570 Extraordinary items (net).

(a) This account shall include extraordinary items accounted for during the current accounting year in accordance with the text of instruction 4, upon approval of the Commission. Among the items which shall be included in this account are:

Net gain or loss on sale of (a) property and equipment, or (b) timber, mineral deposits or improvements purchased with land.
Net gain or loss on sale of securities acquired for investment purposes, and charges to write down the ledger value of such securities because of impairment of value.
Changes in application of accounting principles.

(b) Income tax consequences of charges and credits to this account shall be recorded in account 590, "Income taxes on extraordinary and prior period items".

(c) This account shall be maintained in a manner sufficient to identify the nature and gross amount of each debit and credit.

580 Prior period items (net).

(a) This account shall include unusual delayed items accounted for during the current accounting year in accordance with the text of instruction 4, upon approval of the Commission. Among the items which shall be included in this account are:

Unusual adjustments, refunds, or assessments of Federal income taxes of prior years.
Similar items representing transactions of prior years which are not identifiable with or do not result from business operations of the current year.

(b) Income tax consequences of charges and credits to this account shall be recorded in account 590, "Income taxes on extraordinary and prior period items".

(c) This account shall be maintained in a manner sufficient to identify the nature and gross amount of each debit and credit.

590 Income taxes on extraordinary and prior period items.

This account shall include the estimated income tax consequences (debit or credit) assignable to the aggregate of items of both taxable income and deductions from taxable income which, for accounting purposes, are classified as "unusual and extraordinary", and are recorded in accounts 570, "Extraordinary items", and 580, "Prior period items".

599 Form of income statement.

The classified form of income statement is designed to show the net income or loss from water-line transportation operations and from other sources during any specified period. As of the end of the calendar year, all accounts enumerated in the following statement shall be closed and the net balance transferred to retained income.

ORDINARY ITEMS

I. Water-line operating income:		
300. Water-line operating revenues	$------	
400. Water-line operating expenses	------	
Net revenue from water-line operations [1]		$------
II. Other income:		
502. Income from noncarrier operations	------	
503. Dividend income	------	
504. Interest income	------	
505. Income from sinking and other special funds	------	
506. Release of premium on long-term debt	------	
507. Miscellaneous income	------	
508. Profits from sale or disposition of property	------	
Total other income		------
Total income [1]		------
III. Miscellaneous deductions from income:		
523. Expenses of noncarrier operations	------	
524. Uncollectible accounts	------	
525. Losses from sale or disposition of property	------	
526. Maintenance of investment organization	------	
527. Miscellaneous income charges	------	
Total income deductions		------
Ordinary income before fixed charges [1]		------
IV. Fixed charges:		
528. Interest on funded debt	------	
529. Interest on unfunded debt	------	
530. Amortization of discount on long-term debt	------	
Total fixed charges		------
Ordinary income before provision for income taxes [1]		------
V. Provision for income taxes:		
532. Income taxes on ordinary income	------	
Ordinary income [1]	------	
EXTRAORDINARY AND PRIOR PERIOD ITEMS [1]		
570. Extraordinary item (net)	------	
580. Prior period items (net)	------	
590. Income taxes on extraordinary and prior period items	------	
Total extraordinary and prior period items		------
Net income [1]		$------

[1] If a loss, show the amount in red.

Clearing Account

601 Material and stores expenses.

(a) This account shall include the cost of supervision, labor, material, and other expenses incurred in the operation of storehouses, including stationery stores. The charges shall include the cost of storing, handling, and distributing materials, supplies, and stationery.

(b) Cash discount shall be credited hereto when such discount cannot be applied to the cost of particular classes of material.

(c) This account shall be cleared by adding to the cost of material and supplies a suitable loading charge which will distribute the charges equitably over the store issues.

LIST OF CHARGES

Adjustment of stock inventories when not assignable to specific classes of material.
Books and stationery supplies.
Building service.

Collecting and handling scrap material in stores.
Communication service.
Discount on purchases when not assignable to specific classes of material.
Freight, express and drayage, including vehicle and service equipment expenses when not assignable to specific classes of material.
Inspecting and testing material and supplies when not assignable to specific classes of material.
Losses due to breakage, leakage, evaporation, fire, or other causes. Credit amounts received from insurers, transportation companies, and others to reduce such losses.
Pay and expenses of storekeepers, clerks, laborers, and others engaged in storing, handling, and distributing materials and supplies.
Postage and printing.

NOTE: Pay and expenses of purchasing agent, clerks, and attendants in purchasing materials and supplies shall be included in accounts 461, "General officers and clerks," and 462, "General office supplies and expenses."

PART 1210—FREIGHT FORWARDERS

0-1 Introduction.
0-2 Applicability of the regulations.

GENERAL INSTRUCTIONS

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1 Records.
2 Definitions.
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5 Depreciation and amortization accounting.
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21 Purpose of balance-sheet accounts.
22 Current assets.
23 Company securities owned.
24 Discount, premium, and expense on capital stock.
25 Discount, premium, and expense on long-term debt.
26 Reorganizations.
27 Contingent assets and liabilities.
28 Form of general balance-sheet statement.

GENERAL BALANCE SHEET ACCOUNTS

DEBIT

100 Cash.
101 Special cash deposits.
102 Temporary cash investments.
103 Working advances.
104 Notes receivable.
105 Accounts receivable.
106 Reserve for doubtful accounts.
107 Accrued accounts receivable.
108 Material and supplies.
109 Other current assets.
120 Sinking and other funds.
121 Special deposits.
130 Investments in affiliated companies.
131 Other investments.
140 Transportation property.
141 Furniture and office equipment.
142 Motor and other highway vehicles.
143 Land and public improvements.
144 Terminal and platform equipment.
145 Other property account charges.
149 Depreciation and amortization reserve; transportation property.
160 Nontransportation property.
161 Depreciation reserve; nontransportation property.
165 Organization.
166 Other intangible property.
170 Prepayments.
171 Debt discount and expense.
172 Other deferred debits.
190 Reacquired and nominally issued long-term debt.
191 Nominally issued capital stock.
200 Notes payable.
201 Accounts payable.
202 Accrued interest.
203 Dividends payable.
204 Accrued taxes.
205 Accrued accounts payable.
209 Other current liabilities.
210 Funded debt.
211 Receivers' and trustees' securities.
212 Amounts payable to affiliated companies.
213 Long-term debt in default.
220 Insurance reserves.
221 Provident reserves.
222 Other reserves.
230 Premium on long-term debt.
231 Other deferred credits.
240 Capital stock.
241 Premiums and assessments on capital stock.
242 Discount, commission, and expense on capital stock.
243 Proprietorial capital.
250 Unearned surplus.
250-1 Paid-in surplus.
250-2 Other unearned surplus.
260 Earned surplus; appropriated.
270 Earned surplus; unappropriated.
280 Reacquired capital stock.

PROPERTY INVESTMENT INSTRUCTIONS

41 Purpose of the property accounts.
42 Basis of charges.
43 Retirements.

PROPERTY INVESTMENT ACCOUNTS

NOTE: For Property Investment Accounts see accounts 141 to 144.

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51 Purpose of earned surplus accounts.
52 Purpose of unearned surplus account.
53 Segregation of surplus.

EARNED SURPLUS ACCOUNTS

CREDIT

300 Income balance.
301 Miscellaneous credits.

DEBIT

310 Miscellaneous debits.
311 Miscellaneous reservations of earned surplus.
312 Dividend appropriations of earned surplus.

INCOME INSTRUCTIONS

61 Purpose of income accounts.
62 Statement of income accounts.
63 Form of income statement.

INCOME ACCOUNTS

ORDINARY ITEMS

Credit

400 Operating revenues.
401 Dividend and interest income.
402 Release of premium on long-term debt.
403 Miscellaneous income.

Debit

410 Operating expenses.
411 Transportation tax accruals.
412 Provision for uncollectible accounts.
413 Miscellaneous tax accruals.
414 Miscellaneous income charges.
420 Interest on long-term debt.
421 Other interest deductions.
422 Amortization of discount on long-term debt.
431 Income taxes on ordinary income.

EXTRAORDINARY AND PRIOR PERIOD ITEMS

435 Extraordinary items (net).
440 Prior period items (net).
450 Income taxes on extraordinary and prior period items.

OPERATING REVENUE INSTRUCTIONS

71 Purpose of operating-revenue accounts.
72 Statement of operating-revenue accounts.

OPERATING REVENUE ACCOUNTS

TRANSPORTATION REVENUE

501 Forwarder revenue.

TRANSPORTATION PURCHASED; DEBIT

510 Transportation purchased; debit.
511 Railroad transportation.
512 Motor transportation.
513 Water transportation.
514 Pick-up, delivery, and transfer service.
515 Other transportation purchased.

INCIDENTAL REVENUE

521 Storage; freight.
522 Rent revenue.
523 Miscellaneous.

OPERATING EXPENSE INSTRUCTIONS

81 Purpose of operating-expense accounts.
82 Statement of operating-expense accounts.
83 Injuries and damages.

OPERATING EXPENSE ACCOUNTS

601 General office salaries.
602 Traffic department salaries.
603 Law department salaries.
604 Station salaries and wages.
605 Loading and unloading by others.
606 Operating rents.
607 Traveling and other personal expenses.
608 Communications.
609 Postage.
610 Stationery and office supplies.
611 Tariffs.
612 Loss and damage; freight.
613 Advertising.
614 Heat, light and water.
615 Maintenance.
616 Depreciation and amortization.
617 Insurance.
618 Payroll taxes.
619 Commissions and brokerage.
620 Vehicle operation.
621 Law expenses.
622 Depreciation adjustment.
630 Other expenses.

AUTHORITY: The provisions of this Part 1210 issued under 56 Stat. 285, 294; 49 U.S.C. 1003, 1012.

0-1 Introduction.

This "Uniform System of Accounts for Freight Forwarders, Issue of 1943," applies to all freight forwarders subject to the provisions of part IV of the Interstate Commerce Act having annual gross revenues of $100,000 or more. The term "gross revenues" refers to the amounts classable in accounts 501, 521, 522, and 523.

Under part IV of the Interstate Commerce Act the observance of the rules and regulations stated in this system of accounts becomes obligatory upon persons having direct charge of the accounts

of the freight forwarders concerned, and such persons will be held responsible for their proper application.

Subsection (d) of section 421 of part IV of the Interstate Commerce Act provides that:

(d) Any freight forwarder, or any officer, agent, employee, or representative thereof, who shall willfully fail or refuse to make a report to the Commission as required under this part, or to make specific and full, true, and correct answer to any question within thirty days from the time it is lawfully required by the Commission so to do, or to keep accounts, records, and memoranda in the form and manner prescribed by the Commission, or shall knowingly and willfully falsify, destroy, mutilate, or alter any such report, account, record, or memorandum, or shall knowingly and willfully file with the Commission any false report, account, record, or memorandum, or shall knowingly and willfully neglect or fail to make full, true, and correct entries in such accounts, records, or memoranda of all facts and transactions appertaining to the business of the freight forwarder, or shall knowingly and willfully keep any accounts, records, or memoranda contrary to the rules, regulations, or orders of the Commission with respect thereto, shall be guilty of a misdemeanor and upon conviction thereof shall be subject for each offense to a fine of not more than $5,000. As used in this subsection the word "keep" shall be construed to mean make, prepare, or compile, as well as retain.

0–2 Applicability of the regulations.

This "Uniform System of Accounts for Freight Forwarders, Issue of 1943," applies to all freight forwarders subject to the provisions of part IV of the Interstate Commerce Act having annual gross revenues of $100,000 or more. The term "gross revenues" refers to amounts classable in the following accounts:

501. Forwarder revenue.
521. Storage-Freight.
522. Rent revenue.
523. Miscellaneous.

No uniform system of accounts has been prescribed for companies having annual gross revenues under $100,000.

NOTE: New companies should estimate the amount of their annual gross revenues for the purpose of ascertaining whether adoption of this system of accounts is required.

GENERAL INSTRUCTIONS

0 General instructions.

The serially numbered instructions, which are introduced by this section, relate to matters of general accounting terms and procedure. Each major grouping of accounts prescribed hereinafter is preceded by a list of instructions pertaining specifically to those accounts.

1 Records.

(a) The company's records shall be kept with sufficient particularity to show fully the facts pertaining to all entries in the accounts provided herein.

(b) Where the general book entries do not contain complete information, they shall be supported by other detail records, cross-referenced for ready identification.

(c) All records shall be filed in such manner as to be readily accessible for examination by representatives of the Commission.

(d) Attention is directed to the following extract from section 412 of the Interstate Commerce Act:

(e) The Commission may issue orders specifying such operating, accounting, or financial papers, records, books, correspondence, or documents of freight forwarders as may after a reasonable time be destroyed, and prescribing the length of time the same shall be preserved.

The Commission's order specifying records which may be destroyed is contained in its "Regulations to Govern the Destruction of Records of Freight Forwarders" Part 1228 of this chapter.

(e) All accounts kept shall conform in numbers and titles to those prescribed herein, except that:

(1) Any of the accounts may be subdivided provided the titles of all subdivisions or subaccounts shall refer by number or title to the accounts of which they are subdivisions.

(2) When subaccounts are thus kept, it is not required that the main accounts of which they are subdivisions shall also be kept in the company's books.

(3) During the 12 months from the time that the Uniform System of Accounts for Freight Forwarders, First Issue, becomes effective, persons that are subject to the provisions of part IV of the Interstate Commerce Act, in addition to the accounts prescribed herein, may keep and maintain such groupings of the primary accounts prescribed, or such portions of their present accounts as may be desirable to maintain a basis of comparison with previous years.

(f) Clearing accounts may be kept when necessary or useful in making the proper distribution of items to the appropriate primary accounts.

(g) As of the effective date of this system of accounts, the accounts prescribed herein shall be opened by transferring thereto the balances carried in the accounts previously maintained by the company. The company is authorized to make such subdivisions, reclassifications, or consolidations of such balances as may be necessary to meet the requirements of this system of accounts.

(h) The accounts for each month shall be stated on the basis of accruals so that all transactions applicable to each month, as nearly as may be ascertained, shall be entered in the books for that month. The books shall be closed as of the end of the calendar year.

2 Definitions.

When used in this system of accounts the term:

(a) "Actually issued" as applied to certificates of capital stock or evidences of long-term debt issued or assumed by the company means those which have been sold to bona fide purchasers for a valuable consideration (including those issued in exchange for other securities or other property) under the condition that the purchaser secured them free from all control by the issuing company; also securities issued as dividends on stock.

(b) "Actually outstanding" as applied to certificates of capital stock or evidences of long-term debt issued or assumed by the company means those which have been "actually issued" and are neither retired nor held by or for the company.

(c) "Affiliated companies" means persons that directly, or indirectly through one or more intermediaries, control, are controlled by, or are under common control with, the accounting company.

NOTE: Where reference is made to control (in referring to a relationship between any person or persons and another person or persons), such reference shall be construed to include actual as well as legal control, whether maintained or exercised through or by reason of the method of or circumstances surrounding organization or operation, through or by common directors, officers, or stockholders, a voting trust or trusts, a holding or investment company or companies, or through or by any other direct or indirect means; and to include the power to exercise control.

(d) "Book cost" means the amount at which assets are recorded in the accounts of the company without deduction of any related reserves or other items.

(e) "Book liability" means the amount at which liabilities (including securities issued or assumed by the company) are recorded in the accounts of the company.

(f) "Company" when not otherwise indicated in the context, means the accounting person.

(g) "Debt expense" as applied to long-term debt means all expense in connection with the authorization, issue, and sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees for issuing or recording evidences of debt; cost of engraving and printing bonds, certificates of indebtedness, and other commercial paper having a life of more than one year; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges, and other like costs.

NOTE: Taxes for issuing or recording evidences of debt shall be charged to account 411, "Transportation tax accruals."

(h) "Delayed items" means items relating to transactions which occurred before the current calendar year but which were not recorded in the books of accounts in such prior years. It includes adjustments of errors in the operating revenue, operating expense, or other income accounts of prior years. See instructions 3 and 4.

(i) "Discount" as applied to certificates of capital stock or evidences of long-term debt issued or assumed by the company means the excess of the par or face value of the securities plus interest or dividends accrued at the date of the sale, over the current money value of the consideration received at their sale.

(j) "Freight forwarder" is defined in section 402(a)(5) of the Interstate Commerce Act as follows:

The term "freight forwarder" means any person which (otherwise than as a carrier subject to part I, II, or III of this Act) holds itself out to the general public to transport or provide transportation of property, or any class or classes of property, for compensation, in interstate commerce, and which, in the ordinary and usual course of its undertaking, (A) assembles and consolidates or provides for assembling and consolidating shipments of such property, and performs or provides for the performance of break-bulk and distributing operations with respect to such consolidated shipments, and (B) assumes responsibility for the transportation of such property from point of receipt to point of destination, and (C) utilizes, for the whole or any part of the transportation of such shipments, the services of a carrier or carriers subject to part I, II, or III of this Act.

(k) "Nominally issued" as applied to certificates of capital stock or evidences of long-term debt issued or assumed by the company means those which have been signed, certified, or otherwise executed and placed with the proper officer for sale, or pledged or otherwise placed in some special fund of the company, but which have not been sold.

(l) "Nominally outstanding" as applied to certificates of capital stock or evidences of long-term debt issued or assumed by the company means those which after being actually issued have been reacquired by or for the company under such circumstances as require them to be considered as held alive and not retired.

(m) "Person" includes an individual, firm, partnership, corporation, company, association, or joint-stock association, and includes a trustee, receiver, assignee, or personal representative thereof.

(n) "Premium" as applied to certificates of capital stock or evidences of long-term debt issued or assumed by the company means the excess of the current money value of the consideration received at their sale over the sum of their par of face value and interest or dividends accrued at the date of the sale.

3 Unaudited items.

When the amount of a known revenue, expense, or income item cannot be accurately determined in time for inclusion in the accounts of the calendar year in which the transaction occurs, the amount shall be estimated and included in the appropriate accounts. When the item is audited the necessary adjustments shall be made through the account in which the estimate was recorded. If, during the interval between the date of inclusion of the item in the accounts and the date on which it is audited, a substantial difference from the initial estimate is determined, appropriate adjustment shall be made in the current accounts to cover such difference. The company is not required to anticipate items which would not appreciably affect the accounts.

4 Extraordinary and prior period items.

(a) (1) All items of profit and loss recognized during the year are includible in ordinary income except nonrecurring items which in the aggregate for the same class are both material in relation to operating revenues and ordinary income for the year and are clearly not identified with or do not result from usual business operations of the year. Important items of the kind which occur from time to time and which, when material in amount, are to be excluded from ordinary income are those resulting from unusual sales of property and investment securities other than temporary cash investments, from wars and similar calamities and catastrophes, which are not a recurrent hazard of the business and which are not usually covered by insurance, from changes in application of accounting principles, and from prior period items (other than ordinary adjustments of a recurring nature). Material items are those which, unless excluded from ordinary income would distort the accounts and impair the significance of ordinary income for the year. Items so excludible from ordinary income are to be entered directly in the income accounts provided for extraordinary and prior period items upon approval of the Commission.

(2) Adjustments, constituting items of a character typical of customary business activities or representing corrections or refinements resulting from the natural use of estimates inherent in the accounting process, shall not be considered extraordinary or prior period items regardless of size.

(b) In determining materiality, items of a similar nature should be considered in the aggregate; dissimilar items should be considered individually. As a general standard, an item to qualify for inclusion as an extraordinary or prior period item shall exceed 1 percent of total operating revenues and 10 percent of ordinary income for the year.

(c) Ordinary delayed items and adjustments arising during the current year which are applicable to or related to transactions of prior years shall be included in the same accounts which would have been charged or credited if the item had been taken up or adjusted in the period to which it pertained. Ordinary delayed items excludes items of the character described in paragraph (a) of this section.

5 Depreciation and amortization accounting.

(a) There shall be charged monthly to operating expenses or other appropriate accounts and credited to account 149, "Depreciation and amortization reserve—Transportation property," during the service life of depreciable property, amounts which will approximate the loss in service value not restored by current repairs or covered by insurance. The charges for currently accruing depreciation shall be computed in conformity with the unit method by applying to the original cost or estimated original cost such percentage rates as will distribute the service value by the straight-line method in equal annual charges to operating expenses or other accounts during the estimated life of the property.

NOTE A: The term "service value" means the book cost of the property plus the cost to the company of demolishing the property and recovering the salvage, less the value of the salvage recovered.

NOTE B: The term "unit method" means the method under which depreciation charges are computed and the records maintained so that the total amount of depreciation accrued applicable to each unit of property can be determined. Upon the retirement of any such unit the amount of depreciation accrued to date of retirement and carried in account 149, "Depreciation and amortization reserve—Transportation property," is chargeable to that account. The difference between the amount accrued and carried in account 149 with respect to each unit or item of property retired and the service value is includible in account 622, "Depreciation adjustment."

NOTE C: The term "straight-line method" means the plan under which the annual depreciation charge is computed by applying such percentage rates to the book cost of items of depreciable property as will distribute their estimated service value in equal annual charges as nearly as may be to operating expenses and other accounts over their service lives.

(b) Under the conditions that improvements made by the lessee to leased property revert to the lessor at the termination of the lease, the amount of the company's investment therein shall be amortized over the life of the lease through charges to account 616, "Depreciation and amortization," and credits to account 149, "Depreciation and amortization reserve—Transportation property."

(c) If and when it becomes apparent that charges for depreciation of any group of depreciable property have been excessive or deficient, the estimated service lives shall be reappraised and the depreciation rates revised accordingly to the end that the unprovided-for service value shall be distributed in equal monthly charges over the remaining life of the property. When the aggregate of depreciation accruals for any group of depreciable property equals the service value thereof, no further charges for depreciation of such property shall be included in the accounts.

6 Interpretation of item lists.

List of "items" appearing in the texts of the several accounts are given for the purpose of clearly indicating the application of the prescribed accounting rules in specific cases. The lists are not to be considered as comprising all the items includible in the several accounts, but merely as representative of them. On the other hand the appearance of an item in a list warrants the inclusion of such items in the account concerned only when the text of the account also indicates inclusion inasmuch as the same items frequently appears in more than one list. The proper entry in each instance must be determined by the texts of the account.

7 Submission of questions.

To promote and maintain uniformity of accounting the company shall submit

all questions of doubtful interpretation of the prescribed accounting rules to the Commission for consideration and decision.

GENERAL BALANCE SHEET INSTRUCTIONS

21 Purpose of balance-sheet accounts.

The balance-sheet accounts are intended to disclose the financial condition as of a given date by showing the assets, liabilities, capital stock, and surplus or deficit of the company.

22 Current assets.

(a) In the group of accounts designated as current assets shall be included cash, those assets which are readily convertible into cash or held for current use in operations or construction, current claims against others, and amounts accruing to the company which are subject to current settlement.

(b) There shall not be included in this group of accounts any item the collection of which is not reasonably assured by the known financial condition of the debtor. Items of current character but of doubtful value shall be written down or written off by charging account 106, "Reserve for doubtful accounts." If there has been any impairment in value, such items shall be included in account 172, "Other deferred debits," at an amount not in excess of a reasonable estimate of future value. If it is desired to retain a record of assets written off they shall be recorded at a nominal value in account 172, "Other deferred debits."

23 Company securities owned.

Securities actually issued or assumed by the company which have been reacquired and not retired, shall be carried in account 280, "Reacquired capital stock," or 190, "Reacquired and nominally issued long-term debt," unless it is required by provisions of a mortgage or by decision of a trustee not subject to control by the company, that such securities be retained alive in sinking or other special funds. Reacquired long-term debt not retired shall be shown at par or face value, and reacquired capital stock not retired shall be shown at the amount paid for such stock.

24 Discount, premium, and expense on capital stock.

(a) Separate ledger accounts shall be kept in which to record discount suffered, commission and expense incurred, and premium realized at the original sale of each subclass of capital stock issued or assumed by the company; also in which to record assessments against stockholders for each subclass of capital stock against which levies or assessments are made. For explanation of "subclass" see paragraph (c) of account 240, "Capital stock."

(b) The balances in the ledger accounts shall be classified as follows: The amounts representing discount, commissions, and expense shall be included in account 242, "Discount, commission, and expense on capital stock," and the amounts representing premiums, levies, and assessments shall be included in account 241, "Premiums and assessments on capital stock."

(c) Discount, commissions, and expenses on capital stock may be amortized through such regular charges to account 250–1, "Paid-in surplus," as will equitably distribute the amount over a definite period: *Provided, however,* That the excess of net debits over the accumulated net credit balance in paid-in surplus applicable to the particular class of stock shall be charged to earned surplus, or they may be retained in account 242, "Discount, commission, and expense on capital stock," until the retirement of the stock to which the discount, commission, and expense apply. Premiums, levies, and assessments on capital stock shall be carried in account 241, "Premiums and assessments on capital stock," until the retirement of the stock to which the premiums and assessments apply.

(d) When an issue of capital stock or any part thereof is reacquired, the amount paid therefor shall be charged to account 280, "Reacquired capital stock." If the reacquired stock is resold the difference between the amount at which it was reacquired and the net amount realized from the sale shall be included in account 250, "Unearned surplus," *Provided, however,* That the excess of a debit over the amount of accumulated net gains applicable thereto included in unearned surplus shall be charged to earned surplus.

(e) If reacquired stock is retired, the difference between the amount paid therefor upon reacquirement and the amount included in account 240, "Capital stock," shall be included in account 250, "Unearned surplus." The balances in accounts 241, "Premiums and assessments on capital stock," and 242, "Discount, commission, and expense on capital stock," with respect to the retired stock shall be cleared from those accounts and debited or credited to account 250, "Unearned surplus." The use of account 250 is subject to the limitation that any excess of a debit over the amount of accumulated net gains included in unearned surplus applicable to the stock retired, shall be charged to earned surplus.

25 Discount, premium, and expense on long-term debt.

(a) A separate ledger account shall be maintained for each subclass of long-term debt (including receivers' and trustees' securities) issued or assumed by the company, in which shall be recorded discount suffered, premium realized, and expense incurred in connection with the sale of such debt.

(b) Each month or other accounting period there shall be credited to each such account in which there is a debit balance, such proportion (based upon the ratio of the period to the remaining life of the security at the beginning of each such accounting period) of the debit balance therein as is applicable to the period. The amounts thus credited shall be charged to account 422, "Amortization of discount on long-term debt." Correspondingly each month or other accounting period there shall be charged to each account in which there is a credit balance such proportion of the credit balance therein as is applicable to the period. The amounts thus charged shall be concurrently credited to account 402, "Release of premium on long-term debt."

(c) Only that part of the balance in any account for discount, premium, and expense on long-term debt which is applicable to the period of construction, shall be included in any account as part of the cost of acquiring property or part of the cost of construction.

(d) Except as provided in paragraphs (a), (b), and (c) of this section, the balance in each of these accounts shall be carried until the reacquirement of the securities to which it relates at which time the proportion (based on the relation of the amount of long-term debt reacquired to the total outstanding before its reacquirement) of the balance in the premium, discount, and debt-expense account for the particular class of long-term debt reacquired shall be closed to account 403, "Miscellaneous income," 414, "Miscellaneous income charges," or account 435, "Extraordinary items," as appropriate.

(e) In stating the balance sheet, if the net of the balances in the discount, premium, and expense accounts for all classes of long-term debt outstanding is a debit balance, the amount shall be included in account 171, "Debt discount and expense," and if a credit balance, the amount shall be included in account 230, "Premium on long-term debt."

26 Reorganizations.

(a) Where a company involved in receivership or bankruptcy is so reorganized as to preserve in whole or in part the interests of its owners and creditors, whether through the owning corporation or a successor corporation, or is a company resulting from reorganization of a company in any other manner, and such company emerges from such reorganization as the owner of investments, it shall at the time of recording such investments on its books include in account 166, "Other intangible property," the net difference between the total of accounts 100 to 190, inclusive, and the total of accounts 200 to 243, inclusive, as those accounts are properly adjusted under the reorganization plan. The entries shall be submitted to the Commission for approval before they are spread on the books.

(b) The company shall apply to the Commission for permission to use account 166, "Other intangible property," so far as it is adequate, for the adjustment of all differences between amounts originally set up with respect to such investment items and the values of such items as finally determined; and earned surplus shall be affected only by losses and gains clearly attributable to operations subsequent to date of reorganization.

27 Contingent assets and liabilities.

(a) Contingent assets represent possible sources of value to the company

contingent upon the fulfillment of conditions regarded as uncertain. Contingent liabilities include items which may, under certain conditions, become obligations of the company but are not obligations at the date of the balance sheet.

(b) Contingent assets and liabilities shall not be included in the accounts herein prescribed, but such records shall be kept as will enable the company to report all items of significant amount in a supplemental statement accompanying the company's balance sheet. If, when, and to the extent, contingent assets and liabilities become actual they shall be included in the appropriate accounts herein.

28 Form of general balance-sheet statement.

The classified balance sheet is designated to show the financial condition of the company as of the date for which it is drawn.

ASSET SIDE

CURRENT ASSETS

100 Cash.
101 Special cash deposits.
102 Temporary cash investments.
Pledged.
Unpledged.
103 Working advances.
104 Notes receivable.
105 Accounts receivable.
Less:
106 Reserve for doubtful accounts.
107 Accrued accounts receivable.
108 Material and supplies.
109 Other current assets.
Total current assets.

SPECIAL FUNDS AND DEPOSITS

120 Sinking and other funds.
Less:
Nominally outstanding.
121 Special deposits.
Less:
Nominally outstanding.
Total special funds.

INVESTMENT SECURITIES AND ADVANCES

130 Investments in affiliated companies.
Pledged.
Unpledged.
131 Other investments.
Pledged.
Unpledged.

TANGIBLE PROPERTY

140 Transportation property.
Less:
149 Depreciation and amortization reserve—Transportation property.
160 Nontransportation property.
Less:
161 Depreciation reserve; nontransportation property.
Total tangible property.

INTANGIBLE PROPERTY

165 Organization.
166 Other intangible property.
Total intangible property.

DEFERRED DEBITS AND PREPAID EXPENSES

170 Prepayments.
171 Debt discount and expense.
172 Other deferred debits.
Total deferred debits and prepaid expenses.

REACQUIRED AND NOMINALLY ISSUED SECURITIES

190 Reacquired and nominally issued long-term debt.
Reacquired:
Pledged.
Unpledged.
Nominally issued:
Pledged.
Unpledged.
191 Nominally issued capital stock.
Pledged.
Unpledged.
Total assets.
Contingent assets (not included above).

LIABILITY SIDE

CURRENT LIABILITIES

200 Notes payable.
201 Accounts payable.
202 Accrued interest.
203 Dividends payable.
204 Accrued taxes.
205 Accrued accounts payable.
209 Other current liabilities.
Total current liabilities.

LONG-TERM DEBT

210 Funded debt.
211 Receivers' and trustees' securities.
212 Amounts payable to affiliated companies.
213 Long-term debt in default.
Less:
Nominally outstanding.
Nominally issued.
Total long-term debt.

RESERVES

220 Insurance reserves.
221 Provident reserves.
222 Other reserves.
Total reserves.

DEFERRED CREDITS

230 Premium on long-term debt.
231 Other deferred credits.
Total deferred credits.

CAPITAL AND SURPLUS

240 Capital stock.
241 Premiums and assessments on capital stock.
Less:
Nominally issued capital stock.
242 Discount, commission, and expense on capital stock.
243 Proprietorial capital.
250 Unearned surplus.
Paid-in surplus.
Other unearned surplus.
260 Earned surplus—Appropriated.
270 Earned surplus—Unappropriated:
———[1] balance.

Surplus prior to January 1, 1943:
———[1] balance.
280 Reacquired capital stock:
Pledged.
Unpledged.
Total capital and surplus.
Total liabilities.
Contingent liabilities (not included above).

GENERAL BALANCE SHEET ACCOUNTS

DEBIT

100 Cash.

This account shall include the amount of current funds available for use on demand in the hands of financial officers and agents or deposited in banks or trust companies including cash in transit for which agents or others have received credit.

NOTE: If the withdrawal of any portion of the cash recorded in this account is restricted for any purpose except the usual time limit for savings accounts, the balance sheet shall carry an appropriate notation to that effect.

101 Special cash deposits.

This account shall include cash on special deposit (other than in special funds and deposits) for the payment of interest, dividends, and other obligations: *Provided*, That the liability which is to be liquidated by the disbursement of the funds is classified as a current liability.

NOTE A: Cash on deposit in special accounts where the funds are available for the current requirements of the company shall be included in account 100, "Cash."

NOTE B: Special cash deposits not offset by current liabilities shall be included in account 121, "Special deposits."

102 Temporary cash investments.

(a) This account shall include the book cost of investments acquired for the purpose of temporarily investing cash, such as demand and time loans, certificates of deposit, bankers' acceptances, United States Treasury bills, marketable securities, and other similar investments readily convertible into cash, but excluding securities of affiliated companies.

(b) Investments in securities of other companies shall be included in this account only if such securities were purchased with the intention of selling them within one year from date acquired and they have been held less than one year.

NOTE: Securities issued or assumed by the company shall not be included in this account.

103 Working advances.

This account shall include amounts advanced to officers, agents, branch offices, etc., as working funds, pay rolls, or travel advances from which certain expenditures are to be made and accounted for.

104 Notes receivable.

This account shall include the book cost not includible elsewhere of all collectible obligations in the form of notes receivable, or other similar evidences (except interest coupons) of money receivable on demand or within a time not exceeding one year from date of issue. (See paragraph (b) of Instruction 22 *Current assets.*)

NOTE: Notes evidencing investment advances to others shall be included in the appropriate investment account.

105 Accounts receivable.

(a) This account shall include amounts due from others for material and supplies furnished and services rendered, use of property, insurance and other claims, amounts owing by public authorities, and

[1] Debit or credit as may be appropriate.

amounts of collectible judgments. (See paragraph (b) of Instruction 22 *Current assets.*)

(b) This account shall include also the net balance in current accounts due from agents and other employees and representatives charged with the collection and custody of current revenues.

NOTE: Amounts advanced to officers, employees, or others as working funds, shall be included in account 103, "Working advances."

106 Reserve for doubtful accounts.

(a) This account shall be credited each month with amounts estimated as the average loss due to uncollectible accounts. To this account shall be charged such amounts as are determined to be uncollectible. Amounts written off as uncollectible and later collected shall be credited to this account.

(b) The estimates shall be adjusted at the end of each year to conform to the experience of the company as determined by an analysis of its notes and accounts receivable.

NOTE: Amounts credited to this account to provide a reserve for doubtful accounts shall be charged to account 412, "Provision for uncollectible accounts."

107 Accrued accounts receivable.

This account shall include the amount of interest accrued to the date of the balance sheet on bonds, notes, deposits, open accounts, and other interest-bearing obligations owned, the amount of matured dividends on stocks owned, and the amount of dividends accrued on such stocks when contracts require that the dividends be paid at stated times. It shall also include unmatured rents receivable accrued to the date of the balance sheet. It is not required that minor items shall be accounted for upon an accrual basis. It shall also include estimates of unaudited current items receivable which are credited to operating revenue, operating expense, or income accounts in accordance with Instruction 3 *Unaudited items*, and estimates of other unaudited items receivable of a current nature.

NOTE A: No amounts representing interest, dividends, or rents receivable, shall be included in this account unless collection thereof is reasonably assured by past experience, guaranty, anticipated provision, or otherwise. If settlement of amounts included in this account is not made when due, either with cash or with tangible assets of equal money value, such amounts shall be cleared from this account and charged to the income account originally credited.

NOTE B: No dividends or other returns on securities issued or assumed by the company shall be included in this account.

108 Material and supplies.

(a) This account shall include the cost, less cash and other discounts, of all unapplied material and supplies.

(b) The cost chargeable to this account are the actual cash costs of the material and supplies at point of free delivery plus excise and other taxes, insurance, inspection, special tests, loading and unloading, and transportation charges.

(c) Amounts paid for containers, which are refundable if containers are returned, shall be charged to this account until refund is collected.

NOTE A: Interest paid on material bills the payment of which is delayed shall be charged to account 421, "Other interest deductions."

NOTE B: An annual inventory of material and supplies shall be taken and the necessary adjustments shall be made to bring this account into harmony with the actual inventory balances. In effecting this adjustment determine differences in accounting for important classes of material shall be equitably assigned among the accounts to which such classes of material ordinarily are chargeable. Other differences shall be equitably apportioned among the primary accounts.

109 Other current assets.

This account shall include the amount of assets of a current nature not includible in any of the foregoing current asset accounts.

120 Sinking and other funds.

(a) This account shall include cash, book cost of securities of other companies or governmental bodies, par value of reacquired bonds or other evidences of indebtedness issued or assumed by the company, and cost of other assets placed on deposit or in the hands of trustees or managers of sinking, insurance, employees' pension, savings, relief, hospital, and other funds for which no specific account is provided. (See Instruction 23 *Company securities owned.*)

(b) It shall also include accretions representing interest, dividends, or other returns accrued on investments held in such funds when the accretions are retainable therein.

(c) Subsidiary accounts shall be maintained for each fund according to depositories or trustees and further divided to show:

Cash.
Securities.
Interest.

NOTE: Reacquired bonds and other evidences or indebtedness issued or assumed by the company and held alive and not retired shall be considered to be nominally outstanding.

121 Special deposits.

This account shall include cash and book cost of securities deposited to guarantee the performance of contracts and agreements; also deposits in lieu of mortgaged property sold and other trust deposits, which are held until equivalent property is acquired or pending other disposition. This account shall include, also, funds specifically deposited (other than as provided in account 120, "Sinking and other funds,") for the payment of dividends, interest, and other obligations, provided the liability which is to be liquidated by the disbursement of the funds is not classified as a current liability.

NOTE: Special cash deposits offset by current liabilities shall be included in account 101, "Special cash deposits."

130 Investments in affiliated companies.

(a) This account shall include the book cost of the investment in securities issued or assumed by affiliated companies, other than securities held in special deposits or in special funds; also investment advances to affiliated companies.

(b) This account shall be maintained to show separately the cost of each of the following kinds of investments in each company and whether pledged or unpledged:

Stocks by classes.
Bonds by classes.
Other secured obligations.
Unsecured notes.
Advances.

NOTE A: Accounts which are subject to current settlement shall be classed as current assets or current liabilities, as may be appropriate.

NOTE B: Amounts representing interest or dividends on securities or interest on investment advances shall be included in account 107, "Accrued accounts receivable," subject to the limitation provided in note A of that account.

NOTE C: The value of securities borrowed by the company shall not be included in this account. A memorandum record shall be kept.

131 Other investments.

(a) This account shall include the book cost of the investment in securities issued or assumed by nonaffiliated companies, other than securities purchased as temporary investments or held in special deposits or in special funds; also investment advances to nonaffiliated companies and to individuals; cash surrender value of life insurance policies of officials where company is beneficiary, less the amount of any loans which have been obtained on such policies; and miscelleaneous investments not provided for elsewhere.

(b) This account shall be maintained to show separately the cost of each of the following kinds of investment in each company and whether pledged or unpledged:

Stocks by classes.
Bonds by classes.
Other secured obligations.
Unsecured notes.
Advances.

NOTE A: Accounts which are subject to current settlement shall be classed as current assets or current liabilities, as may be appropriate.

NOTE B: Amounts representing interest or dividends on securities or investment advances shall be included in account 107, "Accrued accounts receivable," subject to the limitation provided in note A of that account.

NOTE C: The value of securities borrowed by the company shall not be included in this account. A memorandum record shall be kept.

140 Transportation property.

(a) This account shall include the cost to the company of construction or acquisition of all property used or held for use in transportation operations; also the cost of improvements made to leased property.

(b) The company's records shall be kept so as to show the debits and credits to this account classified in accordance with property accounts 141 to 144, inclusive.

NOTE: "Held for use" implies the ability to substantiate by plans or policy the characterization of the probable future use which is to be made of the property within a reasonable period of time.

141 Furniture and office equipment.

(a) This account shall include the cost of furniture and appliances used in offices, stations, and warehouses, etc., and the cost of miscellaneous wheeled equipment used in connection with handling freight.

(b) It shall include also, the cost of partitions and other fixtures applied to structures rented from others except that if the lease is for a period of one year or less the cost shall be charged to the account appropriate for the rent.

ITEMS

Billing machines.	Floor coverings.
Book cases.	Heaters and lamps.
Calculating machines.	Lighting fixtures.
Cash registers.	Lockers.
Chairs, stools, and benches.	Office equipment (mechanical).
Clocks.	Partitions and railings.
Counters.	Safes.
Desks.	Seals.
Fans, electric.	Teletypewriters.
Filing cabinets.	Time clocks.
Fire extinguisher equipment.	Typewriters.
	Water coolers.

NOTE: The cost of individual items of small value ($100.00 or less) or of short life shall be charged to operating expenses. A limit of less than $100 for charges to the property account may be adopted providing a statement is filed with the Commission showing the lesser amount and no subsequent change is made in the amount so adopted except by authority of the Commission.

142 Motor and other highway vehicles.

This account shall include the cost of automobiles and other highway vehicles, and the cost of transporting them to the point where placed in service.

143 Land and public improvements.

This account shall include the cost of land used or held for use in transportation service and expenses incidental to the acquisition thereof; also the cost of public improvements whether assessed against the company by governmental authority or whether the improvements are constructed by the company under governmental requirements.

144 Terminal and platform equipment.

This account shall include the cost of electric and gasoline motor trucks, other wheeled equipment, and similar types of equipment used at terminals and loading platforms in connection with handling freight.

ITEMS

Blocks and falls.	Gasoline motor trucks.
Carts.	Hand trucks.
Chain hoists.	Platform trucks and tractors.
Dollies (platform).	Warehouse trucks.
Electric motor trucks.	Weighing devices.
Fork lift trucks.	

145 Other property account charges.

This account shall include property account charges not otherwise provided for, including the cost of buildings and other structures, the cost of property in process of construction but not completed ready for service; and the difference, if any, between the book cost of transportation property and the total amount of the balances carried forward and entered in the other primary accounts of this system of accounts.

146 Depreciation and amortization reserve; transportation property.

(a) This account shall be credited with amounts charged to operating expense and other accounts to cover the estimated loss in service value of depreciable property and the amortization of improvements on leased property. (See instruction 5 *Depreciation and amortization accounting.*) It shall also include other entries which may be authorized by the Commission.

(b) At the time of retirement of depreciable property the amount of depreciation accrued and included herein with respect to the particular unit or item shall be charged hereto. (See instruction 43 *Retirements.*)

(c) At the time of retirement of improvements on leased property or the reversion to the lessor, the amount of the balance in this account with respect to such property shall be cleared from this account, and the remainder of the loss, if any, shall be charged to account 414, "Miscellaneous income charges."

NOTE A. This account shall be subdivided to show the reserve separately for classes of property corresponding to the property investment accounts as follows:

Furniture and office equipment.
Motor and other highway vehicles.
Public improvements (depreciable property).
Terminal and platform equipment.
Other property account charges (depreciable property).

NOTE B. Records shall be maintained in such manner that companies can report separately (1) reserves for depreciation and (2) reserves for amortization.

160 Nontransportation property.

(a) This account shall include the cost to the company of land, structures, and equipment not used in connection with transportation operations.

(b) This account shall include also the lesser of the appraised value or book cost of land and improvements retired from transportation service and retained by the company.

161 Depreciation reserve; nontransportation property.

(a) This account shall be credited with amounts charged to account 414, "Miscellaneous income charges," to cover the loss in service value of depreciable property the cost of which is included in account 160, "Nontransportation property."

(b) When depreciable nontransportation property is destroyed, sold, or otherwise retired from service, the service value of the property retired shall be charged hereto. If the amounts recovered from insurance are in excess of the service value of the property destroyed, such excess shall be credited to account 403, "Miscellaneous income," or account 435, "Extraordinary items," as appropriate.

165 Organization.

(a) This account shall include expenditures incident to incorporation or other forms of organization of the company such as:

Fees paid for the privileges of incorporation.
Legal and office expenses incident to organizing the company.
Cost of stock and minute books and corporate seal.
Cost of preparing and filing amendments to the certificate of incorporation.
Special counsel and other fees and expenses in mergers, consolidations, and reorganizations.
Cost of public franchises granted for a term of more than one year.

(b) The balance in this account may be amortized by regular charges to account 414, "Miscellaneous income charges"; or the entire amounts of such items, when qualifying as extraordinary pursuant to instruction 4, may be written off to account 435, "Extraordinary items."

NOTE A: This account shall not include discount upon securities issued or assumed; costs incident to negotiating loans, selling bonds or other evidence of debt; or discount, commissions, and expense incident to the authorization, issuance, and sale of capital stock. (See instruction 24 *Discount, premium, and expense on capital stock*, and instruction 25 *Discount, premium, and expense on long-term debt.*)

NOTE B: When charges are made to this account for expenses in mergers, consolidations, or reorganizations, amounts previously included in this account on the books of the various companies shall not be carried over.

166 Other intangible property.

(a) This account shall include intangibles not provided for elsewhere, including any undistributed portion of the purchase cost of a transportation system, or a portion thereof constituting a distinct operating unit, not includible in other accounts provided for assets acquired or liabilities assumed. Entries involving debits or credits to this account shall not be recorded in the books until permission of the Commission has been obtained.

(b) The balance in this account may be amortized by regular charges to account 414, "Miscellaneous income charges"; or the entire amounts of such items, when qualifying as extraordinary pursuant to instruction 4, may be written off to account 435, "Extraordinary items."

170 Prepayments.

This account shall include amounts representing prepayments. The account shall be kept so as to disclose the balance with respect to each of the following:

Taxes.	Rents.
Insurance.	Miscellaneous.
Interest.	

This account shall be credited and the appropriate account charged in such manner as to distribute the amount of prepayment over the term to which applicable. Minor payments may be charged direct to final account.

171 Debt discount and expense.

(a) This account shall include the net-total if a debit balance of all discount, expense, and premium accounts for all classes of long-term debit. (See instruction 25 *Discount, premium, and expense on long-term debt.*)

(b) When an issue of long-term debt, or any part thereof, is refunded and at the date of refunding there is a balance of unamortized discount and expense relating thereto, the amount of such balance, together with any premium paid in retiring the debt, shall be charged to account 414, "Miscellaneous income charges," or to account 435, "Extraordinary items," as may be appropriate in accordance with the text of these accounts.

172 Other deferred debits.

(a) This account shall include the amount of debit balances in suspense accounts that cannot be cleared entirely and disposed of until additional information is received, such as:

Amounts paid for options pending final disposition.
Cost of preliminary surveys, investigations, or appraisals in connection with contemplated acquisition or sale of property as securities.
Debit balances in clearing accounts.
Receivable items of a noncurrent nature awaiting further information so they can be billed.
Items of current character but doubtful value. (See instruction 22 *Current assets.*)
The lesser of the appraised value or net book value (book cost less recorded depreciation) of property retired and held without being torn down pending sale or other disposition and not used for any purpose. (See account 160, "Nontransportation property.")
Other similar items, the proper and final disposition of which is uncertain.

(b) When the proper disposition of any item included in this account is determined, the amount thereof shall be credited to this account and concurrently charged to the appropriate account.

190 Reacquired and nominally issued long-term debt.

(a) This account shall include the par value of long-term debt of the company reacquired by it and held uncanceled, except debt held in sinking or other special funds. (See instruction 23 *Company securities owned.*)

(b) The difference between the par value of bonds or other long-term debt included in this account and the amount paid by the company for such securities, including commissions and expenses paid in connection with the reacquisition, shall be credited or debited, at the time of reacquirements, to accounts 403, "Miscellaneous income," 414, "Miscellaneous income charges," or to account 435, "Extraordinary items," as may be appropriate in accordance with the texts of these accounts. Concurrently, the portion of unamortized premium, discount, and expense relating to the long-term debt reacquired shall be credited or debited as appropriate to the same accounts. (See instruction 25 Discount, premium, and expense on long-term debt.)

(c) When reacquired long-term debt is resold by the company, the par value of the securities shall be credited to this account and the difference between such amount and the net sale price realized shall be credited or debited to the same accounts mentioned in paragraph (b) of this section.

(d) Records supporting the entries to this account shall be maintained to show particulars concerning each class and series of funded debt reacquired.

(e) This account shall also include the par value of nominally issued long-term debt.

NOTE A: The adjustment to par of funded debt reacquired for sinking and other special funds shall be recorded in appropriate accounts at date of reacquisition as provided in paragraph (b) of this account.

NOTE B: Reacquired bonds and other evidences of indebtedness issued or assumed by the company and held alive and not retired shall be considered to be nominally outstanding.

191 Nominally issued capital stock.

This account shall include the par value, or with respect to no par stock, the amounts recorded in account 240, "Capital stock," relating thereto, of nominally issued capital stock.

NOTE: The amount paid for capital stock actually issued or assumed by the company and reacquired by it and held uncanceled shall be included in account 280, "Reacquired capital stock."

CREDIT

200 Notes payable.

This account shall include the face value of notes, drafts, and other evidences of indebtedness issued or assumed by the company (except interest coupons) which are payable on demand or not more than one year from date of issue.

201 Accounts payable.

(a) This account shall include amounts payable to others for material and supplies furnished and services rendered, rent for use of property, amounts due to public authorities (such as taxes collected from employees and others for the account of taxing agencies), amounts of payable judgments, current accounts with officers and employees, personal injury and property damage claims, shippers' c.o.d.'s, and other similar items.

(b) This account shall include also amount of wages payable or accrued pay rolls at the date of the balance sheet; balances representing unclaimed wages and deductions from pay rolls; and all other unpaid vouchered items; outstanding drafts drawn by agents and others; and other items of the nature of demand liabilities.

202 Accrued interest.

This account shall include the amount of unpaid interest accrued to the date of the balance sheet on actually outstanding loans, funded debt, and other interest-bearing obligations.

NOTE A: This account shall be kept so that the company can report separately the amount of any matured interest unpaid.

NOTE B: Interest payable to affiliated companies shall be included in account 212, "Amounts payable to affiliated companies," if not subject to current settlement.

203 Dividends payable.

This account shall include the amount of dividends declared on actually outstanding capital stock but unpaid at the date of the balance sheet.

204 Accrued taxes.

(a) This account shall be credited each period with the amount of taxes accrued during the period, with concurrent debits to the appropriate accounts for tax charges. As credits to this account necessarily will be based upon estimates they shall be adjusted from time to time during the year so that as nearly as possible the tax charge account may show the taxes applicable to the year. Payments of taxes for which accruals have been made shall be debited to this account. Prepayments of taxes shall be included in account 170, "Prepayments."

(b) The records supporting the entries to this account shall be kept to show separately the accrual of:

Federal income taxes.
Federal old age pension taxes.
Unemployment compensation taxes.
Property taxes.
Other taxes.

205 Accrued accounts payable.

This account shall include estimates of unaudited current items payable (other than liability for casualties) which are charged to operating revenue, operating expense, or income accounts in accordance with instruction 3 *Unaudited items;* also estimates of other unaudited items payable of a current nature.

NOTE: Estimated liability for damages, losses, and injuries shall be credited to account 222, "Other reserves."

209 Other current liabilities.

This account shall include all liabilities of a current character not provided for in the foregoing accounts.

210 Funded debt.

This account shall include the total face value of funded debt, including bonds, notes, certificates, and other evidences of indebtedness issued or assumed by the company and maturing more than one year from date of issue which have not been reacquired and canceled. (See instruction 23 *Company securities owned* and instruction 25 *Discount, premium, and expense on long-term debt.*)

NOTE A: Advances from affiliated companies including advances represented by notes shall be included in account 212, "Amounts payable to affiliated companies."

NOTE B: Bonds and other evidences of indebtedness issued or assumed by the company which have been reacquired and held alive and not retired shall be considered to be nominally outstanding.

NOTE C: Matured funded debt shall be included in account 205, "Other current liabilities," if provision has been made for current settlement. If no provision has been made for current settlement, matured funded debt shall be included in account 213, "Long-term debt in default."

211 Receivers' and trustees' securities.

When receivers or trustees acting under the order of a Court are in possession of the property of the company and under the order of a Court are in possession of indebtedness, or assume the payments of such indebtedness, the par value of such obligations shall be credited to this account.

NOTE: Securities issued or assumed by receivers or trustees which have been reacquired and held alive and not retired shall be considered to be nominally outstanding.

212 Amounts payable to affiliated companies.

This account shall include the par value of nonnegotiable notes issued to affiliated companies; matured funded debt held by affiliated companies when there is no agreement for extension as to time of payment and collection is not enforced; credit balances in open accounts with such companies other than credit balances in current accounts classable as current liabilities; and interest accrued on such amounts when not subject to current settlement.

NOTE: Accounts with affiliated companies that are subject to current settlement such as charges for material and supplies furnished and services rendered shall be classed as current assets or current liabilities as may be appropriate.

213 Long-term debt in default.

This account shall include the amount of funded debt and received and trustees' securities mature and unpaid when the maturity dates of such obligations have not been extended.

NOTE A: The principal amount of matured funded debt of the company held by an affiliated company, the collection of which is not enforced by the controlling company, shall be included in account 212, "Amounts payable to affiliated companies."

NOTE B: The principal amount of unpresented long-term debt obligations which have matured, and for which provision has been made for payment shall be included in account 205, "Other current liabilities."

220 Insurance reserves.

(a) This account shall include the net credit balance in the accounts to which are credited such insurance premiums as are concurrently charged to operating expenses to cover self-carried risks on fire, fidelity, casualty, burglary, and other insurance, and to which are charged losses sustained on items protected by such insurance.

(b) If the company reinsures with insurance companies the risks initially covered in this account, the reinsurance premiums shall be charged and the amounts recovered from insurance companies shall be credited to this account.

(c) This account shall be used also for equalization of other insurance risks such as self-carried workmen's compensation, and public liability insurance.

NOTE: Appropriations of earned surplus shall be included in account 260, "Earned surplus—Appropriated."

221 Provident reserves.

This account shall include the book balances representing the liability of the company for the amount of the assets (whether contributed by the company, by the employees, or by others) in the hands of its treasurer, or of trustees or managers acting for it in the administration of employees' pension, savings, relief, hospital, and other association funds.

222 Other reserves.

This account shall include reserves created by accruals to the casualty accounts in operating expenses to meet the probable liabilities incurred for damage, loss, and injuries not covered by insurance. It shall include also other reserves created for purposes not provided for elsewhere. When the liability is admitted this account shall be charged with amounts payable. (See instruction 83 *Injuries and damages.*)

230 Premium on long-term debt.

(a) This account shall include the net total if a credit balance of all discount, expense, and premium accounts for all subclasses of long-term debt. (See instruction 25 *Discount, premium, and expense on long-term debt.*)

(b) When an issue of long-term debt, or any part thereof is refunded and at the date of refunding there is a balance of unamortized premium related thereto, the amount of such balances shall be credited to account 403, "Miscellaneous income," or account 435, "Extraordinary items," as appropriate.

231 Other deferred credits.

(a) This account shall include the amount of all deferred credits not provided for elsewhere, such as:

Deposits by employees subject to refund to assure the return of company property.
Credit balances in clearing accounts.

(b) This account shall include also the amount of credit balances in suspense accounts that cannot be cleared and disposed of entirely until additional information is received.

(c) When the proper disposition of any item included in this account is determined, the amount thereof shall be debited to this account and concurrently credited to the appropriate account.

240 Capital stock.

(a) This account shall include the total par value, or for stock without par value the money value of the consideration received, in respect of capital stock or other form of proprietary interest in the company which has been issued to bonafide purchasers and has not been reacquired and canceled. It shall include also appropriations of surplus which have been transferred to capital stock account. When capital stock is retired and canceled this account shall be charged with the amount at which such stock is recorded herein.

(b) The amounts included herein shall be divided so as to show each class of stock issued as follows:

Preferred stock—Stocks having a preference or priority in respect to dividend participation.
Common stock—Stocks entitled to a dividend, if any, after preferred stocks.
Receipts outstanding for installments paid—Receipts for payments on account of subscriptions to capital stock.

(c) Each of the above classes shall be divided into subclasses according to differences in dividend or interest rights, voting rights, or conditions under which stock may be retired. A separate record shall be maintained for each subclass showing the number of shares authorized by the articles of incorporation and amendments thereto, the number of shares issued, the number of shares reacquired and canceled, the number of shares outstanding, and the book value thereof.

(d) The book value of nonpar stock reacquired shall be determined by a prorate of the proceeds realized from shares of the particular subclass of stock, of which the shares reacquired are a part actually outstanding immediately prior to the acquisition plus any transfers of surplus to the particular class of stock reacquired.

(e) If capital stock is reacquired by purchase and held in treasury or in sinking or other special funds the amount paid shall be included in the appropriate account and the information with respect to such reacquirement, including capital stock donated to the company, shall be recorded in subsidiary records.

241 Premiums and assessments on capital stock.

(a) This account shall include the excess of actual cash value of the consideration received over the par value and accrued dividends, of par value stock issued, together with assessments against stockholders representing payments in excess of the par or recorded values as included in account 240, "Capital stock." (See instruction 24 *Discount, premium, and expense on capital stock.*)

(b) When capital stock is retired and canceled, the amount in this account with respect to the shares of such stock retired and canceled shall be charged hereto.

242 Discount, commission, and expense on capital stock.

This account shall include discount suffered and commissions and expense incurred in connection with the issuance and sale of capital stock. Records shall be kept showing the discount, commissions, and expense for each subclass of capital stock. (See instruction 24 *Discount, premium, and expense on capital stock.*)

243 Proprietorial capital.

This account shall include the permanent investment by the proprietor or proprietors in the business organized as an unincorporated firm, copartnership, or otherwise than as an incorporated company, subject to change only by additional investment by the proprietor or proprietors or the withdrawal from the business of amounts not representing income or surplus.

NOTE A: Amounts payable to the proprietors as fair and reasonable compensation for services performed shall be charged to the appropriate operating expense or other accounts.

NOTE B: Income and surplus accounts shall be maintained and entries thereto shall be made in accordance with the provisions thereof.

NOTE C: Separate accounts shall be kept to show the equity of each member of a copartnership, and the transactions affecting the interest of each partner. The total of the balances in such accounts shall be shown as one amount in the balance sheet.

250 Unearned surplus.

(a) This account shall include all surplus arising from sources other than those classifiable under earned surplus accounts.

(b) Subaccounts shall be maintained as set forth in accounts 250–1 and 250–2.

250–1 Paid-in surplus.

This subaccount shall include such items as gains from retirement or resale of reacquired or donated shares of capital stock and from forfeiture of subscriptions; debt of the company forgiven by the stockholders; and reduction of the par or recorded value of the company's capital stock when approved by the Commission.

This subaccount shall be charged with amounts included herein capitalized by stock dividends or otherwise; losses from retirement or resale of reacquired shares up to an amount not in excess of credits herein applicable thereto; and may be charged with the amortization of discount and expense on capital stock to the the extent of credits herein applicable thereto.

250–2 Other unearned surplus.

This subaccount shall include unearned surplus arising from sources other than those enumerated under subaccount 250–1, "Paid-in surplus."

260 Earned surplus; appropriated.

(a) This account shall include the total of the net balances of appropriations of income and earned surplus for the acquisition of capital assets; the retirement of debt; sinking and redemption funds; and all other appropriations specifically set aside in the hands of trustees as well as appropriations held in general funds for which no specific investment or segregation of assets has been made. It shall include also accretions to the assets held in such special funds.

(b) A subdivision of this account shall be maintained by classes of appropriations, the titles of which shall indicate the purpose for which the appropriations were made.

270 Earned surplus; unappropriated.

This account shall include the net balance (debit or credit) of the amounts included in accounts 300 to 312, inclusive. It shall not include transfers either to or from account 250, "Unearned surplus," unless so authorized upon application to the Commission.

The balance of all earned surplus accounts shall be closed into this account at the end of each calendar year.

280 Reacquired capital stock.

(a) This account shall include the amount paid for capital stock actually issued or assumed by the company and reacquired by it and held uncanceled.

(b) The par or recorded value of capital stock reacquired through donations shall be recorded without value in subsidiary records until resold or retired.

(c) The accounting for the retirement or resale of reacquired capital stock is prescribed in paragraphs (d) and (e) of instruction 24 *Discount, premium, and expense on capital stock.*

(d) Records supporting the entries to this account shall be maintained to show particulars concerning each class and series of capital stock included herein.

NOTE: The par value of nominally issued capital stock shall be included in account 191, "Nominally issued capital stock."

PROPERTY INVESTMENT INSTRUCTIONS

41 Purpose of the property accounts.

The property accounts are designed to show an accounting analysis of the book cost of transportation property owned by the company, including improvements on leased property.

42 Basis of charges.

These accounts shall be charged with the cost to the company of property acquired for transportation service, including that replacing property retired; also additions to and improvements of existing property. When the consideration given in the acquisition of property is other than money, the current cash value of such consideration shall be deemed to be the cost of the property acquired. If transportation property constituting an operating unit or system is acquired by purchase, merger, consolidation, or otherwise, the facts relating to the transaction shall be submitted to the Commission for instructions as to the accounting to be performed.

NOTE: The cost of individual items of small value ($25.00 or less) or of short life, shall not be included in the property accounts unless the correctness of such charges can be verified by current inventories, but shall be charged to operating expenses.

43 Retirements.

At the time of retirement, the book cost (estimated if not known) of transportation property retired shall be credited to the appropriate property accounts in which included. Contra entries shall be as follows:

1. Depreciable property: The value of the salvage recovered shall be charged to account 108 "Material and supplies," or other appropriate asset account, according to the disposition of the material recovered. The service value shall be charged to account 149, "Depreciation and amortization reserve—Transportation property," to the extent of the amount carried in that account and the remainder shall be included in account 622, "Depreciation adjustment." (See instruction 5 *Depreciation and amortization accounting.*)

2. Land: If the land is sold, the amount of the necessary adjustment between the book cost and the amount realized shall be included in accounts 403, "Miscellaneous income," 414, "Miscellaneous income charges," or account 435, "Extraordinary items," as may be appropriate in accordance with the texts of these accounts. If the land is retained, the lesser of its appraised value or book cost shall be charged to account 160, "Nontransportation property," and the necessary adjustment shall be included in the appropriate income account.

3. Other nondepreciable property: The service value shall be charged to the operating expense account appropriate for repairs of the property.

PROPERTY INVESTMENT ACCOUNTS

NOTE: For Property Investment Accounts see accounts 141 to 144.

SURPLUS INSTRUCTIONS

51 Purpose of earned surplus accounts.

The earned surplus accounts are designed to show the changes in earned surplus during each calendar year as affected by the balance of the income account as reported for that period; by any disposition of earned surplus made by the company; when authorized by the Commission, other items; and also to show the unappropriated earned surplus of the company as of the date of the balance sheet.

52 Purpose of unearned surplus account.

The unearned surplus account is designed to show surplus arising from sources other than earned surplus.

53 Segregation of surplus.

After the date this system of accounts becomes effective the company shall maintain account 250, "Unearned surplus," account 260, "Earned surplus—Appropriated," and account 270, "Earned surplus—Unappropriated." If prior to that date such a separation has not been maintained, the surplus shall be segregated at that time so far as practicable, into unearned surplus and earned surplus. The company shall continue to carry any surplus that cannot be so segregated in an account entitled "Surplus prior to January 1, 1943." The account so designated shall be carried until the balance therein has been entirely cleared by charges thereto applicable to the period prior to the effective date of this system of accounts, unless authority to dispose of it otherwise is obtained from the Commission.

EARNED SURPLUS ACCOUNTS

CREDIT

300 Income balance.

This account shall be maintained in the general books of the company. The net balance of all income primary accounts shall be closed into this account at the end of each calendar year.

301 Miscellaneous credits.

This account shall include other credit adjustments, net of assigned income taxes, not provided for elsewhere in this system but only after such inclusion has been authorized by the Commission.

DEBIT

310 Miscellaneous debits.

(a) This account shall include charges which reduce or write off discount on capital stock issued by the company, but only to the extent that such charges ex-

ceed credit balances in paid-in surplus for shares reacquired.

(b) This account shall also include debit adjustments, net of assigned income taxes, not provided for elsewhere in this system but only after such inclusion has been authorized by the Commission.

311 Miscellaneous reservations of earned surplus.

(a) This account shall include appropriations or reservations of earned surplus, set aside in special reserve, including amounts appropriated to sinking fund and other special funds maintained by the company.

(b) Amounts charged to this account shall be credited to account 260, "Earned surplus—Appropriated."

NOTE: The use of this account is conditional upon the company's having an adequate credit balance in earned surplus.

312 Dividend appropriations of earned surplus.

(a) This account shall include amounts definitely declared payable from earned surplus as dividends on actually outstanding capital stock issued or assumed by the company. If a dividend is not payable in cash, the consideration shall be described in the entry with sufficient particularity to identify it.

(b) This account shall be subdivided so as to show separately the dividends on the various subclasses of capital stock.

NOTE A: This account shall not include dividends on capital stock issued or assumed by the company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or other special funds.

NOTE B: The use of this account is conditional upon the company's having an adequate credit balance in earned surplus. If a dividend is declared in excess of the credit balance in earned surplus, the company shall apply to the Commission for instructions regarding the applicable accounting and shall furnish full details of the transaction.

INCOME INSTRUCTIONS

61 Purpose of income accounts.

The income accounts are designed to show as nearly as practicable for each calendar year the amount of money that a company becomes entitled to receive for transportation services rendered; the income accrued upon investments in securities and nontransportation property; the accrued costs paid or payable for the transportation services rendered by it; the losses sustained by it; the amounts accrued for taxes, for use of moneys, for use of properties of others; and for extraordinary and prior period items. See instruction 4.

62 Statement of income accounts.

The accounting for income shall be, as nearly as practicable, coincident with the transactions or the occurrences which create them. For the purpose of meeting this requirement, the company shall account for unaudited income debits and credits upon an accrual basis. (See instruction 3 *Unaudited items.*)

63 Form of income statement.

The classified form of income statement is designed to show the net income or loss from transportation operations and from other sources during any specified period.

ORDINARY ITEMS

FORWARDER OPERATING INCOME

400 Operating revenues.
410 Operating expenses.
Net revenue from forwarder operations.[1]
411 Transportation tax accruals.
Net revenue, less taxes, from forwarder operations.[1]

OTHER INCOME

401 Dividend and interest income.
402 Release of premium on long-term debt.
403 Miscellaneous income.
Total other income.
Total income.[1]

MISCELLANEOUS DEDUCTIONS FROM INCOME

412 Provision for uncollectible accounts.
413 Miscellaneous tax accruals.
414 Miscellaneous income charges.
Total income deductions.
Ordinary income before fixed charges and income taxes.[1]

FIXED CHARGES

420 Interest on long-term debt.
421 Other interest deductions.
422 Amortization of discount on long-term debt.
Total fixed charges.
Ordinary income before provision for income taxes.[1]

PROVISION FOR INCOME TAXES

431 Income taxes on ordinary income.
Ordinary income.[1]

EXTRAORDINARY AND PRIOR PERIOD ITEMS [1]

435 Extraordinary items (net).
440 Prior period items (net).
450 Income taxes on extraordinary and prior period items.
Total extraordinary and prior period items.
Net income (transferred to earned surplus).[1]

INCOME ACCOUNTS

ORDINARY ITEMS

Credit

400 Operating revenues.

This account shall include the total revenues derived from transportation service and classable in the operating-revenue accounts.

401 Dividend and interest income.

(a) This account shall include dividends and interest on securities of other companies, the income from which is the property of the company, whether such securities are owned by the company and held in its treasury or deposited in trust, or are controlled through lease or otherwise.

(b) This account shall include also, interest on bank balances, certificates of deposit, open accounts, and other analogous items.

(c) Dividends and interest may be credited prior to actual collection only if their payment is reasonably assured by past experience, guaranty, anticipated provision, or otherwise (See note A to account 107, "Accrued accounts receivable.")

(d) There may be included in the accounts for each fiscal period in the applicable amount requisite to extinguish during the interval between the date of acquisition and the date of maturity the discount or premium on securities of other companies the income from which is includible in this account. Amounts thus credited or charged shall be charged or credited concurrently to the accounts in which the book cost of the securities is included.

NOTE A: This account shall not include credits for dividends or interest on securities issued or assumed by the company and owned by it, whether held in the treasury, in sinking or other reserve fund, or pledged as collateral.

NOTE B: Discount on bills for material purchased shall be credited to the accounts to which the cost of the material is charged.

NOTE C: Credits to this account representing income from reserve funds (retained therein) shall be charged concurrently to account 311, "Miscellaneous reservations of earned surplus," and credited to account 260, "Earned surplus—Appropriated."

402 Release of premium on long-term debt.

This account shall include during each fiscal period such proportion of the credit balances in the discount, premium, and expense accounts relating to outstanding long-term debt, as is applicable to that period. This proportion shall be determined in accordance with paragraph (b) of instruction 25 *Discount, premium, and expense on long-term debt.*

403 Miscellaneous income.

This account shall include all items not provided for elsewhere properly creditable to Income during the fiscal period, such as the following:

ITEMS

Profits from sale of securities, including temporary cash investments.
Profits from sale of land used for transportation purposes and nontransportation property.
Credits resulting from adjustments required to bring to par long-term debt obligations issued or assumed by the company and reacquired at a cost less than the par value.
Unamortized premium on long-term debt reacquired before maturity.
Profits derived from conversion of money of a foreign country into U.S. money.
Fees collected in connection with the exchange of coupon bonds for registered bonds.
Revenues, rents, and other income from nontransportation property.
Cancellation of liability accounts (including unclaimed wages) or erroneous collections (except unrefundable revenue overcharges) written off because of carrier's inability to locate creditor or payee.

When the profits or adjustments resulting from any of the first four items are of amounts sufficiently large to constitute extraordinary items pursuant to instruction 4, such profits or adjustments shall be credited to account 435, "Extraordinary items."

[1] If a loss or a debit, show the amount in parenthesis.

Debit

410 Operating expenses.

This account shall include the total expenses incurred in conducting transportation services and classable in the operating-expense accounts.

411 Transportation tax accruals.

(a) This account shall include provision for Federal capital stock, State, county, municipal and other taxing district taxes (excluding taxes assessed on income, except when assessed in lieu of property taxes), applicable to the period for which the income account is stated. Charges to this account for tax accruals prior to the payment of the taxes shall be credited to account 204, "Accrued taxes."

(b) This account shall be kept in such a manner as to show the amount of each class of taxes.

(c) In this account shall be included in each fiscal period:

Taxes on property used in transportation operations.

Taxes on earnings or income when in lieu of taxes on property used in transportation operations.

Taxes on franchises or privileges of conducting transportation operations.

NOTE A: Taxes on nontransportation property shall be charged to account 413, "Miscellaneous tax accruals." When taxes are levied in such a way that the amount applicable to each class of property is not stated definitely, the total amount of the levy shall be apportioned between the classes of property on an equitable basis.

NOTE B: Special assessments for street and other improvements, and special benefit taxes, such as water taxes and the like, shall be included in operating expenses, or property accounts, as may be appropriate.

NOTE C: Returns from U.S. Treasury Tax Saving Notes and from tax warrants sold by states or other governmental bodies; also discount allowed for the prompt payment of taxes; shall be credited to account 401, "Dividend and interest income."

NOTE D: Interest and penalties on tax assessments shall be charged to account 421, "Other interest deductions."

NOTE E: Taxes on interest on the company's long-term debt paid at the source under tax-free covenants shall be charged to account 414, "Miscellaneous income charges."

NOTE F: Where the purpose of the expenditure on which the tax is based is for the acquisition of physical property the tax shall be charged against the property account that may be appropriate.

NOTE G: Where sales or other taxes are assessed as part of the cost of tangible personal property they shall be included in the cost of the property purchased.

NOTE H: The cost of motor vehicle drivers' licenses shall be charged to the cost of operating such vehicles and not as taxes.

NOTE I: Taxes assessed against the company for electric energy, telegraph, telephone, radio, cable messages, checks, safe-deposit boxes, social security taxes, etc., shall be included in operating expenses.

NOTE J: Accruals for taxes assessed on the income of the company when not in lieu of property taxes shall be charged to account 431, "Income taxes on ordinary income."

NOTE K: Old age benefit, unemployment compensation, social security, and other taxes that are computed on the basis of the pay rolls, shall be charged to account 618, "Pay roll taxes."

412 Provision for uncollectible accounts.

This account shall be charged each month with amounts estimated to be sufficient to provide for loss from uncollectible accounts and other receivables. Concurrently, credits shall be made to account 106, "Reserve for doubtful accounts." This latter account shall be charged with amounts, which after a reasonably diligent effort to collect, are determined to be uncollectible. Amounts written off and subsequently collected shall be credited to account 106, "Reserve for doubtful accounts." The estimate shall be adjusted at the end of the calendar year to conform to the experience of the company as determined by an analysis of its accounts receivable.

This account shall also be charged with amounts determined to be uncollectible when no reserves are provided for doubtful accounts.

413 Miscellaneous tax accruals.

This account shall include taxes on nontransportation property and all other tax accruals not provided for elsewhere.

NOTE: Returns from U.S. Treasury Tax Savings Notes and from tax warrants sold by states or other governmental bodies; also discount allowed for the prompt payment of taxes, shall be credited to account 401, "Dividend and interest income."

414 Miscellaneous income charges.

This account shall include items not provided for elsewhere properly chargeable to income.

ITEMS

Loss on sale of securities, including temporary cash investments, and charges to write down the ledger value of such securities because of impairment in their value.

Loss on sale of land used for transportation purposes and nontransportation property.

Unextinguished discounts and expense on funded debt reacquired before maturity.

Debits resulting from adjustments required to bring to par long-term obligations issued or assumed by the company and reacquired at a cost exceeding the par value.

Amortization of balances reflected in accounts 165, "Organization" and 166, "Other intangible property."

Loss of funds due to bank failures.

Book cost (in excess of reserve provisions) of improvements on leased property reverting to lessor.

Contributions for charitable or social or community welfare purposes which do not have a direct or intimate relation to the protection of property of the company, to the development of its business, or the welfare of its employees.

Payments of liability accounts previously written off.

Penalties and fines for violations of the Interstate Commerce Act, and other Federal or State laws when not specifically provided for elsewhere.

Calls for bids in accordance with provisions of mortgages.

Cost of advertising bonds drawn for redemption.

Expenses of nontransportation property, including depreciation, rent, and insurance.

Losses due to conversion of money of a foreign country into U.S. money.

Premiums on bonds to assure performance of contractual obligations when payments under the contracts are chargeable to income accounts.

Premiums paid less the current increase in the cash surrender value of the insurance on lives of officers when the company is the beneficiary. The cash-surrender value portion of the premium shall be included in account 131, "Other investments."

Taxes on interest on company's debt paid at the source under tax-free covenants.

Trusts, current expenses of maintaining and administering.

Trustees' commissions and fees for paying out bond interest on coupons and expenses including registrars' fees connected with such payments.

When the losses or adjustments resulting from any of the first six items are of amounts sufficiently large to constitute extraordinary items, pursuant to instruction 4, such losses shall be charged to account 435, "Extraordinary items."

420 Interest on long-term debt.

This account shall include the current accruals of interest on all classes of debt, the principal of which is includible in account 210, "Funded debt," 211, "Receivers' and trustees' securities," 212, "Amounts payable to affiliated companies," or 213, "Long-term debt in default."

NOTE A: This account shall not include charges for interest on obligations issued or assumed by the company and owned by it.

NOTE B: Interest expressly provided for and included in the face amount of securities issued in the acquisition of physical property shall be charged when the securities are issued, to account 170, "Prepayments," and cleared to this account as the interest accrues.

421 Other interest deductions.

(a) This account shall include all accrued interest payable, except that chargeable to account 420, "Interest on long-term debt." Discount and expense on short-term notes maturing one year or less from date of issue, if considerable in amount, shall be distributed by equal monthly charges to this account throughout the term of the notes; if inconsiderable in amount, it may be charged to this account when incurred.

(b) A list follows of representative items of indebtedness, interest on which is chargeable to this account:

ITEMS

Advances other than investment advances from affiliated companies.

Bond coupons, matured and unpaid.

Claims and judgments.

Open accounts (other than those classable in account 212, "Amounts payable to affiliated companies.")

Short-term notes payable on demand or having maturity dates one year or less from date of issue.

Tax assessments, past due.

422 Amortization of discount on long-term debt.

This account shall include during each fiscal period such proportion of the debit balances in the discount, premium, and expense accounts relating to outstanding long-term debt, as is applicable to that period. This proportion shall be determined in accordance with instruction 25 *Discount, premium, and expense on long-term debt.*

431 Income taxes on ordinary income.

(a) (1) This account shall include accruals for taxes assessed by Federal, State, and other governmental bodies on the ordinary income of the company, when not in lieu of property taxes. See the texts of accounts 450, "Income taxes on extraordinary and prior period items," 301, "Miscellaneous credits," and 310, "Miscellaneous debits" for recording other income tax consequences.

(2) Details pertaining to the tax consequences of other unusual and significant items, and also cases where tax consequences are disproportionate to amounts included in income accounts, shall be submitted to the Commission for consideration and decision as to the proper accounting.

(b) Federal income taxes which are refundable or reduced as the result of carry-back or carry-forward of operating loss shall be credited to this account, if a carry-back, in the year in which the loss occurs or, if a carry-forward, in the year in which such loss is applied to reduce taxes. However, when the amount constitutes an extraordinary item pursuant to instruction 4, it shall be included in account 440, "Prior period items."

NOTE: The amount of taxes levied on gross or net revenues in lieu of property taxes shall be charged to account 411, "Transportation tax accruals."

EXTRAORDINARY AND PRIOR PERIOD ITEMS

435 Extraordinary items (net).

(a) This account shall include extraordinary items accounted for during the current accounting year in accordance with the text of instruction 4, upon approval of the Commission. Among the items which shall be included in this account are:

Net gain or loss on sale of land used for transportation purposes, and of nontransportation property.

Net gain or loss on the sale of securities acquired for investment purposes, and charges to write down the ledger value of such securities because of impairment of value.

Changes in application of accounting principles.

(b) Income tax consequences of charges and credits to this account shall be recorded in account 450, "Income taxes on extraordinary and prior period items."

(c) This account shall be maintained in such a manner sufficient to identify the nature and gross amount of each debit and credit.

440 Prior period items (net).

(a) This account shall include unusual delayed items accounted for during the current accounting year in accordance with the text of instruction 4, upon approval of the Commission. Among the items which shall be included in this account are:

Unusual adjustments, refunds or assessments of Federal income taxes of prior years.

Similar items representing transactions of prior years which are not identifiable with or do not result from business operations of the current year.

(b) Income tax consequences of charges and credits to this account shall be recorded in account 450, "Income taxes on extraordinary and prior period items."

(c) This account shall be maintained in a manner sufficient to identify the nature and gross amount of each debit and credit.

450 Income taxes on extraordinary and prior period items.

This account shall include the estimated income tax consequences (debit or credit) assignable to the aggregate of items of both taxable income and deductions from taxable income which, for accounting purposes are classified as unusual and extraordinary, and are recorded in accounts 435, "Extraordinary items," and 440, "Prior period items."

OPERATING REVENUE INSTRUCTIONS

71 Purpose of operating-revenue accounts.

The operating-revenue accounts are designed to show the amounts of money which the company becomes entitled to receive from the furnishing of freight forwarder service, including services incidental thereto, and the amounts paid or payable to the various transportation agencies for transporting freight.

72 Statement of operating-revenue accounts.

(a) The accounting for operating revenues shall be as nearly as practicable, coincident with the transactions which create them. For the purpose of meeting this requirement, the company shall account for unaudited revenues upon an accrual basis. (See instruction 3 *Unaudited items.*)

(b) Adjustments of overcharges or undercharges shall be accomplished through these accounts.

OPERATING REVENUE ACCOUNTS

TRANSPORTATION REVENUE

501 Forwarder revenue.

(a) This account shall include the revenue accruing to the company from forwarder services upon the basis of tariff rates.

(b) To this account shall be charged:

Refunds of overcharges resulting from the use of erroneous weights measurements, rates, classifications, or computations.

The company's proportion of refunds and payments on account of errors in routing and billing.

The proportion of uncollected charges on lost, damaged, or destroyed shipments borne by the company and the company's proportion of refunds of revenue of such shipments.

NOTE: Amounts accrued payable to carriers subject to part I, II, or III of the Interstate Commerce Act or to others for the line haul transportation of the freight, for pick-up and delivery service, and for terminal transfer service, shall be charged to the accounts provided for the purchase of transportation.

TRANSPORTATION PURCHASED; DEBIT

510 Transportation purchased; debit.

The primary revenue accounts provided under this general account represent reductions of gross forwarder revenues as recorded in general account I, in recognition of the fact that freight forwarders do not transport the shipments for which tariff charges are assessed. The primary accounts segregate such reductions according to the type of common carrier which provides the transportation service.

If a car, truck, barge, or other vehicle is jointly loaded by more than one forwarder, the forwarder which pays for transporting such jointly loaded shipment, or for pickup, delivery, or transfer services in connection therewith, shall charge to the appropriate primary account in this group only that part of the total payment which relates to its share of the joint load. The forwarder or forwarders participating in the joint loading and in the transportation services purchased for it shall charge their respective part or parts of the payment therefor to the same primary account or accounts charged by the forwarder making the payment.

511 Railroad transportation.

This account shall include amounts paid or accrued to railroad companies for the transportation of forwarder freight.

512 Motor transportation.

This account shall include amounts paid or accrued to motor companies for the transportation of forwarder freight.

513 Water transportation.

This account shall include amounts paid or accrued to carriers by water for the transportation of forwarder freight.

514 Pick-up, delivery, and transfer service.

This account shall include amounts paid or accrued to others for the collection and delivery of forwarder freight, including allowances to shippers, when such services are performed within a terminal.

It shall also include amounts paid or accrued to others for transferring freight between stations in a terminal.

515 Other transportation purchased.

This account shall include amounts paid or accrued to others for transportation of forwarder freight in line haul service not provided for in the foregoing operating revenue accounts.

INCIDENTAL REVENUE

521 Storage; freight.

This account shall include revenue from the storage of freight.

522 Rent revenue.

This account shall include amounts accrued as rents receivable from the use by others of transportation property.

523 Miscellaneous.

This account shall include revenues not provided for elsewhere such as those accrued for services rendered in connection with the clearance of cargoes including payment of duty, consular fees, and customs entry; for handling, marking, and weighing freight; as fees for handling C.O.D.'s; and as commissions on insurance.

NOTE A: Where the company merely acts as broker or intermediary, the amounts paid to others for providing these services shall be charged to this account.

NOTE B: Amounts collected from other freight forwarders (co-loaders) in reimbursement for cost of loading or unloading freight shall not be credited to this account but shall be applied as a reduction in the cost of such service.

OPERATING EXPENSE INSTRUCTIONS

81 Purpose of operating-expense accounts.

The operating-expense accounts are designed to show expenses of the company in furnishing transportation service (other than amounts paid or payable to transportation agencies for transporting freight) and services incidental thereto including the expenses of maintenance (repairs, depreciation, and amortization) of the property used in such service.

82 Statement of operating-expense accounts.

The accounting for operating expenses shall be as nearly as practicable, coincident with the transactions or the occurrences which create them. For the purpose of meeting this requirement, the company shall account for unaudited items (see instruction 3 *Unaudited items*) such as charges for loss and damage, injuries to persons, and other expenses upon an accrual basis.

83 Injuries and damages.

In order that the probable liability for losses not recoverable through insurance, such as loss and damage to freight and injuries to persons, may be shown currently, the company may record in the appropriate casualty accounts estimates of such liabilities with concurrent credits to account 222, "Other reserves." Credits for this purpose shall not be made in excess of a reasonable provision against such losses. When the liability is admitted by the company, either voluntarily or because of the decision of a court or other lawful authority such as workmen's compensation board, the admitted liability shall be charged to the reserve and credited to the appropriate liability account.

OPERATING EXPENSE ACCOUNTS

601 General office salaries.

This account shall include:

(a) *Salaries of officers.* The pay of officers and their assistants who are engaged in the general administration or management of the company or its affairs in a territorial subdivision, including salaries and fees of receivers and trustees and commissions paid in lieu of salaries; also the pay of officers whose duties are of such general character that they cannot specifically be charged to account 602, "Traffic department salaries," or to account 603, "Law department salaries."

(b) *Salaries of clerks and attendants.* The pay of clerks and attendants in offices of officers whose pay is chargeable to this account.

602 Traffic department salaries.

This account shall include:

(a) *Salaries of officers, managers and solicitors.* The pay of officers and their assistants directly in charge of or engaged in supervising and directing the solicitation and procurement of traffic and the preparation and distribution of tariffs governing such traffic; the pay of station managers; the pay of general, commercial, city, district and other agents engaged exclusively in canvassing and soliciting traffic; and the pay of traveling agents and solicitors.

(b) *Salaries of clerks and attendants.* The pay of clerks and attendants in offices of officers whose pay is chargeable to this account.

603 Law department salaries.

This account shall include:

(a) The pay of officers directly in charge of the law department, and the pay of solicitors and attorneys who are full time employees of the company.

(b) Salaries of clerks and attendants. The pay of clerks and attendants in the offices of officers whose pay is chargeable to this account.

604 Station salaries and wages.

This account shall include:

(a) *Station clerks and attendants.* The pay of station or branch office clerks and attendants.

(b) *Superintendents and foremen.* The pay of superintendents, assistant superintendents, foremen and assistant foremen in charge of or engaged in the operation of stations.

(c) *Station and warehouse labor.* The pay of laborers engaged in the handling of freight, including truckers, stevedores, checkers, delivery clerks, receiving clerks, and all other freight handlers.

605 Loading and unloading by others.

This account shall include amounts paid or payable to others for loading and unloading freight.

606 Operating rents.

This account shall include rents paid or payable for the use of land, structures, and other property (including tabulating machines).

607 Traveling and other personal expenses.

This account shall include:

(a) Traveling expenses of officials and other employees including mileage or other allowances for maintenance and operation of automobiles owned by employees.

(b) Expense accounts paid to solicitors and others.

(c) Membership fees and dues in traffic clubs and other business associations, where such memberships are held in the name of the employee.

608 Communications.

This account shall include amounts paid or payable for all communication service such as telephone, teletypewriter, telegraph, radio, etc.

609 Postage.

This account shall include amounts paid for postage.

610 Stationery and office supplies.

This account shall include amounts paid or payable for stationery and miscellaneous office supplies, such as pencils, typewriter ribbons, clips, pins, erasers, rubber bands, etc., and including bills of lading, freight bills, and other printed matter, except items included in account 611, "Tariffs."

611 Tariffs.

This account shall include amounts paid or payable for printing tariffs and schedules, and for the purchase of tariffs issued by carriers other than forwarders.

612 Loss and damage; freight.

This account shall include:

(a) (1) Amounts paid for loss, damage, delay or destruction of freight shipments not recoverable from insurance or from others.

(2) Pay and expenses of others than employees engaged as adjusters and in detecting thefts.

(3) Pay and expenses of others than employees while engaged as witnesses in connection with loss and damage cases.

(4) Amounts paid others for repacking and boxing damaged merchandise.

(b) To this account shall be credited amounts received from the sale of refused, unclaimed, and damaged freight.

(c) This account may be charged monthly with an amount estimated to be sufficient to meet the probable liability incurred for freight claims; concurrent credit being made to account 222, "Other reserves." (See instruction 83 *Injuries and damages.*)

NOTE A: Expenses not otherwise provided for in connection with conduct of suits, shall be charged to account 613, "Law expenses," but the amount of the final judgments, including plaintiffs' court costs, shall be charged to this account.

NOTE: B: Interest for delay in payment of loss and damage claims, shall be included in account 421, "Other interest deductions."

613 Advertising.

This account shall include expenses, other than salaries, in connection with advertising for the purpose of securing traffic, such as the preparation, printing, and distribution of advertising matter, commissions and fees paid outside advertising agents, cost of advertising space in newspapers and periodicals, and display signs for attracting traffic.

614 Heat, light, and water.

This account shall include amounts paid or payable for heat, light, and

water, not included in rents, also for fuel, and electric power.

615 Maintenance.

This account shall include the cost of maintaining property used in forwarder operations, such as furniture, fixtures, motor equipment, buildings, and heating, lighting and water equipment.

NOTE: The accounting for retirements and replacements is prescribed in instruction 42 *Basis of charges*, and Instruction 43 *Retirements*.

616 Depreciation and amortization.

This account shall include the amount of charges applicable to the accounting period for the depreciation of property, and for the amortization of improvements on leased property. (See instruction 5 *Depreciation and amortization accounting.*)

617 Insurance.

This account shall include premiums except re-insurance premiums for insuring the owner against loss through injury to persons or damage to or destruction or loss of property whether caused by fire, accident, or other causes; also premiums on fidelity bonds of employees.

NOTE: Amounts charged to this account to cover self-carried risks shall be credited to account 220, "Insurance reserves."

618 Pay roll taxes.

This account shall include old-age benefit, unemployment compensation, Social Security, Railroad Retirement and other taxes that are computed on the basis of the pay rolls.

619 Commissions and brokerage.

This account shall include:

(a) Amounts paid or payable as commission and brokerage to others for securing traffic and fees paid outside agents engaged exclusively in canvassing and soliciting traffic.

(b) Amounts paid or payable as commissions for managerial or similar services.

620 Vehicle operation.

This account shall include the cost of operating the company's own vehicles used in connection with forwarder services.

NOTE: The cost of maintaining such vehicles and depreciation thereof shall be included in accounts 615, "Maintenance," and 616, "Depreciation and amortization," respectively.

621 Law expenses.

This account shall include:

(a) The fees and retainers for services of attorneys not regular employees of the company.

(b) Cost of law books, printing briefs, legal forms, testimony, reports, etc.

(c) Cost of suits and payment of special fees, not otherwise provided for, fees paid arbitrators for settlement of disputed questions; and all law and court expenses not provided for elsewhere.

622 Depreciation adjustment.

This account shall include the difference between the amount of depreciation accrued and credited to account 149, "Depreciation and amortization reserve—Transportation property," with respect to any unit or item of depreciable property accounted for as retired from service, and the service value of such unit or item. (See instruction 5 *Depreciation and amortization accounting.*)

630 Other expenses.

This account shall include expenses not properly chargeable to other accounts.

ITEMS OF EXPENSE

Audits or investigations, cost of.

Annual reports, cost of printing or publishing.

Association membership fees and dues which benefit the forwarder operations of the company, other than those provided for in account 607, "Traveling and other personal expenses."

Bank charges for services rendered in handling accounts.

Contributions for charitable or social or community welfare purposes which have a direct relation to the protection of the property of the company, the development of its business, or the welfare of its employees.

Contributions toward funds or other provisions for the relief of employees.

Corporate and fiscal notices of general character.

Donations to local Fire Departments, Y.M.C.A. and similar institutions.

Election of Directors, cost of.

Exchange, domestic, on checks cashed or deposited or on drafts bought.

Fees and expenses paid directors.

Loss by fire or burglary of funds in custody of officers or employees or from defalcation of officers or employees when not recoverable from insurance.

Loss from acceptance of counterfeit money.

Notices of dividends declared.

Pensions or gratuities paid out of company's funds to retired employees or the heirs of former employees.

Premiums on policies under which employees are insured and they or their heirs are the beneficiaries.

Stockholders meetings, cost of.

Specific general costs for prevention of accidents.

Supplies used in the operation of station platforms and the preparation of cars for loading, such as wooden pallets, lumber for bracing, steel strapping, hammers, saws, and nails.

NOTE: Stationery and office supplies shall be included in account 610.

PARTS 1220–1239—DESTRUCTION OF RECORDS

SPECIAL NOTE: Section 20(7)(b) of the Interstate Commerce Act includes the following provision:

Any person who shall knowingly and willfully make, cause to be made, or participate in the making of, any false entry in any annual or other report required under this section to be filed, or in the accounts of any book of accounts or in any records or memoranda kept by a carrier, or required under this section to be kept by a lessor or other person, or who shall knowingly and willfully destroy, mutilate, alter, or by any other means or device falsify the record of any such accounts, records, or memoranda, * * * shall be deemed guilty of a misdemeanor and shall be subject, upon conviction in any court of the United States of competent jurisdiction to a fine of not more than five thousand dollars or imprisonment for not more than two years, or both such fine and imprisonment: *Provided*, That the Commission may in its discretion issue orders specifying such operating, accounting, or financial papers, records, books, blanks, tickets, stubs, correspondence, or documents of such carriers, lessors, or other persons as may, after a reasonable time, be destroyed, and prescribing the length of time the same shall be preserved.

PART 1220—RAILROAD COMPANIES

Sec.

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AUTHORITY: The provisions of this Part 1220 issued under secs. 12, 20, 24 Stat. 383, as amended, 386, as amended; 49 U.S.C. 12, 20, unless otherwise noted.

1220.0 Regulations prescribed.

Effective October 1, 1957, all railroad companies not independently operated as electric lines, including lessors thereof, shall comply with the regulations in this subpart before destroying any operating, accounting, or financial papers, records, books, blanks, tickets, stubs, correspondence, or documents.

1220.1 Introduction.

The following regulations specify the records and documents which may be destroyed and prescribe the length of time the same shall be preserved, but mention of a record or document hereinafter impose no requirement that it shall be installed if its purpose is otherwise being adequately served. Compliance with the regulations in this subpart will not exempt a carrier from statutory requirements, other than provisions of the Interstate Commerce Act, for retention of records or documents for periods longer than those herein prescribed.

§ 1220.2 Authority to destroy records.

(a) *General authority.* Railroad companies which are not independently operated as electric lines may destroy records or documents named or described in these regulations after they have been preserved for the prescribed periods of time. Permanent records are those which may not be destroyed without special authority.

(b) *Special authority.* A carrier subject to the provisions of the regulations in this subpart proposing to destroy records or documents which are not named or described in the regulations in this subpart, or which if named or described have not been retained for the period required by the regulations, may request special authority to destroy them. Applications for such special authority shall describe in detail the records or documents to be destroyed and shall explain why their continued retention is unnecessary.

§ 1220.3 Photographic copies.

(a) Records and documents may be destroyed if they have been suitably

photographed, and the microfilm is retained in lieu of the original record or document for the period prescribed for such originals, subject however to the following limitations:

(1) The records listed in § 1220.7 with a permanent retention period may not be destroyed after being photographed for preservation unless special authority is first secured as provided in § 1220.2(b).

(2) Records and documents listed in the following items of § 1220.7 shall be retained in their original form throughout the entire period of retention prescribed for them respectively, unless special authority to destroy them is first secured as provided in § 1220.2(b):

Item	Description
1	Corporate elections.
6	Records of securities owned.
16	Tax records.
55 (a)	Registers of audited invoices and vouchers, and indexes thereto.
60 (a)	Registers of bills collectible and indexes thereto.
70 (c)	Records and memoranda pertaining to depreciation of road and equipment.
(d)	Contracts and other agreements relating to the construction, acquisition, or sale of road property.
334	Correspondence which pertains to records or documents required by this subsection to be retained in original form.

(3) The records and documents listed below, which are required under the regulations in this subpart to be retained two years or more, shall be retained in their original form at least two years, even after they have been photographed for preservation:

Item	Description
13	Original records summarizing the results of auxiliary or non-carrier operations for entry in the general books.
21	Miscellaneous records pertaining to agents' accounts.
30	Records of revenue.
31	Interline freight settlements.
33	Records of passenger receipts.
36	Records of revenue from operations other than transportation.
50	Labor records which pertain to transportation employees covered by the Hours of Service Act.
51 (a)	Original payrolls and summaries.
55 (b)	Paid drafts, paid checks, and receipts for cash paid out.
(c)	Paid and canceled vouchers, audit office copies of vouchers, and supporting papers.
110	Signal department records.
132	Records and reports of equipment in and out of service.
151	Diversion of freight.
173	Records of hours of service.
179	Car movements.
180	Car distribution.
210	Claim register.
211	Claim papers.
230 to 257	Agencies, yards, and accounting bureaus.
270 to 283	Joint associations, bureaus, and similar agencies.
300 (k) to 300 (o)	Locomotive inspection and repair reports.
334	Correspondence which pertains to records or documents required by this subsection to be retained two years in original form.

(b) To be acceptable in lieu of original records, photographic copies must meet the following minimum requirements:

(1) Photographic copies shall be no less readily accessible than the original record or document as normally filed or preserved would be, and suitable means or facilities shall be available to locate, identify, read, or reproduce such photographic copies.

(2) Any significant characteristic, feature, or other attribute of the original record or document, which photography in black and white will not preserve, shall be clearly indicated before the photograph is made.

(3) The reverse side of printed forms need not be copied if nothing has been added to the printed matter common to all such forms, but an identified specimen of such form shall be on the film for reference.

(4) Film used for photographing copies shall be of permanent record type meeting in all respects the minimum specifications of the National Bureau of Standards, and all processes recommended by the manufacturer shall be observed to protect it from deterioration or accidental destruction.

§ 1220.4 Supervision of destruction.

(a) Within six months after the effective date of the regulations in this subpart, or within six months after becoming subject to this provision, each carrier shall appoint an officer or other responsible employee to supervise the destruction of records and documents. Such appointment shall be by formal corporate act of the carrier's Board of Directors.

(b) Authority to supervise the destruction of carrier records maintained by an association, joint bureau, etc., may be delegated to the manager or other chief officer by the supervising officer of each member line.

(c) The Board of Directors at its option may by a similar formal act of appointment delegate to a bank, trust company, or similar institution having custody of railroad records in the normal course of business, the authority to destroy such records upon compliance with the requirements of the regulations in this subpart.

§ 1220.5 Record of destroyed records.

(a) The supervising officer or other designated employee shall maintain a record of all carrier records and documents which have been destroyed pursuant to the regulations in this subpart, except those the retention of which is optional with the carrier. However, the record shall include all records and documents destroyed under the supervision of persons other than the supervising officer pursuant to § 1220.4 (b) and (c), including those the retention of which is optional and which could be omitted if the supervising officer had directed the destruction.

(b) The record shall be available for inspection in the office of the supervising officer and shall be in such detail that the destroyed records or documents may be identified and the time, place, and method of destruction can be established. If the destruction is by accident or at the hand of an unauthorized person not subject to the carrier's control, then the record shall include a statement of the relevant circumstances.

§ 1220.6 Carriers going out of business.

The records and documents relating to operations of a Carrier subject to the regulations in this subpart may be destroyed without regard to the prescribed periods of retention after carrier status is abandoned for purposes of the Interstate Commerce Act: *Provided however*, (a) If the carrier is a corporation being dissolved by act of the authority which created it, the records may not be destroyed until dissolution is otherwise complete, and (b) if the carrier is not incorporated or is being kept alive for purposes other than carrier operations, records relating to former carrier operations may not be destroyed until all transactions relating to such operations are completed.

§ 1220.7 Prescribed periods of retention.

The following list describes the purpose for which a record is necessary and the prescribed periods shall be observed even if a record by some other name serves the described purpose. If identical copies of the same document serve more than one such described purpose, only one copy is required to be retained by the regulations in this subpart.

Item	Description of records	Period to be retained
	CORPORATE AND FINANCIAL	
1	Corporate elections:	
	(a) Proxies of holders of voting securities	3 years.
	(b) Lists of holders of voting securities presented at meetings	Do.
	(c) Qualification oaths of judges of election	Optional.
	(d) Qualification oaths of directors	Do.
	(e) Ballots cast and tabulations of vote	3 years.
	(f) Judges' reports of election results	Do.
2	Minute books of directors', executive committee's, stockholders', and other meetings	Permanent.
3	Code and cipher books, file copies of	Optional.
4	Capital stock records:	
	(a) Capital stock ledger	10 years.
	(b) Capital stock certificates, records of or stubs of	Do.
	NOTE: If the information shown on the stubs described in this item 4 (b) is recorded in permanent records, the stubs are required to be retained only for a period of three years.	
	(c) Stock transfer register	Do.
	(d) Memoranda and bills of sale or of transfer of capital stock	2 years.
	(e) Capital stock subscription notices and requests for allotment	1 year.
	(f) Canceled capital stock certificates. (See item 7.)	

Item	Description of records	Period to be retained
	CORPORATE AND FINANCIAL—continued	
5	Bond records:	
	(a) Registered bond ledger	10 years.
	(b) Records or stubs of bonds	Do.
	NOTE: If the information shown on the stubs described in this item 5 (b) is recorded in permanent records, the stubs are required to be retained only for a period of three years.	
	(c) Memoranda and bills of sale or of transfer of registered bonds	2 years.
	(d) Records of interest coupons paid and unpaid	Do.
	(e) Funded debt subscription notices and requests for allotment	1 year.
	(f) Canceled bonds, paid interest coupons, and unissued bonds. (See item 7.)	
6	Record of securities owned:	
	Record of securities owned, in treasury, or with custodians	10 years after disposition.
7	Retired securities:	
	Stock certificates, bonds, notes, interest coupons, receiver's certificates, and temporary certificates taken up and canceled.	Optional, but see sec. 110.5.
8	Reports to stockholders:	
	(a) Annual reports or statements to stockholders, file copies of	Permanent.
	(b) Supporting papers	10 years.
9	Ledgers:	
	(a) General and auxiliary ledgers and indexes thereto, except as provided for elsewhere in these regulations.	Permanent.
	(b) Balance sheets of general ledgers	10 years.
	(c) Trial balance sheets of general and auxiliary ledgers	Do.
10	General journals	Permanent.
11	Cash books:	
	(a) Original general cash books	15 years.
	(b) Auxiliary cash books	6 years.
12	Journal entries:	
	(a) Original general journal entries	Permanent.
	(b) Copies of general journal entries and supporting papers	15 years.
13	Original records of auxiliary or noncarrier operations:	
	Original records summarizing the results of auxiliary or noncarrier operations for entry in general books.	Do.
	NOTE: Ledgers, journals, abstracts, reports, vouchers, tickets, etc., shall be retained for the same periods as are provided for similar documents elsewhere in these regulations.	
14	Deeds and other title papers and franchises	Permanent.
15	Contracts and agreements:	
	(a) Contracts, leases and agreements, except those provided for in items 15(b), 70, 82, and 230.	5 years after termination, expiration, or completion.
	(b) Contracts and required files for transactions which are subject to the provisions of the Clayton Antitrust Act (15 U.S.C. 20).	In original form for 10 years after expiration, provided there is no pending litigation involving these records and, provided that the carrier informs the Commission of its intended action 2 weeks prior to date the records are to be destroyed.
16	Tax records:	
	(a) Copies of schedules and returns to taxing authorities for tax purposes	6 years.
	(b) Records of appeals, tax bills, and statements	6 years after settlement.
17	Copies of applications to and authorities from regulating bodies for the issuance of stocks, bonds and other securities. (See item 300q.)	Permanent when approved; optional when denied.
18	Fidelity bonds:	
	Records and files of fidelity bonds of employees	3 years after expiration of coverage
19	Insurance records:	
	(a) Schedules of fire and other insurance, also records of payment of premiums and of amounts recovered.	3 years.
	(b) Insurance policies	2 years after expiration of coverage.
	(c) Record of policies in force	Do.
	(d) Inspector's reports of condition of property	Optional.
	(e) Reports of property in transit covered by insurance, such as cotton at compresses, cotton in transit, etc.	Do.
	(f) Telegraphic reports of merchandise at terminals, in warehouses, compresses, etc.	Do.
	(g) Letter and telegraphic reports of fire damages	Do.
	(h) Reports of minor losses by fire not covered by insurance or less than minimum amount collectible.	Do.
20	Treasurer's records:	
	(a) Statements and summaries of balances on hand and with depositaries	3 years.
	(b) Statements from depositaries of funds received, disbursed, and transferred	Do.
	(c) Authorities for and statements of transfer of funds from one depositary to another.	Do.
	(d) Records pertaining to verifications of treasurer's cash, or securities	2 years.
	(e) Records of outstanding vouchers, checks, drafts, etc., issued and not presented	3 years.
	(f) Periodical statements of working cash balances	Optional.
	(g) Bank deposit books, and stubs, ledgers, or records of checks	3 years.
	(h) Slips or statements giving the postings of miscellaneous receipts and payments of funds.	Do.
	(i) Lists of vouchers, drafts and checks showing mailing dates	Optional.
	(j) Copies of deposit slips	2 years.
21	Miscellaneous records pertaining to agents' accounts:	
	(a) General office records or ledgers of agents' accounts showing debits and credits from various sources.	3 years.
	(b) Records and files of indemnity bonds incident to transportation and other charges.	Do.
	(c) General office records relating to extension of credit for transportation and other charges.	2 years after discontinuance of credit arrangement.
	(d) Statements of corrections in agents' accounts	3 years.
22	Traveling accountants' and auditors' reports:	
	Reports of examinations, audits, and transfers by special accountants, traveling auditors, time inspectors, weight inspectors, etc., and supporting papers.	Do.
	REVENUES	
30	Record of revenue:	
	Records summarizing the debits and credits arising from settlements with agents, conductors, and others, and from interline settlements with other carriers, as follows: freight, passenger, baggage, sleeping car, parlor and chair car, mail, express, other passenger-train, milk, switching, water transfers, dining and buffet, hotel and restaurant, station, train, and boat privileges, parcel room, storage, demurrage, communication, grain elevator, power, rents of buildings and other property, and miscellaneous.	4 years.
31	Interline freight settlements:	
	(a) Abstracts, recapitulations, correction accounts, and summaries	Do.
	(b) Statements of differences	1 year after disposition.
32	Unsettled waybills:	
	(a) Record of unsettled waybills, waybills in suspense, etc.	Do.
	(b) Tracers and supporting papers concerning unsettled freight waybills	Until receipt of settlement.
33	Records of passenger receipts:	
	Distribution of revenue statements, or recapitulation of passenger revenue by stations; conductors' accounts; ferry and steamer accounts.	4 Years.
34	Interline passenger fare settlements:	
	Interline ticket reports, summaries, statements of differences, statements of corrections, and accounts current pertaining to settlements of interline passenger revenue between carriers, passenger associations, and mileage and scrip bureaus.	Do.
35	Records of cash fare collections on trains	2 years.
36	Records of revenue from operations other than transportation:	
	(a) Records summarizing the debits and credits to the various accounts	4 years.
	(b) Reports of station and train privileges, parcel and other coin locks, telephone, telegraph, rents, and miscellaneous revenue.	2 years.
	(c) Originals and copies of telegrams	1 year.
	EXPENDITURES	
50	Daily or periodic reports of labor, material and supplies:	
	Time books, time slips, overtime tickets, delayed-time tickets, work orders, job tickets, check rolls, and other papers pertaining to services of employees and reports of material and supplies used.	2 years.

Item	Description of records	Period to be retained
	EXPENDITURES—continued	
51	Payroll records:	
	(a) Original payrolls and summaries	10 years.
	(b) Applications and authorities for changes in payrolls	Optional.
	(c) Applications for payroll changes not authorized	Do.
	(d) Records and memoranda pertaining to deductions from payrolls	Do.
	(e) Receipted pay checks, receipted time tickets, certificates issued for wages, discharge tickets, and other evidences of payments for services rendered by employees. (See items 20e, g.)	3 years.
	(f) Canceled pay checks drawn in favor of "bearer" in payment of wages for which receipt is shown on payrolls or other records retained by carrier.	Optional.
	(g) Comparative or analytical statements of payrolls	Do.
52	Assignments, attachments, and garnishments:	
	(a) Record of assignment, attachment, and garnishment of employees' salaries	1 year.
	(b) Files containing assignments, attachments, garnishments, notices of suits, notices of release, and correspondence relating thereto.	Do.
53	Distribution of labor expenditures:	
	Records showing the detailed distribution of labor expenditures charged to all accounts, including memoranda and memorandum recapitulation sheets.	4 years.
54	Distribution of expenditures for material and supplies:	
	Records and memoranda showing the detailed distribution of expenditures for materials and supplies chargeable to all accounts, including memorandum recapitulation sheets.	Do.
55	Vouchers:	
	(a) Register of audited invoices and vouchers and indexes thereto	15 years.
	(b) Paid drafts, paid checks, and receipts for cash paid out	6 years.
	(c) Paid and canceled vouchers, audit office copies of vouchers and supporting papers.	Do.
	(d) Lists containing authorities for payments of specific vouchers	2 years.
	(e) Reports of drafts issued by claim agents, station agents, and others	1 year.
	(f) Record or index of vouchers to be made, with notations of dates of issue	Optional.
	(g) Defect and repair cards attached to bills supporting vouchers. (See item 125.)	Do.
	MISCELLANEOUS ACCOUNTS RECEIVABLE	
60	Bills collectible:	
	(a) Register of bills collectible and indexes thereto	15 years.
	(b) Audit office copies of bills issued for collection, and supporting papers which do not accompany the original bills.	4 years.
	(c) Periodical statements of unsettled accounts, except trial balance sheets	Optional.
	(d) Record or index of bills to be issued, with notations of dates of issue	Do.
	ROAD AND EQUIPMENT PROPERTY RECORDS	
70	Road and equipment records:	
	(a) Records and memoranda of the cost or the inventory value of road property	Permanent.
	(b) Records and memoranda of the cost or the inventory value of equipment, including shop and power plant machinery.	3 years after sale or retirement.
	(c) Records and memoranda pertaining to depreciation of road and equipment	20 years.
	(d) Contracts and other agreements relating to the construction, acquisition, or sale of road property, except as provided for in item 15(b).	10 years after termination, expiration or completion of contract or agreement, sale or retirement.
	(e) Contracts and other agreements relating to the construction, acquisition, or sale of equipment except as provided for in item 15(b).	3 years after termination, expiration or completion of contract or agreement.
	(f) Records, reports, statements, and memoranda showing the details of all debits and credits on account of the cost of road and equipment property, such as labor and material distribution sheets, copies of individuals' and companies' bills, time books, time tickets, work orders, job tickets, check rolls, material requisitions, and similar records if transcribed into records covered by items (a) to (e) above.	3 years. 10 years if not transcribed into records covered by items (a) to (e) above.
	(g) Estimates, authorities for expenditures and completion reports for new lines, extensions, additions and betterments made.	Permanent.
	(h) Estimates, detail records, and memoranda, when the expenditures were not authorized.	Optional.
	(i) Detail records and memoranda used in preparation of estimates, if summarized in records covered by item (g) above.	Do.
71	Engineering records:	
	(a) Maps, profiles, plans, specifications, estimates of work, records of engineering studies, and similar records pertaining to extension, addition, and betterment projects which have been put into execution.	Permanent.
	(b) Maps, profiles, plans, specifications, estimates of work, records of engineering studies and similar records pertaining to extension, addition, and betterment projects which have been abandoned.	3 years after abandonment.

Item	Description of records	Period to be retained
	PURCHASES AND STORES	
80	Material ledgers:	
	(a) Records of material and supplies on hand	4 years.
	(b) Telegraphic reports of supplies on hand other than fuel	Optional.
	(c) Balance sheets of material and supplies received, issued, and on hand at division storehouses, shops, and other places.	2 years.
81	Inventories of materials and supplies:	
	(a) General inventories of materials and supplies on hand, with record of adjustments between accounts.	Do.
	(b) Stock cards, inventory cards, and other detail records pertaining to the taking of inventories, if abstracted into records covered by (a) above.	1 year.
	(c) Minor inventories of materials and supplies on hand, if not used for adjustments.	Do.
82	Purchases and sales:	
	(a) Copies of orders for the purchase of materials and supplies	2 years.
	(b) Invoices for materials and supplies purchased whether attached to vouchers or filed separately. (See item 55c.)	6 years.
	(c) Advices from individuals and companies acknowledging receipt of orders for materials and supplies and notices of shipment.	Optional.
	(d) Bids and offers for the sale or purchase of material and supplies	1 year.
	(e) Contracts for the purchase or sale of materials and supplies except as provided for in item 15(b).	4 years.
	(f) Advices or requisitions from storekeepers and others for the purchase of materials and supplies.	2 years.
	(g) Lists or records of invoices transmitted to or from storekeepers	Optional.
	(h) Receipts or delivery tickets issued for material and supplies received in installments and subsequently surrendered with and in support of invoices or bills showing full information.	Do.
	(i) Freight bills covering charges on materials and supplies	4 years.
	(j) Reports of scrap on hand	2 years.
	(k) Authorities for the sale of scrap and other material and supplies	Do.
	(l) Price records of purchases	6 years.
83	Materials and supplies received:	
	(a) Records or reports of materials and supplies received by carriers	5 years.
	(b) Records of inspecting and testing materials and supplies	1 year.
	(c) Records of materials and supplies released and returned to stock	2 years.
	(d) Orders on other carriers for, and records of receipt of, material for repairs of foreign cars.	Do.
84	Materials and supplies issued:	
	(a) Records and reports of materials and supplies issued	2 years.
	(b) Records and reports of materials and supplies transferred from one department or division to another.	2 years.
	(c) Requisitions and receipts for materials and supplies issued	1 year.
	(d) Price records of materials and supplies issued, file copies	4 years.
85	Manufactured stock:	
	(a) Shop orders or requisitions for the manufacture of stock	2 years.
	(b) Records and reports of manufactured stock	Do.
86	Oil and waste reports and records	1 year.
87	Company fuel:	
	(a) Detailed record of fuel purchased	5 years.
	(b) Reports and record of fuel delivered to fueling stations	2 years.
	(c) Records and untranscribed reports of fuel received and issued at fueling stations, except records covered by item (h) below.	Do.
	(d) Reports from fueling stations of fuel received, issued, on hand, and transferred to other stations, if transcribed to records covered by (c) above.	1 year.
	(e) Daily reports of fuel on hand	Optional.
	(f) Reports and records showing the detailed distribution of expenditures for fuel chargeable to all accounts, including fueling station balance sheets.	5 years.
	(g) Reports of labor handling company fuel	1 year.
	(h) Requisitions and receipts from enginemen and others for fuel supplied	Optional.
88	Dining and cafe car supplies:	
	(a) Conductors' and stewards' reports of supplies, drawn, consumed, and on hand	1 year.
	(b) Conductors' and stewards' requisitions and receipts for supplies	Do.
	(c) Commissary inventories	Do.
	WAY AND STRUCTURES	
100	Authorities for expenditures for repairs of roadway and structures	Optional.
101	Records of roadway and track work performed:	
	(a) Reports and records of rail and cross-ties laid, ballast applied, and work performed on roadway and track, by quantities, locations, or otherwise.	2 years.
	(b) Records and reports of spur tracks laid and taken up	Do.
102	Reports and records of repairs and renewals of buildings, bridges, and other structures	Do.
103	Reports of buildings, bridges, and other structures painted	Do.
104	Records of signal servicing and operations	Do.
105	Inspection records:	
	(a) Reports of condition of roadway and structures	Do.
	(b) Reports of inspection of bridges	Do.
	(c) Reports of broken rails	Do.
	(d) Reports of inspection of scales	Do.
106	Reports of derailments	Do.

Item	Description of records	Period to be retained
	RECORDS REQUIRED BY SIGNAL INSPECTION ACT	
110	Signal department records:	
	(a) Tests of gas and vacuum type lightning arresters	1 year.
	(b) Tests of signal mechanisms	2 years.
	(c) Tests of switch circuit controllers	1 year.
	(d) Tests of shunt fouling circuits	Do.
	(e) Tests of electric locks	2 years.
	(f) Tests of relays	Do.
	(g) Tests of insulation resistance	8 years.
	(h) Tests of mechanical locking	4 years.
	(i) Tests of approach locking	1 year.
	(j) Tests of time locking	Do.
	(k) Tests of route locking	Do.
	(l) Tests of indication locking	2 years.
	(m) Tests of traffic locking	1 year.
	(n) Switch obstruction tests	Do.
	(o) Tests of valve locks and valve magnets	Do.
	(p) Tests of cross protection	Do.
	(q) Tests of time releases and timing relays	Do.
	(r) Tests of restoring feature on power switches	Do.
	(s) Tests of movable bridge locking	Do.
	(t) Tests of roadway elements ATC, ATS, and ACS	Do.
	(u) Tests of acknowledgment and cut-in circuits	Do.
	(v) Periodic tests of ATC, ATS, and ACS	Do.
	(w) Tests of engine relays ATC, ATS, and ACS	4 years.
	(x) Daily or after trip tests ATC, ATS, and ACS	1 year.
	(y) Departure test ATC, ATS, and ACS	Do.
	SHOPS AND ENGINEHOUSES	
120	Records and reports of repairs to locomotives, cars, and other equipment	3 years.
121	Authorities for expenditures for repairs to locomotives, cars, and other equipment	Optional.
122	Records and reports of repairs needed on locomotives, cars, and other equipment	Do.
123	Record of locomotive boilers:	
	(a) Steam locomotives	5 years.
	(b) Record of boiler inspection of diesel locomotives, where required	4 years.
124	Records and reports of trucks, wheels, and axles removed and applied:	
	(a) to steam locomotives	6 years.
	(b) to diesel locomotives	Do.
125	Defect and repair cards:	
	(a) Defect and repair cards, stubs or records of	Optional.
	(b) Defect and repair cards attached to bills supporting vouchers. (See item 55g.)	Do.
	(c) Lists and statements transmitting defect and repair cards for preparation of bills.	Do.
	(d) Improper-repair cards	Do.
	(e) Reports of cars forwarded or received under defect cards	Do.
126	Inspection records:	
	(a) Certificates of inspection of equipment purchased	3 years.
	(b) Records and reports of locomotives and cars inspected	1 year.
	(c) Firebox inspection reports	Do.
	(d) Spark-arrester and ashpan inspection reports	Do.
	(e) Locomotive boiler inspection and repair reports. (See items 300k to 300o.)	Do.
127	Records and reports of locomotives and cars received, forwarded, and on hand at shops	2 years.
128	Reports of service and mileage of individual locomotives	Do.
129	Records and reports of cars light-weighed and stenciled	Optional after equipment is retired.
130	Records and reports of equipment numbers changed	
131	Patent records	2 years.
132	Records and reports of equipment in and out of service	Do.
133	Records and reports of locomotive failures	1 year.
134	Records of engines ordered and dispatched	Do.
135	Reports of passenger cars cleaned, iced, and similarly prepared for service	Optional.
	TRAFFIC	
150	Tariffs and other rate authorities:	
	(a) Tariffs, classifications, division sheets, and circulars relative to the transportation of persons or property, in the general files of the traffic or other department in which the complete official file is maintained.	2 years after expiration or cancellation.
	(b) Tariffs, classifications, division sheets, and circulars in other departments and at agencies, if copies of the same issues of such tariffs, etc., are preserved in the general files referred to in (a) above.	Optional after expiration or cancellation.
	(c) Applications for and file copies of special-rate orders authorizing the sale of passenger fare tickets at reduced rates.	2 years.
	(d) Requests and receipts from agents and others for tariffs, classifications, division sheets, and circulars.	Optional.
	(e) Written requests on carrier from persons and companies for quotations of rates and copies of carrier's quotations.	Do.

Item	Description of records	Period to be retained
	TRAFFIC—continued	
	(f) Copies of concurrences filed with the Interstate Commerce Commission and with other regulating bodies.	2 years after cancellation.
	(g) Authorities for the transportation of property, free or at reduced rates, and supporting papers.	3 years.
	(h) Correspondence and working papers in connection with the making of rates and compilation of tariffs, classifications, division sheets, and circulars affecting the transportation of persons or property.	3 years after cancellation of tariff, etc.
151	Diversion of freight:	
	Records for diversion or reconsignment of freight	2 years.
152	Market, weather and crop reports:	
	Market quotations, weather and crop reports, and other surveys received from agents and others, when not affecting claims.	Optional.
153	Public time-tables:	
	Public time-tables and descriptive literature and records and correspondence regarding compilation, publication, and distribution of time-tables, etc., for use of the public.	Do.
154	Ticket records:	
	(a) Copies of orders on printing houses for ticket stock	2 years.
	(b) Record of ticket stock received, issued, and destroyed	Do.
	(c) Requisitions and receipts for tickets and cash fare receipts furnished agents and conductors.	Do.
	(d) Bulletins of tickets lost or stolen	Optional.
	(e) Records and files pertaining to the extension of time limits of tickets, granted	2 years.
	(f) Records and files pertaining to the extension of time limits of tickets, not granted	Optional.
155	Baggage check records:	
	(a) Copies of orders for the purchase of baggage checks	2 years.
	(b) Record of baggage, parcel, and storage checks received, issued and destroyed	Do.
	(c) Requisitions and receipts for baggage checks, excess baggage checks, and storage checks furnished agents, baggagemen, and transfer companies.	Do.
	(d) Bulletins of baggage checks lost or stolen	Optional.
156	Tickets and checks:	
	(a) Used and canceled tickets, checks, etc., the reports of which, showing their sale or issue, have been audited, as follows: Bar checks. Berth checks. Bridge toll tickets. Clergy certificates. Commutation and trip tickets. Exchange train tickets. Extra fare tickets. Ferry tickets. Meal checks. Milk tickets. One-way and round-trip passenger fare tickets upon which the name of the user does not appear: Parlor car tickets. Permits to ride on freight trains. Seat checks. Sleeping car tickets. Train checks. Transfer checks or coupons. Validation pasters when attached to any of the above tickets. Water tickets.	Do.
	(b) Used and canceled tickets, passes, etc., the reports of which, showing their sale or issue, have been audited (except as provided for free tickets in item 176) as follows: One-way and round-trip passenger fare tickets upon which the name of the user is shown. Trip and telegraphic passes collected. Free passenger fare tickets collected. Prepaid orders. Exchange orders. Validation pasters when attached to any of the above tickets. Stop-over pasters.	Do.
	(c) Used mileage books and scrip books on which the name of user is shown and passenger-fare credentials, the reports of which showing their sale or issue have been audited; coupons, auditors' stubs, contract portion signed by purchaser and other detachments from such books on which transportation has been performed; and identification slips required by the conditions of any of these tickets.	6 months.
	(d) Used mileage books and scrip books on which the name of the user is not shown, the reports of which showing their sale or issue have been audited, and the coupons, auditors' stubs, and other detachments from such books on which transportation has been performed.	Optional.

Item	Description of records	Period to be retained
	TRAFFIC—continued	
	(e) Used caretakers' tickets	2 years.
	(f) Used baggage checks, parcel room checks, storage checks, excess baggage checks (including C. O. D.), excess baggage book coupons, and baggage scrip, the reports of which have been audited.	Optional.
	(g) Unused or unissued tickets, if record is kept in accordance with item 154 (b)	Do.
	(h) Unused baggage checks, if record is kept in accordance with item 155 (b)	Do.
	(i) Redeemed tickets, redeemed mileage and scrip book covers, and redeemed credentials.	6 months.
	(j) Redeemed portions of conductor's cash fare and duplex tickets	Do.
	(k) Redeemed and canceled orders issued by conductors for refund of extra fares assessed on extra-fare trains.	Do.
	(l) Used book ticket stubs	Do.
157	Records and reports of tickets redeemed, including claimant's receipt for cash refund	2 years.
158	Records, circulars, and settlements, regarding conventions, excursions, and similar matters.	Do.
	TRANSPORTATION	
170	Dispatchers' records:	
	(a) Train sheets	3 years.
	(b) Train-order books or dispatchers' copies of train orders	Do.
	(c) Train orders—operators' copies	6 months.
	(d) Train orders—trainmen's copies	Optional.
	(e) Clearance cards or orders—operators' copies	6 months.
	(f) Clearance cards or orders—trainmen's copies	Optional.
	(g) Operators' block reports	6 months.
	(h) Daily reports of trains moved	2 years.
171	Employees' timetables:	
	(a) Official file of employees' timetables	Do.
	(b) Receipts for timetables	Duration of timetable.
172	Records of crews:	
	(a) Train register or roster	1 year.
	(b) Records of crews called, including call boy records	Do.
173	Records of hours of service:	
	(a) Records of hours of service of train and station employees. (See item 300(j)	3 years.
	(b) Train-delay reports. (See item 300(j)	Do.
174	Locomotive mileage:	
	(a) Records of movement of locomotives	1 year.
	(b) Reports of locomotive mileage, from division offices	Do.
175	Conductors' train and car reports:	
	(a) Reports showing the dates and numbers of trains, the initials and numbers of cars, the movement of cars, and the mileage of cars and trains (i. e., wheel reports), if not transcribed into other records.	2 years
	(b) Reports showing dates and numbers of trains, the initials and numbers of cars, the movement of cars, and the mileage of cars and trains (i. e., wheel reports), if transcribed into other records for retention.	Do.
	(c) Reports of cars interchanged with connecting lines	Do.
	(d) Reports of cars on hand at nonagency stations	1 year.
	(e) Train books showing crews, car-seal records, cars moved, etc.	2 years.
176	Train accidents:	
	(a) Record of train accidents	Do.
	(b) Reports of train accidents by conductors, enginemen, or others	Do.
	(c) Reports of damage to equipment by accidents	Do.
177	Conductors' passenger, freight, and dining car reports:	
	(a) Reports of cash collections, if transcribed to records covered by item 35	1 year.
	(b) Reports of cash collections, if not transcribed to records covered by item 35	2 years.
	(c) Stubs of cash fare receipts or conductors' portions of duplex tickets	Optional.
	(d) Reports of passengers carried, or of tickets, mileage coupons, etc., collected or honored.	2 years.
	(e) Reports of passes honored or collected	1 year.
	(f) Pass identification slips	Optional.
	(g) Sleeping car identification checks and envelopes	Do.
	(h) Reports of passengers handled in sleeping and parlor cars	1 year.
	(i) Envelopes for enclosing tickets, passes, etc., collected	Optional.
	(j) Slips or memoranda for freight received at nonagency stations	2 years.
	(k) Conductors' monthly balance sheets and supporting papers	Do.
	(l) Conductors' daily or weekly balance sheets, when figures are combined on monthly balance sheet.	1 year.
178	Passes and free tickets:	
	(a) Copies of orders on printing houses for pass stock	Do.
	(b) Records of pass stock received, distributed, and destroyed	Do.
	(c) Requests for passes; copies or stubs of requests for passes; and receipts for passes	2 years.
	(d) Records of passes issued	Do.
	(e) Records of passes received from other carriers	Do.
	(f) Stubs of trip passes	Do.

Item	Description of records	Period to be retained
	TRANSPORTATION—continued	
	(g) Records of annual or term passes honored	Optional.
	(h) Unexpired, surrendered, or partially used annual or term passes	Do.
	(i) Void, unused, or unissued passes	Do.
	(j) Records of free passenger fare tickets issued	2 years.
	(k) Reports of trip passes issued	Do.
	(l) Bulletins of lost and outlawed passes, file copies of	Optional.
	(m) Bulletins of lost and outlawed passes, other than file copies of	Do.
179	Car movements:	
	(a) Records of movement of cars, home and foreign	2 years.
	(b) Junction card reports from other carriers of cars interchanged, when data are transcribed to records provided for in (a) above.	Optional.
	(c) Records and reports of cars switched	2 years.
	(d) Minor records pertaining to the handling and movement of equipment if the movements are recorded in records covered by (a) above.	Optional.
180	Car distribution:	
	(a) Records of car allotment and distribution	2 years.
	(b) Records of cars ordered, furnished, and loaded	Do.
	(c) Telegraphic and other reports of cars on hand and required	1 year.
	(d) Reports of unfilled car orders	Do.
181	Per diem and mileage reports:	
	(a) Per diem and mileage reports made and received, including reclaims	2 years.
	(b) Per diem and mileage discrepancy and adjustment reports	Do.
182	Records and reports pertaining to embargoes, congested traffic, and similar matters	1 year.
183	Reports of or certificates of train-rules examination	2 years.
184	Records of ticket punches	1 year after use of punch is discontinued.
185	Import and export: Records and reports pertaining to import and export freight, bonded freight and baggage, steamships' engagements, etc.	2 years.
186	Marine equipment: Records and reports pertaining to the operation of marine and floating equipment:	
	(a) Blueprints and specifications covering construction of boats	Duration of vessel.
	(b) Major repair records	Do.
	(c) Boat damage records	5 years.
	(d) Personnel records	1 year after termination of service.
	(e) Tug masters', tug engineers', ferry pilots' logs	Permanent.
	(f) Tug dispatcher's tow order and float sheet	3 years.
	(g) Cooperative towing reports	2 years.
	(h) Floatmen's reports	3 years.
	(i) Barge, lighter and scow captain's daily reports	5 years.
	(j) Directional check sheets	3 years.
	(k) Demurrage records	3 years.
187	Railway mail service:	
	(a) Records and reports of mail service, mail failures, and detentions, fines, deductions, and irregularities.	Do.
	(b) Records and reports of mail pouches received and distributed	1 year.
188	Property protection service: Reports and records in connection with policing the company's property, detective service, investigations of robberies, and attempts to defraud the company when not the subject of claim against the carrier.	Optional
189	Loss and damage prevention: Reports and records in connection with the prevention of loss and damage to freight shipments.	Do.
	CLAIMS	
210	Claim registers:	
	(a) Claim registers, card or book indexes, and other records in connection with the recording of overcharge, loss and damage, personal injury, fire, and other claims presented against carriers.	6 years.
	(b) Records showing the details of authorities issued to agents, carriers, and others for participation in freight claims	3 years.
211	Claim papers:	
	(a) All papers substantiating personal injury claims, whether such papers are filed separately or attached to vouchers. (See Item 56c.)	6 years after settlement or rejection.
	(b) All papers substantiating overcharge, loss and damage, fire, and other claims, whether such papers are filed separately or attached to vouchers. (See item 56c.)	3 years after settlement or rejection.
	(c) Claim jackets, if all information thereon appears in records covered by (a) and (b) above.	Optional.
	(d) Claim bases constituting a duplicate record of claims if the substantiating papers are filed with another interested carrier.	2 years after settlement.
212	Records of personal injury: Reports and statements regarding personal injuries, when not necessary to support claims or vouchers.	3 years.

Item	Description of records	Period to be retained
	CLAIMS—continued	
213	Records of fire and other damages to property of others: Reports and statements of trackmen and other employees regarding injuries by fire or otherwise to property of others, when not necessary to support claims or vouchers.	2 years.
214	Records of stock killed or injured: Reports and statements by trainmen, trackmen, and other employees regarding stock killed or injured, when not necessary to support claims or vouchers.	Do.
215	Records of unclaimed, over, short, damaged, and refused freight: Tracers, reports, and other records pertaining to unclaimed, over, short, damaged, and refused freight when not necessary to support claims or vouchers.	1 year.
216	Sales orders: Authorities for the disposal of unclaimed, damaged, and refused freight.	3 years.
	AGENCIES, YARDS AND ACCOUNTING BUREAUS	
230	Bills of lading and releases: (a) Consignors' shipping orders, consignors' shipping tickets, and copies of bills of lading. (b) Shippers' order-notify bills of lading taken up and canceled (c) Contracts covering risks of carriers in transportation and storage (d) Shipping contracts for transportation of caretakers of freight (e) Releases for deliveries at nonagency stations (f) Bills of lading and shipping tickets lifted on inbound shipments	2 years. Do. Do. Do. Do. Do.
231	Freight loading records: (a) Records of loading, unloading and inspection of cars (b) Records and reports of carload and less-than-carload shipments transferred (c) Records of cars iced, refrigerated, heated, or ventilated (d) Records of unloading, loading, feeding, and watering livestock (e) Duplicates of above records. (See item 336a.)	3 years. 2 years. Do. Do.
232	Weighing of freight: Records, reports, orders, and tickets pertaining to the weighing of carload and less-than-carload shipments. (For duplicates see item 336a.)	4 years.
233	Freight waybills: (a) Local waybills (b) Interline waybills received from other carriers (c) Copies of interline waybills made to other carriers (d) Company freight waybills (e) Memoranda or slips on which are listed waybills sent to audit office, if such memoranda or slips are not used in auditing the accounts. (f) Duplicates of above records. (See item 336a.)	2 years. Do. Do. 1 year. Optional.
234	Card waybills: (a) Card waybills, when used as revenue billing (b) Card waybills, when shipments are covered by other revenue waybills (c) Card waybills for nonrevenue shipments (d) Home route car waybills	2 years. 1 year. Do. Do.
235	Car cards, placards, and car certificates: (a) Car cards, side cards, placards and copies of car certificates when used for routing purposes or to show contents or condition of cars and with rules for handling. (b) Inspection certificates for cars containing explosives, forwarding agents' original	Optional. 2 years.
236	Reports, records, and instructions regarding the makeup of trains	1 year.
237	Records of freight stopped in transit: Records and reports showing the particulars in connection with shipments stopped, such as grain to be cleaned or milled, lumber to be dressed, posts or poles to be sorted, livestock to be fed, cotton to be compressed, etc.; and those showing particulars in regard to reshipment to final destination. (For duplicates see item 339a.)	3 years.
238	Freight bills and settlements: (a) Copies of freight bills for freight and other charges (b) Copies of agents' settlements with consignors and consignees (c) Agents' settlements between carriers (d) Lists of bills sent to audit office for collection and credit (e) Reports of uncollected freight charges (f) Duplicates of above records. (See item 336a.)	2 years. Do. Do. Do. Do.
239	Freight corrections: (a) Records and reports of correction notices (b) Duplicates of above records. (See item 336a.)	Do.
240	Freight records: (a) Records of and receipts for delivery of freight to consignees and connecting carriers. (b) Freight checkers' records (c) Orders from consignees for delivery of freight (d) Transfer records of freight received from and delivered to connecting carriers (e) Records fort he diversion or reconsignment of freight	2 years. Do. Do. Do. Do.

Item	Description of records	Period to be retained
	AGENCIES, YARDS AND ACCOUNTING BUREAUS—continued	
241	Notice of freight arrivals: Copies of notices to consignees of the arrival of freight	2 years.
242	Records of shipments accorded pick-up, delivery, drayage, c.o.d. or substitute highway service: (a) Reports and manifests of shipments accorded pick-up, delivery or drayage service. (b) Records and reports of c. o. d. shipments billed and received (c) Reports and manifests of shipments handled in substitute highway service	Do. Do. Do.
243	Freight reports: (a) Reports and abstracts of commercial waybills made and received (b) Reports and abstracts of company freight waybills made and received (c) Passing reports at junction points of through waybills forwarded to and received from connecting carriers. (d) Passing reports of waybills covering freight moving over divisions, bridges, etc. (e) Reports of shipments received or forwarded, not covered by waybills, such as coal, ore, etc. (f) Duplicates of above records. (See item 336a.)	Do. Do. 1 year. Do. 2 years.
244	Switching records: (a) Reports and records pertaining to revenue switching (b) Switching orders, switching tickets, and switching waybills (c) Duplicates of above records. (See item 336a.)	Do. Do.
245	Demurrage and storage records: (a) Records of cars arrived, placed, and released and of accruals of demurrage (b) Reports to auditing department and to demurrage and storage bureaus of accruals and collections of demurrage and storage charges. (c) Reports of uncollected demurrage and storage charges (d) Duplicates of above records. (See item 336a.)	Do. Do. Do.
246	Miscellaneous collections by agents: Records and reports of overcollection of freight and other charges (with record of refund or disposition); sale of unclaimed freight; sale of water; icing, weighing, reconsignment, loading, and unloading charges; garnishee fees, etc. (For duplicates see Item 339a.)	Do.
247	Car records and interchange reports: (a) Records and reports of cars received, forwarded, and on hand and wanted, including interchange with connecting lines. (b) Telegraphic report of cars interchanged at junctions, when data are transcribed into other records. (c) Telegraphic report of movement of freight, when data are transcribed into other records. (d) Record of car seals applied, released, and on hand (e) Yard car books showing cars on various yard tracks and industrial tracks (f) Daily reports of loaded cars passing yards (g) Duplicates of above records. (See item 339a.)	2 years. 1 year. Do. Do. Do. Optional.
248	Ticket records: (a) Records of tickets received, sold, and on hand (b) Inventories of tickets at agencies (c) Records of adjustments and corrections on ticket reports (d) Stubs of tickets, etc. (e) Envelopes and receipts for stop-over tickets deposited with agents at stop-over points. (f) Duplicates of above records. (See item 339a.)	2 years. Do. Do. 6 months after audit. Optional.
249	Ticket reports: (a) Reports of sale of tickets, sale of mileage books, collection for baggage, etc. (For duplicates, see item 339a.) (b) Report of credit claimed for tickets redeemed or issued in exchange	2 years. Do.
250	Sleeping, parlor, and chair car records: Sleeping, parlor, and chair car diagrams and correspondence in connection with reservations.	Optional.
251	Baggage records (a) Baggage records (b) Baggage waybills and manifests (c) Waybills for milk and cream and for return of empty containers (d) Records of excess and c. o. d. baggage checks issued (e) Releases for baggage in bad order (f) Receipts from agents, baggagemasters, and others for valuable letters and packages. (g) Receipts for lost and mismatched baggage checks (h) Transfer company checks and manifests (i) Duplicates of above records. (See item 339a.)	2 years. Do. 1 year. 2 years. Do. Optional. Do. Do.
252	Agency cash books	6 years.
253	Remittances: (a) Agents' and conductors' remittance slips, bank deposit slips, and supporting papers, not provided for elsewhere. (b) Agents' records of remittances (c) Statements of cash and other cash papers deposited with agents by conductors. (d) Duplicates of above records. (See item 336a.)	2 years. Do. Do.

Item	Description of records	Period to be retained
	AGENCIES, YARDS AND ACCOUNTING BUREAUS—continued	
254	Relief claims:	
	(a) Register of agents' relief claims	Do.
	(b) Agents' relief claims and supporting papers	Do.
255	Station records summarizing the debits and credits on account of revenues, remittances, claims, etc.	Do.
256	Agents' balance sheets:	
	(a) Monthly balance sheets and supporting papers	3 years.
	(b) Daily and weekly balance sheets, when figures are combined on monthly balance sheets.	1 year.
	(c) Daily and weekly balance sheets and supporting papers, when figures are not combined and carried to monthly balance sheets.	3 years.
	(d) Duplicates of above records. (See item 336a.)	
257	Other agency and yard records:	
	All records at agencies and yards not otherwise provided for in these regulations	1 year.
	JOINT ASSOCIATIONS, BUREAUS, AND SIMILAR AGENCIES	
	NOTE: Ledgers, journals, vouchers, bills, and other records of joint associations, etc., shall be retained for the same periods as are provided for such documents elsewhere in these regulations.	
270	Rules, regulations, and instructions to carriers, agents, and others	3 years after expiration or cancellation.
271	Statements of expenses of agencies and apportionment between carriers and others	3 years.
272	Statements of receipts of agencies and apportionment between carriers and others	Do.
273	Statements of freight handled, by carriers, commodities, gateways, or otherwise	Do.
274	Statements of passenger business, by carriers, classes, gateways, or otherwise	Do
275	Reports from carriers or agents of carriers showing freight handled, passengers carried, and other information, if summarized in records covered by items 271 to 274.	Optional.
276	Working papers and records tabulating data for records covered by items 273 and 274	Do.
277	Waybills:	
	(a) Copies of waybills received from carriers or agents of carriers, if such copies contain no information other than that appearing on the original waybills.	Optional.
	(b) Abstracts or lists accompanying copies of waybills covered by (a) above, when used only for checking the copies received.	Do.
278	Weighing and inspection of freight:	
	(a) Weight agreements, such as those providing for acceptance of shippers' weights, subject to inspection of books, etc.	4 years.
	(b) Records and reports covering the settlement with shippers and carriers for undercharges in weight.	Do.
	(c) Records and reports of shipments moving under weight agreements	Do.
	(d) Weighmasters' oaths, weight tickets, weight certificates, and reports of weighmasters.	Do.
	(e) Reports to carriers of shipments weighed or inspected, of corrections made on waybills, and similar matters.	Do.
	(f) Duplicates of above records. (See item 336a.)	
279	Demurrage and storage:	
	(a) Records summarizing the accruals of demurrage and storage charges	2 years.
	(b) Reports and statements to carriers of demurrage and storage, and file copies thereof.	Do.
	(c) Reports from agents of carriers of accruals of demurrage and storage charges, of cars received, placed, and released, of constructive placement, etc.	Do.
	(d) Records and supporting papers covering the cancellation or refund of demurrage and storage charges.	Do.
	(e) Duplicates of above records. (See item 336a.)	
280	Validating of tickets:	
	Records and reports pertaining to the validating of passenger fare tickets. (For duplicates see item 336a.)	Do.
281	Mileage-book settlements:	
	(a) Records and reports pertaining to settlements with carriers and passengers regarding mileage books, scrip books, reduced-rate credentials, and similar tickets.	Do.
	(b) Record of tickets redeemed, including claimants' receipts for cash refunds	Do.
	(c) Duplicates of above records. (See item 336a.)	
282	Statements, schedules, and bills rendered steamship or other carriers covering the amount due for tickets issued in exchange for orders, file copies of.	4 years.
283	Clergy permits:	
	Applications for clergy permits, and records and reports pertaining to the issuance and use of clergy permits.	2 years.

Item	Description of records	Period to be retained
	REPORTS TO REGULATORY AGENCIES	
	NOTE: The supporting papers referred to in item 300 are those requisite to support the reports named, and not elsewhere provided for in these regulations. If figures for such reports are assembled on memorandum sheets, such sheets constitute a part of the supporting papers and shall be retained accordingly.	
300	Financial and statistical reports:	
	(a) Annual report forms. Financial, operating, and statistical summaries, file copies of, and supporting papers.	Permanent.
	(b) Monthly reports of revenues and expenses, file copies of, and supporting papers	1 year.
	(c) Monthly reports of selected income and balance sheet items, file copies of, and supporting papers.	Do.
	(d) Monthly reports of operating statistics, file copies of, and supporting papers	Do.
	(e) Monthly reports of analysis of passenger traffic, file copies of, and supporting papers.	Do.
	(f) Monthly reports of employees, service and compensation, file copies of, and supporting papers.	Do.
	(g) Quarterly report of freight commodity statistics, file copies of, and supporting papers.	2 years.
	(h) Quarterly report on expenditures for additions and betterments, file copies of, and supporting papers.	1 year.
	(i) Monthly accident reports, file copies of, and supporting papers	3 years.
	(j) Monthly reports of hours of service, file copies of, and supporting papers	2 years.
	(k) Monthly locomotive boiler inspection and repair reports, file copies of, and supporting papers.	2 years.
	(l) Annual locomotive boiler inspection and repair reports, file copies of, and supporting papers.	5 years.
	(m) Special orders from Interstate Commerce Commission for repairs to locomotive boilers, and file copies of special repair reports covering such repairs.	2 years.
	(n) Quarterly boiler inspection and repair reports, other than steam locomotive, file copies of, and supporting papers.	5 years.
	(o) Specification cards for locomotive boilers, file copies of, and supporting blueprints and alteration reports.	1 year after boiler is retired.
	(p) Freight car location reports, file copies of, and supporting papers	1 year.
	(q) Reports to regulating bodies regarding expenditures of proceeds from sale of authorized securities, file copies of, and supporting papers.	5 years.
	ADMINISTRATIVE, FINANCIAL, AND STATISTICAL REPORTS	
310	Monthly or other periodical statements of general balance sheet, income, and retained income accounts, comparative or otherwise.	2 years.
311	Monthly or other periodical statements of revenues and expenses, comparative or otherwise, and analyses of increases and decreases.	Do.
312	Monthly or periodical statements of estimated or approximate revenues and expenses, when not used as bases for crediting or charging the accounts.	Optional.
313	Agents' daily or weekly reports of tonnage, revenue, or receipts, used only for preparing statements of estimated revenues or the movement of traffic.	Do.
314	Monthly or other periodical statements of tonnage handled, by tons, ton-miles, commodities, divisions, or otherwise.	2 years.
315	Monthly or other periodical statements of car-miles, train-miles, and movements of freight and passenger cars.	Do.
316	Monthly or other periodical statements of performances of locomotives	Do.
317	Monthly or other periodical statements of employees by duties, days, compensation, or otherwise.	Do.
318	Monthly or other periodical statements of passenger traffic, by number of passengers, passenger-miles, divisions, or otherwise.	Do.
319	Working papers or records on which are assembled figures for records covered by items 310, 311, 314-318.	Do.
320	Miscellaneous statistical reports, statements, and summaries used for administrative purposes only. (Not otherwise provided for herein.)	Optional.
	MISCELLANEOUS	
330	Records of employees:	
	(a) Applications for employment, reports and certificates of examinations, service records, efficiency tests, employees' rosters, and other similar records pertaining to employees.	1 year after termination of service.
	(b) Applications for employment and replies thereto not resulting in employment of applicant.	Optional.
331	Instructions to agents and others:	
	(a) Books and circulars of instructions to agents and others, in the general file of the department in which the complete official file is maintained.	3 years after expiration or cancellation.
	(b) Surplus copies of books and circulars of instructions and copies in other departments and at agencies, if copies of the same issues are preserved in the general file referred to in (a) above.	Optional.

Item	Description of records	Period to be retained
	MISCELLANEOUS—continued	
332	Land, industrial, and immigration department records:	
	(a) Reports, records, and correspondence containing inquiries from and replies to prospective homeseekers and industries regarding localities and conditions.	2 years.
	(b) Agents' periodical itinerary reports	1 year.
	(c) Agents' periodical field or work reports	Do.
	(d) Periodical reports from agents, industries, and others, furnishing data for annual reports for industrial, commercial, and agricultural directories, and similar publications.	Do.
333	Provident department records:	
	Records of provident departments, such as employees' relief, hospital, insurance and savings departments, other than records pertaining to the receipt and disbursement of funds.	1 year after termination.
	NOTE: The records pertaining to the receipt and disbursement of funds must be retained for the same periods as are provided for similar records elsewhere in this order.	
334	Correspondence:	
	(a) Correspondence and records thereof relating to subjects listed in items 1 to 333 inclusive.	For the period prescribed for the records to which the correspondence relates.
	(b) Operators' copies of telegrams, including relay copies, if the original or other copies of such messages are retained, as provided for in (a) above.	Optional.
	(c) Stenographers' notebooks and phonograph and other mechanical device records, if transcripts thereof are retained, as provided for in (a) above.	Do.
	(d) Extra copies of letters, etc., used for tracing or following up correspondence, or for other purposes, if original or other copies are retained as provided for in (a) above.	Do.
335	Data processing:	
	Tabulating cards, tapes, and other media used in the compilation of accounts and statistics and other data, when the results are transcribed to other records covered by these regulations.	Do.
336	(a) Duplicate copies of records and documents covered by items 231-233; 237-239; 243-249; 251, 253, 256, when held by agents.	See § 1220.7.
	(b) Duplicates of other accounts, records, and memoranda listed in these regulations when they are not provided for otherwise and when they contain no information other than that shown on the originals.	Optional.
337	The official record of records and documents destroyed (see § 1220.5)	Permanent.

PART 1221—ELECTRIC RAILWAYS

Sec.

1221.1 General authority to destroy records.
1221.2 Special permission to destroy records.
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1221.13 Accidental destruction of records.
1221.14 Duplicate accounts, records and memoranda.
1221.15 List of records and periods of retention.

AUTHORITY: The provisions of this part 1221 issued under secs. 12, 20, 24 Stat. 383, as amended, 386, as amended; 49 U.S.C. 12, 20, unless otherwise noted.

§ 1221.1 General authority to destroy records.

Electric railway companies subject to Part I of the Interstate Commerce Act may destroy accounts, records, or memoranda named or described in this part, if their permanent retention is not therein specifically required, after preservation for the respective periods of time hereinafter prescribed and upon compliance with requirements of this part. Authority contained in this part shall not, however, exempt an electric railway company from any statutory requirements other than the provisions of section 20 (7) (b) of the Interstate Commerce Act, as amended, relating to the destruction of carriers' accounts, records, and memoranda.

§ 1221.2 Special permission to destroy records.

The destruction of all accounts, records, and memoranda of electric railway companies, except as specifically provided in this part, is prohibited under penalties contained in section 20(7)(b) of the Interstate Commerce Act, as amended. However, an electric railway company proposing to destroy accounts, records, or memoranda not hereinafter named or described, or proposing to photograph and destroy accounts, records, or memoranda specifically restricted by or excluded from the provisions of § 1221.3, may apply to the Commission for special authority to accomplish either such purpose. Such applications shall state a full and detailed description of the accounts, records, or memoranda in question, clearly explaining their character, their use, and their purpose, and such special authority will not be granted except on a showing that the regulations impose an unreasonable burden.

§ 1221.3 Preservation by photography.

Accounts, records, and memoranda named or described in § 1221.15, which have been photographed for preservation by any standard process meeting the requirements of § 1221.5, may be destroyed after due certification of such disposition, subject to the exceptions and restrictions imposed by § 1221.4.

§ 1221.4 Photographic copies.

(a) Photographic copies shall be preserved until the close of the period prescribed in § 1221.14 for the retention of the account, record, or memorandum so photographed and the photographic copies shall not be destroyed without the same certification required for the originals thereof.

(b) This permission to destroy shall in no case apply to accounts, records, and memoranda which are required to be retained permanently by the following items under § 1221.15:

Item	*Description*
1	Minute books of directors', executive committees', stockholders', and other meetings.
3	Capital stock records.
4	Long-term debt records.
7	Ledgers.
9	General and auxiliary journals.
10	General and auxiliary cash books.
11	General journal entries or vouchers and supporting papers.
13	Deeds, charters, franchises, and other title papers.
14	Contracts and agreements.
16	Copies of applications to and authorities from regulating bodies for the issuance of stocks, bonds, and other securities.
46	Property records.
90	Reports to I. C. C. and other regulating bodies.
91	Annual reports to stockholders, file copies of.
95	Correspondence. (This exclusion shall apply only to correspondence which relates to excluded accounts and records.)

(c) All accounts, records, and memoranda included in the following items of § 1221.15, other than those required by paragraph (b) of this section to be retained permanently, or those which may be destroyed at the carrier's option, shall be retained in their original form not less than two years, or not less than the period prescribed in § 1221.15 where such prescribed period is shorter than two years:

Item	*Description*
2	Code and cipher books, file copies of.
5	Corporate elections.
8	Records of securities owned.
12	Records summarizing the results of operations other than electric railway operations.
15	Tax records.
21–22	Bills collectible records.
30–31	Revenue records pertaining to agents' and conductors' accounts.
32	Interline revenue settlements.
40	Vouchers.
41	Pay roll records.
42	Claim records.
44	Labor records, if they pertain to transportation employees as defined in the Hours of Service Act.
45	Material and supplies.
70	Records pertaining to agents' accounts.
72–73	Agency records.
75	Conductors' original records and reports.
78–79	Transportation records.
80	Operating department records.
92	Periodical statistical statements of operating results.
94	Data relating to the destruction of records.
95	Correspondence, if pertaining to accounts or records required to be retained two years in original form.

§ 1221.5 Photographic processes.

(a) Photographic processes used for preservation of accounts, records, or

memoranda must produce copies without significant loss of clarity, and the material to be photographed shall be sorted in an orderly manner and shall be adequately indexed. Photographic copies shall be no less readily accessible than the original account, record, or memorandum as normally filed or preserved would be, and suitable means or facilities shall be available to locate, identify, read, or reproduce such photographic copies. Upon request by the Commission's representatives, carriers shall furnish prints, enlarged to original size, of any accounts, records, or memoranda which have been photographed for preservation.

(b) Any significant characteristic, feature, or other attribute of the original record or document, which photography in black and white will not preserve, shall be clearly indicated before the photograph is made. The reverse side of printed forms need not be copied if nothing has been added to the printed matter common to all such forms, but an identified specimen of such form shall be on the film for reference.

(c) Film used for preservation of photographic copies shall be of permanent-record type meeting in all respects the minimum specifications of the National Bureau of Standards, and all processes recommended by the manufacturer of such film shall be observed to protect it from deterioration or accidental destruction.

§ 1221.6 Officer having supervision of destruction.

(a) An officer or, where necessary, two officers shall be appointed by the company's board of directors to have supervision over the destruction of all accounts, records, and memoranda. Such officer or officers may be given (1) general supervision over the destruction of all accounts, records, and memoranda the destruction of which is permitted by the regulations in this subpart or (2) authority over the destruction of such accounts, records, and memoranda as may be specified by the board of directors. Pending confirmation by the board of directors, a temporary appointment by an executive committee, or by a similarly authorized committee of the board of directors, shall have the same effect as if made by the board of directors. A copy of the resolution of appointment shall be filed with the Commission before accounts, records, or memoranda may be destroyed pursuant thereto.

(b) If an electric railway is in the hands of a trustee, receiver, executor, administrator, or assignee, the officer or officers to have supervision over the destruction of accounts, records, and memoranda shall be designated by the trustee, receiver, executor, administrator, or assignee. A copy of the order designating such officer or officers shall be filed with the Commission before accounts, records, or memoranda may be destroyed pursuant thereto.

(c) In designating an officer or officers to have general supervision over the destruction of accounts, records, and memoranda it is preferable to designate by title only, rather than by name and title, and thus obviate the necessity for a new resolution or order each time a successor in the office is appointed.

§ 1221.7 Written authority of supervising officer.

(a) When any accounts, records or memoranda are to be destroyed, the officer having supervision over the destruction of accounts, records, and memoranda (as designated in § 1221.6(a) or § 1221.6(b) shall issue a written authority naming the person or persons by whom the accounts, records, or memoranda are to be destroyed (except as provided in § 1221.14(b)).

(b) The written authority (1) may be confined to certain accounts, records, and memoranda which have been retained for the periods of time specified in this subpart and which the carrier proposes to destroy, in which case the authority shall specify: (i) A list of the accounts, records, and memoranda to be destroyed, expressed either in form numbers or by descriptive titles; and, (ii) the period or periods covered by the accounts, records, and memoranda the destruction of which is authorized; or (2) May be of continuing effect, applying to any or all the accounts, records, or memoranda named herein as the periods of retention of such accounts, records, or memoranda attain the limits specified herein.

(c) Such written authority, or a certified copy thereof shall be filed in the office of the issuing officer as a permanent part of the company's records. Copies of the specific written authorities need not be filed with the Commission.

§ 1221.8 Certificates of destruction.

(a) The person or persons by whom accounts, records, or memoranda are to be destroyed under the written authority referred to in § 1221.7(b)(1) shall certify (except as otherwise provided in paragraph (d) of this section and § 1221.15) that the accounts, records, or memoranda listed in the said authority have been destroyed and that no accounts, records, or memoranda other than those so listed have been destroyed therewith.

(b) The person or persons by whom accounts, records, or memoranda are to be destroyed under continuing authority referred to in § 1221.7(b)(2) shall certify such destruction (except as otherwise provided in paragraph (d) of this section and § 1221.14), listing by form numbers and descriptive titles the accounts, records, and memoranda destroyed, naming the period or periods covered by such accounts, records, and memoranda, and stating that no accounts, records, or memoranda other than those so listed have been destroyed therewith. Either (1) a separate certificate shall be filed each time any accounts, records, and memoranda are destroyed, or (2) cumulative certificates shall be filed with supplementary entries every time additional accounts, records, and memoranda are destroyed.

(c) Certificates of destruction shall be forwarded promptly to the officer having supervision over the destruction of accounts, records, and memoranda who issued the written authority and shall be retained in his office as a permanent part of the company's records. Cumulative certificates shall be forwarded to such officer periodically, but at least once every six months. Copies of certificates of destruction need not be filed with the Commission.

(d) Certificates of destruction are not required for those accounts, records, and memoranda listed in § 1221.15, the destruction of which is optional with the company, but a written authority for specific records or of continuing effect shall be issued (except as otherwise provided in § 1221.14) by the officer having supervision over the destruction of such accounts, records, and memoranda.

§ 1221.9 Committee for the destruction of certain records.

At the option of the electric railway company a committee may be designated to destroy by conversion into pulp, or by cremation, canceled stock certificates, bonds, or other records covered by item 6 of § 1221.15, in lieu of delegating authority for such destruction to an officer as provided in § 1221.6. A copy of the resolution of the board of directors, or if not a corporate act a copy of the designating order, shall be filed promptly with the Commission. A certificate of destruction giving full descriptive reference to the documents destroyed shall be filed by this committee and shall be retained as a permanent part of the electric railway company's records. (See § 1221.8(c).) When documents represent debt secured by mortgage, the certificates of destruction shall also be authenticated by or for the trustees under the mortgage acting in conjunction with this committee or shall have the trustees' acceptance endorsed thereon.

§ 1221.10 Joint bureaus and agencies.

This subpart applies also to the destruction of accounts, records, and memoranda of traffic associations, fast freight lines, demurrage and car service bureaus, weighing and inspection bureaus, and other joint agencies maintained by or on behalf of electric railways. The manager, chairman, or other officer in charge of the association, bureau, etc., may be delegated by the designated officer of each of the carriers to have supervision of the destruction of accounts, records, and memoranda of the association, etc., and in that event he shall issue all authorities for such destruction, and certificates of destruction shall be filed with him. Otherwise, a written authority shall be obtained from the proper officer of the member carriers concerned each time any of the accounts, records, or memoranda are to be destroyed, and a certificate of destruction shall be filed with each such officer.

§ 1221.11 Nonoperating companies.

A company owning or controlling electric railway property which it does not operate but which it leases to others for operating purposes shall observe this subpart in case it desires to destroy any

of its corporate or financial accounts, records, or memoranda.

§ 1221.12 Method of destruction.

(a) The precise method of destruction of accounts, records, and memoranda is not prescribed. The Commission is not concerned whether the destruction is by fire, sale, conversion into pulp, or otherwise, providing the destruction is authorized, a certificate of destruction is filed, and all other requirements of this subpart, are observed.

(b) If the accounts, records, and memoranda are not actually destroyed by the electric railway company, the certificate of destruction shall so state. Section 15 of the Interstate Commerce Act provides that information concerning the business of a shipper or consignee, which may be used to the detriment of such shipper or consignee, shall not be divulged. Responsibility for possible infringement of this provision of the act, by disposing of its records without actually destroying them, would rest with the carrier.

§ 1221.13 Accidental destruction of records.

If any accounts, records, or memoranda are destroyed accidentally by fire, flood, or other casualty, a statement shall be prepared listing so far as possible the records destroyed and detailing the circumstances in connection with the fire or other casualty. This statement shall be authenticated by an officer or some responsible employee of the company and shall be filed with the officer having supervision over the destruction of accounts, records, and memoranda. A copy of the statement certifying such destruction shall be filed promptly with the Commission.

§ 1221.14 Duplicate accounts, records and memoranda.

(a) Provision is made in item 74 of § 1221.15 for the destruction of agency copies of certain accounts, records, and memoranda. Certificates of destruction are not required for these copies, but a written authority as provided in § 1221.7 (a) and § 1221.7(b) shall be issued and appropriately filed with the officer having jurisdiction over the destruction of records.

(b) Provision is made in item 9[illegible] of § 1221.15 for the optional destruction of duplicate copies of accounts, records, and memoranda when such copies are not specifically provided for elsewhere in this subpart and when they contain no information not shown on the originals. Neither written authority to destroy nor certificates of destruction are required for these copies. The originals (or one true copy) shall be retained for the respective periods named for such records in this subpart.

§ 1221.15 List of records and periods of retention.

The following list is indicative of accounts, records, and memoranda specifically referred to in § 1221.1. The description of the accounts, records, and memoranda enumerated below under the various general headings is merely for convenient reference and identification. This subpart is intended to apply to the items as named or described, regardless of where they are filed and regardless of departmental organization. Of the accounts, records, and memoranda which are to be retained permanently only the more important are stated in this list, the specific mention being made so that they may not be confused with any accounts, records, and memoranda for which permission to destroy is given herein.

Item	Description of accounts, etc.	Period to be retained
	GENERAL AND FINANCIAL	
1	Minute books of directors' executive committee's, stockholders', and other meetings.	Permanent.
2	Code and cipher books, file copies of	Do.
3	Capital stock records:	
	(a) Capital stock ledger	Do.
	(b) Capital stock certificates, records of or stubs of	Do.
	NOTE.—If the information shown on the stubs is recorded in permanent records, the stubs are required to be retained only for a period of three years.	
	(c) Stock transfer register	Do.
	(d) Memoranda and bills of sale or of transfer of capital stock.	Optional.
	(e) Canceled capital stock certificates. (See item 6.)	
4	Long-term debt records:	
	(a) Registers of bonds and certificates	Permanent.
	(b) Records or stubs of bonds and certificates	Do.
	NOTE.—If the information shown on the stubs is recorded in permanent records, the stubs are required to be retained only for a period of three years.	
	(c) Memoranda and bills of sale or of transfer of registered bonds and certificates.	Optional.
	(d) Records of interest coupons paid and unpaid	Do.
	(e) Funded debt subscription notices and requests for allotment.	Do.
	(f) Canceled or unissued bonds and certificates, and paid interest coupons. (See item 6.)	
5	Corporate elections:	
	(a) Proxies of holders of voting securities	6 years.
	(b) List of holders of voting securities presented at meetings.	Do.
	(c) Qualification oaths of judges of election	Optional.
	(d) Qualification oaths of directors	Do.
	(e) Ballots cast and tabulations of vote	6 years.
	(f) Judges' reports of election results	Do.
6	Retired stock certificates, bonds, notes, interest coupons, receiver's and trustee's certificates, and temporary certificates; taken up and canceled. (See § 1221.9)	Optional.
7	Ledgers:	
	(a) General and auxiliary ledgers and indexes thereto	Permanent.
	(b) Balance sheets of general ledgers	Do.
	(c) Trial balance sheets of general and auxiliary ledgers	Do.
8	Record of securities owned, in treasury, or with custodians	Do
9	General and auxiliary journals	Do.
10	General and auxiliary cash books, except cash books at agencies provided for in item 72.	Do.
	NOTE.—If any receipts or payments are entered in the aggregate in the general cash book and are detailed only on loose sheets, such loose sheets constitute an auxiliary cash book when no other permanent record o ithe items thereon is made.	
	GENERAL AND FINANCIAL—continued	
11	General journal entries or vouchers and supporting papers except as provided for elsewhere in these regulations.	Permanent.
12	Records summarizing the results of operations other than electric railway operations.	Do.
	NOTE.—Ledgers, journals, abstracts, reports, vouchers, etc., shall be retained for the same periods as are provided for similar documents elsewhere in these regulations.	
13	Deeds, charters, franchises, and other title papers	Until legally required to release
14	Contracts and agreements:	
	(a) Card or book records of contracts, leases, and agreements made, and of expirations and of renewals.	Permanent.
	(b) Contracts, leases, and agreements. See also items 14(c) and 46(d).	Do.
	(c) Contracts and required files for transactions which are subject to the provisions of the Clayton Anti-trust Act (15 U.S.C. 20).	In original form for 10 years after expiration, provided there is no pending litigation involving these records and, provided that the carrier informs the Commission of its intended action 2 weeks prior to date the records are to be destroyed.
15	Tax records:	
	Copies of schedules and returns to taxing authorities for tax purposes; records of appeals, tax bills, and statements.	Do.
16	Copies of applications to and authorities from regulating bodies for the issuance of stocks, bonds, and other securities.	Do.
17	Fidelity bonds of employees; records and files	3 years after expiration of coverage.
18	Insurance records:	
	(a) Schedules of fire and other insurance; also records of payment of premiums and of amounts recovered.	4 years.
	(b) Records of policies in force	Optional.
	(c) Inspectors' reports of condition of property	Do.
	(d) All other insurance records	Do

Item	Description of accounts, etc.	Period to be retained
	GENERAL AND FINANCIAL—continued	
19	Treasurer's records:	
	(a) Records of outstanding checks	6 years.
	(b) Bank deposit books and records of checks	Do.
	(c) Other treasurer's records	3 years.
	(d) Verifications of cash or securities	2 years.
20	Records of credit investigations, except as provided in item 70 (c).	1 year.
21	Register of bills collectible and indexes thereto	15 years.
22	Audit copies of bills collectible and supporting papers which do not accompany original bills.	4 years.
	REVENUES	
30	Records summarizing debits and credits to transportation revenue accounts from settlements with agents and conductors.	6 years.
31	Records summarizing debits and credits to accounts for operating revenues other than transportation from settlements with agents, conductors, and others.	6 years.
32	Records summarizing interline settlements of revenue with other carriers.	4 years.
33	Records of cash fare collections	2 years.
	DISBURSEMENTS	
40	Vouchers:	
	(a) Registers of audited vouchers and indexes thereto	15 years.
	(b) Paid drafts, paid checks, and receipts for cash paid out.	10 years.
	(c) Paid and canceled vouchers, audit office copies of vouchers, and supporting papers, except as otherwise provided in items 42 (c) and 46 (f).	Do.
	(d) Reports of drafts issued by agents and others	1 year.
41	Payroll records:	
	(a) Payrolls and summaries	Permanent. See item 46f.
	(b) Applications and authorities for changes in payrolls.	Optional.
	(c) Applications for payroll changes not authorized	Do.
	(d) Records and memoranda pertaining to deductions from payrolls.	Do.
	(e) Receipted pay checks, receipted time tickets, certificates issued for wages, discharge tickets, and other evidences of payments for services rendered by employees, except as otherwise provided in item 46 (f).	6 years.
42	Claim records:	
	(a) Claim registers, card or book indexes, and other records in connection with overcharge, loss and damage, personal injury, and other claims.	6 years.
	(b) Records showing the details of authorites issued to agents and others for participation in claims.	Do.
	(c) All papers substantiating overcharge, loss and damage, personal injury, and other claims, whether filed separately or attached to vouchers.	4 years after settlement or rejection.
	(d) Claim jackets and folders, if all information thereon appears in records covered by (c) above.	Optional.
	(e) Claim bases constituting a duplicate record of claims, if substantiating papers are filed with another interested carrier.	2 years.
43	Statistical and other records showing settlement or disposition of claims, not otherwise provided for in item 42.	3 years.
44	Records showing details of labor expenditures charged to all accounts, including memoranda and memorandum recapitulation sheets, except as otherwise provided in item 46 (f).	4 years.
45	Material and supplies:	
	(a) Records of material and supplies on hand	6 years.
	(b) Records showing details of material expenditures charged to all accounts, except as otherwise provided in item 46f.	4 years.
	(c) Material inventory and inventory adjustment records.	2 years.
	(d) Bids, offers, copies of orders, and correspondence pertaining to the purchase of material and supplies, except as otherwise provided in items 14(c) and 46(f).	Do.
	(e) Requisitions and receipts for material and supplies issued, if full details are retained in other records. See item 46f.	1 year.
46	Property records:	
	(a) Records and memoranda of cost and of inventory value of real property and equipment.	Permanent.
	(b) Records and memoranda of additions to and betterments of real property and equipment.	Do.
	(c) Records and memoranda of depreciation, retirements, and replacements of real property and equipment.	Do.
	(d) Records of contracts and other agreements relating to the construction, acquisition or sale of real property and equipment except as otherwise provided for in item 14(c).	Do.
	(e) Reports and records of equipment numbers changed	Permanent.
	(f) Records, reports, statements, and memoranda showing details of the cost of real property and equipment, such as payrolls, labor and material distribution sheets, copies of individuals' and companies' bills, time books, time tickets, work orders, job tickets, check rolls, material requisitions, and similar records, if full details are not transcribed into records covered by items (a) to (b) above.	Do.
	(g) Records, reports, statements, and memoranda similar to those covered by item (f) if full details are transcribed into records which will be retained permanently.	2 years.

Item	Description of accounts, etc.	Period to be retained
	MAINTENANCE OF WAY, STRUCTURES, AND EQUIPMENT	
50	Records and reports of repairs to and renewals of roadway and track.	3 years.
51	Records and reports of repairs to and renewals of buildings, bridges, and other structures.	Do.
52	Authorities for expenditures for repairs to and renewals of roadway and structures.	Optional.
53	Inspectors' records and reports of condition of track, structures, and equipment.	2 years.
54	Records and reports of repairs to equipment	3 years.
55	Authorities for expenditures for repairs to and renewals of equipment.	Optional.
56	Equipment defect and repair cards	Do.
57	Records and reports of equipment in and out of service	2 years.
	TRAFFIC	
60	Tariffs and other rate authorities:	
	(a) Tariffs, classifications, division sheets, and circulars which constitute the complete official file of the company.	2 years after expiration or cancelation.
	(b) Copies of tariffs, classifications, division sheets, and circulars which are not a part of the complete official file of the company referred to in (a) above.	Optional after expiration or cancelation.
	(c) Correspondence and working papers relating to the determination of rates and the compilation of tariffs, classifications, division sheets, and circulars.	3 years after cancelation of tariff, etc.
61	Copies of concurrences filed with the Interstate Commerce Commission or with other regulating bodies.	2 years after cancelation.
62	Authorities for the transportation of property, free or at reduced rates, and supporting papers.	3 years.
63	Public timetables	Optional.
	TRANSPORTATION	
70	Records pertaining to agents' accounts:	
	(a) General office records or ledgers of agents' accounts showing debits and credits from various sources.	6 years.
	(b) Records and files of indemnity bonds incident to transportation and other charges.	3 years.
	(c) General office records relating to extension of credit for transportation and other charges.	6 years.
	(d) Statements of corrections in agents' accounts	3 years.
71	Reports of examinations, audits, and transfers by special accountants, traveling auditors, time inspectors, weight inspectors, etc., and supporting papers.	Do.
72	Agency cash books and monthly balance sheets with supporting details of audit office settlements.	Do.
73	Agents' original records and reports of station transactions, other than cash or audit office settlement.	2 years.
74	Duplicate agency records and reports if full information is retained as provided in items 72 and 73.	Optional. See § 1221.14 (a).
75	Conductors' original records and reports	2 years.
76	Duplicates constituting conductors' records of transactions reported.	Optional.
77	Records of ticket punches	2 years after use of punch is discontinued.
78	Transportation of commodities:	
	(a) Freight and baggage waybills	2 years.
	(b) Switching and weighing orders and tickets	Do.
	(c) Bills of lading and releases	Do.
79	Transportation of passengers:	
	(a) Ticket records	Do.
	(b) Used or canceled tickets	Optional.
	(c) Records of passes and reduced fare tickets	3 years.
80	Operating department records:	
	(a) Train movement and protection records	Do.
	(b) Car distribution and location records	Do.
	(c) Hours of service records and rosters of train and station employees.	Do.
	(d) Records relating to protection of property, including that of the carrier, shippers, or others.	2 years.
	(e) Accident and damage reports and records	Do.
	(f) Instructions to agents, conductors, or others	3 years after expiration.
	MISCELLANEOUS	
90	Reports to Interstate Commerce Commission and other regulating bodies:	
	(a) Annual financial, operating and statistical reports, file copies of, and supporting papers.	Permanent.
	(b) Monthly reports of accidents, inspection, hours of service, etc., file copies of, and supporting papers.	3 years.
91	Annual reports to stockholders, file copies of	Permanent.
92	Periodical statistical statements of operating results, by tonnage, mileage, passengers carried, commodities, costs, analysis of increases and decreases, or otherwise.	3 years.
93	Duplicates of accounts, records, and memoranda listed in these regulations, when they are not provided for otherwise and when they contain no information other than that shown on the originals.	Optional. See § 1221.14 (b).
94	Written authorities and certificates of destruction of accounts, records, and memoranda required by these regulations.	Permanent.
95	Correspondence and records thereof relating to subjects listed in these regulations.	For the period prescribed for the subject matter.
96	All records, reports, and statements used for administrative purposes only and not required to support items listed in these regulations.	Optional.

PART 1222—SLEEPING CAR COMPANIES

Sec.
1222.1 General authority to destroy records.
1222.2 Special permission to destroy records.
1222.3 Preservation by photography.
1222.4 Photographic copies.
1222.5 Photographic processes.
1222.6 Officer having supervision of destruction.
1222.7 Written authority of officer having supervision of destruction.
1222.8 Certificates of destruction.
1222.9 Committee for destruction of certain records.
1222.10 Method of destruction.
1222.11 Accidental destruction of accounts, records, and memoranda.
1222.12 Duplicate accounts, records, and memoranda.
1222.13 List of accounts, records, and memoranda, and periods of retention.

AUTHORITY: The provisions of this part 1222 issued under sec. 12, 20, 24 Stat. 383, as amended, 386; as amended, 49 U.S.C. 12, 20.

NOTE: Section 20 (7) (b) of the Interstate Commerce Act reads as follows:

Any person who shall knowingly and willfully make, cause to be made, or participate in the making of, any false entry in any annual or other report required under this section to be filed, or in the accounts of any book of accounts or in any records or memoranda kept by a carrier, or required under this section to be kept by a lessor or other person, or who shall knowingly and willfully destroy, mutilate, alter, or by any other means or device falsify the record of any such accounts, records, or memoranda, or who shall knowingly and willfully neglect or fail to make full, true, and correct entries in such accounts, records, or memoranda of all facts and transactions, appertaining to the business of the carrier, lessor, or person, or shall knowingly and willfully keep any accounts, records, or memoranda contrary to the rules, regulations, or orders of the Commission with respect thereto, or shall knowingly or willfully file with the Commission any false report or other document, shall be deemed guilty of a misdemeanor and shall be subject, upon conviction in any court of the United States of competent jurisdiction, to a fine of not more than five thousand dollars or imprisonment for not more than two years, or both such fine and imprisonment: *Provided*, That the Commission may in its discretion issue orders specifying such operating, accounting, or financial papers, records, books, blanks, tickets, stubs, correspondence, or documents of such carriers, lessors, or other persons as may, after a reasonable time, be destroyed, and prescribing the length of time the same shall be preserved.

It is not intended that these regulations shall be interpreted as requiring that the records herein named shall be installed, when such records are not already kept by a carrier.

§ 1222.1 General authority to destroy records.

Sleeping car companies subject to Part I of the Interstate Commerce Act may destroy accounts, records, or memoranda named or described in this part, if their permanent retention is not specifically required by provisions of § 1222.13, after preservation for the respective periods of time prescribed and upon compliance with requirements of this part. Authority contained in this part shall not, however, exempt a carrier from any statutory requirements other than the provisions of section 20(7) (b) of the Interstate Commerce Act, as amended, relating to the destruction of carriers' accounts, records, and memoranda.

§ 1222.2 Special permission to destroy records.

The destruction of all accounts, records, and memoranda of sleeping car companies, except as specifically provided in this part, is prohibited under penalties contained in section 20(7) (b) of the Interstate Commerce Act, as amended. However, sleeping car companies, proposing to destroy accounts, records, or memoranda not hereinafter named or described, or proposing to photograph and destroy accounts, records, or memoranda specifically restricted by or excluded from the provisions of § 1222.3, may apply to the Commission for special authority to accomplish either such purpose. Such applications shall state a full and detailed description of the accounts, records, or memoranda in question, clearly explaining their character, their use, and their purpose, and such special authority will not be granted except on a showing that the regulations impose an unreasonable burden.

§ 1222.3 Preservation by photography.

Accounts, records and memoranda named or described in § 1222.13, which have been photographed for preservation by any standard process meeting the requirements of § 1222.5, may be destroyed after due certification of such disposition, subject to the exceptions and restrictions imposed by § 1222.4.

§ 1222.4 Photographic copies.

(a) Photographic copies shall be preserved until the close of the period prescribed in § 1222.13 for the retention of the account, record, or memorandum so photographed and the photographic copies shall not be destroyed without the same certification required for the originals thereof.

(b) This permission to destroy shall in no case apply to accounts, records, and memoranda which are required to be retained permanently by the following items under § 1222.13.

Item	*Description*
1	Minute books of directors', executive committee's, stockholders', and other meetings.
3	Capital stock records.
4	Bond records.
7	Annual reports or statements to stockholders, file copies.
9	Deeds and other title papers, and franchises.
10	Contracts and agreements.
11	Ledgers.
12	General journals.
13	General journal entries and supporting papers.
14	General and auxiliary cash books.
16	Copies of applications to and authorities from regulating bodies for the issuance of stocks, etc.
50	Reports to I. C. C. and other regulating bodies.
60	Road and equipment records.
61	Authorities for expenditures.
62	Engineering records.
192	Correspondence. (This exclusion shall apply only to correspondence which relates to excluded accounts and records.)

(c) All accounts, records, and memoranda included in the following items of § 1222.13, other than those which may be destroyed at the carrier's option, shall be retained in their original form not less than two years, or not less than the period prescribed in § 1222.13 where such prescribed period is shorter than two years:

2	Code and cipher books, file copies of.
5	Corporate elections.
8	Records of securities owned.
15	Tax records.
52	Records of auxiliary (outside) operations.
60	Road and fixed property records covered by (d) if not transcribed into permanent records.
70	Agents' reports of sale of tickets for berths and seats.
73	Records summarizing the revenue from charter of cars.
74	Records summarizing miscellaneous revenue.
76	Records of berth and seat revenue.
77	Diagrams.
90	Payrolls and time reports.
94	Distribution of labor expenditures.
99	Vouchers.
100	Bills collectible.
101	Repair shop records.
120	Purchases and sales.
121	Material and supplies received.
122	Material and supplies issued.
141	Ticket agents' records.
150	Car records.
180	Claim registers.
181	Claim papers.
182	Refund claim records.
192	Correspondence, if pertaining to accounts or records required to be retained two years in original form.

§ 1222.5 Photographic processes.

(a) Photographic processes used for preservation of accounts, records, or memoranda must produce copies without significant loss of clarity, and the material to be photographed shall be sorted in an orderly manner and shall be adequately indexed. Photographic copies shall be no less readily accessible than the original account, record, or memorandum as normally filed or preserved would be, and suitable means or facilities shall be available to locate, identify, read, or reproduce such photographic copies. Upon request by the Commission's representatives, carriers shall furnish prints, enlarged to original size, of any accounts, records, or memoranda which have been photographed for preservation.

(b) Any significant characteristic, feature, or other attribute of the original record or document, which photography in black and white will not preserve, shall be clearly indicated before the photograph is made. The reverse side of printed forms need not be copied if nothing has been added to the printed matter common to all such forms, but an identified specimen of such form shall be on the film for reference.

(c) Film used for preservation of photographic copies shall be of permanent-record type meeting in all respects the

minimum specifications of the National Bureau of Standards, and all processes recommended by the manufacturer of such film shall be observed to protect it from deterioration or accidental destruction.

§ 1222.6 Officer having supervision of destruction.

(a) An officer, or if necessary, two officers, shall be appointed by the board of directors of the carrier to have supervision of the destruction of accounts, records, and memoranda. Such officer or officers may be given (1) general supervision of the destruction of all accounts, records, and memoranda the destruction of which is permitted by this part, or (2) authority over the destruction of such of these accounts, records, and memoranda as may be specified by the board of directors. Pending action later to be confirmed by the board of directors, a temporary appointment by an executive committee or by a similarly authorized committee of the board of directors, shall have the same effect as if made by the board of directors. A copy of the resolution of appointment shall be filed promptly with the Commission before the destruction of accounts, records, and memoranda.

(b) If the property of a carrier is in the hands of a trustee, executor, administrator, or assignee, the officer or officers to have supervision of the destruction of accounts, records, and memoranda shall be designated by the trustee, executor, administrator, or assignee. A copy of the order designating such officer or officers shall be filed with the Commission before the destruction of accounts, records, and memoranda.

(c) In designating an officer or officers to have general supervision of the destruction of accounts, records, and memoranda it is preferable to designate by title only, rather than by name and title, and thus obviate the necessity of adopting a new resolution each time a successor in the office is appointed.

§ 1222.7 Written authority of officer having supervision of destruction.

(a) When any accounts, records, or memoranda are to be destroyed, an officer having supervision of the destruction of accounts, records, or memoranda (as designated in compliance with § 1222.6 (a) or (b)) shall issue a written authority naming the person or persons by whom the accounts, records, or memoranda are to be destroyed (except as provided in § 1222.12).

(b) The written authority (1) may be confined to certain accounts, records, and memoranda which have been retained for the periods of time specified in these regulations and which the carrier then desires to destroy, in which case it shall indicate: First, a list of the accounts, records, or memoranda to be destroyed, expressed either in form numbers or by descriptive titles; and, second, the period or periods covered by the accounts, records, or memoranda the destruction of which is authorized, or (2) may be of continuing effect, applying to any or all the accounts, records, and memoranda named herein as the periods of retention of such accounts, records, or memoranda attain the limits specified herein.

(c) Such written authority, or a certified copy thereof, shall be filed in the office of the issuing officer as a permanent part of the carrier's records. It is not required that copies of these specific written authorities be filed with the Commission.

§ 1222.8 Certificates of destruction.

(a) The person or persons upon whom devolves the duty of the direct supervision of the destruction of the accounts, records, or memoranda under the authority referred to in § 1222.7(b)(1) shall make certificate (except as provided for in paragraph (d) of this section and § 1222.12) setting forth that the accounts, records, or memoranda listed in the said authority have been destroyed and that no other accounts, records, or memoranda than those so listed have been destroyed therewith.

(b) If an authority as referred to in § 1222.7(b)(2) is given, a certificate of destruction shall be made listing by form numbers and descriptive titles the accounts, records, and memoranda destroyed, naming the period or periods covered by the accounts, records, or memoranda, and stating that no other accounts, records, or memoranda than those so listed have been destroyed therewith. Either (1) a separate certificate shall be made each time any accounts, records, or memoranda are destroyed, or (2) cumulative certificates shall be made with entries each time any accounts, records, or memoranda are destroyed.

(c) Certificates of destruction shall be forwarded promptly to the officer having supervision of the destruction of accounts, records, and memoranda who issued the written authority and shall be retained in his office as a permanent part of the carrier's records. In case cumulative certificates are made they shall be forwarded to such officer periodically, but at least once every six months. It is not required that copies of these specific certificates of destruction be filed with the Commission.

(d) Certificates of destruction need not be made for accounts, records, and memoranda, the destruction of which, in the list in § 1222.13, is made optional with the carrier, but a written authority, either for specific records or of continuing effect (except as provided for in § 1222.12), shall be issued by the officer having supervision of the destruction of such accounts, records, and memoranda.

§ 1222.9 Committee for destruction of certain records.

At the option of the carrier the board of directors of the carrier may from time to time name a committee to destroy by conversion into pulp or by cremation, canceled stock certificates, bonds, or other records covered by item 6 of § 1222.13 in lieu of delegating the authority for the destruction to an officer, as provided in § 1222.6(a). A copy of the resolution of the board of directors naming such committee shall be filed promptly with the Commission. A certificate of destruction giving full descriptive reference to the documents destroyed shall be made by the person or persons appointed by the officer having supervision of the destruction of records or by this committee, and it shall be permanently retained by the carrier. When documents represent debt secured by mortgage, the certificate of destruction shall also be authenticated by representatives of the trustees acting in conjunction with this committee or shall have the trustees' acceptance thereon.

§ 1222.10 Method of destruction.

(a) The precise method of the destruction of accounts, records, or memoranda is not prescribed. The Commission is not concerned with the method of destruction, whether by fire, sale, conversion into pulp, or otherwise, so long as the destruction is authorized and a certificate of destruction is filed as required by this part.

(b) If the accounts, records, and memoranda are not actually destroyed by the carrier, but are disposed of by sale or otherwise, the certificate of destruction shall so state. Attention is directed to section 15 of the Interstate Commerce Act, which provides that a carrier shall not divulge to any person information concerning the business of a shipper or consignee which may be used to the detriment of such shipper or consignee. Responsibility for possible infringement of this provision of the law by disposing of its records by other than actual destruction would rest with the carrier.

§ 1222.11 Accidental destruction of accounts, records, and memoranda.

If any accounts, records, or memoranda are destroyed accidentally by fire, flood, or other casualty, a statement shall be prepared listing so far as may be possible the records destroyed and detailing the circumstances in connection with the fire or other casualty. This statement shall be authenticated by an officer or some responsible employee of the carrier and shall be filed with the officer having supervision of the destruction of accounts, records, and memoranda. A copy of the statement certifying such destruction shall be filed promptly with the Commission.

§ 1222.12 Duplicate accounts, records, and memoranda.

Provision is made in item 191 of § 1222.13 for the optional destruction of duplicate copies of accounts, records, and memoranda when such copies are not specifically provided for elsewhere in this part and when they contain no information not shown on the originals. In destroying such copies carriers may dispense with the written authorities and the certificates of destruction. The originals (or one true copy) shall be retained for the respective periods named for such records in the regulations.

§ 1222.13 List of accounts, records, and memoranda, and periods of retention.

The following list is indicative of accounts, records, and memoranda of sleeping car companies, specifically referred to by the regulation embodied in § 1222.1. The description of the accounts, records, and memoranda enumerated below under the various general headings is merely for convenient reference and identification. The regulations are intended to apply to the items as named or described, regardless of where they are filed and regardless of departmental organization. Of the accounts, records, and memoranda which are to be retained permanently only the more important are stated in the list, the specific mention being made so that they may not be confused with any accounts, records, or memoranda for which permission to destroy is given herein.

DESTRUCTION OF RECORDS OF SLEEPING CAR COMPANIES

Item	Description of accounts, etc.	Period to be retained
	GENERAL AND FINANCIAL	
1	Minute books of directors', executive committee's, stockholders', and other meetings.	Permanent.
2	Code and cipher books, file copies of	Optional.
3	Capital stock records:	
	(a) Capital stock ledger	10 years.
	(b) Capital stock certificates, records of or stubs of	Do.
	NOTE: If the information shown on the stubs described in this item 3 (b) is recorded in permanent records, the stubs are required to be retained only for a period of three years.	
	(c) Stock transfer register	Do.
	(d) Memoranda and bills of sale or of transfer of capital stock	2 years.
	(e) Capital stock subscription notices and requests for allotment	1 year.
	(f) Canceled capital stock certificates. (See item 6.)	
4	Bond records:	
	(a) Registered bond or note ledger	10 years.
	(b) Records of stubs of bonds or notes	Do.
	NOTE: If the information shown on the stubs described in this item (b) is recorded in permanent records, the stubs are required to be retained only for a period of three years.	
	(c) Memoranda and bills of sale or of transfer of registered bonds or notes	2 years.
	(d) Record of interest coupons paid and unpaid	2 years.
	(e) Funded debt subscription notices and requests for allotment	1 year.
	(f) Canceled bonds, paid interest coupons, and unissued bonds. (See item 6.)	
5	Corporate elections:	
	(a) Proxies of holders of voting securities	2 years.
	(b) Lists of holders of voting securities presented at meetings	3 years.
	(c) Qualification oaths of judges of election	Optional
	(d) Qualification oaths of directors	Do.
	(e) Ballots cast and tabulations of vote	3 years.
	(f) Judges' reports of election results	Do.
6	Stock certificates, bonds, notes, interest coupons, receiver's certificates, and temporary certificates taken up and canceled.	Optional after compliance with § 1222.9.
7	Annual reports or statements to stockholders, file copies of	Permanent.
8	Record of securities owned, in treasury, or with custodians	10 years after disposition.
9	Deeds and other title papers, and franchises	Permanent.
10	Contracts and agreements:	
	(a) Card or book records of contracts, leases, and agreements made, and of expirations and renewals.	Do.
	(b) Contracts, leases, and agreements, except those provided for in items 14(c), 60(c), and 120(c).	Do.
	(c) Contracts and required files for transactions which are subject to the provisions of the Clayton Antitrust Act (15 U.S.C. 20).	In original form for 10 years after expiration, provided there is no pending litigation involving these records and, provided that the carrier informs the Commission of its intended action 2 weeks prior to date the records are to be destroyed.
11	Ledgers:	
	(a) General and auxiliary ledgers and indexes thereto, except as provided for elsewhere in these regulations.	Permanent.
	(b) Balance sheets of general ledgers	10 years.
	(c) Trial balance sheets of general and auxiliary ledgers	Do.

DESTRUCTION OF RECORDS OF SLEEPING CAR COMPANIES—Continued

Item	Description of accounts, etc.	Period to be retained
	GENERAL AND FINANCIAL—continued	
12	General journals	Permanent.
13	Journal entries:	
	(a) Original general journal entries	Do.
	(b) Copies of general journal entries and supporting papers	15 years.
14	Cash books:	
	(a) Original general cash books	Do.
	(b) Auxiliary cash books	6 years.
15	Tax records:	
	(a) Copies of schedules and returns to taxing authorities for tax purposes	Do.
	(b) Records of appeals, tax bills and statements	6 years after settlement.
	(c) United States and foreign revenue and excise taxes, state sales taxes, working papers and reports.	5 years after settlement.
16	Copies of applications to and authorities from regulating bodies for the issuance of stocks, bonds, and other securities.	Permanent when approved, optional when denied.
17	Fidelity bonds:	
	(a) Records and files of fidelity bonds of employees	3 years after expiration of coverage.
	(b) Contracts with surety companies covering fidelity, burglary, holdup and forgery risks.	Do.
18	Bank account records:	
	(a) Statements and summaries of balances on hand and with depositaries	3 years.
	(b) Statements from depositaries of funds received, disbursed and transferred.	1 year.
	(c) Daily or other periodical statements of the receipt and disbursement of funds.	2 years.
	(d) Bank account ledgers	6 years.
	(e) Deposit slips	3 years.
	(f) Treasurer's record of drafts, checks, and money orders deposited each day.	Do.
	(g) Monthly (or periodical) listings of outstanding vouchers, checks, drafts, time checks, etc., issued and not presented.	Optional.
	(h) Ledgers, or journals, of outstanding vouchers, checks, drafts, time-checks, etc., issued and not presented.	6 years.
19	Records of lost checks	Optional.
20	Records of deceased employees and payment of amounts due to survivors or beneficiaries.	2 years.
21	Records of forged endorsements	Optional.
22	Records and requisitions covering employees' purchases of U. S. War Savings bonds.	Do.
23	Records of U. S. Government transportation orders accepted	Do.
24	Teller's cash book	5 years.
25	Assignments, attachments, and garnishments:	
	(a) Record of assignment, attachments, and garnishment of employees' salaries.	1 year.
	(b) Files containing assignments, attachments, garnishments, notices of suits, notices of release, and correspondence relating thereto.	Do.
26	Notification by receiving cashiers to ticket agents of failures to forward remittances or ticket-sales reports when due.	Optional.
27	Receiving cashiers' record of ticket agents' remittances and ticket-sales reports.	2 years.
28	Receiving cashiers' transmittal statements of reports of ticket sales forwarded auditor of ticket accounts.	Optional.
29	Receiving cashiers' daily reports of commissary earnings	1 year.
30	Forms used by receiving cashiers in listing diagrams turned in by conductors, stewards, and porters; also in balancing the day's total cash.	Optional.
31	Copies, or stubs, of receipts given by receiving cashiers to cover money received from sources other than the regular daily collections by conductors, stewards, and porters.	Do.
32	Receiving cashiers' record of drafts, checks, and money orders, deposited each day.	3 years.
34	Insurance records:	
	(a) Schedules of fire and other insurance, also records of payment of premiums and amounts recovered.	Do.
	(b) Insurance policies	Optional.
	(c) Record of policies in force	2 years after expiration of coverage.
	(d) Inspectors' reports of condition of property	Optional.
	(e) Letter and telegraphic reports of fire damages	Do.
	(f) Reports of minor losses by fire not covered by insurance or less than minimum amount collectible.	Do.
35	Histories of lines	Permanent.
36	Schedule of lines	Optional.
37	Lines instituted or changed, advice from district office	6 months.
38	Contract Settlements with railroads under terms of the operating agreement in effect.	
	File copies and all papers pertaining thereto	10 years.

DESTRUCTION OF RECORDS OF SLEEPING CAR COMPANIES—Continued

Item	Description of accounts, etc.	Period to be retained
	STATISTICS	
50	Reports to Interstate Commerce Commission and other regulating bodies:	
	(a) Statistical records and supporting papers relating to reports to the Interstate Commerce Commission.	Permanent.
	(b) Monthly reports of operating revenues and expenses, file copies of, and supporting papers.	1 year.
	(c) Monthly accident reports, file copies of, and supporting papers	3 years
	(d) Reports to regulating bodies regarding expenditures of proceeds from sale of authorized securities, file copies of, and supporting papers.	5 years
51	Statistical records and supporting papers, not provided for elsewhere, which relate to the income account or general balance sheet statement, or which show revenue passenger miles and car movement by divisions, lines, or states.	Optional.
52	Records summarizing the results of auxiliary (outside) operations for entry in general books.	2 years
	NOTE: Ledgers, journals, abstracts, reports, vouchers, tickets, etc., must be retained for the same periods as are provided for similar documents elsewhere in this order.	
53	Traveling accounts' and auditors' reports:	
	Reports of examinations, audits, and transfers by special accounts and traveling auditors.	3 years.
	EQUIPMENT AND FIXED PROPERTY RECORDS	
60	Road and equipment records:	
	(a) Records and memoranda of the cost or the inventory value of equipment and fixed property.	Permanent.
	(b) Records and memoranda pertaining to depreciation, retirements, and replacements of equipment and fixed property.	Do.
	(c) Contracts and other agreements relating to the construction, acquisition, or sale of equipment and fixed property except as provided for in item 10(c).	Do.
	(d) Records, reports, statements, and memoranda showing the details of all debits and credits on account of the cost of equipment and fixed property, such as labor and material distribution sheets, copies of individuals' and companies' bills, time books, time tickets, work orders, job tickets, check rolls, material requisitions, and similar records.	10 years if full details are not transcribed into records covered by items (a) to (c) above. 2 years if transferred to permanent records.
61	Authorities for expenditures:	
	(a) Estimates, completion reports and authorities for expenditures and registers and records thereof for construction, extensions and additions and betterments made.	Permanent.
	(b) Estimates, completion reports, authorities, etc., for expenditures together with registers and records thereof covering maintenance expenses.	Optional.
	(c) Detail records and memoranda used in preparation of estimates, if summarized in records covered by item (a) above.	Do.
	(d) Estimates, detail records, and memoranda, when the expenditures were not authorized.	Do.
62	Engineering records:	
	(a) Maps, profiles, plans, specifications, estimates of work, records of engineering studies, and similar records pertaining to extension, addition, and betterment projects which have been put into execution.	Permanent.
	(b) Maps, profiles, plans, specifications, estimates of work, records of engineering studies and similar records pertaining to extension, addition, and betterment projects which have been abandoned.	3 years.
	REVENUES	
70	Agents' reports of sale of tickets for berths and seats. (2 years if revenue figures are transcribed to records covered by item 76.)	6 years.
71	Conductors', stewards', and porters reports:	
	(a) Reports of sale of berths and seats. (See item 77a.)	
	(b) Reports of meal checks issued	2 years.
	(c) Discrepancy reports for correction of errors	Do.
	(d) Reports of checks issued for transfer from one car to another	1 year.
	(e) Reports of berth checks issued	Do.
72	Refund for space adjustments	2 years.
73	Records summarizing the revenue from charter of cars	6 years.
74	Records summarizing miscellaneous revenue	Do.
75	Line cards used to facilitate balancing revenue by lines	1 year.
76	Records of berth and seat revenue:	
	(a) Records summarizing the revenue from berths and seats	6 years.
	(b) Cashiers' daily abstracts of conductors' diagrams and collection	1 year.
	(c) Daily record of gross receipts by stations	6 years.
	(d) Monthly records of receipts by days	Do.
	(e) Monthly recapitulation of earnings and performance by lines	Do.
	(f) Ticket settlements between railroad and sleeping car companies	Do.

DESTRUCTION OF RECORDS OF SLEEPING CAR COMPANIES—Continued

Item	Description of accounts, etc.	Period to be retained
	REVENUES—continued	
77	Diagrams:	
	(a) Conductors' diagrams showing sale of seats and berths and summarizing by cars the earnings and the space occupied (2 years, if revenue figures are transcribed to records covered by item 76).	6 years.
	(b) Agents' reservation diagrams, showing space sold or engaged and correspondence relating to the reservation of berths and seats.	6 months.
	(c) Trips slips (partial copies of diagrams) if all information thereon appears on diagrams covered by item (b) above.	Optional.
	(d) Records of blank diagrams furnished to agents and others	1 year.
78	Ticket sellers' daily report of cash balances to ticket agents	Optional.
79	Agents' and conductors' balance sheets and supporting papers	3 years.
	EXPENDITURES	
90	Pay rolls and time reports:	
	(a) Original pay rolls	Permanent.
	(b) Impression or carbon copies of pay rolls if all information thereon appears on the originals referred to in paragraph (a) of this item.	Optional.
	(c) Receipted pay checks, receipted time tickets, certificates issued for wages, discharge tickets, and other evidences of payments for services rendered by employees.	3 years.
	(d) Canceled pay checks drawn in favor of "bearer" in payment of wages for which receipt is shown on payrolls or other records retained by carrier.	Optional.
	(e) Comparative or analytical statements of pay rolls	Do.
91	Labor records:	
	(a) Time books, time slips, overtime tickets, delayed-time tickets, work orders, job tickets, check rolls, and other papers pertaining to services of officers and employees.	2 years.
	(b) Reports covering commissions paid conductors on sales of certain space on trains.	1 year.
92	Orders to paymasters to deliver pay draft to car employee	Do.
93	Letters and acknowledgments thereof forwarding pay draft to employee unable to personally call for it; also letters used for the return to treasurer of undelivered pay drafts.	Do.
94	Records showing detail distribution of labor expenditures charged to all accounts	4 years.
95	Records and memoranda pertaining to deductions from pay rolls, or collection by cash from employees.	Optional.
96	Assignment of duty forms (in addition to time slips)—Conductors and Porters	Do.
97	Wage and service records:	
	(a) I. B. M. cards used in producing pay rolls	1 year.
	(b) I. B. M. summary cards used in writing paydrafts and making reconciliation with bank statements.	90 days after canceled paydrafts received.
	(c) I. B. M. summary cards used in producing B. A.-3 report and W-2's	1 year after use on W-2.
	(d) Office copy of quarterly report of earnings to Railroad Retirement Board—B. A.-3's.	10 years.
	(e) Office copy of list showing name, address, earnings and withholding tax as printed on W-2's.	6 years.
	(f) Social Security Registration Cards CER-1	3 years after termination of service.
	(g) Form W-4 withholding exemption certificate:	
	1—Current forms W-4	2 years after termination of service.
	2—Obsolete forms W-4	Optional.
	(h) Office copies—report of compensation adjustments—B. A. 4	10 years.
98	Letters of authority covering changes in pay rolls and for sundry other charges	Optional.
99	Vouchers:	
	(a) All vouchers or accounts payable, and supporting papers	6 years.
	(b) Paid and canceled vouchers	Do.
	(c) Voucher lists showing mailing dates	2 years.
	(d) Register of vouchers of accounts payable and indexes thereto	15 years.
	(e) Defect and repair cards attached to railroad audit bills supporting vouchers.	Optional.
100	Bills collectible:	
	(a) Register of bills collectible (or accounts receivable bills) and indexes thereto.	15 years.
	(b) Audit office copies of bills issued for collection, and supporting papers which do not accompany the original bills.	4 years.
	(c) Periodical statements of unsettled accounts, except trial balance sheets	Optional.
	(d) Record or index of bills to be issued, with notations of dates of issue	Do.
101	Repair shops records (not specifically provided for elsewhere in these regulations):	
	(a) Statements prepared by repair shops in connection with monthly closing and analysis of their accounts.	3 years.
	(b) Repair shop employes' time cards	Do.
	(c) Repair shop material requisitions	Do.
	(d) Repair shop manager's order ledger covering the manufacture of material, etc., and work done for other companies.	Do.
	(e) Repair shop records of assembled cost of repairs to car for each shopping	3 years.
	(f) Repair shops' accumulated record of cost of repairs to cars for all shoppings.	6 years.

DESTRUCTION OF RECORDS OF SLEEPING CAR COMPANIES—Continued

Item	Description of accounts, etc.	Period to be retained
	PURCHASES AND STORES	
120	Purchases and sales:	
	(a) Copies of orders for the purchase of materials and supplies	2 years.
	(b) Records and reports of invoices for materials and supplies purchased. (See item 99a.)	5 years.
	(c) Advices from individuals and companies acknowledging receipt of orders for materials and supplies and notices of shipment.	Optional.
	(d) Bids and offers for the sale or purchase of material and supplies	1 year.
	(e) Contracts for the purchase or sale of materials and supplies except as provided for in item 10(c).	4 years.
	(f) Advices or requisitions from storekeepers and others for the purchase of materials and supplies.	2 years.
	(g) Lists or records of invoices transmitted or from storekeepers	Optional.
	(h) Receipts or delivery tickets issued for material and supplies received in installments and subsequently surrendered with and in support of invoices or bills showing full information.	Do.
	(i) Freight bills covering charges on materials and supplies	4 years.
	(j) Reports of scrap on hand	2 years.
	(k) Authorities for the sale of scrap and other material and supplies	Do.
	(l) Price records of purchases, file copies	Permanent.
121	Inventories of materials and supplies:	
	(a) General inventories of materials and supplies on hand, with record of adjustments between accounts.	2 years.
	(b) Stock cards, inventory cards, and other detail records pertaining to the taking of inventories if abstracted into records covered by (a) above.	1 year.
	(c) Minor inventories of materials and supplies on hand, if not used for adjustments.	Do.
122	Materials and supplies received:	
	(a) Records or reports of materials and supplies received	3 years.
	(b) Records of inspecting and testing materials and supplies	1 year.
	(c) Records of materials and supplies released and returned to stock	2 years.
123	Materials and supplies issued:	
	(a) Records and reports of materials and supplies issued. (See item 60d.)	3 years.
	(b) Records and reports of materials and supplies transferred from one department or division to another.	2 years.
	(c) Requisitions and receipts for materials and supplies issued	1 year.
	(d) Price records of materials and supplies issued, file copies	10 years.
124	Requisitions for supplies and equipment for dining, buffet, broiler, and composite cars.	1 year.
125	Dining and buffet car supplies:	
	(a) Attendant's reports of supplies drawn, consumed, and on hand	Do.
	(b) Attendant's requisitions and receipts for supplies	Do.
	(c) Menus, price lists	Do.
	(d) Special trip reports	Do.
	(e) Commissary inventories	Do.
126	District commissary's advice to the commissary giving details of commissary features connected with fitting out a car chartered for special service (commissary feature only).	Do.
127	Bills of lading and shipping orders	Optional.
	LINEN AND LAUNDRY	
130	Daily records of counts of linens sent laundries	1 year.
131	Receipts for linen sent to or returned by laundries	Optional.
132	Daily records of linen transactions between storerooms and laundries	1 year.
133	Distributions of monthly costs of washing linens	3 years.
134	Records of shortages of linen on cars	1 year.
	TICKETS, PASSES AND TARIFFS	
140	Tickets:	
	(a) Used and canceled tickets, the reports of the sale of which have been properly audited.	Optional.
	(b) Checks issued for transfer from one car to another	6 months.
	(c) Meal checks, the reports of which have been properly audited	6 months after audit.
	(d) Porters' berth checks	Optional.
	(e) Unissued or unused ticket and check stock, if a complete record is kept in record referred to in item 142.	Do.
141	Ticket agents' records:	
	(a) Records of tickets received, sold, and on hand	2 years.
	(b) Inventories of tickets at agencies	Do.
	(c) Records of adjustments and corrections on ticket reports	Do.
	(d) Stubs of tickets, etc.	6 months after audit.
	(e) Duplicates of above records. (See item 191.)	
	(f) Record of half rate orders issued	2 years.

DESTRUCTION OF RECORDS OF SLEEPING CAR COMPANIES—Continued

Item	Description of accounts, etc.	Period to be retained
	TICKETS, PASSES AND TARIFFS—continued	
142	Ticket stock records:	
	(a) Copies of orders on printing houses for ticket stock	2 years.
	(b) Record of ticket stock received, issued and destroyed	Do.
	(c) Record of cash fare receipts furnished car service employees	Do.
143	Passes and free tickets:	
	(a) Copies of orders on printing houses for pass stock	1 year.
	(b) Records of pass stock received, distributed, and destroyed	Do.
	(c) Requests for passes; copies or stubs of requests for passes; and receipts for passes.	3 years.
	(d) Records of passes issued	Do.
	(e) Records of passes received from other carriers	Do.
	(f) Stubs of trip passes	Do.
	(g) Pass identification slips	1 year.
	(h) Records of annual or term passes honored	Do.
	(i) Trip and telegraphic passes collected	Do.
	(j) Free passenger fare tickets collected	Do.
	(k) Unexpired, surrendered, or partially used annual or term passes	Do.
	(l) Void, unused, and unissued passes	Do.
	(m) Records of free passenger fare tickets issued	3 years.
	(n) Conductors' reports of passes collected or honored	1 year.
	(o) Reports of trip passes issued	2 years.
	(p) Bulletins of lost and outlawed passes, file copies of	Do.
	(q) Bulletins of lost and outlawed passes, other than file copies of	Optional.
144	Tariffs and other rate authorities:	
	(a) Tariffs, division sheets, and circulars relative to rates for berths, seats, and other service in the general files of the tariff or other department in which the complete official file is maintained or required to be maintained.	2 years after expiration or cancellation.
	(b) Tariffs, division sheets, and circulars in other departments and at agencies, if copies of the same issue of such tariffs, etc., are preserved in the general files referred to in (a).	Optional after expiration or cancellation.
	CARS, CAR REPAIRS, SUPPLIES, ETC.	
150	Records showing the location of cars, the movements of cars, car service days, and the mileage performed.	6 years.
151	Statements of cars switched by railroad companies from one railroad to another	2 years.
152	Statements of car-cleaning arrangements	3 years.
153	Monthly records of repairs to and inspection of the electrical equipment of car and its battery readings.	2 years.
154	Graphic charts for ampere-hour meters	1 year.
155	Reports of storage batteries and electric-lighting axle devices exchanged on a car. (See item 60.)	3 years.
156	Records of storage batteries repaired at shops	Do.
157	Memorandum reports of application of new and secondhand axle device generator belts.	1 year.
158	Daily and monthly records showing electrical work done on cars. (See item 60.)	3 years.
159	Advices by railroads or sleeping car company employees at outlying points of exchanges of wheels and axles. (See item 60.)	Do.
160	Slips turned in at terminal offices by conductors or porters in charge giving data relative to cars in charge, providing all information shown thereon has been entered by the conductor or porter in charge on diagrams, which are retained as provided in item 77a.	1 year.
161	Orders on storekeepers for car-cleaning material	Optional.
162	Car equipment:	
	(a) Record of check of equipment on cars	1 year.
	(b) Report of overages and shortages of equipment on cars	Do.
	(c) Report of issue of material to complete equipment on car	Do.
163	Storekeepers' advice to district officials of issue of material (other than linen) to make good the equipment of a car.	Optional.
164	Inspection reports:	
	(a) Reports of inspection of cars, showing defects, if any, and repairs required.	2 years.
	(b) Inspection reports not otherwise provided for	Optional.
	PERSONNEL, GROUP INSURANCE AND PENSIONS	
170	Employe records:	
	(a) Applications and forms relative to absence, furlough, transfer, resignation, etc.	3 years.
	(b) Rosters, service record cards, record books, operation forms and schedules	Permanent.
	(c) General correspondence regarding (a) and (b), also conduct and efficiency of employees.	See item 192.
	(d) Facilities and conveniences furnished employes, quarters, lockers, meals, etc.	1 year.

DESTRUCTION OF RECORDS OF SLEEPING CAR COMPANIES—Continued

Item	Description of accounts, etc.	Period to be retained
170	PERSONNEL, GROUP INSURANCE AND PENSION	
	Employee records—continued	
	(e) Actions of employes, discipline, minutes of hearings, grievances, appeals, and awards.	10 years.
	(f) Signout sheets and records	3 years.
171	Group insurance:	
	(a) Paid death claims	6 years.
	(b) Paid weekly indemnity claims	Do.
	(c) Application cards out file	6 years from date insurance terminated.
	(d) Carbon copies of group insurance claim checks	6 years.
172	Retirement and Pension:	
	(a) Deceased retired employes-files	6 years from date of death.
	(b) Railroad Retirement prior service files (deceased employes)	6 years.
	CLAIMS	
180	Claim registers, card or book indexes, and other records in connection with the recording of loss and damage, personal injury, fire, and other claims presented.	Do.
181	Claim papers:	
	(a) All papers substantiating loss and damage, personal injury, fire, and other claims. (See item 99a.)	4 years after settlement or rejection.
	(b) Claim jackets, if all information thereon appears in records covered by (a) above.	Optional.
	(c) Claim bases constituting a duplicate record of claims if the substantiating papers are also on file.	2 years
182	Refund claim records:	
	(a) All records and claim papers regarding refunds and adjustments made (except unused tickets) or on applications declined.	6 years.
	(b) Claim papers relating to refunds on unused tickets	6 months.
	(c) Papers pertaining to excess amounts deposited by employes in accounting for sales of space.	2 years.
183	Reports and statements regarding personal injuries, when not necessary to support claims or vouchers.	3 years.
	MISCELLANEOUS	
190	Reports of the condition of electrical workshops, and the facilities and conveniences furnished to the workmen.	1 year.
191	Duplicate copies of accounts, records and memoranda listed in these regulations, if all information on such duplicates is contained on the originals or other copies retained, and if such duplicates are not specifically provided for in these regulations. (See § 1222.12.)	Optional.
192	Correspondence:	
	(a) Correspondence and records thereof relating to subjects listed in items 1 to 191, inclusive.	For the period prescribed for the item to which it relates.
	(b) Stenographers' notebook and phonograph and other mechanical device records.	Optional.
	(c) Extra copies of letters, etc., used for tracing or following up correspondence, if original or other copies are retained as provided for in item (a) above.	Do.
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Appendix. The following forms are suggested for the use of carriers, but any other forms may be used provided they show the information required by the regulations:

(A) Form of resolution of Board of Directors designating an officer to have general supervision of the destruction of accounts, records, and memoranda. (See § 1222.6(a)(1) of the regulations.)

Excerpt from minutes of the meeting of the Board of Directors of _____ Company, held at its office in _____ on _____, 19____:

"Resolved, That _____
(Title of officer or name and title)
be, and he is hereby, designated as the officer of this company, to have general supervision of the destruction of accounts, records, and memoranda in accordance with regulations to govern the destruction of records issued by the Interstate Commerce Commission."

I hereby certify that the above is a true and correct copy.

_____
(Name)

_____
(Title)

_____, 19____.

(B) Form of resolution of Board of Directors designating an officer to have supervision of the destruction of certain accounts, records, and memoranda. (See § 1222.6(a)(2) of the regulations.)

Excerpt from minutes of the meeting of the Board of Directors of the _____ Company, held at its office in _____ on _____, 19____:

"Resolved, That _____
(Title of officer or name and title)
be, and he is hereby, designated as the officer having supervision of the destruction of the accounts, records, and memoranda named below, the destruction of which is permitted by regulations to govern the destruction of records issued by the Interstate Commerce Commission."

Form No.	Description	Period	Item No. in I. C. C. Regulations

I hereby certify that the above is a true and correct copy.

_____
(Name)

_____
(Title)

_____, 19____.

(C) Form of resolution of Board of Directors naming a cremation committee for the destruction of canceled bonds, interest coupons, etc. (See § 1222.9 of the regulations.)

Excerpt from minutes of the meeting of the Board of Directors of the _____ Company, held at its office in _____ on _____, 19____:

"Resolved, That pursuant to regulations to govern the destruction of records issued by the Interstate Commerce Commission, the Board designates _____
(Titles of such persons, or names and titles)
to be a cremation committee to act in conjunction with the representatives of the trustees in the destruction of _____
(List of and description of documents to be destroyed)"

I hereby certify that the above is a true and correct copy.

_____
(Name)

_____
(Title)

_____, 19____.

(D) Form of written authority for the destruction of certain accounts, records, and memoranda. (See § 1222.7(b)(1) of the regulations.)

The _____ Company,
Office of _____
_____, 19___.

In conformity with the authority conferred upon me by the Board of Directors, I hereby authorize and direct _____
(Name and title or occupation)
to destroy the accounts, records, and mem-

oranda of this company described below, in accordance with the provisions of § 1222.7(b) (1) of the regulations:

Form No.	Description	Period	Item No. in I. C. C. Regulations

(Name)

(Title)

(E) Form of written authority of continuing effect for the destruction of accounts, records, and memoranda. (See § 1222.7(b)(2) of the regulations.)

The _____ Company,
Office of _____,
_____, 19____.

In conformity with the authority conferred upon me by the Board of Directors, I hereby authorize and direct _____
(Name and title or occupation)
to destroy from time to time the accounts, records, and memoranda of this company in his custody, the destruction of which is permitted by regulations to govern the destruction of records issued by the Interstate Commerce Commission.

(Name)

(Title)

(F) Form of certificate of destruction. (See § 1222.8(b)(1) of the regulations.)

The _____ Company,
Office of _____,
_____, 19____.

I hereby certify that I have this day destroyed the accounts, records, and memoranda listed below, in accordance with the provisions of § 1222.10 of the regulations, pursuant to your authority, dated _____ 19____. I further certify that no accounts, records, or memoranda other than those named have been destroyed therewith.

Form No.	Description	Period	Item No. in I. C. C. Regulations

(Name)

(Title or occupation)

(G) Form of cumulative certificate of destruction. (See § 1222.8(a) and 1222.8(b)(2) of the regulations.)

The _____ Company,
Office of _____,
_____, 19____.

I hereby certify that I have destroyed the accounts, records, and memoranda listed below, in accordance with the provisions of § 1222.10 of the regulations, pursuant to your authority dated _____, 19____. I further certify that no accounts, records, or memoranda other than those named have been destroyed therewith.

Form No.	Description	Period	Item No. in I. C. C. Regulations	Date of Destruction

(Name)

(Title or occupation)

PART 1223—EXPRESS COMPANIES

Sec.
1223.1 General authority to destroy records.
1223.2 Special permission to destroy records.
1223.3 Preservation by photography.
1223.4 Photographic copies.
1223.5 Photographic processes.
1223.6 Officer having supervision of destruction.
1223.7 Written authority of supervising officer.
1223.8 Certificates of destruction.
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1223.10 Records of joint activities.
1223.11 Method of destruction.
1223.12 Accidental destruction of records.
1223.13 Duplicate accounts, records and memoranda.
1223.14 Lists of records and periods of retention.

AUTHORITY: The provisions of this Part 1223 issued under secs. 12, 20, 24 Stat. 383, as amended, 386, as amended; 49 U.S.C. 12, 20.

§ 1223.1 General authority to destroy records.

Express companies subject to Part I of the Interstate Commerce Act may destroy accounts, records, or memoranda named or described in this part, if their permanent retention is not therein specifically required, after preservation for the respective periods of time hereinafter prescribed and upon compliance with requirements of this part. Authority contained in this part shall not, however, exempt an express company from any statutory requirements other than the provisions of section 20 (7) (b) of the Interstate Commerce Act, as amended, relating to the destruction of carriers' accounts, records, and memoranda.

§ 1223.2 Special permission to destroy records.

The destruction of all accounts, records, and memoranda of express companies, except as specifically provided in this part, is prohibited under penalties contained in section 20(7)(b) of the Interstate Commerce Act, as amended. However, an express company proposing to destroy accounts, records, or memoranda not hereinafter named or described, or proposing to photograph and destroy accounts, records, or memoranda specifically restricted by or excluded from the provisions of § 1223.3, may apply to the Commission for special authority to accomplish either such purpose. Such applications shall state a full and detailed description of the accounts, records, or memoranda in question, clearly explaining their character, their use, and their purpose, and such special authority will not be granted except on a showing that the regulations impose an unreasonable burden.

§ 1223.3 Preservation by photography.

Accounts, records, and memoranda named or described in § 1223.14, which have been photographed for preservation by any standard process meeting the requirements of § 1223.5, may be destroyed after due certification of such disposition, subject to the exceptions and restrictions imposed by § 1223.4.

§ 1223.4 Photographic copies.

(a) Photographic copies shall be preserved until the close of the period prescribed in § 1223.4 for the retention of the account, record, or memorandum so photographed and the photographic copies shall not be destroyed without the same certification required for the originals thereof.

(b) This permission to destroy shall in no case apply to accounts, records, and memoranda which are required to be retained permanently by the following items under § 1223.14:

Item	*Description*
1	Minute books of directors', executive committees', stockholders', and other meetings.
3	Capital stock records.
4	Long-term debt records.
7	Ledgers.
9	General and auxiliary journals.
10	General and auxiliary cash books.
11	General journal entries and supporting papers.
13	Deeds, charters, franchises, and other title papers.
14	Contracts and agreements.
16	Copies of applications to and authorities from regulatory bodies for the issuance of stocks, bonds, and other securities.
61	Property records.
69	Special authorities for expenditures.
230	Reports to I. C. C. and other regulating bodies.
231	Annual reports or statements to stockholders, file copies of.
250	Correspondence. (This exclusion shall apply only to correspondence which relates to excluded accounts and records.)
254	Engineering records.

(c) All accounts, records, and memoranda included in the following items of § 1223.14, other than those required by paragraph (b) of this section to be retained permanently, or those which may be destroyed at the carrier's option, shall be retained in their original form not less than two years, or not less than the period prescribed in § 1223.14 where such prescribed period is shorter than two years:

Item	Description
3	Code and cipher books, file copies of.
5	Corporate elections.
8	Records of securities owned.
12	Records summarizing the results of auxiliary (outside) or holding company operations.
15	Tax records.
20	Miscellaneous records pertaining to agents' accounts.
40	Records of revenue from transportation.
42	Records, abstracts, and summaries of traffic, etc.
43	Express privileges records.
44	Records summarizing settlements with agents and others, etc.
60	Registers of fixed expenses.
62	Labor distribution sheets.
63	Pay roll records.
66	Material and supplies distribution details.
67	Vouchers.
68	Bills collectible.
70	Joint office statements of transactions.
90	Claim records.
110	Material ledgers.
111	Purchases and sales.
126	Car movements.
127	Car distribution.
140–172	Agency records.
190–194	Foreign operations records.
195	Correspondence, if pertaining to accounts or records required to be retained two years in original form.
208	Registers of exports and imports.
217	Valuable shipments for export or import.
218	Waybills covering export or import shipments.
232	Comparative statements of operating results.
250	Correspondence, if pertaining to accounts or records required to be retained two years in original form.
251	Data relating to the destruction of records.

§ 1223.5 Photographic processes.

(a) Photographic processes used for preservation of accounts, records, or memoranda must produce copies without significant loss of clarity, and the material to be photographed shall be sorted in an orderly manner and shall be adequately indexed. Photographic copies shall be no less readily accessible than the original account, record, or memorandum as normally filed or preserved would be, and suitable means or facilities shall be available to locate, identify, read, or reproduce such photographic copies. Upon request by the Commission's representatives, carriers shall furnish prints, enlarged to original size, of any accounts, records, or memoranda which have been photographed for preservation.

(b) Any significant characteristic, feature, or other attribute of the original record or document, which photography in black and white will not preserve, shall be clearly indicated before the photograph is made. The reverse side of printed forms need not be copied if nothing has been added to the printed matter common to all such forms, but an identified specimen of such form shall be on the film for reference.

(c) Film used for preservation of photographic copies shall be of permanent-record type meeting in all respects the minimum specifications of the National Bureau of Standards, and all processes recommended by the manufacturer of such film shall be observed to protect it from deterioration or accidental destruction.

§ 1223.6 Officer having supervision of destruction.

(a) An officer or, where necessary, two officers shall be appointed by the express company's board of directors to have supervision over the destruction of all accounts, records, and memoranda. Such officer or officers may be given (1) general supervision over the destruction of all accounts, records, and memoranda the destruction of which is permitted by this subpart, or (2) authority over the destruction of such accounts, records, and memoranda as may be specified by the board of directors. Pending confirmation by the board of directors, a temporary appointment by an executive committee, or by a similarly authorized committee of the board of directors, shall have the same effect as if made by the board of directors. A copy of the resolution of appointment shall be filed with the Commission before accounts, records, or memoranda may be destroyed pursuant thereto.

(b) If an express company's property is in the hands of a trustee, receiver, executor, administrator, or assignee, the officer or officers to have supervision over the destruction of accounts, records, and memoranda shall be designated by the trustee, receiver, executor, administrator, or assignee. A copy of the order designating such officer or officers shall be filed with the Commission before accounts, records, or memoranda may be destroyed pursuant thereto.

(c) In designating an officer or officers to have general supervision over the destruction of accounts, records, and memoranda it is preferable to designate by title only, rather than by name and title, and thus obviate the necessity for a new resolution or order each time a successor in the office is appointed.

§ 1223.7 Written authority of supervising officer.

(a) When any accounts, records, or memoranda are to be destroyed, the officer having supervision over the destruction of accounts, records, and memoranda (as designated in § 1223.6 (a) or (b)) shall issue a written authority naming the person or persons by whom the accounts, records, or memoranda are to be destroyed (except as provided in § 1223.13(b)).

(b) The written authority (1) may be confined to certain accounts, records, and memoranda which have been retained for the periods of time specified in this subpart and which the express company proposes to destroy, in which case the authority shall specify:

First. A list of the accounts, records, and memoranda to be destroyed, expressed either in form numbers or by descriptive titles; and,

Second. The period or periods covered by the accounts, records, and memoranda the destruction of which is authorized;

or

(2) May be of continuing effect, applying to any or all the accounts, records, or memoranda named in this subpart as the periods of retention of such accounts, records, or memoranda attain the limits specified in this subpart.

(c) Such written authority, or a certified copy thereof, shall be filed in the office of the issuing officer as a permanent part of the express company's records. Copies of the specific written authorities need not be filed with the Commission.

§ 1223.8 Certificates of destruction.

(a) The person or persons by whom accounts, records, or memoranda are to be destroyed under the written authority referred to in § 1223.7(b)(1) shall certify (except as otherwise provided in paragraph (d) of this section and § 1223.13) that the accounts, records, or memoranda listed in the said authority have been destroyed and that no accounts, records, or memoranda other than those so listed have been destroyed therewith.

(b) The person or persons by whom accounts, records, or memoranda are to be destroyed under continuing authority referred to in § 1223.7(b)(2) shall certify such destruction (except as otherwise provided in paragraph (d) of this section and § 1223.7), listing by form numbers and descriptive titles the accounts, records, and memoranda destroyed, naming the period or periods covered by such accounts, records, and memoranda, and stating that no accounts, records, or memoranda other than those so listed have been destroyed therewith. Either (1) a separate certificate shall be filed each time any accounts, records, and memoranda are destroyed, or (2) cumulative certificates shall be filed with supplementary entries every time additional accounts, records, and memoranda are destroyed.

(c) Certificates of destruction shall be forwarded promptly to the officer having supervision over the destruction of accounts, records, and memoranda who issued the written authority and shall be retained in his office as a permanent part of the express company's records. Cumulative certificates shall be forwarded to such officer periodically, but at least once every six months. Copies of certificates of destruction need not be filed with the Commission.

(d) Certificates of destruction are not required for those accounts, records, and memoranda listed in § 1223.14, the destruction of which is optional with the express company, but a written authority for specific records or of continuing effect shall be issued (except as otherwise provided in § 1223.15) by the officer having supervision over the destruction of such accounts, records, and memoranda.

§ 1223.9 Committee for the destruction of certain records.

At the option of the express company a committee may be designated to destroy by conversion into pulp, or by cremation, canceled stock certificates, bonds, or other records covered by item 6 of § 1223.14, in lieu of delegating authority for such destruction to an officer as provided in § 1223.6(a). A copy of the resolution of the board of directors, or if not a corporate act a copy of the designating order, shall be filed promptly with the Commission. A certificate of destruction giving full descriptive reference to the documents destroyed shall be filed by this committee and shall be retained as a permanent part of the express company's records. (See § 1223.8(c).) When documents represent debt secured by mortgage, the certificates of destruction shall also be authenticated by or for the trustees under the mortgage acting in conjunction with this committee or shall have the trustees' acceptance endorsed thereon.

§ 1223.10 Records of joint activities.

This subpart applies also to the destruction of accounts, records, and memoranda maintained for or on behalf of an express company in the conduct of a joint activity. The officer designated to supervise the destruction of express company records may delegate the person in charge of the joint activity to supervise the destruction of joint accounts, records, and memoranda, to issue all written authorities for such destruction, and to retain certificates of destruction. Otherwise, written authority shall be obtained from the officer supervising the destruction of express company records each time joint accounts, records, or memoranda are to be destroyed and certificates of destruction shall be filed with such officer.

§ 1223.11 Method of destruction.

(a) The precise method of destruction of accounts, records, and memoranda is not prescribed. The Commission is not concerned whether the destruction is by fire, sale, conversion into pulp, or otherwise, providing the destruction is authorized, a certificate of destruction is filed, and all other requirements of this subpart are observed.

(b) If the accounts, records, and memoranda are not actually destroyed by the express company, the certificate of destruction shall so state. Section 15 of the Interstate Commerce Act provides that information concerning the business of a shipper or consignee, which may be used to the detriment of such shipper or consignee, shall not be divulged. Responsibility for possible infringement of this provision of the act, by disposing of its records without actually destroying them, would rest with the express company.

§ 1223.12 Accidental destruction of records.

If any accounts, records, or memoranda are destroyed accidentally by fire, flood, or other casualty, a statement shall be prepared listing so far as possible the records destroyed and detailing the circumstances in connection with the fire or other casualty. This statement shall be authenticated by an officer or some responsible employee of the express company and shall be filed with the officer having supervision over the destruction of accounts, records, and memoranda. A copy of the statement certifying such destruction shall be filed promptly with the Commission.

§ 1223.13 Duplicate accounts, records and memoranda.

(a) Provision is made in item 171 of § 1223.14 for the destruction of agency copies of certain accounts, records, and memoranda after such copies have been retained for the periods assigned to the originals. Certificates of destruction are not required for these copies, but a written authority as provided in § 1223.7(a) and (b) shall be issued and appropriately filed with the officer having jurisdiction over the destruction of records.

(b) Provision is made in item 253 of § 1223.14 for the optional destruction of duplicate copies of accounts, records, and memoranda when such copies are not specifically provided for elsewhere in this subpart and when they contain no information not shown on the originals. Neither written authority to destroy nor certificates of destruction are required for these copies. The originals (or one true copy) shall be retained for the respective periods named for such records in this subpart.

§ 1223.14 List of records and periods of retention.

The following list is indicative of accounts, records, and memoranda specifically referred to in § 1223.1. The description of the accounts, records, and memoranda enumerated below under the various general headings is merely for convenient reference and identification. This subpart is intended to apply to the items as named or described, regardless of where they are filed and regardless of departmental organization. Of the accounts, records, and memoranda which are to be retained permanently only the more important are stated in this list, the specific mention being made so that they may not be confused with any accounts, records, and memoranda for which permission to destroy is given in this subpart.

Item	Description of accounts, etc.	Period to be retained
	GENERAL AND FINANCIAL	
1	Minute books of directors', executive committee's, stockholders', and other meetings.	Permanent.
2	Code and cipher books, file copies of	Do.
3	Capital stock records:	
	(a) Capital stock ledger	Do.
	(b) Capital stock certificates, records of or stubs of	Do.
	NOTE: If the information shown on the stubs is recorded in permanent records, the stubs are required to be retained only for a period of 3 years.	
	(c) Stock transfer register	Do.
	(d) Memoranda and bills of sale or of transfer of capital stock	2 years.
	(e) Canceled capital stock certificates. (See item 6.)	
4	Long-term debt records:	
	(a) Registers of bonds and certificates	Permanent
	(b) Records or stubs of bonds and certificates	Do.
	NOTE: If the information shown on the stubs is recorded in permanent records, the stubs are required to be retained only for a period of 3 years.	
	(c) Memoranda and bills of sale or of transfer of registered bonds and certificates.	2 years.
	(d) Records of interest coupons paid and unpaid	3 years.
	(e) Funded debt subscription notices and requests for allotment	1 year.
	(f) Canceled or unissued bonds and certificates, and paid interest coupons. (See item 6.)	
5	Corporate elections:	
	(a) Proxies of holders of voting securities	2 years.
	(b) List of holders of voting securities presented at meetings	6 years.
	(c) Qualification oaths of judges of election	Optional
	(d) Qualification oaths of directors	Do.
	(e) Ballots cast and tabulations of vote	6 years.
	(f) Judges' reports of election results	Do.
6	Retired stock certificates, bonds, notes, interest coupons, receiver's and trustee's certificates, and temporary certificates taken up and canceled. (See §1223.9.)	Optional.
7	Ledgers:	
	(a) General and auxiliary ledgers and indexes thereto, except as provided for elsewhere in these regulations.	Permanent.
	(b) Balance sheets of general ledgers	Do.
	(c) Trial balance sheets of general and auxiliary ledgers	Do.
8	Record of securities owned, in treasury, or with custodians	Do.
9	General and auxiliary journals	Do.
10	General and auxiliary cash books, except cash books at agencies provided for in item 140.	Do.
	NOTE: If any receipts or payments are entered in the aggregate in the general cash book and are detailed only on loose sheets, such loose sheets constitute an auxiliary cash book when no other permanent record of the items thereon is made.	
11	General journal entries and supporting papers except as provided for elsewhere in these regulations.	Do.
12	Records summarizing the results of auxiliary (outside) or holding company operations for entry in general books.	Do.
	NOTE: Ledgers, journals, abstracts, reports, vouchers, etc., shall be retained for the same periods as are provided for similar documents elsewhere in these regulations.	
13	Deeds, charters, franchises, and other title papers	Until legally required to release.

Item	Description of records, etc.	Period to be retained
	GENERAL AND FINANCIAL—continued	
14	Contracts and agreements (except for those provided for in Item 167):	
	(a) Contracts for construction, acquisition, or sale of physical property, except as provided for in Item 14(j).	Permanent.
	(b) Leases	1 year after expiration.
	(c) Contracts with carriers for express privileges	6 years after expiration.
	(d) Traffic and operating contracts affecting revenues and expenses	Do.
	(e) Tonnage contracts and agreements	Do.
	(f) Indemnity bonds	3 years after expiration.
	(g) Contracts and agreements not specifically provided for elsewhere. (See Items 14(j), 111(f), and 167).	Do.
	(h) Agreements with branch money-order agents and other branch agents	1 year after expiration.
	(i) Records of contracts or agreements; of expirations and renewals	Same as related contract or agreement.
	(j) Contracts and required files for transactions which are subject to the provisions of the Clayton Antitrust Act (15 U.S.C. 26).	In original form for 10 years after expiration, provided there is no pending litigation involving these records and, provided that the carrier informs the Commission of its intended action 2 weeks prior to date the records are to be destroyed.
15	Tax records: Copies of schedules and returns to taxing authorities for tax purposes; records of appeals, tax bills, and statements.	Permanent.
16	Copies of applications to and authorities from regulating bodies for the issuance of stocks, bonds, and other securities.	Do.
17	Fidelity bonds of employees, records and files of	3 years after expiration of coverage.
18	Insurance records:	
	(a) Schedules of fire and other insurance; also records of payment of premiums and of amounts recovered.	4 years.
	(b) Insurance policies	Optional.
	(c) Record of policies in force	2 years after expiration of coverage.
	(d) Inspectors' reports of condition of property	2 years.
	(e) Reports of property in transit covered by insurance	Optional.
	(f) Telegraphic reports of merchandise at terminals, in warehouses, etc.	Do.
	(g) Letters and telegraphic reports of damages	Optional.
	(h) Schedules of risks covered by self-insurance	3 years.
19	Records of credit investigations (except as provided in item 20c)	1 year.
20	Miscellaneous records pertaining to agents' accounts:	
	(a) General office records of agents' accounts, including journals and ledgers.	6 years.
	(b) Records and files of indemnity bonds incident to transportation and other charges.	3 years.
	(c) General office records relating to extension of credit for transportation and other charges.	6 years.
	(d) Statements of corrections in agents' accounts	3 years.
	(e) Records of revenues and expenses at joint offices	Do.
21	Audit reports:	
	(a) Reports of examinations, audits, and transfers by special accountants, traveling auditors, time inspectors, route agents, weight inspectors, etc., and supporting papers.	Do.
	(b) Reports of audits by public accountants	Do.
22	Correction notices:	
	(a) Debit and credit error letters	Do.
	(b) Registers of error letters	Do.
	(c) Stubs of error letters	Do.
23	Banking transactions:	
	(a) Periodical statements from depositaries	Do.
	(b) Debit and credit slips; canceled checks	6 years.
	(c) Bank deposit books; stubs, ledgers, or other records of checks issued	Do.
	(d) Copies of deposit slips. (Optional, if transcribed into bank deposit books.)	3 years.
	(e) Correspondence and memoranda relating to stop-payment orders, and to issuance of duplicate checks.	Do.
24	Treasurer's records of funds and deposits:	
	(a) Reports and summaries of balances on hand and with depositaries	Do.
	(b) Authorities for and records of transfer of funds between depositaries	Do.
	(c) Periodical statements of working cash balances	Do.

Item	Description of accounts, etc.	Period to be retained
	GENERAL AND FINANCIAL—continued	
25	Treasurer's records of receipts and disbursements:	
	(a) Periodical statements of the receipt and disbursement of funds. (See note under Item 10.)	Do.
	(b) Records or periodical statements of outstanding vouchers, checks, and drafts.	6 years.
	(c) Voucher and check listings showing mailing dates and to whom sent	2 years.
	(d) Slips or statements showing receipt or paymnet of funds, if the information thereon is posted in other records which are retained.	3 years.
	(e) Cash remittance reports of superintendents and agents, and summaries thereof.	Do.
26	Interdepartmental receipts for transfer of funds	Do.
27	Records of foreign exchanges or commercial paper purchased	Do.
28	Detail sheets showing distribution of receipts and expenditures by accounts	6 years.
	REVENUES	
40	Records of revenue from transportation:	
	(a) Records summarizing debits and credits from interline settlements and from settlements with agents and others.	4 years.
	(b) Records of interline settlements of revenues, including division statements, abstracts, statements of difference, correction accounts, and summaries.	Do.
41	Waybill records:	
	(a) Record of unsettled waybills and of waybills in suspense	3 years after disposition.
	(b) Tracers and supporting papers concerning unsettled waybills	1 year
	(c) Records of waybills and reports returned to agents	3 years
	(d) Registers of statements and abstracts received from agents, calls for missing waybills, and statements of waybills sent to other accounting departments.	Do.
42	Records, abstracts, and summaries of traffic carried on tonnage basis and rate basis.	Do.
43	Express privileges records:	
	(a) Detail sheets showing traffic, mileage, rates, routing, percentages, etc.	6 years.
	(b) Summary sheets showing traffic, advances, revenues, and revenue deductions.	4 years.
	(c) Distribution sheets showing allocation and adjustment of express privilege debits.	6 years.
44	Records summarizing settlements with agents and others for services of a general character as agent, for transfer of credits, for rents of buildings and other property, and for miscellaneous revenues.	3 years.
45	Detail records and reports of sales and payments of all forms of financial paper	Do.
46	Indexes and registers of financial paper forms distributed to agencies and customers.	Period prescribed for paper to which indexes relate.
47	Records of unpaid and unclaimed financial paper:	
	(a) Registers of financial paper issued and unpaid	6 years.
	(b) Registers of financial paper reported lost or destroyed	Do.
48	Paid money orders, travelers' checks, c. o. d. checks, and other forms of financial paper.	Do.
	EXPENDITURES	
60	Registers of fixed expenses:	
	(a) Registers of rentals, fixed charges, and credits	3 years after expiration.
	(b) Registers of salaries and pensions	Do.
	(c) Registers of agency commissions	Do.
61	Property records:	
	(a) Records and memoranda of cost and of inventory value of real property and equipment.	Permanent.
	(b) Records and memoranda of additions to and betterments of real property and equipment.	Do.
	(c) Records and memoranda of depreciation, retirements, and replacements of real property and equipment.	Do.
	(d) Records of contracts and other agreements relating to the construction, acquisition or sale of real property and equipment.	Do.
	(e) Reports and records of equipment numbers changed	Do.
	(f) Records, reports, statements, and memoranda showing details of the cost of real property and equipment, such as pay rolls, labor and material distribution sheets, copies of individuals' and companies' bills, time books, time tickets, work orders, job tickets, check rolls, material requisitions, and similar records, if full details are not transcribed into records covered by items (a) to (d) above.	Do.
	(g) Records, reports, statements, and memoranda similar to those covered by item (f) if full details are transcribed into records which will be retained permanently.	2 years.
62	Distribution sheets showing details of labor expenditures charged to all accounts, including memoranda and memorandum recapitulation sheets, except as otherwise provided in item 63f.	4 years.

Item	Description of accounts, etc.	Period to be retained
	EXPENDITURES—continued	
63	Pay-roll records:	
	(a) Pay rolls and summaries	Permanent.
	(b) Applications for changes in pay rolls, whether authorized or rejected	Optional.
	(c) Records and memoranda pertaining to deductions from pay rolls	Do.
	(d) Receipted pay checks, time tickets, certificates issued for wages, and other such evidence of payments for services rendered by employees, except as otherwise provided in item 61f.	3 years.
	(e) Canceled pay checks drawn in favor of "bearer" in payment of wages for which receipt is on pay rolls or other permanent records.	Optional.
	(f) Comparative or analytical statements of pay rolls	Do.
64	Records and files relating to assignments, attachments, and garnishments of employees' salaries or wages.	1 year.
65	Time books, time sheets, time tickets, time cards, overtime tickets, job tickets, check rolls, cost sheets, and other papers pertaining to services of officers and employees, except as otherwise provided in item 61f.	2 years.
66	Records and memoranda showing detailed distribution of expenditures for material and supplies to all accounts, including memorandum recapitulation sheets, except as otherwise provided in item 61f.	4 years.
67	Vouchers:	
	(a) Registers of audited vouchers and indexes thereto	15 years.
	(b) Paid drafts, paid checks, and receipts for cash paid out	10 years.
	(c) Paid and canceled vouchers, audit office copies of vouchers, and supporting papers, except as otherwise provided in item 61.	Do.
	(d) Lists containing authorities for payment of specific vouchers	2 years.
	(e) Reports of drafts issued by agents and others	1 year.
	(f) Lists of vouchers	Optional.
	(g) Record or index of vouchers to be made, with notations of dates of issue	Do.
68	Bills collectible:	
	(a) Register of bills collectible (or accounts receivable bills) and indexes thereto.	15 years.
	(b) Audit office copies of bills issued for collection and supporting papers which do not accompany the original bills.	4 years.
	(c) Periodical statements of unsettled accounts, except trial balance sheets.	Optional.
	(d) Record or index of bills to be issued, with notations of dates of issue	Do.
69	Special authorities for expenditures:	
	(a) Estimates and special authorities for expenditures for additions to or betterments of real property and equipment.	Permanent.
	(b) Detail records and memoranda used in preparation of estimates, if summarized in records covered by item 69a.	Optional.
	(c) Estimates, detail records, and memoranda relating to proposed expenditures which were not authorized.	Do.
70	Joint office statements of transactions	3 years.
	CLAIMS	
90	Claim records:	
	(a) Claim registers, card or book indexes, and other records in connection with overcharge, loss and damage, personal injury, and other claims.	6 years.
	(b) Records showing the details of authorities issued to agents and others for participation in claims.	Do.
	(c) All papers substantiating overcharge, loss and damage, personal injury, and other claims, whether filed separately or attached to vouchers. (See item 67c.).	4 years after settlement or rejection.
	(d) Claim jackets and folders, if all information thereon appears in records covered by (c) above.	Optional.
	(e) Claim bases constituting a duplicate record of claims, if substantiating papers are filed with another interested carrier.	2 years.
91	Statistical and other records showing settlement or disposition of claims, not otherwise provided for in item 90.	3 years.
92	Statements and reports not necessary to support claims or vouchers:	
	(a) Relating to overcharges, undercharges, and duplicate collection of charges.	Do.
	(b) Relating to fires and other damages to the property of others	2 years.
	(c) Relating to personal injuries	3 years.
	(d) Relating to unclaimed, over, short, and damaged express matter	2 years.
	(e) Relating to accidental damages not covered in (b) to (d) above	Optional.
93	Records, reports, and statements relating to the sale or other disposal of unclaimed, damaged, and refused shipments.	2 years.
	TRAFFIC	
100	Tariffs and other rate authorities:	
	(a) Tariffs, classifications, division sheets, and circulars which constitute the complete official file of the company.	2 years after expiration or cancellation.
	(b) Copies of tariffs, classifications, division sheets, and circulars which are not a part of the complete official file of the company referred to in (a) above.	Optional after expiration or cancellation.

Item	Description of accounts, etc.	Period to be retained
	TRAFFIC—continued	
100	Tariffs and other rate authorities—continued	
	(c) Requests and receipts from agents and others for tariffs, classifications, division sheets, and circulars.	Optional.
	(d) Correspondence and working papers relating to the determination of rates and the compilation of tariffs, classifications, division sheets, and circulars.	3 years after cancellation of tariff, etc.
101	Copies of concurrences filed with the Interstate Commerce Commission or with other regulating bodies.	2 years after cancellation.
102	Authorities for the transportation of property, free or at reduced rates, and supporting papers.	3 years.
103	Written requests from persons and companies for quotations for rates, and copies of such quotations.	Optional.
	PURCHASES AND STORES	
110	Material ledgers:	
	(a) Records of material and supplies on hand	6 years.
	(b) Balance sheets of material and supplies received, issued, and on hand at branch supply departments.	2 years.
111	Purchases and sales:	
	(a) Price records of purchases, file copies	Permanent.
	(b) Invoices for material and supplies purchased, whether attached to vouchers or filed separately, and records or reports of such invoices; except as otherwise provided in item 61f.	5 years.
	(c) Freight bills covering charges on material and supplies, except as otherwise provided in item 61f.	4 years.
	(d) Copies of orders for the purchase of material and supplies	2 years.
	(e) Letters from individuals and companies acknowledging receipt of orders for material and supplies, and notices of shipment.	Optional.
	(f) Contracts for purchase or sale of material and supplies; except as provided for in item 14(j).	4 years after expiration.
	(g) Bids and offers for the sale or purchase of material and supplies	1 year.
	(h) Requests or requisitions from supply agents, storekeepers, and others for the purchase of material and supplies.	2 years.
	(i) Authorities and credit vouchers for the sale of material and supplies	Do.
112	Inventories of material and supplies:	
	(a) General inventories of material and supplies, with record of adjustments between accounts; except as otherwise provided in item 61f.	Do.
	(b) Stock cards, inventory cards, and other detail records pertaining to inventories, if abstracted into records covered by (a) above.	1 year.
	(c) Minor inventories of material and supplies on hand, if not used for adjustments.	Do.
113	Material and supplies received:	
	(a) Records and reports of material and supplies received	5 years.
	(b) Records of material and supplies released and returned to stock	2 years.
	(c) Records of inspecting and testing material and supplies	1 year.
114	Material and supplies issued:	
	(a) Price records of material and supplies issued, file copies	Permanent.
	(b) Records and reports of material and supplies issued, except as otherwise provided in item 61f.	3 years.
	(c) Requisitions and receipts for material and supplies issued	1 year.
	(d) Records and reports of material and supplies transferred from one department or division to another, except as otherwise provided in item 61f.	2 years.
115	Equipment received and forwarded:	
	(a) Records and reports of equipment received or on hand	3 years.
	(b) Records and reports of equipment forwarded or transferred from one department or division to another, except as otherwise provided in item 61f.	Do.
	(c) Requisitions for equipment	Permanent, but 1 year if transcribed to permanent records.
	TRANSPORTATION	
125	Reports and records of movement of express shipments	Optional.
126	Reports and records of movement of cars owned or controlled	3 years.
127	Car distribution:	
	(a) Records of car allotment and distribution	3 years.
	(b) Records of cars ordered, furnished, and loaded	Do.
	(c) Reports of cars on hand	1 year.
	(d) Reports of unfilled car orders	Do.
128	Reports and records of car mileage	2 years.
129	Reports and records of protective service for express shipments	Do.
130	Reports and records of arrival, departure, delay, or detention of trains	Optional.

Item	Description of accounts, etc.	Period to be retained
	TRANSPORTATION—continued	
131	Messengers' records:	
	(a) Receipt books	2 years.
	(b) Trip sheets and trip reports	Do.
	(c) All other reports and statements dealing with the deposit, shipment, or transfer of money, valuable packages or articles, sealed bags, etc.	Do.
	(d) Copies of reports and statements constituting the messengers' own records.	Optional.
132	Routing records:	
	(a) Reports and records of circuitous routing	1 year.
	(b) Reports and records of routing orders	Do.
133	Detailed lists of accomplished government bills of lading	3 years.
	AGENCIES	
140	Cash books:	
	(a) Agency cash and daily balance books	6 years.
	(b) Balance sheets of assistant cashiers, adjustment clerks, money-order clerks, on-hand clerks, receiving clerks, and others.	2 years.
141	Agents' balance or settlement sheets and supporting papers	6 years.
142	Branch agencies and offices:	
	(a) Abstracts of express from branch package agents	2 years.
	(b) Reports or records of goods received at branch offices	Do.
143	Delivery records:	
	(a) Delivery or in-trip books	3 years.
	(b) Delivery sheets	Do.
	(c) Records of waybills received	Do.
	(d) On-hand books or cards	Do.
144	Copies of statements or abstracts of waybills received and forwarded	1 year.
145	Tally sheets of advanced and prepaid charges	2 years.
146	Records of express shipments transferred to or from other companies	3 years.
147	Copies of settlements with shippers, consignees, and other companies	2 years.
148	Waybills:	
	(a) Express waybills and record copies	Do.
	(b) All other waybills	Optional.
149	Correction notices	2 years.
150	Tracer files showing deliveries and other information in connection with shipments not covered by claims.	1 year.
151	Passing reports of through waybills at junctions	Do.
152	C. o. d.'s and collections:	
	(a) Register of c. o. d.'s and collections received	2 years.
	(b) Orders to reduce c. o. d.'s or collections	Do.
153	Money orders and c. o. d. checks:	
	(a) Reports of money orders, travelers' cheques, c. o. d. checks, and other forms of financial paper sold and paid.	Do.
	(b) Stubs of money orders, c. o. d. checks, and other forms of financial paper sold.	Do.
154	Reports and records of orders and commissions	Do.
155	Telegraph and cable transfers:	
	(a) Records of telegraph and cable transfers forwarded	Do.
	(b) Letters confirming telegraph and cable transfers forwarded	Do.
	(c) Registers of receipts and confirmations of telegraph and cable transfers (receipts for money paid).	Do.
	(d) Copies of reports of telegraph and cable transfers forwarded and paid	Do.
156	Records and reports of miscellaneous debits covering collections at agencies for sales or services.	Do.
157	Registers of expense letters or debit transfers	1 year.
158	Remittance slips and bank deposit slips, if retained by agents and not used for purposes specified in item 25e.	2 years.
159	Notices to agents to refund overcharges or double collections	Do.
160	Applications for relief of agency debits	2 years after settlement.
161	Records and reports of miscellaneous credits	2 years.
162	Copies of postal notices to consignees and shippers of undelivered express	3 years.
163	Orders for disposition of on-hand express	Do.
164	Certificates of inspection at agencies	1 year.
165	Sealed bags, valuable packages, safes, and packing trunks:	
	(a) Records of waybills and lists of contents	2 years.
	(b) Records of such shipments forwarded and received	Do.
166	Receipts:	
	(a) Employees' receipts for valuable shipments	2 years.
	(b) Duplicates of express receipts given to shippers	Do.
	(c) Drivers' receipts for delivery sheets	1 year.
167	Contracts and agreements by agents (see item 14(j))	2 years after expiration.
168	Call books and registers for drivers, garagemen, and vehicle men	Optional.
169	Vehicle inspection and service reports	Do.
170	Business solicitation records and reports	Do.
171	Duplicate copies of statements, reports, etc., comprising agency records	Optional after period assigned to originals.
172	All agency records not specifically provided for in items 140 to 171	2 years.

Item	Description of accounts, etc.	Period to be retained
	FOREIGN OPERATIONS	
190	Accounting records:	
	(a) Ledgers and journals	6 years.
	(b) Cashiers' daily balance sheets	Do.
	(c) Daily balance of charges received and paid out on foreign shipments	Do.
	(d) Journal entry tickets	Do.
191	Accounts receivable statements with foreign shipping correspondents	Do.
192	Records of amounts advanced or prepaid in connection with export shipments	3 years.
193	Bills of lading for export or import shipments	Do.
194	Claims relating to export and import shipments:	
	(a) All papers substantiating claims whether filed separately or attached to vouchers. (See item 67c.)	4 years after settlement or rejection.
	(b) Statements and reports not necessary to support claims or vouchers	2 years.
195	Correspondence relating to export and import shipments	For the period prescribed for the records to which the correspondence relates.
196	Corrections:	
	(a) Copies of letters to correct errors in foreign settlements	1 year.
	(b) Copies of reports and correction sheets making changes in commodity, weight, measurement, and charges on import shipments.	Do.
	(c) Copies of letters relating to errors in billing	Do.
197	Customs records:	
	(a) Customs clerks' statements of duty payments	3 years.
	(b) Records of and receipts for customs permits covering import shipments	1 year.
	(c) Records of progress of shipments through customs to expedite deliveries.	Do.
	(d) Documents necessary to clear abandoned shipments through customs	1 year after goods are sold.
	(e) Copies of customs entries covering shipments to move in bond to interior points.	1 year.
	(f) Records or indexes of customs entries	Do.
	(g) Other records relating to clearing shipments through customs	2 years.
198	Drivers' memorandum tickets for ferriage and other cash disbursements	1 year.
199	Expense letters:	
	(a) Copies of letter expensing charges on foreign offices	3 years.
	(b) Register of expense letters received and forwarded	Do.
200	Insurance records:	
	(a) Records of premiums collected on foreign shipments	Do.
	(b) Copies of insurance certificates furnished by foreign forwarders for use in event of claim by consignee.	Do.
201	Records and files relating to custom-house indemnity bonds	1 year after expiration.
202	Instructions to agents and others:	
	(a) Copies of brokerage instructions to customs brokerage correspondents	1 year.
	(b) Delivery instructions for disposition of import shipments	Do.
	(c) Instructions to vehicle men for special calls for delivery of export-shipments to steamship companies.	Do.
203	Copies of lighterage orders for transfer to outgoing steamers	Do.
204	Notices from railroad agents of export shipments not covered by through bills of lading.	Do.
205	Notices to shippers and agents:	
	(a) Notices showing names of steamers on which shipments were made and which have cleared foreign ports.	Do.
	(b) Copies of notices to interested parties that shipments have been forwarded from ports of entry.	Do
206	Records and reports relating to parcel post service	Do.
207	Rate quotations relating to shipping, routing, or billing export and import shipments.	3 years.
208	Registers of exports and imports:	
	(a) Records and indexes of shipments by lot numbers, or by name of shipper or consignee.	5 years.
	(b) Records and indexes of import shipments from one foreign port via another foreign port.	1 year.
209	Routing order reports from foreign agents	Do.
210	Shipping instructions to or by shippers, freight representatives, or others for billing, routing, or handling export and import shipments.	3 years.
211	Shipments to seaboard:	
	(a) Routing and arrival reports of export shipments	3 years.
	(b) Records showing splitting up and disposition of shipments in cars arrived at seaboard.	Do.
212	Shipments from seaboard, receipts for when covered by through bills of lading.	Do.
213	Steamship settlements:	
	(a) Copies of settlements of through charges	1 year.
	(b) Records of ocean freight payments	Do.
214	Solicitation reports from agents for export or import business	3 years.

Item	Description of accounts, etc.	Period to be retained
	FOREIGN OPERATIONS—continued	
215	Statistics:	
	(a) Copies of monthly reports covering increases and decreases of fixed expenses.	6 years.
	(b) Details of cost of foreign shipments by foreign offices	1 year.
	(c) Cards for recording costs on export or import shipments	Do.
	(d) Records and reports of movement and volume of export and import business.	3 years.
	(e) Other records and reports of comparative statistics relating to foreign operations.	1 year.
216	Tracer files relating to foreign shipments not the subject of claims	Do.
217	Valuable shipments for export or import:	
	(a) Records of and receipts for valuable shipments	6 years.
	(b) Records of shipments from connecting carriers	3 years.
	(c) Lists received from shippers for tracing purposes	1 year.
218	Waybills covering export or import shipments	3 years.
	STATISTICS	
230	Reports to Interstate Commerce Commission and other regulating bodies:	
	(a) Annual financial, operating, and statistical reports, file copies of, and supporting papers.	Permanent.
	(b) Periodical reports of operating revenues, expenses, and income, file copies of, and supporting papers.	2 years.
	(c) Accident reports, file copies of, and supporting records and papers	3 years.
231	Annual reports or statements to stockholders, file copies of	Permanent.
232	Comparative statements of balance sheet, profit and loss, income, or operating accounts, including analyses of increases or decreases.	3 years.
233	Statistical summaries and statements used for administrative purposes and not entered in the accounts.	2 years.
234	Periodical statements of estimated revenues and expenses not used as a basis for accounting entries.	Optional.
235	Comparative statements of performance based on mileage, commodity, tonnage, costs, etc.	2 years.
236	Tabulating cards and similar underlying data when results are transcribed into records covered by these regulations.	Optional.
	MISCELLANEOUS	
250	Correspondence:	
	(a) Letters, notes, memoranda, etc., and records thereof, relating to subjects listed in these regulations.	For the period prescribed for the records to which they relate.
	(b) Stenographers' notebooks and phonograph and other mechanical device records, if transcripts are retained as provided in (a) above.	Optional.
	(c) Telegrams, memoranda of telephone messages, and records thereof	For the period prescribed for the records to which they relate.
	(d) Extra copies of letters and memoranda used for tracing or other purposes, if the original or a copy is retained as provided in (a) above.	Optional.
251	Written authorities to destroy accounts, records, and memoranda, and certificates of such destruction, required by public authorities (see §§ 1223.7, 1223.8(c), 1223.8(d), and 1223.9).	Permanent.
252	Reports and records in connection with detective service, investigation of robberies, and attempts to defraud, when not the subject of claims.	Optional.
253	Duplicates of accounts, records, and memoranda listed in these regulations when they are not provided for otherwise and when they contain no information other than that shown on the originals (see § 1223.13b).	Do.
254	Engineering records:	
	(a) Maps, profiles, plans, specifications, estimates, and similar engineering statements and records pertaining to extension, addition, and betterment projects.	Permanent.
	(b) Engineering statements and records similar to those covered by (a) above but which relate to projects that have been abandoned.	3 years.
255	Records of employees:	
	(a) Applications for employment, reports and certificates of examinations, service records, efficiency tests, employees' rosters, and other similar records pertaining to employees.	1 year.
	(b) Applications for employment and replies thereto not resulting in employment of applicants.	Optional.
256	Provident department records, such as employees' relief, hospital, insurance, and savings departments, other than records pertaining to receipt and disbursement of funds. NOTE: Records pertaining to the receipt and disbursement of funds must be retained for the same periods as are provided for similar records in item 25.	1 year.
257	Instructions to agents and others:	
	(a) Books and circulars of instructions which constitute the complete official file of the company.	3 years after expiration or cancellation.
	(b) Surplus copies of books and circulars of instructions which are not a part of the complete official file referred to in (a) above.	Optional.
258	Franks:	
	(a) Copies of requisitions for frank stock	3 years.
	(b) Records of frank stock received and issued	Do.
	(c) Requests for franks	Do.
	(d) Records of franks issued	Do.
	(e) Records of franks received from other express companies	Do.
	(f) Records of annual or term franks honored	Do.
	(g) Records of paster franks honored	Do.
	(h) Void, unused, and unissued franks	Optional.
259	Passes:	
	(a) Copies of requests for annual, term, and trip passes and for reduced fare permits.	3 years.
	(b) Records of passes received, including reduced fare permits	Do.
	(c) Stubs of notices to conductors of authority to use pass	Do.
260	Drafts and financial paper stock:	
	(a) Records of drafts and financial paper stock received, issued, and canceled.	3 years.
	(b) Requisitions and receipts for drafts and financial paper stock furnished to officers, agents, and banks.	Do.
	(c) Notices of drafts and financial paper lost or stolen	Optional.
	(d) Records and files pertaining to the extension of time limits on drafts and financial paper.	Do.
	(e) Records of identification cards issued to payees of financial paper, and applications therefor.	3 years.

PART 1224—PIPELINE COMPANIES

Sec.
1224.1 Regulations prescribed.
1224.2 Introduction.
1224.3 Authority to destroy records.
1224.4 Photographic copies.
1224.5 Supervision of destruction.
1224.6 Record of records destroyed.
1224.7 Carriers going out of business.
1224.8 Prescribed periods of retention.

AUTHORITY: The provisions of this Part 1224 issued under 12, 20, 24 Stat. 383, as amended, 386, as amended; 49 U.S.C. 12, 20, unless otherwise indicated.

§ 1224.1 Regulations prescribed.

Effective January 1, 1962, each carrier by pipe line subject to the provisions of the Interstate Commerce Act, and each trustee, executor, administrator, or assignee of any such carrier, shall comply with the regulations in this subpart before destroying any operating, accounting, or financial papers, records, books, blanks, tickets, stubs, correspondence, or documents.

§ 1224.2 Introduction.

The following regulations specify the records and documents which may be destroyed and prescribe the length of time the same shall be preserved, but mention of a record or document hereinafter imposes no requirement that it shall be installed if its purpose is otherwise being adequately served. Compliance with the regulations in this subpart will not exempt a carrier from statutory requirements, other than provisions of the Interstate Commerce Act, for retention of records or documents for periods longer than those herein prescribed.

§ 1224.3 Authority to destroy records.

(a) *General authority.* Carriers by pipe lines subject to the regulations in this subpart may destroy records or documents named or described in the regulations in this subpart after they have been preserved for the prescribed periods of time. Permanent records are those which may not be destroyed without special authority.

(b) *Special authority.* A carrier subject to the provisions of the regulations in this subpart proposing to destroy records or documents which are not named or described in the regulations in this subpart or which, if named or described, are of a character that they are no longer needed for the prescribed periods of years because of retirement of property, or the information is sufficiently available in other records to be kept for required periods of years, or other good cause, may request special authority to destroy such records or documents. Applications for such special authority shall describe in detail the records or documents to be destroyed and shall explain why their continued retention is deemed to be unnecessary.

(c) *Authority to destroy certain records.* The carrier's Board of Directors or executive committee at its option may by a formal corporate act of appointment delegate to a bank, trust company,

or similar institution having custody of pipe line records in the normal course of business, the authority to destroy such records upon compliance with the requirements of these regulations. When documents represent debt secured by a mortgage or denture trust agreement, the record of destruction shall also be authenticated by a representative of the trustee.

§ 1224.4 Photographic copies.

(a) Records and documents may be destroyed if they have been suitably photographed, and the microfilm is retained in lieu of the original record or document for the period prescribed for such originals, subject, however, to the following limitations:

(1) Records listed in the following items of § 1224.8 may not be destroyed even though photographed for preservation on microfilm, unless specifically authorized by the Commission:

Item	Description
A-1	Incorporation and reorganization records.
A-2	Minute books.
A-4	Authorization for security issues.
D-1a	General and auxiliary ledgers and indexes thereto.
D-2	General and auxiliary journals and voucher registers.
E-3e	Valuation inventory reports and records.
G-1	Land titles and documents.
G-2	Licenses, agreements, and permits (rights-of-way).
H-1c	Property depreciation records.
M-1	Basic engineering and related data.
O-3	Record of records destroyed.

(2) Records listed in the following items of § 1224.8, if suitably photographed for preservation on microfilm, may be destroyed after retention in their original form for the period shown:

Item	Description	Period to be retained
B-1a	Capital stock ledger	5 years.
B-1b	Capital stock certificates, records, or stubs.	Do.
B-1c	Stock transfer registers or journals.	Do.
B-2a	Registered bond ledgers and journals.	Do.
B-2b	Records or stubs of bonds	Do.
B-4a	Records of outside or affiliated companies securities owned.	5 years.
B-5a	General cash books	Do.
B-5b	Auxiliary cash books	2 years.
C-1	Annual reports (stockholders)	5 years.
D-1b	Ledgers of detail transactions in receivable, payable, and similar accounts.	Do.
D-4	Vouchers, cash and journal	2 years.
E-1	Tax reports and schedules	Do.
E-3a	Annual report (and related data) to Interstate Commerce Commission.	5 years.
F-1a	Payroll registers, abstracts, or summaries.	2 years.
F-1c	Records showing distribution of salaries to accounts.	Do.
H-1d	Files of detailed authorization for expenditures, work or job orders.	Do.
I-3a	Invoices and bills payable	Do.
J-2c	Customers' ledgers	5 years.
J-2i	Crude oil suspense ledgers	Do.

(3) All other records listed in § 1224.8 not included in the foregoing may be destroyed after being suitably photographed for preservation on microfilm.

(b) To be acceptable in lieu of original records, photographic copies must meet the following minimum requirements:

(1) Photographic copies shall be no less readily accessible than the original record or document as normally filed or preserved would be, and suitable means or facilities shall be available to locate, identify, read, or reproduce such photographic copies.

(2) Any significant characteristics, feature, or other attribute of the original record or document, which photography in black and white will not preserve, shall be clearly indicated before the photograph is made.

(3) The reverse side of printed forms need not be copied if nothing has been added to the printed matter common to all such forms, but an identified specimen of such form shall be on the film for reference.

(4) Film used for photographing copies shall be of permanent record type meeting in all respects the minimum specifications of the National Bureau of Standards, and all processes recommended by the manufacturer shall be observed to protect it from deterioration or accidental destruction.

§ 1224.5 Supervision of destruction.

(a) Within six months after the effective date of the regulations in this subpart, or within six months after becoming subject to this provision, each carrier shall appoint an officer or other responsible employee to supervise the destruction of records and documents. Such appointment shall be by formal corporate act of the board of directors or its executive committee. An existing appointment made under prior regulations shall be recognized as being in compliance with the regulations in this subpart.

(b) If the property of a carrier is in the hands of a trustee, executor, administrator, or assignee, the officer or other responsible employee to have supervision of the destruction of records and documents shall be designated by such trustee, executor, administrator, or assignee.

(c) It is not required that a copy of the resolution or order of appointment be filed with the Commission.

§ 1224.6 Record of records destroyed.

(a) The supervising officer or other designated employee shall maintain or shall cause to be maintained a record of all carrier records and documents which have been destroyed pursuant to the regulations in this subpart except those the retention of which is optional with the carrier. The record shall include all records and documents destroyed, including those destroyed pursuant to § 1224.3(c).

(b) The record shall be available for inspection in the office of the supervising officer and shall be in such detail that the destroyed records or documents may be identified and the time, place, and method of destruction can be established. If the destruction is by accident or at the hand of an unauthorized person not subject to the carrier's control, then the record shall include a statement of the relevant circumstances.

§ 1224.7 Carriers going out of business.

The records and documents relating to operations of a carrier subject to the regulations in this subpart may be destroyed without regard to the prescribed periods of retention after carrier status is abandoned for purposes of the Interstate Commerce Act: *Provided however*, (a) if the carrier is a corporation being dissolved by act of the authority which created it, the records may not be destroyed until dissolution is otherwise complete, and (b) if the carrier is not incorporated or is being kept alive for purposes other than carrier operations, records relating to former carrier operations may not be destroyed until all transactions relating to such operations are completed.

§ 1224.8 Prescribed periods of retention.

The following list describes the purpose for which a record is necessary and the prescribed periods shall be observed even if a record by some other name serves the described purpose. If identical copies of the same document serve more than one such described purpose, only one copy is required to be retained by the regulations in this subpart.

DESTRUCTION OF RECORDS

A. ADMINISTRATIVE AND CORPORATE

Item	Record titles and descriptions	Period to be retained
1	Incorporation and reorganization records:	
	(a) Franchises, certificates, or permits from regulatory bodies authorizing construction, extensions, and operations; deeds and other titles.	Permanently, so long as property affected is owned; but 20 years after property is sold, abandoned, or otherwise disposed of.
	(b) Other records, documents, and files pertaining to the incorporation and reorganization of pipe line companies.	20 years.
2	Registered agents: Documents and files pertaining to the appointment of registered agents in States in which the carrier is authorized to do business.	3 years after termination or cancellation of appointment.
	Minute Books: Minute books of directors', executive committees', stockholders', and other corporate meetings.	Permanently.
	Authorizations for security issues: Copies of applications to and authorizations from regulating bodies for the issuance of stocks, bonds and other securities. (See item E-3d.)	20 years when approved; optional when denied.

DESTRUCTION OF RECORDS—Continued

A. ADMINISTRATIVE AND CORPORATE—continued

Item	Record titles and descriptions	Period to be retained
3	Minute Books: Minute books of directors', etc.—Continued	
	Voting securities:	
	(a) Proxies of holders of voting securities	2 years.
	(b) Lists of holders of voting securities presented at stockholders' meetings	Do.
	Contracts and agreements:	
	(a) Card or book records of contracts, leases, and agreements made, and of expirations, and of renewals.	Same period as for related contract, lease, or agreement.
	(b) Power, fuel, water, and other utility contracts and agreements	1 year after expiration of contract or agreement.
	(c) Contracts and agreements for use of communication systems	Do.
	(d) Rental agreements and leases of property and equipment, other than communication systems, land, and rights-of-way (see items A-6c, G-1, and G-2), by or from carrier.	1 year after expiration of lease or agreement.
	(e) Contracts and agreements relating to maintenance of machines, equipment, and other facilities.	1 year after expiration of contract or agreement.
	(f) Contracts, leases, and agreements not provided for in items A-6b through A-6e, B-1i, B-1j, F-2b, G-1a, G-1b, G-1c, G-2a, G-2b, H-1f, and I-2c.	Statute of limitations after fulfillment or expiration of contract, lease, or agreement.
	(g) Contracts and required files for transactions which are subject to the provisions of the Clayton Antitrust Act (15 USC 20).	In original form for 10 years after expiration, provided there is no pending litigation involving these records and provided that the carrier informs the Commission of its intended action 2 weeks prior to date the records are to be destroyed.
7	Fidelity bonds: Records and files of fidelity bonds of employees	1 year after expiration of coverage.
8	Communications code and cipher books: Code and cipher books for convenience of transmitting information and data but not necessary for understanding of carrier's official records. (See item D-13(a).)	Optional.

B. TREASURY

1	Capital stock records:	
	(a) Capital stock ledger	10 years.
	(b) Capital stock certificates, records of or stubs of	Do.
	NOTE: If the information shown on the stubs is recorded in 10-year records, the stubs are required to be retained only for a period of 3 years.	
	(c) Stock transfer registers or journals	Do.
	(d) Bills of sale, correspondence, or memoranda concerning transfer of capital stock.	3 years.
	(e) Capital stock subscription notices and requests for allotment	1 year.
	(f) Canceled capital stock certificates. (See item 3.)	Optional.
	(g) Stockholder's signature cards	Until order rescinded.
	(h) Orders from stockholders to pay dividends to others	3 years.
	(i) Receipts for capital stock certificates	6 years when used in support of payment; otherwise optional.
	(j) Dividend lists of stockholders	3 years after expiration of contract.
	(k) Contracts and correspondence relating to treasury stock	3 years after expiration of agreement.
	(l) Escrow agreements for capital stock held in escrow	
	Bond records:	
	(a) Registered bond ledgers and journals	10 years.
	(b) Records or stubs of bonds	Do.
	NOTE: If the information shown on the stubs is recorded in permanent records, the stubs are required to be retained for a period of 3 years.	
	(c) Bills of sale, correspondence, or memoranda concerning transfer of registered bonds.	3 years.
	(d) Records of interest coupons paid and unpaid	Do.
	(e) Funded debt subscription notices and requests for allotments	1 year.
	(f) Canceled bonds, paid interest coupons, and unissued bonds. (See item 3.)	
3	Retired securities: Stock certificates, bonds, notes, interest coupons, receiver's certificates, and temporary certificates taken up and canceled.	Optional, but see §§ 1224.3(C) and 1224.6.
4	Records of securities owned:	
	(a) Records of outside or affiliated companies' securities owned, whether in treasury or with custodians.	10 years after disposition of securities.
	(b) Records of Government and commercial bills and notes owned, whether in treasury or with custodians.	3 years after disposition.

DESTRUCTION OF RECORDS—Continued

B. TREASURY—continued

Item	Record titles and descriptions	Period to be retained
5	Cash books:	
	(a) General cash books	10 years.
	(b) Auxiliary cash books	6 years.
	NOTE: If any receipts or payments are entered in the aggregate in the general cash book and are detailed only on loose sheets, such loose sheets constitute an auxiliary cash book.	
	Statements of funds and deposits:	
	(a) Statements and summaries of cash balances on hand and with depositaries.	3 years.
	(b) Authorities for and statements of transfer of funds from one depositary to another.	Do.
	(c) Periodical statements of working cash balances	Do.
7	Records of accounts with depositaries:	
	(a) Bank statements from depositaries of funds received, disbursed, and transferred showing interest, if any, allowed on average balances.	Do.
	(b) Bank deposit books	Do.
	(c) Check registers, stubs, duplicates, or other records of checks or drafts issued.	Do.
	(d) Duplicate deposit slips	Do.
	(e) Debit and credit slips received from depositaries	Do.
	(f) Canceled checks and drafts (other than payroll checks. (See items F-1e and F-1f.)	Do.
	(g) Correspondence and memoranda relating to endorsements, issuance of duplicates, forgeries, stoppage of payment, missing signatures, and erroneous dating or preparation of checks or drafts.	Do.
	(h) Copies of check signature authorizations filed with depositaries	3 years after cancellation of authorization.
	(i) Statement of reconciliation of accounts with depositaries, showing outstanding checks and drafts issued but not paid.	3 years.
	(j) Statements of funds impounded in closed banks or other depositaries	3 years after liquidation of depositary.
	(k) Correspondence, claims, and memoranda relating to funds impounded in closed banks or other depositaries.	Do.
8	Records of cash receipts and disbursements:	
	(a) Daily statements or memoranda detailing cash receipts and disbursements which are not detailed in (but not material to) the general or auxiliary cash books.	3 years.
	(b) Daily statements or memoranda detailing cash receipts and disbursements which are detailed in general or auxiliary cash books.	Optional.
	(c) Periodical statistical statements of receipts and disbursements of cash showing number of checks, drafts, etc., issued.	3 years.
	(d) Cash remittance reports of employee-custodians	Do.
	(e) Requisitions on parent or holding company for cash	Do.
	(f) Daily or other periodical statements or memoranda detailing sources of receipts of cash transferred to other departments of the carrier or to its parent company.	Do.
9	Working or petty cash funds:	
	(a) Statements of receipts, disbursements, and balances of working or petty cash funds in hands of employee-custodians.	Do.
	(b) Correspondence and memoranda relating to working or petty cash funds in hands of employee-custodians.	Do.

C. GENERAL AND FINANCIAL REPORTS AND STATEMENTS

1	Annual reports: Annual financial statements to stockholders, balance sheets, income statements, and supporting detail statements of the condition of business at the close of the fiscal period.	10 years.
2	Monthly, quarterly, and semiannual reports:	
	(a) Financial statements, cost statements, income statements, operating reports of primary and auxiliary operations, period comparisons, and all other statements rendered the management showing condition of business.	4 years.
	(b) Monthly or other periodical statements of oil and oil products transactions expressed in terms of barrels or other units of measure.	Do.
3	Incidental reports: Miscellaneous statistical reports, special reports of individual accounts or operations, statements, and summaries requested by the management for incidental supervisory purposes and which are not entered into the accounting records of the carrier.	Optional.

DESTRUCTION OF RECORDS—Continued

D. FINANCIAL ACCOUNTING

Item	Record titles and descriptions	Period to be retained
	Whether the carrier's accounting system is conducted by bookkeeping machine, tabulating machine, or other data-processing equipment, or by manual method, in whole or in part; whether the record is kept in bound books, loose leaf books, run sheets, loose leaf files, card or ticket files, or data-processing storage devices, the record corresponding to the following phraseology is intended.	
1	Ledgers:	
	(a) General and auxiliary ledgers and indexes thereto	Permanent.
	(b) Ledgers of detail transactions in receivable, payable, and deferred accounts; location or other subdivisions of revenue and expense accounts and similar subsidiary details not included in item D-1a above.	10 years.
2	Journals: General and auxiliary journals, combination journals and voucher registers, and voucher registers.	Permanent.
3	Clearing account records: Records of costs of operations incidental or subsidiary to pipe line operations such as automotive transportation, camps, communication systems, roads, shop, and storehouse operations which are apportioned or allocated to the major operations of the carrier according to the use made of the facilities, including supporting memoranda.	4 years.
4	Vouchers, cash and journal: Vouchers representing acknowledgments of cash received from whatever source, receipts for cash paid out for whatever purpose, and supporting papers.	6 years.
	NOTE: Different companies have different ideas about what papers should be attached to these vouchers; hence each group of documents, pay rolls, invoices, bills payable, material receipts, storehouse issues, cash receipts, acknowledgments, releases, etc., regardless of filing media, are described individually under corresponding sections of this classification and the period of retention pertaining to each of these shall govern.	
5	Budgets: Approved physical capital, financial, and operating budgets, forecasts for financing and operating the company during definite future periods and to guide the company's officials and employees in the expenditure of funds, together with work programs, estimates, books, and other records of comparison between estimated and actual expenditures and correspondence, memoranda, and work papers related thereto.	2 years.
6	Transportation revenue and settlement records:	
	(a) Records of transportation revenues, settlements by shippers, and divisions of revenue by or with participating or connecting carriers.	4 years.
	(b) Records of transportation revenue by movements and points of origin and delivery.	Do.
7	Storage and loading revenues and settlement records: Records of revenue derived from storing (including demurrage), loading, and unloading services, and of settlement by shippers.	Do.
8	Miscellaneous revenue records: Records of miscellaneous revenues derived from rental of pipe line property, communications service, and other miscellaneous sources, including sale of oil and oil products accumulated from tariff allowances.	Do.
9	Routine billing records:	
	(a) Office copies of bills rendered for transportation, materials and supplies sold, work performed for others, etc.	3 years.
	(b) Listing sheets controlling the transmission of invoices to other departments of the company and to affiliated companies.	Optional.
	(c) Periodical statements of account issued by vendors from whom purchases were made.	Do.
	(d) Abstracts of paid freight and express bills forwarded to the traffic department for examination and verification.	Do.
10	Shop accounts:	
	(a) Shop orders or requisitions for shop work	Do.
	(b) Records reflecting details of cost of each shop job	4 years.
	(c) Records and memoranda supporting the distribution of shop job expenditures.	Do.
	(d) Statistics relating to operating of shops, which are not used in support of book entries.	Optional.
11	Stationery:	
	(a) Requisitions on stock clerk for stationery and office supplies	Do.
	(b) Card or other records of stationery and office supplies not necessary to support the accounting records of such materials purchased. (See item 1-6c.)	Do.

DESTRUCTION OF RECORDS—Continued

D. FINANCIAL ACCOUNTING—continued

Item	Record titles and descriptions	Period to be retained
12	Audits:	
	(a) Audit reports of general audits and surveys made by independent public accountants.	3 years.
	(b) Internal audits made by carrier, field audits, departmental audits, office surveys and special reports, reports of inventories of materials and supply stocks, and verifications and attestations of treasurer's cash funds and securities.	Do.
	(c) Records of audit and reconciliation of working or petty cash funds in hands of employee-custodians.	Do.
	(d) Statements reflecting turnover of cash in working or petty cash funds in hands of employee-custodians.	Do.
	(e) Reports, correspondence, and memoranda concerning defalcations by employees.	Do.
	(f) Reports of audits and surveys by regulatory agencies (except those pertaining to taxes). (See item E-1.)	Do.
13	Accounting codes and instructions:	
	(a) Records of established codes of accounts and changes therein	6 years after discontinuance of code.
	(b) Correspondence, rulings, interpretations, and instructions concerning accounting procedures and practices.	6 years after supersedure.

E. TAX AND STATISTICAL REPORTS—FEDERAL, STATE AND LOCAL

	NOTE: If governing statutes of limitations are of longer periods than those specified in this section, or if Federal or State laws or regulations by taxing authorities require longer retention, then the schedules, returns, reports, and records described in this section shall be retained for the longer periods.	
1	TAX REPORTS: Copies of schedules and returns filed with, and audit reports received from, Federal, State, or local authorities for income and excess profits, capital stock, transportation or pipage, Social Security, ad valorem, and any and all other tax purposes, and all records, memoranda, and working papers in connection therewith.	6 years.
2	Oil and oil products transportation control records: Records and reports, tenders, manifests, and other documents covering stocks, receipts, and deliveries required by Federal and State authorities for the purpose of controlling the transportation of oil and oil products.	4 years.
3	Reports to Interstate Commerce Commission and other regulating bodies:	
	(a) Annual report to the Interstate Commerce Commission, Form P (file copies), and supporting papers filed with the report.	10 years.
	(b) Other annual financial, operating, and statistical reports (file copies) and all supporting papers, memoranda, and working papers in connection therewith.	6 years.
	(c) Quarterly reports of transportation revenue and number of barrels of oil and oil products originated and received from connecting carriers, Form Q.P.S. (file copies).	1 year after current year.
	(d) Reports regarding expenditures of proceeds from sale of authorized securities (file copies) and all supporting papers.	6 years.
	(e) Valuation inventory reports and records, together with related field notes, maps, and sketches; underlying engineering, land, and accounting reports; pricing schedules, summary or collection sheets, yearly reports of changes and other miscellaneous data, all in connection with valuation of the carrier's property by the Interstate Commerce Commission.	Permanently; but see § 1224.3 (b) under which application may be made for special authority to destroy after a reasonable period of years records of the character no longer needed following the Commission's acceptance of a completely new valuation inventory.
	(f) Statistical and information reports to governmental agencies not provided for in items E-1 through E-3e.	6 years.

DESTRUCTION OF RECORDS—Continued

F. PAY ROLLS AND PERSONNEL

Item	Record titles and descriptions	Period to be retained
1	Pay roll records:	
	(a) Pay roll registers, abstracts, or summaries showing earnings, deductions and amounts paid to each employee by pay periods.	6 years; but see § 1234.2 which states that a carrier is not exempt from statutory requirements other than provided herein.
	(b) Applications and authorities for changes in pay rolls	Optional.
	(c) Records showing the detailed distribution of salaries and wages to various accounts.	6 years.
	(d) Records, reports, and memoranda concerning deductions and other miscellaneous accounts with employees whether handled through pay roll accounts or direct settlement.	2 years.
	(e) Receipted pay rolls, endorsed pay checks or drafts, receipted time tickets, certificates issued for wages, discharge tickets, and other evidences of payment for services rendered by employees. (See item B-7f.)	3 years.
	(f) Canceled pay checks or drafts drawn in favor of employees in payment of wages for which receipt is shown on pay rolls or other records retained by the carrier.	Optional.
	(g) Comparative, analytical, or other statistical statements of pay rolls	Do.
	(h) Receipts for pay rolls and pay checks forwarded to agents and others for distribution to employees.	Do.
	(i) Records of annuities or pensions paid to retired employees and records of death benefits paid to beneficiaries of deceased employees.	3 years.
	(j) Files and records containing assignments, attachments, and garnishments of employees' salaries or wages, notices of suits, releases and correspondence incident thereto.	Do.
	(k) Timebooks, time cards, time sheets and summaries thereof, time slips, predetermined working schedules, overtime tickets, delayed time tickets, work orders, job tickets, check rolls and other records and papers pertaining to services of officers and employees.	Do.
2	Personnel records:	
	(a) Applications for employment, qualification records, service records, reports and certificates of physical examinations, efficiency tests, and similar records.	3 years after employment termination.
	(b) Contracts and agreements with employees or employee bargaining groups.	3 years after termination of contract or agreement.
	(c) Applications for employment and replies thereto, not resulting in employment of applicant.	Optional.

G. LANDS AND RIGHTS-OF-WAY

Item	Record titles and descriptions	Period to be retained
1	Land titles:	
	(a) Deeds and other papers conveying title to lands held by the carrier; also abstracts of title, maps, and pertinent memoranda in connection therewith.	Statute of limitations after relinquishment of title.
	(b) Leases of lands by or from the carrier, evidence of rentals paid and pertinent memoranda in connection therewith.	Statute of limitations after expiration of lease.
	(c) Documents conveying rights-of-way and franchises to the carrier; releases from liability for damages to property and persons incident to construction, operation, or maintenance of pipe line properties on such rights-of-way; and all books or records, correspondence, and memoranda pertaining thereto.	Statute of limitations after abandonment of rights-of-way.
2	Licenses, agreements, and permits:	
	(a) Licenses or permits granted by Federal agencies for radio and similar communications, and by Federal, State, county, or municipal governments for the crossing of rivers, levees, streams, or other waterways, highways, or streets by pipe lines and communication lines, together with copies of corresponding applications and all book and other records thereof.	Statute of limitations after removal or abandonment of lines.
	(b) Licenses or permits granted by, or agreements made with, railroads and other transportation agencies for the crossing of railroads, canals, or other transportation facilities by pipe lines and communication lines, together with all records, correspondence, and memoranda in connection therewith.	Do.

DESTRUCTION OF RECORDS—Continued

H. PIPE LINE PROPERTY

Item	Record titles and descriptions	Period to be retained
	NOTE: All accounts, records, and memoranda requisite for making a complete analysis of the cost of pipe line property shall be retained for the periods mentioned. If any of the accounts, records, and memoranda elsewhere provided for in these regulations are of this character, they shall be retained for those periods, regardless of any lesser period of retention assigned to them.	
1	Pipe line property records:	
	(a) Fixed plant property ledgers in which are maintained a complete record of the cost or inventory value of all pipe line property, including additions and betterments, retirements and replacements.	5 years after abandonment or other disposition of property.
	(b) Construction records or ledgers (including completion reports and job cost or other records) in which are kept detailed construction costs of additions and betterments, extensions, and replacements of pipe line property, and similar records showing detailed costs of major repairs or dismantlements of existing pipe line property, which, when completed, are charged to other appropriate primary accounts.	Do.
	(c) Property depreciation records and memoranda relating thereto	20 years.
	(d) Files of detailed authorizations for expenditures, work or job orders showing estimated costs of additions and betterments, extensions, replacements, major repairs and dismantlements, approved by proper officials, together with all supporting memoranda and correspondence.	6 years.
	(e) Estimates, detail records, correspondence, and memoranda for proposed expenditures pertaining to projects not put into execution.	Optional.
	(f) Contracts and agreements relating to construction, acquisition, major repairs, dismantlement, sale or other disposal of pipe line property together with related bonds, correspondence, and memoranda, except as provided for in item 6(g).	6 years after fulfillment of contract or agreement.
	(g) Monthly or other periodical statements or reports reflecting the status of accounts covering authorized expenditures for extensions, additions, betterments, repairs, replacements, and retirements of pipe line property.	Optional.
	(h) Miscellaneous statistics pertaining to pipe line property changes, which are not used in support of book entries.	Do.
	(i) Miscellaneous statistics pertaining to depreciation of pipe line property, which are not used in support of book entries.	Do.
2	Inventories of pipe line property:	
	(a) Periodical inventories of individually identifiable units of pipe line and station property. (Also see item H-2b.)	6 years after prior inventory.
	(b) Periodical inventories of pipe line equipment when not used to record changes in investment. (Also see item H-2a.)	Until next inventory.

I. PURCHASES AND STORES

Item	Record titles and descriptions	Period to be retained
1	Material records:	
	(a) General office book, card, or other inventory control records of quantities and values of materials and supplies received, issued, or transferred and of balances on hand.	4 years.
	(b) Field storehouse book, card, or other records of quantities of materials and supplies received, issued, or transferred, and of balances on hand. (See item I-1a when such records are used for value accounting purposes.)	3 years.
	(c) Trial balances or other balancing media of general office or field storehouse records of materials and supplies.	Until audited.
	(d) Monthly or other periodical records of line pipe or other materials on hand at field locations.	Do.
	(e) Pipe tallies, wherever used, in connection with receipts, deliveries, or transfers of line pipe when totals are recorded elsewhere.	Do.
2	Purchases and sales:	
	(a) Requisitions or other advices from storekeepers and other employees for the purchase of material and supplies.	2 years.
	(b) Copies of orders issued for the purchase of materials and supplies	Do.
	(c) Contracts for the purchase or sale of materials and supplies, except as provided for in item 6(g).	3 years after expiration of contract.
	(d) Bids and offers, advices, and acknowledgments of receipts of orders and other records or reports of materials and supplies purchased or sold.	Optional.
	(e) Records and reports of surplus, obsolete and junk materials and scrap, including authorities for the sale thereof.	Do.
	(f) Records of stationery, printed forms, and first-aid and office supplies purchased for and distributed to various offices and field locations.	Do.

DESTRUCTION OF RECORDS—Continued

I. PURCHASES AND STORES—continued

Item	Record titles and descriptions	Period to be retained
3	Invoices and bills payable:	
	(a) Invoices and bills payable (originals) of all kinds, whether attached to vouchers or filed separately. (See note under Item D-4.)	6 years.
	(b) Records and lists for following up receipts and transmittals of invoices and bills payable.	Optional.
4	Materials and supplies received:	
	(a) Records of materials and supplies received from all sources	2 years.
	(b) Records and memoranda pertaining to evaluation of materials and supplies salvaged and returned to stock.	Do.
	(c) Records of inspections and tests of materials and supplies received	Optional.
	(d) Records maintained to follow up receipts of materials and the return to vendors of valuable containers.	Do.
5	Materials and supplies issued or transferred:	
	(a) Priced storehouse transfers, issue sheets, or other voucher supporting records of materials and supplies issued from stock or transferred from one department or location to another.	4 years.
	(b) Records, memoranda, and authorities supporting write-offs of surplus, obsolete, and junk materials and supplies.	Do.
	(c) Storehouse copies of requisitions, receipts, transfers, issue sheets, or other records of materials issued from stock or transferred from one location to another.	1 year.
6	Inventories of materials and supplies:	
	(a) General periodical or perpetual (running) inventories of materials and supplies on hand.	2 years.
	(b) Records of adjustments booked to effect a reconciliation between materials and supplies ledgers or other control records and general inventories.	Do.
	(c) Incidental inventory work papers and reports not necessary to support the book record of materials and supplies stocks.	Optional.
7	Stock code numbers for materials and supplies: Record of code numbers assigned to individual items of materials and supplies for accounting and other purposes.	6 years after discontinuation of code.
8	Fuel and power:	
	(a) Reports and records of fuel delivered to stations	2 years.
	(b) Records and untranscribed reports of fuel received and issued	Do.
	(c) Meters records of fuel and power and daily reports of fuel on hand	Optional.

J. OIL AND OIL PRODUCTS STOCKS AND MOVEMENTS

1	Records of receipts, deliveries, pumpings, stocks, and over and short:	
	(a) Farm ledgers or other records in which are kept complete details of receipts of oil from leases.	4 years.
	(b) Ledgers or other detailed records of receipts from all sources (other than detailed lease runs), inventories, deliveries to destinations or connecting carriers, loadings to and unloading from tank cars, trucks, and vessels, and related overages and shortages.	Do.
2	Custody change tickets:	
	(a) Run tickets showing quantities by tank measurements or meter readings of oil received from producers' tanks into the carrier's lines.	Do.
	(b) Receiving and/or delivery tickets evidencing receipts or deliveries of oil or oil products on tenders of shipment.	Do.
3	Run sheets:	
	(a) Daily reports of oil runs, showing quantities of oil run from each district to each receiving station, and the resultant overages and shortages.	Optional.
	(b) Reports or records of runs, allowables, and legal stocks by leases	4 years.
4	Hourly tank gage records: check sheet records showing hourly tank gages, temperatures, gravities, B. S. & W. contents, pump pressures, and other data necessary for directing the flow of oil and oil products through the pipe lines.	Optional.
5	Pumping reports: Daily reports or shipping order records showing the quantity of oil or oil products pumped by each pumping station or shipping point.	Do.
6	Reports of delays in pumping schedules: Reports of delays in pumping schedules giving full particulars in respect thereto.	Do.
7	Reports of oil or oil products mixtures: Periodical reports of oil or oil products mixtures in tanks and pipe lines.	Do.

DESTRUCTION OF RECORDS—Continued

J. OIL AND OIL PRODUCTS STOCKS AND MOVEMENTS—continued

Item	Record titles and descriptions	Period to be retained
8	Statements of oil and oil products consumed as fuel: Statements showing the quantity and value of oil and oil products consumed as fuel and stations where consumed.	4 years.
9	Statements of oil and oil products lost by line breaks and leaks: Statements showing the quantity and value of oil and oil products lost due to pipe line breaks and leaks and points at which losses occurred.	Do.
10	Reports of power furnished by producers: Monthly reports of the quantity of oil run in connection with which power was furnished by producers, and records of payment for such power.	Do.
11	Records of producers' property: Records identifying ownership and location of producers' tanks or wells to which carrier's lines are connected.	3 years after disconnection.
12	Tank gage tables: Gage tables for all tanks used in carrier operations	3 years after disconnection or restrapping.
13	Stock reports:	
	(a) Daily reports from stations and terminals showing fluid changes in each tank, the nature of such changes, and tank gages at close of day.	Optional.
	(b) Monthly or other periodical inventory reports of oil or oil products on hand.	3 years.
14	Division orders: Directions received by carrier as to the division of interest and to whose account transported oil should be credited.	4 years after disconnection.
15	Transfer orders:	
	(a) Directions received by the carrier for the transfer of division order interests from one interest owner to another.	Do.
	(b) Transfer orders for the transfer of ownership of oil or oil products in carrier's custody.	4 years.
16	Powers of attorney: Powers of attorney authorizing carrier, as attorney in act or as agent, to transact business for the principal.	4 years after cancellation.
17	Credentials of corporation agents: Resolutions of corporations indicating the officers duly authorized to transact business with the carrier.	Do.
18	Probate records: Certified copies of wills, affidavits, copies of decrees of court, and certified copies of appointments of administrators, executors, and guardians.	4 years after disconnection.
19	Freight records: Office memorandum of charges on producers' oil shipped by cars.	3 years.
20	Customers' ledgers: Record of amounts paid for oil runs purchased from producers and royalty owners.	10 years.
21	Crude oil suspense ledgers: Record of oil purchases held in escrow due to title requirements and litigation.	Do.
22	Tenders of shipment and related records:	
	(a) Tenders of shipment, bills of lading, requests for stoppage in transit, requests for release from storage, reconsignments orders, and other shipping papers filed in support of shipments of oil and oil products.	3 years.
	(b) Notices of shipment issued by initial carrier, to participating or connecting carriers, of movements received for joint transportation, showing tender or order number, tariff number, quantity and grade of oil or oil products, consignor and consignee, destination, and date issued.	Do.
	(c) Notices of completed tenders by final carrier to participating or connecting carriers of tenders completely delivered to destination.	3 years.
	(d) Reports or statements of completed tenders furnished to the accounting department when tenders of shipment are completed, showing quantity of oil or oil products transported, name of shipper, and amount of revenue collectible.	Do.
	(e) Monthly or other periodical recapitulation reports, summaries, and statements of oil and oil products received, delivered, and undelivered on tenders of shipment.	Do.
23	Tank cars, trucks, and vessels reshipped from terminals and loading racks: Shipping papers including shipping orders, bills of lading, loading affidavits, reports of conveyances loaded and shipped, reconsignments and diversions, outages and inages on tank cars, trucks, and vessels reshipped from terminals and loading racks.	Do.
24	Tank car, truck, and vessel situation and condition reports: Reports of conveyances shipped and received, instructions for movement of empty tank cars, A.R.A. billing repair cards, mechanical condition and situation reports, round-trip reports, etc.	Do.
25	Miscellaneous oil and oil products transportation records: Miscellaneous records and periodical reports pertaining to the handling and transportation of oil and oil products not provided for in Items J-1 through J-24.	Do.

DESTRUCTION OF RECORDS—Continued

K. TARIFFS AND RATES

Item	Record titles and descriptions	Period to be retained
	Tariffs and other rate authorities:	
	(a) Official file copies of tariffs, classifications, division-of-rate sheets, and circulars in which the carrier is interested as a transporter of oil and/or oil products.	4 years after cancellation of tariff.
	(b) All other copies of tariffs, classifications, division-of-rate sheets, and circulars referred to in item K-1a above.	Optional.
	(c) Copies of tariffs, classifications, etc. of other carriers, in which the carrier is not interested as a transporter of oil and/or oil products.	Do.
2	Requests for tariffs and other rate authorities: Requests and receipts from agents and others for tariffs, classifications, rate quotations, division-of-rate sheets, and circulars issued or concurred in, relative to the transportation of oil and oil products.	Optional after cancellation of tariff.
3	Concurrences: Copies of concurrences filed with the Interstate Commerce Commission and with other regulating bodies.	4 years after cancellation.
4	Tariff correspondence and related memoranda:	
	(a) Correspondence, statistics, and work papers relating to the structure of tariff rates, preparation and filing of tariffs, classifications, division-of-rate sheets, and circulars issued by the carrier, relative to the transportation of oil and oil products.	4 years after cancellation of tariff.
	(b) Documentary records, statistics, memoranda, correspondence, and all other records relative to litigation or investigation by regulatory bodies of the carrier's tariff rates, transportation regulations, etc.	6 years.

L. FIELD OPERATIONS

Item	Record titles and descriptions	Period to be retained
1	Field cashiers' records: Cash books, journals, file copies of cash reports, and correspondence pertaining to field cashiers' working or petty cash funds.	3 years.
2	Strapping and calibration records:	
	(a) Tank strappers' reports of tank measurements	3 years after disconnection or restrapping.
	(b) Records, data sheets, and certificates pertaining to the calibration of tanks, prover tanks, and meters, including the determination of meter factors.	3 years after recalibration.
3	Other field records:	
	(a) Records, reports, and statistics serving only information and guidance purposes in field operations, such as machinery performance and repair records, tool records, line patrol records, communication system, and automotive equipment operation and maintenance records and other such miscellaneous field records and reports.	Optional.
	(b) Field office records and reports which are duplicates of records and reports in the general office or if the same information is available from general office or other records.	Do.

M. ENGINEERING

Item	Record titles and descriptions	Period to be retained
1	Basic data: Platted field notes, survey notes, survey plats, diagrams, or other basic engineering data concerning property additions, betterments, and retirements. (See item E-3e.)	3 years after abandonment or other disposition of property.
2	Maps: Tracings, maps, or plans prepared from basic data referred to in item M-1 above.	Optional.
3	Specifications and engineering studies:	
	(a) Specifications, engineering studies, and other similar records of property changes actually made.	2 years.
	(b) Engineering studies, designs, plans, surveys, experimental work, and similar records of projects not put into execution.	Optional.

DESTRUCTION OF RECORDS—Continued

N. INSURANCE AND CLAIMS

Item	Record titles and descriptions	Period to be retained
1	Insurance records:	
	(a) Inventories and other reports of insurable structures	Until revised.
	(b) Periodical reports of tank contents of insurable oil and oil products	Do.
	(c) Schedules of insurance against fire, storm, and other hazards; records of premium payments and of amounts recovered.	3 years.
	(d) Insurance policies	Optional.
	(e) Records of policies in force, showing insurer, term of coverage, structures, facilities and products insured, principal, premium, etc.	3 years after expiration of policy.
	(f) Reports to insurers of accidents or losses and all correspondence and memoranda in connection therewith.	Optional.
2	Claims records:	
	(a) Claim registers, card or book indexes, and other records in connection with the recording of personal injury, fire, and other claims presented against the carrier, together with all supporting papers.	3 years after settlement.
	(b) Claim registers, card or book indexes, and other records in connection with the recording of overcharge, undercharge, damages, and other claims filed by the carrier against others, together with all supporting papers.	Do.
	(c) Reports and statements regarding damages by fire or otherwise to property of others when such records are not necessary to support claims.	3 years.
	(d) Reports and statements regarding personal injuries to outsiders when base records are not necessary to support claims.	Do.

O. MISCELLANEOUS

Item	Record titles and descriptions	Period to be retained
1	Manuals: Manuals, handbooks, pamphlets, books, and circulars issued for the instruction of employees in matters pertaining to the business of the carrier in the carrier's official file for the purpose.	1 year after expiration or cancellation.
2	General correspondence:	
	(a) Correspondence, and file indexes thereof, directly relating to subjects in these regulations.	Same period as prescribed subject matter.
	(b) Other correspondence and memoranda (including methods and procedures studies) not directly relating to subjects in these regulations and not necessary to determine compliance with the Act to Regulate Commerce.	Optional.
	(c) Stenographic books, tapes, and other mechanical or electronic device stenographic records if transcripts thereof are retained as provided for in item O-2a.	Do.
3	Duplicates:	
	(a) Duplicates, photostatic and photographic reproductions, and duplicating machine copies of accounts, records, reports, statements, maps, memoranda, etc., listed in these regulations, when they are not otherwise provided for, and when they contain no information other than that shown on the originals.	Do.
	(b) Extra copies of correspondence used for follow-up and other purposes, if originals or other official copies are retained as provided for in item O-2a.	Do.
	(c) Operators' copies of telegrams, cablegrams, etc., including relay copies, if originals or other official copies are retained as provided for in item O-2a.	Do.
	(d) Copies of manuals, handbooks, pamphlets, books, and circulars of instructions to employees, issued to departments or to individual employees, and also surplus unissued copies of such matter, if copies are preserved in the carrier's official file for the purpose, as provided for in items D-13a, D-13b, and O-1.	Do.
4	Data processing:	
	(a) Tabulating cards, tapes, and other media used in the compilation of statistics and other data, when the results are transcribed to other records covered by these regulations.	Optional.
	(b) Tabulating cards, tapes, and other media used in the compilation of statistics and other data, when the results are not transcribed to other records covered by these regulations.	For the period prescribed for the records to which the data relates.
	(c) Machine listings and tabulations used in the compilation of statistics and other data which are not an integral part of the carrier's official financial or operating record.	Optional.
5	Record of records destroyed: The official record of records and documents destroyed.	Permanently, but see § 1234.3 (b).

PART 1225—PERSONS FURNISHING CARS TO RAILROADS

Sec.
1225.1 Regulations prescribed.
1225.2 Statutory provisions.
1225.3 Authority to destroy records.
1225.4 Photographic copies.
1225.5 Periods of retention.

AUTHORITY: The provisions of this Part 1225 issued under secs. 12, 20, 24 Stat. 383, as amended, 386, as amended; 49 U.S.C. 12, 20.

§ 1225.1 Regulations prescribed.

All persons, including corporations and partnerships as well as individuals, which furnish cars to or on behalf of any carrier by railroad or express company subject to provisions of section 20 (6) of the Interstate Commerce Act, but do not furnish protective service against heat or cold, shall comply with regulations in this part before destroying records or documents which pertain or relate to the cars so furnished. Compliance with the regulations in this part will not, however, exempt such a person from statutory requirements other than provisions of the Interstate Commerce Act, for retention of such records or documents for periods longer than those hereinafter prescribed. (Car line companies which also provide protective service are subject to regulations in §§ 1220.1 to 1220.7 of this chapter.)

§ 1225.2 Statutory provisions.

(a) Section 20(6) of the Interstate Commerce Act includes the following requirements:

The Commission * * * shall at all times have authority to inspect and copy any and all accounts, books, records, memoranda, correspondence, and other documents of persons which furnish cars * * * to or on behalf of any carrier by railroad or express company * * *: *Provided, however,* That such authority shall be limited to accounts, books, records, memoranda, correspondence, or other documents which pertain or relate to the cars * * * so furnished. * * * Persons furnishing such cars * * * shall submit their accounts, books, records, memoranda, correspondence, or other documents, to the extent above provided, for inspection and copying * * * upon demand * * *.

(b) Section 20 (7) (b) of the Interstate Commerce Act includes the following provisions:

Any person who * * * shall knowingly and willfully destroy, mutilate, alter, or by any other means or device falsify the records of * * * accounts, records, or memoranda, * * * shall be deemed guilty of a misdemeanor and shall be subject * * * to a fine of not more than five thousand dollars or imprisonment for not more than two years, or both such fine and imprisonment: *Provided,* That the Commission may in its discretion issue orders specifying such operating, accounting, or financial papers, records, books, blanks, tickets, stubs, correspondence, or documents * * * as may, after a reasonable time, be destroyed, and prescribing the length of time the same shall be preserved.

§ 1225.3 Authority to destroy records.

Records and documents which pertain or relate to cars furnished subject to provisions of section 20(6) of the Interstate Commerce Act may be destroyed after the same have been retained respectively for periods hereinafter prescribed.

§ 1225.4 Photographic copies.

Records and documents covered by the regulations in this part may be destroyed at any time after they have been suitably photographed in the normal course of business under a program instituted for the protection or storage of other company records of a similar nature or purpose: *Provided, however,* That microfilm copies shall be retained for the periods of time prescribed for the original records or documents, respectively; that the microfilm copies shall be no less readily accessible than the original records or documents as normally filed or preserved would be; and that suitable facilities shall be available to locate, identify, read, or reproduce such microfilm copies.

§ 1225.5 Periods of retention.

Records and documents listed in this section, insofar as they pertain or relate to cars furnished to or on behalf of any carrier by railroad or express company, shall be retained for the periods of time shown for each kind of record or document, respectively. Inclusion of a record or document in the list imposes no requirement that it shall be installed if the information normally so recorded is not otherwise required by provisions of the Interstate Commerce Act.

Item	Description of records	Period to be retained
1	Contracts, leases, and agreements.	5 years after expiration or termination.
2	Copies and files of tax returns.	3 years.
3	Insurance records, including the policies.	2 years after expiration of coverage.
4	Records of the cost or construction of cars (see note).	3 years after sale or retirement.
5	Records of rents and revenues from cars, of repairs to and maintenance of cars, and of safety appliances installed or repaired.	3 years.
6	Car location records and reports.	2 years.
7	Records and files of claims for personal injuries, and fire and other damages.	5 years after settlement or rejection.
8	Accident records and reports, if not included in Item 7.	2 years.
9	Reports to regulatory agencies, file copies of and supporting papers.	5 years.
10	Correspondence	For the period prescribed for the records to which correspondence relates.

NOTE: In addition to records that become the property of the company which acquires cars, the safety regulations of the Department of Transportation require a car builder or noncarrier car repair shop to retain certain records relating to the construction or repair of tank cars. See Appendix W, A.A.R. Tank Car Specifications.

PART 1226—MOTOR CARRIERS AND BROKERS

Subpart A—Class I and Class II Motor Carriers

Sec.
1226.1 Class I Motor Carriers.
1226.2 Authority to destroy records.
1226.3 Photographic copies.
1226.4 Supervision of destruction.
1226.5 List of records destroyed.
1226.6 Motor carrier going out of business.
1226.7 Waivers of requirements of the regulations of this part.
1226.8 Prescribed periods of retention.
1226.10 Class II Motor Carriers.

Subpart B—Class III Motor Carriers

1226.20 Period of retention.
1226.21 Lawful destruction.
1226.22 Accidental destruction.

Subpart C—Brokers

1226.30 Brokers.

AUTHORITY: The provisions of this Part 1226 issued under secs. 204, 220, 49 Stat. 546, as amended, 563, as amended; 49 U.S.C. 304, 320.

Subpart A—Class I and Class II Motor Carriers

§ 1226.1 Class I Motor Carriers.

Regulations pertaining to the maintenance, and destruction, of records and documents for Class I motor carriers (as defined in §§ 1240.4 and 1240.5, of this chapter) are provided in §§ 1226.2 through 1226.8. Mention of a record or document hereinafter imposes no requirements that such record shall be installed if its purpose is otherwise being adequately served. Nothing contained in the regulations in this part shall be construed to excuse noncompliance with requirements of any other governmental body, Federal or State, prescribing longer retention periods for any category of records.

§ 1226.2 Authority to destroy records.

Motor carriers subject to these regulations may destroy records or documents named or described in these regulations after they have been preserved for the periods of time herein prescribed.

§ 1226.3 Photographic copies.

(a) All records and documents must be preserved in their orginal form for the periods specified in the "Schedule of Records," § 1226.8, unless the records and documents are suitably photographed and the microfilm is retained in lieu of the orginal record for the required retention period, subject to the limitations indicated below:

(1) The records listed in § 1226.8 with a permanent retention period may not be destroyed after being photographed for preservation unless a waiver is granted pursuant to § 1226.7.

(2) All records and documents listed in § 1227.8 other than those excluded above and those required to be retained in original form, may be destroyed after they have been suitably photographed for preservation.

(b) To be acceptable in lieu of original records, photographic copies of records must meet the following minimum requirements:

(1) Photographic copies shall be no less readily accessible than the orginal record or document as normally filed or preserved would be, and suitable means or facilites shall be available to locate, identify, read or reproduce such photographic copies.

(2) Any significant characteristic, feature or other attribute of the original record or document, which photography in black and white will not preserve, shall be clearly indicated before the photograph is made.

(3) The reverse side of printed forms need not be copies if nothing has been added to the printed matter common to all such forms, but an identified specimen of such form shall be on the film for reference.

(4) Film used for photographing copies shall be of permanent record type meeting in all respects the minimum specifications of the National Bureau of Standards, and all processes recommended by the manufacturer shall be observed to protect it from deterioration or accidental destruction.

(5) Each roll of film shall include a microfilm of a certificate or certificates stating that the photographs are direct and facsimile reproductions of the original records and that they have been made in accordance with prescribed instructions. Such certificate or certificates shall be executed by a person or persons having personal knowledge of the facts covered thereby.

§ 1226.4 Supervision of destruction.

(a) Immediately upon the effective date of these regulations, each motor carrier subject thereto shall appoint an officer or other supervisory employee to be responsible for the destruction of records and documents. Such appointment shall be by formal corporate act of the board of directors or its executive committee. Designation may be made by title only, rather than by name and title, and thus obviate the necessity for a new resolution or order each time a successor is appointed. An existing appointment in conformity with the procedure indicated herein which was made under prior regulations shall be recognized as being in compliance with the regulations herein.

(b) If the property of a motor carrier subject to these regulations is in the hands of a trustee, executor, administrator, or assignee, the officer or other employee to have responsibility for the destruction of records and documents shall be designated by such trustee, executor, administrator, or assignee.

(c) It is not required that a copy of the resolution or order of appointment be filed with the Commission.

§ 1226.5 List of records destroyed.

(a) The responsible officer or employee shall maintain a comprehensive list describing all records and documents which have been destroyed pursuant to these regulations. The list so maintained shall include all records and documents destroyed, including microfilms destroyed. This list shall include form numbers and descriptive title (or descriptions) of the records destroyed and the periods covered.

(b) The list so maintained shall be available for inspection in the office of the responsible officer or employee and shall be in such detail that the destroyed records or documents may be identified and the time, place, and method of destruction can be established. If the destruction is by accident or at the hand of an unauthorized person not subject to the motorcarrier's control, then the list shall include a statement of the relevant circumstances.

§ 1226.6 Motor carrier going out of business.

The records and documents herein referred to may be destroyed after business is discontinued and the motor carrier is completely liquidated. The records may not be destroyed until dissolution is final and all transactions are completed. When the operations of a motor carrier are continued by another company, the latter company shall preserve records and documents of such operations in the manner and for the retention periods prescribed herein.

§ 1226.7 Waivers of requirements of these regulations.

A waiver from any provision of these regulations may be made by the Commission upon its own initiative or upon submission of a written request therefor by any motor carrier. Each request for waiver shall demonstrate that unusual circumstances warrant a departure from prescribed retention periods, procedures, or techniques or that compliance with such prescribed requirements would impose an unreasonable burden upon the motor carrier, and that the granting of the waiver would be in the public interest.

§ 1226.8 Prescribed periods of retention.

The following "Schedule of Records" shows each category of records and the retention periods.

SCHEDULE OF RECORDS

Item	Category of records	Retention period
	I. GENERAL AND FINANCIAL	
1	Minute books of directors, executive committees, stockholders, and other corporate meetings.	Permanently.
2	Capital stock records:	
	(a) Capital stock ledger	Permanently.
	(b) Capital stock certificates, records of or stubs of	Permanently.
	NOTE: If the information shown on the stubs is recorded in permanent records the stubs are required to be retained only for a period of 3 years.	
	(c) Stock transfer register	Permanently.
	(d) Memoranda and bills of sale or of transfer of capital stock	3 years.
	(e) Capital stock subscription notices and requests for allotment	3 years.
	(f) Canceled capital stock certificates	Optional.
3	Bond records:	
	(a) Registered bond ledger	10 years after redemption.
	(b) Records or stubs of bonds	10 years after redemption.
	NOTE: If the information shown on the stubs is retained in other records for a longer period of time the stubs are required to be retained only for a period of 3 years.	
	(c) Memoranda and bills of sale or of transfer of registered bonds	3 years.
	(d) Records of interest coupons paid and unpaid	5 years after payment.
4	Corporate elections:	
	(a) Proxies of holders of voting securities	2 years.
	(b) Lists of holders of voting securities presented at meetings	3 years.
	(c) Ballots cast and tabulations of vote	2 years.
	(d) Judges' reports of election results	2 years.
5	Ledgers:	
	(a) General and auxiliary ledgers and indexes thereto	Permanently.
	(b) Trial balance sheets of general and auxiliary ledgers	4 years.
6	Record of securities owned, in treasury, or with custodians	10 years after the related securities are sold, redeemed or otherwise disposed of.
7	General journals:	
	(a) General journal entries	Permanently.
	(b) Supporting papers not otherwise provided for	6 years.
8	Cash receipts records:	
	(a) General cash receipts journals	Permanently.
	(b) Detailed records supporting totals recorded in item 9(a)	6 years.
	(c) Bank deposit slips	3 years.
9	Records summarizing the results of noncarrier operations for entry in general books.	6 years.
	NOTE: Ledgers, journals, abstracts, reports, vouchers, etc., shall be retained for the same periods as are provided for similar documents elsewhere in these regulations.	
10	Deeds and other title papers, franchises; applications to and certificates or permits from regulatory bodies authorizing operations or extensions of operations and all papers, memoranda and correspondence in connection therewith.	Until expiration or cancellation.
11	Contracts and agreements:	
	(a) Contracts, leases and agreements except as provided in item 11(b), 40(c), 58(f), 72(c), and 76(c). These include property and equipment leases, owner-operator agreements and card or book records thereof.	3 years after expiration or cancellation.
	(b) Contracts and required files for transactions which are subject to the provisions of the Clayton Antitrust Act (15 USC 20).	In original form for 10 years after expiration, provided there is no pending litigation involving these records and, provided that the carrier informs the Commission of its intended action 2 weeks prior to date the records are to be destroyed.

SCHEDULE OF RECORDS—Continued

Item	Category of records	Retention period
	I. GENERAL AND FINANCIAL—continued	
12	Tax records:	
	(a) Taxes based on income	6 years.
	(b) Real estate and personal property tax	6 years.
	(c) Taxes based on payrolls	6 years.
	(d) Federal excise taxes	6 years.
	(e) Highway use taxes	6 years.
	(f) Corporate privilege tax	6 years.
13	Treasurer's records:	
	(a) Statements and summaries of balances on hand and with depositaries.	Optional.
	(b) Statements from depositaries of funds received, disbursed, and transferred.	3 years.
	(c) Bank reconciliations; checks, drafts, etc., issued and not presented.	3 years.
	(d) Copies of deposit slips	3 years.
	(e) Agents' remittance slips	3 years.
14	General office records relating to establishment of credit arrangements with shippers.	2 years after discontinuance of credit arrangement.
15	Reports of examinations, audits and transfers by special accountants, traveling auditors, time inspectors, weight inspectors, etc., and supporting papers.	2 years.
16	Reports to Interstate Commerce Commission and other regulating bodies:	
	(a) Annual financial, operating, and statistical reports, file copies of, and supporting papers.	Permanently.
	(b) Reports of operating revenues, expenses, and statistics, file copies, and supporting papers.	3 years.
	(c) Accident register and attached file copies of accident reports (Form BMC-50).	In original form for 3 years following occurrence of any recorded accident.
	(d) Reports of hours of service, file copies of, and supporting papers:	
	(1) Drivers' logs (Form BMC 59)	In original form for 12 months from date of receipt.
	(2) Monthly hours of service report (Form BMC 60)	In original form for 3 years.
	(e) Reports to regulating bodies regarding expenditures of proceeds from sale of authorized securities, file copies of and supporting papers.	3 years.
	(f) Other reports to regulatory bodies not provided for by items (a) to (e).	3 years.
	(g) Copies of applications to and authorities from regulating bodies for the issuance of stocks, bonds, and other securities (see item (e) above).	Permanently.
	NOTE: The supporting papers referred to in item 16 are those requisite to support the reports named, and not elsewhere provided for in these regulations. If figures for such reports are assembled on memorandum sheets, such sheets constitute a part of the supporting papers and shall be retained accordingly.	
17	Annual reports or statements to stockholders, file copies of	Permanently.
18	Miscellaneous statistical reports, statements and summaries (not otherwise provided for herein) used for administrative purposes only and not entering the accounts of the company.	Optional.
	II. TRANSPORTATION	
40	Tariffs and other rate authorities:	
	(a) Tariffs, classifications, division sheets, and circulars in which the carriers are interested relative to the transportation of persons or property, in the general files of the traffic or other department in which the complete official file is maintained.	3 years after expiration or cancellation.
	(b) Tariffs, classifications, division sheets, and circulars in other departments and at agencies, if copies of the same issues of such tariffs, etc., are preserved in the general files referred to in (a) above.	Until expiration or cancellation.
	(c) Contracts and minimum rate schedules of contract motor carriers except as provided in item 11(b).	3 years after expiration or cancellation.
	(d) Requests and receipts from agents and others for tariffs, classifications, division sheets, and circulars.	Optional.
	(e) Written requests on carrier from persons and companies for quotations of rates, and copies of carrier's quotations.	Optional.
	(f) Copies of concurrences and powers of attorneys filed with the Interstate Commerce Commission and with other regulating bodies.	2 years after cancellation.

SCHEDULE OF RECORDS—Continued

Item	Category of records	Retention period
	II. TRANSPORTATION—continued	
40	Tariffs and other rate authorities—continued	
	(g) Authorities for the transportation of property, free or at reduced rates and supporting papers.	3 years.
	(h) Correspondence and working papers in connection with the making of rates and compilation of tariffs, classifications, division sheets, and circulars affecting the transportation of persons or property.	2 years after cancellation of tariff.
	(i) Records, circulars, and settlements, regarding conventions, excursions, traffic promotions, and similar matters.	3 years.
	(j) Public timetables and literature, correspondence or records relating to them.	Optional.
41	Records pertaining to the diversion or reconsignment of freight, including requests, tracers, and correspondence in connection therewith.	2 years.
42	Records and reports pertaining to embargoes, congested traffic and similar matters.	3 years.
43	Journals, summaries, or other records of freight revenues	6 years.
44	Journals, summaries, or other records of passenger revenues	6 years.
45	Passes, reduced fares, and free tickets:	
	(a) Copies of orders for printing pass stock	Optional.
	(b) Records of pass stock	3 years.
	(c) Records and reports of passes issued or requested from other carriers.	3 years.
	(d) Records and reports of tickets issued free or at reduced rates, and of such tickets requested from other carriers.	3 years.
	(e) All other records and documents relating to the issuance or use of passes and tickets at reduced rates or free.	1 complete calendar year.
	(f) Canceled passes and tickets issued free or at reduced rates	2 years.
46	Journals, summaries, or other records of transportation revenues other than freight and passenger.	6 years.
47	Journals, summaries or other records of revenues from operations other than transportation.	6 years.
48	Bills of lading and releases:	
	(a) Consignors' shipping orders, consignors' shipping tickets, and copies of bills of lading, freight bills from other carriers and other similar documents furnished the carrier for movement of freight	3 years.
	(b) Contracts covering risk of carriers to transportation and storage.	2 years after expiration.
49	Freight bills:	
	(a) Origin station copy	Optional.
	(b) Delivery receipt, records of and receipt for delivery of freight to consignees and connecting carriers:	
	(1) Bus express freight bills providing no claim has been filed	1 year.
	(2) All other freight bills	3 years.
	(c) Settlement copy receivable, paid copy of freight bill retained by carrier to support the receipt of freight charges:	
	(1) Bus express freight bills providing no claim has been filed	1 year.
	(2) All other freight bills	3 years.
	(d) Settlement copy payable, paid copy of freight bill retained by carrier to support payment of freight charges to other carriers:	
	(1) Bus express freight bills providing no claim has been filed	1 year.
	(2) All other freight bills	3 years.
	(e) Unsettled copy, records of unsettled freight bills, freight bills in suspense and supporting papers.	1 year after settlement or other final disposition.
	(f) All other copies (see item 121)	Optional.
	NOTE: A freight bill is a document which shows shipper, consignee, origin of shipment and destination, number of pieces, description of the commodity, weight, rate, freight and any other connecting carrier involved in the transportation of the shipment and shows the total charges to be paid by the customer.	
50	Freight corrections:	
	(a) Correction notices	3 years.
	(b) Undercharge and overcharge freight statements	3 years.
	(c) Records and reports of correction notices	3 years.
51	Records and reports pertaining to import and export freight, bonded freight and baggage, steamships' engagements, etc.	3 years.
52	Records and reports pertaining to the operation of marine and floating equipment.	3 years.
53	Mail service:	
	(a) Records and reports of mail weighing, mail failures, and detentions, fines, deductions, and irregularities.	3 years.
	(b) Records and reports of mail pouches received and distributed	1 year.

SCHEDULE OF RECORDS—Continued

Item	Category of records	Retention period
	II. TRANSPORTATION—continued	
54	Revenue equipment movements:	
	(a) Dispatchers' sheets, registers, and other records pertaining to the movement of buses, trucks, tractors, and trailers.	3 years.
	(b) Records and reports of trailers, buses, and other vehicles interchanged.	3 years.
	(c) Books and circulars of instructions to agents, drivers, and others in the general file of the carrier.	3 years after expiration or cancellation.
55	Records, reports, orders, and tickets pertaining to the weighing of truckloads and less than truckload shipments.	3 years.
56	Freight loading and unloading records:	
	(a) Freight checkers' records	2 years.
	(b) Reports, manifests, load sheets and abstract of shipments made and received.	2 years.
	(c) Orders for the reconsignment of freight	2 years.
	(d) Reports of shipments received and transported by contract carriers not covered by freight bills.	3 years.
	(e) Records of vehicles iced and ventilated	2 years.
	(f) Records of unloading, feeding and watering livestock	2 years.
57	Copies of notices to consignees of arrival of freight	2 years.
58	Pickup and delivery records:	
	(a) All records detailing shipments picked up from or delivered to a carrier by consignor, draymen, carrier's own equipment or any other source.	2 years.
	(b) Notice to consignees of tender of delivery	2 years.
	(c) Pickup service call sheets	1 year.
	(d) Patron's authority for service desired (cartage authorities)	1 year after cancellation.
	(e) Record of c.o.d. collections and remittances	3 years after expiration or cancellation.
	(f) Contracts for pickup, delivery, and transfer service (see item 11(b)).	3 years after expiration or cancellation.
59	Drivers' reports not provided for elsewhere	2 years.
60	Records and reports of tickets and ticket stock, whether in station or general office.	3 years.
61	Records and reports of baggage checks issued, sold, and on hand, whether in station or general office.	3 years.
62	Agents' balance sheets	3 years.
63	Agency cash books	6 years.
64	Used and canceled tickets, cash fare slips, baggage checks, etc., reports of which showing their sale and use have been audited (except as otherwise provided in item 45(f)).	Optional.
65	All records, reports, and documents at stations and terminals not otherwise provided for in these regulations.	3 years.
	III. EXPENDITURES	
70	Cash disbursements (cash, checks, and drafts):	
	(a) Check and cash disbursement journals (check registers)	Permanently.
	(b) Duplicate copies of checks or check stubs if detail is not shown in item (a).	Permanently.
	(c) Reports of petty cash disbursed	3 years.
	(d) Checks paid and canceled:	
	1—Payroll checks	3 years.
	2—All other checks	6 years.
	(e) Reports of drafts issued by agents and officers	1 year.
71	Invoices and vouchers:	
	(a) Invoice registers and voucher registers	15 years.
	(b) Paid and canceled vouchers and supporting papers, except as otherwise provided in item 72(a) and 90.	6 years.
	(c) Invoices for material and supplies purchased not attached to vouchers or paid checks and supporting details. For expenditures relating to property see item 72.	6 years.
72	Records of terminal property and highway equipment:	
	(a) Records, reports, statements and memoranda showing the details of all debits and credits on account of the cost of property.	3 years after sale or retirement.
	(b) Records and memoranda pertaining to depreciation, retirements, and replacements of property.	3 years after sale or retirement.
	(c) Contracts and other agreements relating to the construction, acquisition or sale of property except as provided for in item 11(b).	3 years after sale or retirement.

SCHEDULE OF RECORDS—Continued

Item	Category of records	Retention period
	III. EXPENDITURES—continued	
72	Records of terminal property and highway equipment—continued	
	(d) Plans, specifications, estimates of work, records of engineering studies, construction bids, and similar records pertaining to addition and betterment projects which have been put in execution except as provided for in item 11(b).	3 years after sale or retirement.
	(e) Plans, specifications, estimates of work, records of engineering studies, construction bids, and similar records pertaining to addition and betterment projects which have been abandoned.	3 years after abandonment.
	(f) Patent records and related data	3 years after disposition or expiration of patent.
73	Records and reports of repairs and renewals of buildings and other structures.	6 years.
74	Payroll records:	
	(a) Original source documents used in preparation of payrolls; namely, time cards, trip records, work orders, etc.	3 years.
	(b) Payroll registers and related payroll records	6 years.
	(c) Applications and authorities for changes in payroll	1 year.
	(d) Records and memoranda pertaining to deductions from payrolls for social security taxes.	6 years.
	(e) Records of employees—applications for employment, reports and certificates of physical and other examinations, service records, efficiency tests, employees' rosters and other similar records pertaining to employees.	1 year after termination of employment.
	(f) Employees' welfare and pension records including records of employees' relief, health and insurance, savings, and workmens' compensation, accident reports, other than records pertaining to the receipt and disbursement of funds.	1 year.
75	Records of assignments, attachments, and garnishment of employees' salaries.	2 years.
76	Purchases and sales:	
	(a) Copies of orders for the purchase of material and supplies	3 years.
	(b) Bids and offers for the sale or purchase of material and supplies except as provided in item 11(b).	1 year.
	(c) Contracts for the purchase or sale of material and supplies except as provided in item 11(b).	3 years after expiration.
	(d) Advises or requisitions from storekeepers and others for the purchase of material and supplies.	Optional.
	(e) Price records of purchases, file copies of	3 years.
77	Inventories of materials and supplies:	
	(a) General inventories of materials and supplies on hand including fuel, oil and tires.	6 years.
	(b) Stock cards, inventory cards and other detail records	1 year.
	(c) Records and reports of materials and supplies received and issued except as otherwise provided in item 72.	6 years.
	(d) Requisitions and receipts for materials and supplies issued, the totals of which have been transcribed into other records for retention.	1 year.
	(e) Price records of materials and supplies issued, file copies	3 years.
	IV. SHOPS AND GARAGES	
80	Records and reports of repairs to automotive vehicles and other equipment.	3 years.
81	Records and reports of motor changes	3 years.
82	Inspection records:	
	(a) Certificates of inspection and test data including nondestructive tests on tank motor vehicles used to transport inflammable liquids, corrosive liquids, compressed gases or liquid poisons.	3 years after retirement or disposition.
	(b) Records and reports of automotive equipment purchased	3 years after retirement or disposition.
83	Records and reports of automotive equipment light-weighed and stenciled.	3 years after retirement or disposition.
84	Records and reports of equipment numbers changed	3 years after retirement or disposition of vehicle.
85	Records and reports of automotive equipment in and out of service	3 years.
86	Records and reports of automotive equipment failures	3 years.
87	Vehicle condition report by driver	In original form for 3 months.

SCHEDULE OF RECORDS—Continued

Item	Category of records	Retention period
	V. INSURANCE AND SAFETY	
96	Fidelity and indemnity bonds:	
	(a) Records and files relating to expired, terminated, and canceled fidelity bonds of employees, including the bonds.	3 years after expiration of liability of bonding company.
	(b) Records and files relating to expired, terminated, and canceled indemnity bonds incident to transportation and other charges, including the bonds.	3 years after expiration of liability of bonding company.
97	Insurance records:	
	(a) Schedules of fire, cargo, public liability and property damage, and other insurance.	3 years after policy expires.
	(b) Insurance policies	Optional after expiration of liability of insurer.
	(c) Letter and telegraphic reports of damages by fire, collision, etc.	3 years.
	(d) Reports of minor losses by fire, collision, etc., not covered by insurance or less than minimum amount collectible.	2 years.
	(e) Schedules of risks covered by self-insurance reserves	2 years.
98	Claim registers:	
	(a) Claim registers, card, or book indexes and other records in connection with the recording of overcharge, loss and damage, personal injury, fire and other claims presented against carriers.	6 years.
	(b) Records showing the details of authorities issued to agents, carriers, and others for participation in freight claims.	6 years.
99	Claim papers substantiating overcharge, loss and damage, personal injury, fire, and other claims whether such papers are filed separately or attached to vouchers.	3 years after settlement or rejection.
100	Records of fire and other damages to property of others: (Reports and statements of employees regarding injuries by fire or otherwise, to property of others, when not necessary to support claims or vouchers.)	3 years.
101	Reports and statements regarding personal injuries, when not necessary to support claims and vouchers.	3 years.
102	Records of unclaimed, over, short, damaged, and refused freight:	
	(a) Tracers, reports, and other records pertaining to unclaimed, over, short, damaged, and refused freight, when not necessary to support claims or vouchers.	1 year.
	(b) Authorities for disposal of unclaimed, damaged and refused freight.	3 years.
103	Vehicle accidents:	
	(a) Record of automotive vehicle accidents	3 years.
	(b) Reports of accidents by drivers or others	3 years.
	(c) Reports of damage to equipment by accidents	3 years.
104	Reports and records in connection with policing the motor carriers' detective service, investigations of robberies, and attempts to defraud when not the subject of claim against the carrier.	Optional.
105	Reports and records in connection with the prevention of loss and damage to freight shipments.	Optional.
	VI. MISCELLANEOUS	
120	Tabulating data:	
	(a) When the results are transcribed to other records covered by these regulations.	Destroy at option after appropriate summaries have been made.
	(b) When the results are not transcribed to other records covered by these regulations.	For the period prescribed for the specific records.
	(c) Records of code numbers and the periods during which they were effective.	For the period prescribed for the specific records.
121	Duplicate copies of accounts, records, and memoranda listed in these regulations, if all information on such duplicates is contained on the originals or other copies retained, and if such duplicates are not specifically provided for in these regulations.	Optional.
122	Books and circulars of instructions to agents and others, in the general file of the department in which the complete official file is maintained.	3 years after expiration or cancellation.
123	Data relating to the destruction of records	20 years.
124	Correspondence:	
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	(b) Operators' copies of telegrams, including relay copies, if the original or other copies of such messages are retained as provided for in (a) above.	Optional.
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§ 1226.10 Class II motor carriers.

Class II motor carriers (as defined in §§ 1240.4 and 1240.5 of this chapter) shall maintain their records and documents in accordance with the following:

(a) Motor carriers of property shall comply with the regulations governing Class I motor carriers as prescribed in §§ 1226.1 through 1226.8.

(b) Motor carriers of passengers shall comply with the regulations governing Class III motor carriers as prescribed in §§ 1226.20 through 1226.22.

Subpart B—Class III Motor Carriers

§ 1226.20 Period of retention.

(a) *Records To Be Permanently Preserved.* The following records of Class III Motor Carriers shall be retained permanently unless the motor carrier operations are sold or otherwise disposed of, in which event they may be transferred to the person or company continuing such operations:

(1) General and auxiliary ledgers, journals, cash books, and journal entries.

(2) Property records showing costs and dates acquired including certificates or abstracts of title and records pertaining to depreciation, retirements and replacements of property.

(3) Capital stock records, minutes of directors, stockholders, and other corporate meetings.

(b) *Other Documents.* Drivers' logs shall be preserved for 1 year as prescribed in the Motor Carrier Safety Regulations of the Department of Transportation. All other accounts, records, memoranda, documents, papers, and correspondence shall be preserved for a period of 3 years, or the period prescribed under § 1226.8 whichever is less. Nothing contained in the regulations in this part shall be construed to excuse noncompliance with requirements of any other governmental body, Federal or State, prescribing longer retention periods for any category of records.

§ 1226.21 Lawful destruction.

Any Class III motor carrier (as defined in §§ 1240.4 and 1240.5 of this chapter) may destroy its accounts, records, memoranda, documents, papers, and correspondence named in § 1226.20(b) after preserving the same for the periods of time respectively specified therein.

§ 1226.22 Accidental destruction.

If any accounts, records, memoranda, documents, papers, or correspondence shall be accidentally lost or destroyed by fire, flood, or other calamity, a statement shall be submitted to the Interstate Commerce Commission describing as accurately as possible the accounts, records, memoranda, documents, papers, or correspondence, and the circumstances under which they were lost or destroyed.

Subpart C—Brokers

§ 1226.30 Brokers.

The requirements of §§ 1226.20 to 1226.22 inclusive, shall apply equally to brokers when the subject matter permits application.

PART 1227—WATER CARRIERS

Sec.
1227.0 Regulations prescribed.
1227.1 Introduction.
1227.2 Authority to destroy records.
1227.3 Photographic copies.
1227.4 Supervision of destruction.
1227.5 Record of destroyed records.
1227.6 Carriers going out of business.
1227.7 Prescribed periods of retention.

AUTHORITY: The provisions of this Part 1227 issued under secs. 304, 313, 317, 54 Stat. 933, 944, as amended; 49 U.S.C. 904, 913, 917.

SPECIAL NOTE: Sections 317 and 313 of the Interstate Commerce Act, as amended, include the following provisions:

SEC. 317(d) Any water carrier or other person, or any officer, agent, employee, or representative thereof, who shall willfully fail or refuse * * * to keep accounts, records, and memoranda in the form and manner prescribed by the Commission, or shall willfully falsify, destroy, mutilate, or alter any report, account, record, memorandum, book, correspondence, or other document, required under this part to be kept, * * * shall be deemed guilty of a misdemeanor, and upon conviction thereof in any court of the United States of competent jurisdiction within the district in which such offense was in whole or in part committed, be subject for each offense to a fine of not more than

$5,000. As used in this subsection, the word "keep" shall be construed to mean made, prepared, or compiled, as well as retained.

SEC. 313(g) The Commission may issue orders specifying such operating, accounting, or financial papers, records, books, blanks, tickets, stubs, correspondence, or documents of water carriers or lessors as may, after a reasonable time, be destroyed, and prescribing the length of time the same shall be preserved.

§ 1227.0 Regulations prescribed.

Effective June 1, 1957, all carriers by water, including lessors, thereof, shall comply with the regulations in this part before destroying any operating, accounting, or financial papers, records, books, blanks, tickets, stubs, correspondence, or documents.

§ 1227.1 Introduction.

The regulations in this part specify the records and documents which may be destroyed and prescribe the length of time the same shall be preserved, but mention of a record or document hereinafter imposes no requirement that it shall be installed if its purpose is otherwise being adequately served. Compliance with the regulations in this part will not exempt a carrier from statutory requirements, other than provisions of the Interstate Commerce Act, for retention of records or documents for periods longer than those prescribed in this part.

§ 1227.2 Authority to destroy records.

(a) *General authority.* Carriers by water may destroy records or documents named or described in the regulations in this part after they have been preserved for the prescribed periods of time. Permanent records are those which may not be destroyed without special authority.

(b) *Special authority.* A carrier proposing to destroy records or documents which are not named or described in the regulations in this part, or which if named or described have not been retained for the period required by the regulations in this part, may request special authority to destroy them. Applications for such special authority shall describe in detail the records or documents to be destroyed and shall explain why their continued retention is unnecessary.

§ 1227.3 Photographic copies.

(a) Certain records and documents may be preserved on microfilm and the film retained in lieu of the original record or document, subject to the following limitations:

(1) The records listed in § 1227.7 with a permanent retention period may not be destroyed after being photographed for preservation unless special authority is first secured as provided in § 1227.2(b).

(2) Records and documents listed in the following items of § 1227.7 shall be retained in their original form throughout the entire period of retention prescribed for them respectively, unless special authority to destroy them is first secured as provided in § 1227.2(b):

Item	*Description*
5	Corporate elections.
8	Record of securities owned, in treasury, or with custodians.
15	Tax records.
41(a)	Payrolls and summaries.
43(a)	Register of audited vouchers payable and indexes thereto.
43(b)	Paid drafts, paid checks, and receipts for cash paid out.
43(c)	Vouchers or accounts payable and supporting papers.
44(a)	Register of bills collectible and indexes thereto.
116	Correspondence which pertains to records or documents required by this subsection to be retained in original form.

(3) The records and documents listed in this subparagraph, which are required under the regulations in this part to be retained two years or more, shall be retained in their original form at least two years, even after they have been photographed for preservation:

Item	*Description*
12	Records summarizing the results of auxiliary or holding company operations for entry in general books.
20	Miscellaneous records pertaining to agents' accounts.
30	Freight revenue records.
31	Passenger revenue records.
32	Line service revenue records, other than freight and passenger revenues, detailing settlements with agents and others, and with other carriers.
33	Records of revenues from operations other than line service, detailing settlements with agents and others, and with other carriers.
50	Claim records.
61	Diversion of freight.
83	Ship's records (for Ship's logs, see § 1227.3(a)(1)).
90 to 99	Agencies.
116	Correspondence which pertains to records or documents required by this subsection to be retained two years in original form.

(b) To be acceptable in lieu of original records, photographic copies must meet the following minimum requirements:

(1) Photographic copies shall be no less readily accessible than the original record or document as normally filed or preserved would be, and suitable means or facilities shall be available to locate, identify, read, or reproduce such photographic copies. Photographic copies shall be preserved until the end of the period prescribed for the original records or documents.

(2) Any significant characteristic, feature, or other attribute of the original record or document, which photography in black and white will not preserve, shall be clearly indicated before the photograph is made.

(3) The reverse side of printed forms need not be copied if nothing has been added to the printed matter common to all such forms, but an identified specimen of such form shall be on the film for reference.

(4) Film used for photographing copies shall be of permanent record type meeting in all respects the minimum specifications of the National Bureau of Standards, and all processes recommended by the manufacturer shall be observed to protect it from deterioration or accidental destruction.

§ 1227.4 Supervision of destruction.

Within six months after the effective date of the regulations in this part, or within six months after becoming subject to this provision, each carrier shall appoint an officer or other responsible employee to supervise the destruction of records and documents. Such appointment shall be by formal corporate act or, if the carrier is not incorporated, by such formal act as would be necessary to execute a contract binding on the carrier.

§ 1227.5 Record of destroyed records.

The supervising officer or other designated employee shall maintain a record of all carrier records and documents which have been destroyed pursuant to the regulations of this part, except those the retention of which is optional with the carrier. The record shall be available for inspection in the office of the supervising officer and shall be in such detail that the destroyed records or documents may be identified and the time, place, and method of destruction can be established. If the destruction is by accident or at the hand of someone not subject to the carrier's control, then the record shall include a statement of the relevant circumstances.

§ 1227.6 Carriers going out of business.

The records and documents relating to operations of a carrier subject to the regulations in this part may be destroyed without regard to the prescribed periods of retention after carrier status is abandoned for purposes of the Interstate Commerce Act: *Provided however,* (a) If the carrier is a corporation being dissolved by act of the authority which created it, the records may not be destroyed until dissolution is otherwise complete, and (b) if the carrier is not incorporated or is being kept alive for purposes other than carrier operations, records relating to former carrier operations may not be destroyed until all transactions relating to such operations are completed.

§ 1227.7 Prescribed periods of retention.

The following list describes the purpose for which a record is necessary and the prescribed periods shall be observed even if a record by some other name serves the described purpose. If identical copies of the same document serve more than one such described purpose, only one copy is required to be retained by the regulations of this part.

Item	Description of records, etc.	Period to be retained
	GENERAL AND FINANCIAL	
1	Minute books of directors', executive committee's, stockholders', and other meetings.	Permanent.
2	Code and cipher books, file copies of.	Permanent.
3	Capital stock records:	
	(a) Capital stock ledger.	Permanent.
	(b) Capital stock certificates, records of or stubs of.	Permanent.
	NOTE: If the information shown on the stubs is recorded in permanent records, the stubs are required to be retained only for a period of three years.	
	(c) Stock transfer register.	Permanent.
	(d) Memoranda and bills of sale or of transfer of capital stock.	2 years.
	(e) Capital stock subscription notices and requests for allotment.	1 year.
	(f) Canceled capital stock certificates. (See item 6.)	
4	Long-term debt records:	
	(a) Registers of bonds and certificates.	Permanent.
	(b) Records or stubs of bonds and certificates.	Permanent.
	NOTE: If the information shown on the stubs is recorded in permanent records, the stubs are required to be retained only for a period of three years.	
	(c) Memoranda and bills of sale or of transfer of registered bonds and certificates.	2 years.
	(d) Records of interest coupons paid and unpaid.	3 years after payment.
	(e) Funded debt subscription notices and requests for allotment.	1 year.
	(f) Canceled or unissued bonds, and certificates, and paid interest coupons. (See item 6.)	
5	Corporate elections:	
	(a) Proxies of holders of voting securities.	2 years.
	(b) Lists of holders of voting securities presented at meetings.	6 years.
	(c) Qualification oaths of judges of election.	Optional.
	(d) Qualification oaths of directors.	Optional.
	(e) Ballots cast and tabulations of vote.	2 years.
	(f) Judges' reports of election results.	2 years.
6	Retired stock certificates, bonds, notes, interest coupons, receiver's and trustee's certificates, and temporary certificates; taken up and canceled.	Optional.
7	Ledgers:	
	(a) General and auxiliary ledgers and indexes thereto, except as provided for elsewhere in these regulations.	Permanent.
	(b) Trial balance sheets of general and auxiliary ledgers.	4 years.
8	Record of securities owned, in treasury, or with custodians.	Permanent.
9	General and auxiliary journals.	Permanent.
10	General and auxiliary cash books, except cash books at agencies provided for in item 97 (a).	Permanent.
	NOTE: If any receipts or payments are entered in the aggregate in the general cash book and are detailed only on loose sheets, such loose sheets constitute an auxiliary cash book when no other permanent record of the items thereon is made.	
11	(a) General journal entries.	Permanent.
	(b) Supporting papers not otherwise provided for.	6 years.
12	Records summarizing the results of auxiliary (outside) or holding company operations for entry in general books.	6 years.
	NOTE: Ledgers, journals, abstracts, reports, vouchers, tickets, etc., shall be retained for the same periods as are provided for similar documents elsewhere in these regulations.	
13	Corporate identity:	
	(a) Incorporation and other historical records.	Permanent.
	(b) Charters and franchises with supporting details.	Until legally required to release.
14	Contracts and agreements:	
	(a) Contracts, leases, and agreements except as provided in item 14(c).	5 years after expiration or cancellation.
	(b) Card or book records of contracts, leases, and agreements made, and expirations and renewals.	Do.
	(c) Contracts and required files for transactions which are subject to the provisions o the Clayton Antitrust Act (15 U.S.C. 20).	In original form for 10 years after expiration, provided there is no pending litigation involving these records and, provided that the carrier informs the Commission of its intended action 2 weeks prior to date the records are to be destroyed.
	(b) Card or book records of contracts, leases, and agreements made, and expirations and renewals.	5 years after expiration or cancellation.
15	(a) Tax records, copies of schedules and returns to taxing authorities for tax purposes.	6 years.
	(b) Records of appeals, tax bills, and statements.	6 years after settlement.

Item	Description of records, etc.	Period to be retained
	GENERAL AND FINANCIAL—continued	
16	Copies of applications to and authorities from regulating bodies for the issuance of stocks, bonds, and other securities.	Permanent.
17	Records of expired or canceled fidelity and indemnity bonds, including the bonds.	3 years.
18	Insurance records:	
	(a) Records pertaining to the payment of insurance premiums and to insurance recoveries.	3 years.
	(b) Inspectors' reports of conditions of insured property.	2 years.
	(c) Insurance policies.	Optional.
	(d) Schedules of risks covered by self insurance.	3 years.
19	Treasurer's records:	
	(a) Statements from depositaries of funds received, disbursed, and transferred.	3 years.
	(b) Daily or other periodical statements of the receipt and disbursement of funds. (See note under item 10.)	3 years.
	(c) Ledgers, journals, and other records of outstanding vouchers, checks, drafts, etc., issued and not presented.	3 years.
	(d) Bank deposit books, and stubs, ledgers, or records of checks.	Optional.
	(e) Copies of deposit slips.	Optional.
20	Miscellaneous records pertaining to agents' accounts:	
	(a) General office records or ledgers of agents' accounts showing debits and credits from various sources.	6 years.
	(b) General office records relating to extension of credit for transportation and other charges.	2 years after discontinuance of credit arrangement.
	(c) Statements of corrections in agents' accounts.	3 years.
21	Reports of examinations, audits, and transfers by special accountants, traveling auditors, time inspectors, weight inspectors, etc., and supporting papers.	3 years.
22	Records pertaining to verification of treasurer's cash or securities.	2 years.
	REVENUES	
30	Freight revenue records:	
	(a) Details of settlements with agents and others, and with carriers.	6 years.
	(b) Record of unsettled freight bills, freight bills in suspense, etc.	1 year after disposition.
	(c) Tracers and supporting papers concerning unsettled freight bills.	Until settled.
31	Passenger revenue records:	
	(a) Details of settlements with agents and others, and with other carriers.	6 years.
	(b) Records and reports of passenger associations and bureaus.	3 years.
32	Line service revenue records, other than freight and passenger revenues, detailing settlements with agents and others, and with other carriers.	3 years.
33	Records of revenues from operations other than line service, detailing settlements with agents and others, and with other carriers.	3 years.
34	Cash fare collection journals, ledgers, and records.	2 years.
	EXPENDITURES	
40	Labor distributions and summaries:	
	(a) Records showing the detailed distribution of labor expenditures charged to all accounts, including memoranda and memorandum recapitulation sheets, except as otherwise provided in item 45.	4 years.
	(b) Work orders, job tickets, and other papers covering the application of labor, the details of which have been transcribed into other records for retention.	2 years.
41	Payroll records:	
	(a) Payrolls and summaries.	6 years.
	(b) Records and memoranda pertaining to deductions from payrolls.	Optional.
	(c) Receipted pay checks, certificates issued for wages, discharge tickets, time tickets, and other evidences of payments for services rendered by employees, except as otherwise provided in item 45.	3 years.
	(d) Canceled pay checks drawn in favor of "bearer" in payment of wages for which receipt is shown on payrolls or other records retained by carrier.	Optional.
42	Material distributions and summaries:	
	(a) Journals, ledgers, or other records and memoranda showing the detailed distribution of expenditures for materials and supplies chargeable to all accounts, including memorandum recapitulation sheets.	4 years.
	(b) Work orders, job tickets, and other papers covering the application of labor and of materials and supplies, the details of which have been transcribed into other records for retention.	2 years.
43	Vouchers:	
	(a) Register of audited vouchers payable and indexes thereto.	15 years.
	(b) Paid drafts, paid checks, and receipts for cash paid out, except as otherwise provided in item 50c.	10 years.
	(c) All vouchers or accounts payable and supporting papers. (See item 45.)	6 years.
	(d) Stubs of bank check books.	3 years.
	(e) Lists containing authorities for payments of specific vouchers.	2 years.
	(f) Reports of drafts issued by claim agents, terminal and station agents, and others.	1 year.

Item	Description of records, etc.	Period to be retained
	EXPENDITURES—continued	
	(g) Record or index of vouchers to be made, with notations of dates of issue.	Optional.
44	Bills collectible:	
	(a) Register of bills collectible (or accounts receivable bills) and indexes thereto.	15 years.
	(b) Copies of bills issued for collection, and supporting papers which do not accompany the original bills.	4 years.
	(c) Copies of detailed receipts for rental of vessels to others under charter, contract, or oral agreement.	2 years after expiration of agreement.
	(d) Periodical statements of unsettled accounts, except trial balance sheets.	Optional.
	(e) Record or index of bills to be issued, with notations of dates of issue.	Optional.
45	Real property and equipment records:	
	(a) Deeds and other title papers.	Permanent.
	(b) Records and memoranda of the cost or the inventory value of real property and equipment.	Permanent.
	(c) Records and memoranda showing in detail all the items pertaining to expenditures for real property and equipment.	Permanent but only 3 years if transferred to permanent records.
	(d) Records and memoranda pertaining to depreciation, retirements, and replacements of equipment and other property; also historical records of equipment and other property.	Permanent.
	(e) Receipted pay checks, certificates issued for wages, time tickets, and other evidences of payment for services rendered by employees in connection with real property and equipment, if full information concerning the expenditures and the distribution of the charge is shown on payrolls or other records retained according to item 45c.	2 years.
46	Special authorities for expenditures:	
	(a) Estimates and special authorities for expenditures for maintenance and improvements.	Optional if expenditures are detailed in permanent records.
	(b) Detail records and memoranda pertaining to such estimates, if summarized in records covered by item 46a.	Optional.
	CLAIMS	
50	Claim records:	
	(a) Claim registers, card or book indexes, and other records in connection with overcharge, loss and damage, personal injury, fire, and other claims.	6 years.
	(b) Records showing the details of authorities issued to agents, carriers, and others for participation in freight claims.	6 years.
	(c) All papers substantiating overcharge, loss and damage, personal injury, fire, and other claims, whether such papers are filed separately or attached to vouchers. (See item 42b.)	3 years after settlement or rejection.
	(d) Claim jackets if all information thereon appears in records covered by item 50c.	Optional.
51	Claim investigation records:	
	(a) Reports and statements regarding personal injuries, when not necessary to support claims or vouchers.	3 years.
	(b) Tracers, reports, and other records pertaining to unclaimed, over, short, damaged, and refused freight, when not necessary to support claims or vouchers.	1 year.
52	Sales orders incident to disposal of damaged, refused, and unclaimed freight.	3 years.
	TRAFFIC	
60	Tariffs and other rate authorities:	
	(a) Tariffs, classifications, division sheets, and related circulars affecting the transportation of persons or property, in the general files of the traffic or other department in which the complete official file is maintained.	2 years after expiration or cancelation.
	(b) Tariffs, classifications, division sheets, and related circulars in other departments and at agencies, if copies of the same issues of such tariffs, etc., are preserved in the general files referred to in item 60a.	Optional after expiration or cancelation.
	(c) Special or reduced rate orders, and supporting papers, covering the movement of passengers.	2 years after expiration or cancelation.
	(d) Requests and receipts from agents and others for tariffs, classifications, division sheets, and related circulars.	Optional.
	(e) Copies of concurrences and powers of attorney filed with the Interstate Commerce Commission and with other regulating bodies.	2 years after cancelation.
	(f) Written requests on carrier from persons and companies for quotations of rates and copies of carrier's quotations.	Optional.
	(g) Authorities for the transportation of property, free or at reduced rates, and supporting papers.	3 years.
	(h) Correspondence and working papers in connection with the making of rates and compilation of tariffs, classifications, division sheets, and related circulars affecting the transportation of persons or property.	3 years after cancelation of tariff, etc.

Item	Description of records, etc.	Period to be retained
	TRAFFIC—continued	
61	Diversion of freight:	
	(a) Records pertaining to the diversion or reconsignment of freight.	3 years.
	(b) Requests, tracers, and correspondence in connection with diversions or reconsignments.	2 years.
62	Ticket records:	
	(a) Copies of orders on printing houses for ticket stock.	2 years.
	(b) Record of ticket stock received, issued, and destroyed.	2 years.
	(c) Requisitions and receipts for tickets and cash fare receipts furnished agents, pursers, and stewards.	2 years.
	(d) Used or canceled passenger-fare tickets, chair tickets, stateroom tickets, meal tickets or checks, prepaid orders, exchange checks, and storage checks; the reports of which, showing their sale or issue, have been audited. (See item 80f.)	Optional.
	(e) Unissued or unused tickets if a complete record is kept in accordance with item 62b.	Optional.
	(f) Inventories of tickets in hands of agents.	2 years.
	(g) Records and reports of tickets redeemed.	2 years.
	PURCHASES AND STORES	
70	Bids, offers, copies of orders and correspondence pertaining to the purchase or sale of material and supplies.	3 years.
71	Material and supplies:	
	(a) Records of material and supplies on hand and detail papers of inventories.	3 years.
	(b) Records and reports of material and supplies received and issued.	3 years.
	(c) Requisitions and receipts for material and supplies issued, the totals of which have been transcribed into other records for retention.	1 year.
	TRANSPORTATION	
80	Passes and free tickets:	
	(a) Copies of orders on printing houses for pass stock.	1 year.
	(b) Records of pass stock received, distributed, and destroyed.	1 year.
	(c) Requests for passes; copies or stubs of requests for passes, and receipts for passes.	3 years.
	(d) Records of passes issued.	3 years.
	(e) Records of passes received from other carriers.	3 years.
	(f) Stubs of trip passes.	3 years.
	(g) Pass identification slips.	1 year.
	(h) Records of annual or term passes honored.	1 year.
	(i) Trip passes and free passenger-fare tickets collected.	1 year.
	(j) Void, unused, and unissued passes.	1 year.
	(k) Records of free passenger-fare tickets issued.	3 years.
	(l) Pursers' and stewards' reports of passes collected or honored.	1 year.
	(m) Reports of trip passes issued.	2 years.
81	Pursers' and stewards' reports:	
	(a) Reports of cash collections if transcribed to records covered by item 34.	Optional.
	(b) Reports of cash collections if not transcribed to records covered by item 34.	2 years.
	(c) Reports of tickets collected or honored and of passengers carried.	2 years.
	(d) Reports of passes collected or honored. (See item 80.)	
	(e) Reports of baggage handled.	2 years.
	(f) Reports of freight and other traffic handled.	2 years.
	(g) Balance sheets and supporting papers.	2 years.
82	Operating department records pertaining to the movement of ships, lighters, and barges.	3 years.
83	Ship records:	
	(a) Ship's log.	6 years.
	(b) Ship's articles.	6 years.
	(c) Passenger and room list.	6 years.
	(d) Correspondence in connection with reservations.	1 year.
	(e) Accident reports.	3 years.
	(f) Pursers' and stewards' berth and chair checks.	Optional.
	AGENCIES	
90	Freight records:	
	(a) Reports of freight forwarded and received.	3 years.
	(b) Transfer records of freight received from and delivered to connecting carriers.	3 years.
	(c) Records of freight received and freight delivered.	3 years.

Item	Description of records, etc.	Period to be retained
	AGENCIES—continued	
91	Freight waybills and freight bills:	
	(a) Original local waybills and freight bills, and audited copies thereof	2 years.
	(b) Original interline waybills and freight bills received from other carriers	2 years.
	(c) Copies of all interline waybills and freight bills made to other carriers	2 years.
	(d) Copies of interline waybills moving between points on other lines to which the carrier is intermediate	2 years.
	(e) Reports of undercharges and overcharges (correction notices)	2 years.
	(f) Company freight waybills	2 years.
	(g) Copies of waybills and freight bills furnished to joint traffic associations, bureaus, and similar agencies, if such copies contain no information other than that appearing on the original waybills and freight bills or in other records	Optional.
	(h) Memoranda on slips on which are listed waybills and freight bills sent to the audit office, if such memoranda or slips are not used in auditing the accounts	Optional.
92	Bills of lading and releases:	
	(a) Copies of bills of lading	2 years.
	(b) Shippers' order-notify bills of lading taken up and canceled	2 years.
	(c) Contracts covering transportation and storage risks of carriers	4 years.
	(d) Shipping tickets	2 years.
	(e) Dray tickets	2 years.
93	Baggage records:	
	(a) Baggage waybills and manifests	2 years.
	(b) Records of baggage handled	2 years.
	(c) Used and canceled baggage checks (not excess baggage)	Optional.
	(d) Excess baggage checks (including c.o.d.), excess baggage book coupons, and excess baggage permits; the reports of which have been audited	Optional.
	(e) Record of baggage check stock received, issued, or destroyed	2 years.
	(f) Unused baggage checks, if record is kept in accordance with item 93e	Optional.
	(g) Receipts from agents, pursers, stewards, baggage masters, and others; for valuable letters and packages	Optional.
94	Agents' reports:	
	(a) Reports of ticket sales	2 years.
	(b) Baggage reports	2 years.
	(c) Reports of miscellaneous collections	2 years.
95	Remittances: Agents', pursers', and stewards' remittance slips, bank deposit slips, and supporting papers, not provided for elsewhere	2 years.
96	Agents' balance sheets and supporting papers	3 years.
97	Other records at stations, wharf offices, pursers' and stewards' offices, and other agencies:	
	(a) Cash books	6 years.
	(b) All others	3 years.
98	Instructions to agents and others:	
	(a) Books and circulars of instructions to agents and others in the general file of the department in which the complete official file is maintained	3 years after expiration or cancelation.
	(b) Surplus copies of books and circulars of instructions and copies in other departments and at agencies, if copies of the same issues are preserved in the general file referred to in item 98a	Optional.
99	Duplicate copies of reports, records, and documents retained in agency files, the retention of which is not provided for elsewhere	Optional.
	STATISTICS	
100	Reports to Interstate Commerce Commission and other regulating bodies:	
	(a) Annual financial, operating, and statistical reports, file copies of, and supporting records and papers. NOTE: If the figures for the above-mentioned reports are assembled on memorandum sheets, such sheets constitute a part of the supporting papers and should be retained accordingly	6 years.
	(b) Periodical reports of operating revenues, expenses, and income, file copies of, and supporting records and papers	3 years.
	(c) Accident reports, file copies of, and supporting records and papers	3 years.
101	Annual reports or statements to stockholders, file copies of	Permanent.
102	Statistical statements, statistical records, and supporting papers showing tonnage, revenues, and expenses not covered by item 100	3 years.
103	Reports of tonnage, revenue, and receipts used only for preparing statements of estimated revenues or expenses or the movement of traffic	Optional.
104	Tabulating cards used in the compilation of statistics and other data, when the results are transcribed to other records covered by these regulations	1 year.
111	Audit reports of public accountants	3 years.
112	Duplicate copies of records and documents listed in these regulations, if all information on such duplicates is contained on the originals or other copies retained	Optional.
113	Records of employees, including applications for employment, reports and certificates of examinations, service records, efficiency tests, employees' rosters, and other similar records	1 year.
114	Provident department records, such as employees' relief, hospital, insurance, and savings departments, other than records pertaining to the receipt and disbursement of funds. NOTE: The records pertaining to the receipt and disbursement of funds must be retained for the same periods as are provided for similar records in item 19b	1 year.
115	Data relating to records destroyed	Permanent.
116	Correspondence and records thereof relating to the subjects listed in these regulations, not otherwise provided for	For the period prescribed for the record to which the correspondence relates.

PART 1228—FREIGHT FORWARDERS

Sec.

1228.1 Introduction.
1228.2 Authority to destroy records.
1228.3 Photographic copies.
1228.4 Supervision of destruction.
1228.5 List of records destroyed.
1228.6 Freight forwarder going out of business.
1228.7 Waivers of requirements of these regulations.
1228.8 Prescribed periods of retention.

AUTHORITY: The provisions of this Part 1228 issued under secs. 403, 412, 56 Stat. 285, as amended, 294, as amended; 49 U.S.C. 1003, 1012, unless otherwise noted.

§ 1228.1 Introduction.

The following regulations specify the records and documents which may be destroyed and prescribe the length of time the same shall be preserved, but mention of a record or document hereinafter imposes no requirement that such record shall be installed if its purpose is otherwise being adequately served. Nothing contained in the regulations of this part shall be construed to excuse noncompliance with requirements of any other governmental body, Federal or State, prescribing longer retention periods for any category of records.

§ 1228.2 Authority to destroy records.

Freight forwarders subject to the regulations of this part may destroy records or documents named or described in these regulations after they have been preserved for the periods of time herein prescribed.

§ 1228.3 Photographic copies.

(a) All records and documents must be preserved in their original form for the periods specified in the "Schedule of Records" unless the records and documents are suitably photographed and the microfilm is retained in lieu of the original record for the required retention period, subject to the limitations indicated below. A "Microfilm indicator" has been added to the "Schedule of Records" to show when microfilms may be substituted for retention of the original record. In the absence of an indicator, microfilms may not be substituted for the original records unless a waiver is granted pursuant to § 1228.7.

(b) An explanation of the symbols used as the microfilm indicators follows:

"M" (for Microfilm) indicates that microfilms may be substituted for retention of the original records at any time.

"M–1", "M–2", etc., indicates that microfilms may be substituted for retention of the original records only after the original records have been retained in their original form for the number of years corresponding to the numeral.

"ME" (for Microfilm and for Expiration) indicates that microfilms may be substituted for retention of the original records only for the period subsequent to the expiration, cancellation, supersedure, or other condition shown in the column for "Retention periods" in the "Schedule of Records." Thus, for item A–3(b) microfilms are not acceptable as a substitute for the contracts until they have expired or have been cancelled. At that time microfilms may be substituted for the original contracts for the required 3 years after the expiration or cancellation.

(c) To be acceptable in lieu of original records, photographic copies of records must meet the following minimum requirements:

(1) Photographic copies shall be no less readily accessible than the original record or document as normally filed or preserved would be, and suitable means or facilities shall be available to locate, identify, read or reproduce such photographic copies.

(2) Any significant characteristic, feature, or other attribute of the original record or document, which photography in black and white will not preserve, shall be clearly indicated before the photograph is made.

(3) The reverse side of printed forms need not be copied if nothing has been added to the printed matter common to all such forms, but an identified specimen of such form shall be on the film for reference.

(4) Film used for photographing copies shall be of permanent record type meeting in all respects the minimum specifications of the National Bureau of Standards, and all processes recommended by the manufacturer shall be observed to protect it from deterioration or accidental destruction.

(5) Each roll of film shall include a microfilm of a certificate or certificates stating that the photographs are direct and facsimile reproductions of the original records and that they have been made in accordance with prescribed instructions. Such certificate or certificates shall be executed by a person or persons having personal knowledge of the facts covered thereby.

§ 1228.4 Supervision of destruction.

(a) Immediately upon the effective date of these regulations, each freight forwarder subject thereto shall appoint an officer or other supervisory employee to be responsible for the destruction of records and documents. Such appointment shall be by formal corporate act of the board of directors or its executive committee. Designation may be made by title only, rather than by name and title, and thus obviate the necessity for a new resolution or order each time a successor is appointed. An existing appointment in conformity with the procedure indicated herein which was made under prior regulations shall be recognized as being in compliance with the regulations of this part.

(b) If the property of a freight forwarded subject to these regulations is in the hands of a trustee, executor, administrator, or assignee, the officer or other employee to have responsibility for the destruction of records and documents shall be designated by such trustee, executor, administrator, or assignee.

(c) It is not required that a copy of the resolution or order of appointment be filed with the Commission.

§ 1228.5 List of records destroyed.

(a) The officer or responsible employee shall maintain a comprehensive list describing all records and document which have been destroyed pursuant to the regulations of this part. The list so maintained shall include all records and documents destroyed, including microfilms destroyed. This list shall include form numbers and descriptive title (or descriptions) of the records destroyed and the periods covered.

(b) The list so maintained shall be available for inspection in the office of the responsible officer or employee and shall be in such detail that the destroyed records or documents may be identified and the time, place, and method of destruction can be established. If the destruction is by accident or at the hand of an unauthorized person not subject to the freight forwarder's control, then the list shall include a statement of the relevant circumstances.

§ 1228.6 Freight forwarder going out of business.

The records and documents herein referred to may be destroyed after business is discontinued and the freight forwarder is completely liquidated. The records may not be destroyed until dissolution is final and all transactions are completed. When a freight forwarder is merged with another regulated company, the successor company shall preserve records and documents of the merged company in the manner and for the retention periods prescribed herein.

§ 1228.7 Waivers of requirements of these regulations.

A waiver from any provision of these regulations may be made by the Commission upon its own initiative or upon submission of a written request therefor by any freight forwarder. Each request for waiver shall demonstrate that unusual circumstances warrant a departure from prescribed retention periods, procedures, or techniques or that compliance with such prescribed requirements would impose an unreasonable burden upon the freight forwarder, and that the granting of the waiver would be in the public interest.

§ 1228.8 Prescribed periods of retention.

The following is a list showing category of records and documents, the retention periods, and the microfilm indicators. The microfilm indicator is explained in § 1228.3.

SCHEDULE OF RECORDS

Item number and category of records	Retention periods	Microfilm indicator (§ 1228.3)
A. ADMINISTRATIVE AND CORPORATE		
1. Incorporation and reorganization:		
(a) Charter or certificate of incorporation and amendments thereto.	Permanently	M-6.
(b) Legal documents in connection with mergers, consolidations, reorganization, receiverships and similar actions which affect the identity or organization of the company.	do	
2. Titles, franchises, and licenses:		
(a) Certificates of public convenience and necessity issued by regulating bodies.	Until expiration or cancellation	ME.
(b) Copies of formal orders of regulatory bodies served upon the freight forwarder.	1 year after expiration or cancellation	
(c) Operating authorizations and exemptions to operate issued by regulating bodies.	Until expiration or cancellation	ME.
(d) Deeds and other title papers	3 years after disposition of property	ME.
3. Contracts and agreements (see also other pertinent categories):		
(a) Service contracts, such as for operational management, accounting, financial or legal service, or for rental or lease of property or equipment, or records of such contracts, leases or agreements.	3 years after expiration or cancellation	ME.
(b) Contracts with other carriers for interchange or joint use of property.	do	ME.
(c) Complete files and related papers of contracts entered into by competitive bidding under the provisions of Section 10 of the Clayton Antitrust Act.	Shall not be broken up or destroyed without specific written authority.	
4. Corporate elections:		
(a) Proxies of holders of voting securities	3 years	M-2.
(b) Lists of holders of voting securities represented at meetings.	do	M-2.
(c) Ballots cast and tabulations of votes	do	M-2.
(d) Judges' reports of election results	do	M-2.
5. Minutes of meetings of stockholders, directors, executive or other directors' committees, or other meetings.	Permanently	M-6.
6. Communications code and cipher books	Until 2 years after change	ME.
B. TREASURY		
1. Capital stock records:		
(a) Detailed capital stock journals, ledgers or their equivalents.	Permanently	M-3.
(b) Capital stock certificates, stubs or similar records of. NOTE: If the information shown on the stubs is recorded in permanent records, the stubs are required to be retained only for a period of 3 years.	do	M-3.
(c) Subscription notices and requests for allotment	3 years	M.
(d) Stock transfer registers	Permanently	M-3.
(e) Papers pertaining to or supporting transfers of capital stock.	3 years	M.
(f) Cancelled capital stock certificates	do	M.
2. Bond or other long-term debt records:		
(a) Bond indentures, underwriting, mortgage, and other long-term credit agreements.	Permanently	M-6.
(b) Bond or other long-term debt detailed journals, vouchers and ledgers or their equivalents.	3 years after redemption	ME.
(c) Stubs or similar records of bonds or other long-term debt issued. NOTE: If the information shown on the stubs is recorded in permanent records, the stubs are required to be retained only for a period of three years.	Permanently	M-3.
(d) Subscription notices and requests for allotment	3 years	M.
(e) Records of interest paid and unpaid	do	M.
(f) Papers pertaining to or supporting transfer of bonds	do	M.
(g) Cancelled bonds, mortgages, notes or other long-term debt, and interest coupons.	do	M.
3. Authorization from regulatory bodies for issuance of securities including applications, reports and supporting papers.	1 year after expiration	ME.

SCHEDULE OF RECORDS—Continued

Item number and category of records	Retention periods	Microfilm Indicator (§ 1228.3)
B. TREASURY—continued		
4. Copies of registration statements and other data filed with the Securities and Exchange Commission and supporting papers in connection with offerings of securities for sale to the public or the listing of securities on exchange.	6 years	M-3.
5. Records of securities owned or held by custodians, detailed ledgers and journals, or their equivalents.	3 years after the related securities are sold, redeemed or otherwise disposed of.	ME.
6. Statements of funds and deposits:		
(a) Statements from depositaries on funds received, disbursed and transferred.	3 years	M.
(b) Authorization for transfer of funds from one depositary to another.	1 year after expiration	ME.
(c) Periodical statements of the receipt and disbursement of funds.	1 year	M.
(d) Bank deposit books, stubs, ledgers, or records of checks, and copies of deposit slips.	3 years	
(e) Bank reconciliations; checks cancelled by banks; checks, drafts, etc., issued and not presented.	do	M-2.
(f) Records pertaining to verification of treasurers' cash or securities.	3 years for records of cash 3 years after disposition of securities	M. ME.
C. FINANCIAL ACCOUNTING RECORDS		
1. Ledgers:		
(a) General and subsidiary ledgers and indexes thereto	Permanently	M-10.
(b) Balance sheets and trial balance sheets of general and subsidiary ledgers.	5 years	M-3.
2. Journals (except as otherwise provided herein):		
(a) General journals	Permanently	M-6.
(b) Subsidiary journals and any supporting papers necessary to explain journal entries.	10 years	M-6.
(c) Schedules of recurring or standard journal entries and entry numbers.	Until superseded	
3. General and subsidiary cash books, except cash books at agencies provided for under item H-5.	Permanently	M-6.
4. Voucher distribution registers or their equivalent	10 years	M-6.
5. Vouchers:		
(a) Voucher indexes	3 years	M.
(b) Vouchers, expenditure authorizations, detailed distribution sheets and other supporting papers, including original bills and invoices, except as otherwise provided herein.	6 years	M-2.
(c) Receipts for cash paid out	3 years	M-2.
(d) Reports of drafts issued by claim agents, terminal and station agents, and others.	1 year	
6. Accounts receivables and payables:		
(a) Traffic accounts receivable or payable, detailed journals and ledgers or their equivalents, with supporting papers.	4 years	M-3.
(b) General accounts receivable or payable, detailed journals and ledgers or their equivalents, together with supporting papers.	do	M-3.
(c) Bills issued for collection and supporting papers	2 years after settlement	ME.
7. Statements of receipts, disbursements, and balances of working or petty cash funds in hands of employee-custodians and supporting papers.	3 years	M.
8. Uncollectible accounts:		
(a) Reports and statements showing age and status of accounts receivable.	1 year	M.
(b) Authorization for writing off accounts receivable	do	M.
D. PAYROLLS AND PERSONNEL		
1. Payroll records:		
(a) Payroll sheets, registers, or their equivalents, of salaries and wages paid to individual officers and employees.	3 years. See § 1228.1	M-2.
(b) Records showing the distribution to accounts and jobs of the salaries and wages paid to officers and employees for each periodic payroll and summaries or recapitulation statements of such distribution.	3 years	M-2.

SCHEDULE OF RECORDS—Continued

Item number and category of records	Retention periods	Microfilm Indicator (§ 1228.3)
D. PAYROLLS AND PERSONNEL—continued		
1. Payroll records—continued		
(c) Original source documents used in the preparation of payrolls such as time and attendance cards or job and cost distribution cards.	do	M.
(d) Payroll authorizations, removals and adjustment notices.	1 year	
(e) Paid checks, receipts for wages paid in cash, and other evidence of payments for services rendered by employees.	3 years	M.
2. Personnel records:		
(a) Applications for employment, qualification records, service records, reports and certificates of physical examinations, efficiency tests, and similar records.	1 year after termination of service	ME.
(b) Contracts and agreements with employees or employee organizations or groups.	1 year after expiration or cancellation	ME.
(c) Employees' welfare and pension records including records on employees' relief, health and insurance, savings, and workmen's compensation accident reports.	3 years	M-1.
E. EQUIPMENT AND OTHER PROPERTY		
1. Records, reports, statements and supporting papers, pertaining to debits and credits to accounts showing the cost or inventory value of property or equipment. Included in supporting papers would be job or work orders, maps, profiles, specifications, estimates, engineering studies, construction bids, and similar records.	3 years after sale or retirement	ME.
2. Records and memoranda pertaining to depreciation, retirements, and replacements of property.	do	ME.
3. Contracts and other agreements relating to the construction, acquisition, or sale of property and equipment, except as provided in item A-3(c).	do	ME.
F. PURCHASES AND STORES		
1. Records of materials and supplies on hand and detail papers of inventories taken.	3 years	M-2.
2. Bids, offers, copies of orders and correspondence pertaining to the sale or purchase of materials and supplies, except as specified in item A-3(c).	do	M-1.
3. Materials and supplies received and issued:		
(a) Records and reports of materials and supplies received and issued.	do	M-1.
(b) Requisitions and receipts for materials and supplies issued, totals of which have been transcribed into other records for retention.	1 year	M.
G. INSURANCE, TAXES AND CLAIMS		
1. Insurance records:		
(a) Registers, cards, or other records of insurance policies in force showing coverage, premiums paid, good experience credits and expiration dates.	3 years after policy expires	ME.
(b) Records of self-insurance provisions and actual losses from damages to persons and property.	3 years	M-2.
(c) Insurance policies	2 years after expiration	ME.
(d) Records of losses and recoveries from insurance companies and supporting papers.	3 years after settlement	ME.
(e) Records and files of fidelity bonds of employees and others responsible for funds of the freight forwarder.	1 year after expiration of bonds	ME.
2. Tax records:		
(a) Copies of schedules and returns to taxing authorities and supporting working papers, records of appeals, and copies of final determination in form of closing agreements.	3 years after final settlement	ME.
(b) Copies of schedules and returns to taxing authorities and supporting working papers in connection with taxes collected as agent.	3 years after settlement	ME.

SCHEDULE OF RECORDS—Continued

Item number and category of records	Retention periods	Microfilm indicator (§ 1228.3)
G. INSURANCE, TAXES AND CLAIMS—continued		
3. Claims records:		
(a) Claims registers, card or book indexes and other records in connection with the recording of overcharge, loss and damage, personal injury, fire, and other claims.	do	ME.
(b) All papers substantiating overcharge, loss and damage, personal injury, fire, and other claims, whether such papers are filed separately or attached to vouchers. See item C-5(b).	do	ME.
(c) Records showing the details of authorities issued to agents, carriers, and others for participation in freight claims.	do	ME.
(d) Reports, statements and other records pertaining to personal injuries, or damage to property in transit, when not necessary to support claims or vouchers.	do	ME.
(e) Reports, statements, tracers, and other records pertaining to unclaimed, over, short, damaged, and refused freight, when not necessary to support claims or vouchers.	1 year	M.
(f) Authorities for disposal of unclaimed, damaged, and refused freight.	3 years	M-1.
H. SHIPPING AND AGENCY DOCUMENTS		
1. Shipping documents: Consignors' shipping orders, shipping tickets, pick-up receipts, delivery receipts, copies of bills of lading and order-notify bills of lading taken up and cancelled, freight bills received from others, and other similar documents furnished to carriers for movement of freight; original local waybills and freight bills and audited copies thereof and company freight waybills, freight bills and cargo manifests; original underlying waybills, freight bills, and airway bills received from carriers, copies of those made to carriers, and copies of those issued to shippers.	do	M-2.
2. Contracts covering risks of freight forwarders in transportation and storage.	2 years after expiration	ME.
3. Freight waybills and freight bills: Copies of waybills and freight bills furnished to joint traffic associations, bureaus, and similar agencies, if such copies contain no information other than that appearing on the original waybills and freight bills or in other records.	1 year	M.
4. Freight records and reports:		
(a) Reports and records of freight received, forwarded, transferred, delivered to carriers, and records of diversion or reconsignment of freight including requests, tracers, and correspondence in connection therewith.	2 years	
(b) Records of joint-loaded shipments showing	do	
(1) Identity of all participating forwarders.		
(2) Total poundage of the joint shipment.		
(3) Poundage contributed by reporting forwarder.		
(4) Name of carrier transporting the shipment.		
(5) Amount of charges by the direct carrier on the total shipment, for transportation and other services.		
(6) Amount of such charges paid by reporting forwarder.		
5. Agents' remittance slips, bank deposit slips and all supporting papers not provided for elsewhere.	3 years	M-2.
6. Agents' balance sheets and supporting papers	do	M-2.
7. Miscellaneous records pertaining to agents' accounts:		
(a) General office records or ledgers of agents' accounts showing debits and credits from various sources.	do	M-2.
(b) General office records relating to extension of credit for transportation and other charges.	2 years after discontinuance of credit agreement.	ME.
(c) Statements of corrections in agents' accounts	3 years	M-2.

SCHEDULE OF RECORDS—Continued

Item number and category of records	Retention periods	Microfilm indicator (§ 1228.3)
H. SHIPPING AND AGENCY DOCUMENTS—continued		
8. Instructions to agents and representatives—bulletins and circulars of instructions to traffic agents and soliciting personnel.	3 years after expiration or cancellation	ME.
9. Information to the public—press releases, paid advertisements, pamphlets, brochures, circulars, and bulletins.	1 year	
10. Other agency records at stations or agencies not otherwise provided for herein.	3 years	M-2.
I. TARIFFS AND RATES		
1. Tariffs, classifications, division sheets, and circulars relative to the transportation of property in the general files of the department in which the complete official file is maintained.	3 years after expiration or cancellation	ME.
2. Tariffs, classifications, division sheets, and circulars in other departments and at agencies, if copies of the same issues of such tariffs, etc., are preserved in the general files referred to in item 1 above.	Until expiration or cancellation	
3. Special or reduced-rate orders and supporting papers, covering the movement of property.	3 years	M-1.
4. Requests and receipts from agents and others for tariffs, classifications, division sheets, and circulars.	Optional	
5. Copies of concurrences and powers of attorney filed with regulatory bodies.	2 years after expiration or cancellation	ME.
6. Written requests on freight forwarders from persons and companies for quotations of rates and copies of freight forwarder's quotations.	Optional	
7. Correspondence and working papers in connection with the making of rates and compilation of tariffs, classifications, division sheets, and circulars affecting the transportation of property.	3 years after cancellation or expiration of tariff.	ME.
J. REPORTS AND RELATED STATISTICS		
1. Annual reports to regulatory bodies, file copies of	10 years	M-6.
2. Quarterly and semi-annual reports to regulatory bodies, file copies of, and supporting papers.	3 years	M.
3. Annual reports or statements to stockholders, file copies of.	Permanently	M-6.
4. Accountants' and auditors' reports:		
(a) Certifications and reports of all examinations and audits conducted by public and certified public accountants.	3 years	M-1.
(b) Reports of examinations and audits conducted by internal auditors and others.	do	M-1.
5. Accident reports, file copies of, and supporting papers	do	M-1.
6. All other financial, operating and statistical statements or reports and supporting papers.	do	M.
7. Tabulating cards, tapes, and other media used in the compilation of statistics and other data when the results are transcribed to other records covered by these regulations.	Until appropriate summaries have been made.	
K. MISCELLANEOUS		
1. Correspondence and records thereof pertaining to the items listed herein.	Same period prescribed for the items to which related.	As may be permitted for items to which related.
2. Duplicate copies of accounts, records, and memoranda listed in these regulations, if all information on such duplicates is contained on the originals or other copies retained, and if such duplicates are not specifically provided for in these regulations.	Optional	
3. Written authorizations and certificates of destruction of accounts, records, and memoranda required by the regulations.	Permanently	M-2.
4. Organization manuals, handbooks, circulars and other instructions issued to employees on matters pertaining to the business of the freight forwarder.	3 years after expiration or cancellation	ME.

INDEX TO RECORDS

A—Administrative and corporate:
1. Incorporation and reorganization.
2. Titles, franchises and licenses.
3. Contracts and agreements.
4. Corporate elections.
5. Minutes of meetings.
6. Communications code and cipher books.

B—Treasury:
1. Capital stock records.
2. Bond or other long-term debt records.
3. Authorization from regulatory bodies for issuance of securities.
4. Registration statements filed with SEC.
5. Records of securities owned or held by custodians.
6. Statements of funds and deposits.

C—Financial accounting records:
1. Ledgers.
2. Journals.
3. General and subsidiary cash books.
4. Voucher distribution registers.
5. Vouchers.
6. Accounts receivables and payables.
7. Working or petty cash funds.
8. Uncollectible accounts.

D—Payrolls and personnel:
1. Payroll records.
2. Personnel records.

E—Equipment and other property:
1. Records, reports and statements showing cost or inventory value.
2. Records and memoranda pertaining to depreciation, retirements and replacements.
3. Contracts and agreements relating to construction, acquisition or sale.

F—Purchases and stores:
1. Records of materials and supplies inventory.
2. Bids, offers and orders pertaining to sale or purchase of materials and supplies.
3. Materials and supplies received and issued.

G—Insurance, taxes and claims:
1. Insurance records.
2. Tax records.
3. Claims records.

H—Shipping and agency documents:
1. Shipping documents.
2. Contracts covering risks in transportation and storage.
3. Copies of waybills and freight bills.
4. Freight records and reports.
5. Agents' remittance slips and bank deposit slips.
6. Agents' balance sheets.
7. Miscellaneous records pertaining to agents' accounts.
8. Instructions to agents and representatives.
9. Information to the public.
10. Other agency records.

I—Tariffs and rates:
1. Tariffs and classifications—originals.
2. Tariffs and classifications—duplicates.
3. Special or reduced-rate orders.
4. Requests and receipts for tariffs and classifications.
5. Concurrences and powers of attorney.
6. Written requests for quotations and copies of quotations.
7. Correspondence and working papers in connection with tariffs.

J—Reports and related statistics:
1. Annual reports to regulatory bodies.
2. Quarterly and semi-annual reports to regulatory bodies.
3. Annual reports or statements to stockholders.
4. Accountants' and auditors' reports.
5. Accident reports.
6. Other financial and statistical statements.
7. Tabulating cards, tapes and other media.

K—Miscellaneous:
1. Correspondence relating to records.
2. Duplicate copies of records.
3. Authorizations and certificates for destruction of records.
4. Organization manuals.

PARTS 1240–1259—REPORTS

NOTE: The report forms prescribed by Parts 1241–1259 are available upon request from the Office of the Secretary, Interstate Commerce Commission, Washington, D.C. 20423.

PART 1240—CLASSES OF CARRIERS

Subpart A—Railroads

Sec.
1240.1 Classification of Rail Carriers.

Subpart B—Carriers by Water

1240.2 Classification of Carriers by Water.

Subpart C—Carriers by Electric Railway

1240.3 Classification of Carriers by Electric Railway.

Subpart D—Motor Carriers

1240.4 Classification of Motor Carriers of Passengers.

1240.5 Classification of Motor Carriers of Property.

Subpart E—Freight Forwarders

1240.6 Classification of Freight Forwarders.

Subpart A—Railroads

§ 1240.1 Classification of rail carriers.

(a) For the purposes of annual, other periodical, and special reports, commencing with reports for the year, quarter or month beginning January 1, 1965, and thereafter until further order, operating carriers by railroad subject to the provisions of Part I of the Interstate Commerce Act shall be, and they are hereby, divided into two general classes designated respectively as class I and class II. Class I shall include all carriers having annual operating revenues of $5,000,000 or more; and class II, all carriers having annual operating revenue less than $5,000,000.

(b) In applying this classification to any switching or terminal company which is operated as a joint facility of owning or tenant railways, the sum of the annual railway operating revenues, the joint facility rent income, and the returns to joint facility credit accounts in operating expenses, shall be used in determining its class.

(c) Beginning with the calendar year 1956, the classification of operating railroads shall be based on the average annual operating revenues for the 3-year period ended with the calendar year 1955; and, subsequently, if at the close of any calendar year the average of the annual operating revenues for the latest 3-year period is greater or less than the amount applicable to the class in which the carrier has been reporting, its class for the second succeeding year shall change accordingly and shall remain in such class for a period of not less than three consecutive years; *Provided*, That: (1) Carriers which have operated for a period less than three calendar years shall be classified upon the basis of the average amount of their annual operating revenues, for the latest period of such operation; (2) newly organized carriers which commence operations for revenue subsequent to January 1, 1956, shall be assigned to classes, as above defined, on the basis of their operating revenues known or estimated for a year; (3) nothing contained in this order shall prevent changes in the assignment of carriers to classes on the part of the Commission deemed to be warranted by special conditions; and (4) carriers shall within 60 days after the close of a calendar year notify the Commission's Bureau of Accounts when a change in classification has taken place.

(Sec. 12, 24 Stat. 383, as amended; 49 U. S. C. 12. Interprets or applies sec. 20, 24 Stat. 386, as amended; 49 U. S. C. 20)

Subpart B—Carriers by Water

§ 1240.2 Classification of carriers by water.

(a) For the purpose of annual, other periodical, and special reports, carriers by water subject to the provisions of the Interstate Commerce Act shall be, and they hereby are, divided into three general classes, designated respectively as Class A, Class B, and Class C. Class A shall include all carriers having annual operating revenues exceeding $500,000; Class B, all carriers having annual operating revenues exceeding $100,000 but not more than $500,000; and Class C, all carriers having annual operating revenues of $100,000 or less.

(b) For the calendar year 1946 the classification of carriers by water in paragraph (a) of this section shall be based on the average annual operating revenues for the 3-year period ended with the calendar year 1945; and subsequently, if at the close of any calendar year the average of the annual revenues for the latest 3-year period is greater or less than the amount applicable to the class in which the carrier has been reporting, its class for the next succeeding year shall change accordingly: *Provided*, That carriers which have operated for a period less than three calendar years shall be classified upon the basis of the average amount of their annual revenues, for the latest period of such operation: *And provided*, That newly organized carriers which commence operations for revenue subsequently to the effective date of this order (January 1, 1946), shall be assigned to classes as above defined, on the basis of their operating revenues known or estimated, for a year: *And provided*, That nothing contained in this order shall prevent changes in the assignment of carriers to classes on the part of the Commission deemed to be warranted by special conditions: *And provided further*, That carriers shall within 30 days after the close of a calendar year notify the Commission's Bureau of Accounts when a change of classification has taken place.

(Sec. 12, 24 Stat. 383, as amended, 54 Stat. 933; 49 U. S. C. 12, 904. Interprets or applies sec. 20, 24 Stat. 386, as amended, 54 Stat. 944; 49 U. S. C. 20, 913)

Subpart C—Carriers by Electric Railway

§ 1240.3 Classification of carriers by electric railway.

(a) For the purpose of annual, other periodical, and special reports, carriers by electric railway subject to the provisions of the Interstate Commerce Act shall be, and they hereby are, divided into three general classes, designated respectively as Class I, Class II, and Class III. Class I shall include all carriers having annual operating revenues exceeding $1,000,000; Class II, all carriers having annual operating revenues exceeding $250,000 but not more than $1,000,000; and Class III, all carriers having annual operating revenues of $250,000 or less.

(b) For the calendar year 1947 the classification of carriers by electric railway in paragraph (a) of this section shall be based on the average annual operating revenues for the 3-year period ended with the calendar year 1946; and, subsequently, if at the close of any calendar year the average of the annual revenues for the latest 3-year period is greater or less than the amount applicable to the class in which the carrier has been reporting, its class for the next succeeding year shall change accordingly: *Provided*, That carriers which have operated for a period less than three calendar years shall be classified upon the basis of the average amount of their annual revenues, for the latest period of such operation: *And provided*, That newly organized carriers which commence operations for revenue subsequently to the effective date of this order (January 1, 1947), shall be assigned to classes, as above defined, on the bases of their operating revenues, known or estimated, for a year: *And provided*, That nothing contained in this order shall prevent changes in the assignment of carriers to classes on the part of the Commission deemed to be warranted by special conditions: *And, provided further*, That carriers shall within 30 days after the close of a calendar year notify the Commission's Bureau of Accounts when a change of classification has taken place.

(Sec. 12, 24 Stat. 383, as amended; 49 U. S. C. 12. Interprets or applies sec. 20, 24 Stat. 386, as amended; 49 U.S.C. 20)

Subpart D—Motor Carriers

§ 1240.4 Classification of motor carriers of passengers.

(a) For purposes of the accounting regulations common and contract carriers of passengers subject to the Interstate Commerce Act are grouped into the following three classes:

Class I. Carriers having average gross operating revenues (including interstate and intrastate) of $200,000 or over annually, from passenger motor carrier operations.

Class II. Carriers having average gross operating revenues (including interstate and intrastate) of $50,000 or over, but under $200,000 annually, from passenger motor carrier operations.

Class III. Carriers having average gross operating revenues (including interstate and intrastate) of less than $50,000 annually, from passenger motor carrier operations.

(b) Class I carriers shall keep all the accounts prescribed in this part, where applicable. Separate systems of accounts will be prescribed for Class II and Class III carriers.

(c) The class to which any carrier belongs shall be determined by the average of its annual gross operating revenues derived from motor carrier operations for the 3 calendar years immediately preceding the effective date of this system of accounts. If, at the end of any calendar year following the effective date of this system of accounts, the average of its annual gross operating revenues from motor carrier operations for the 3 preceding years is greater than the maximum or less than the minimum for the class in which the carrier has been grouped, it shall automatically be grouped in the higher or lower class in which it falls because of such increased or decreased average annual gross operating revenues. Any carrier which begins new operations or extends its existing operations subsequent to the effective date of this system of accounts may be classified in accordance with a reasonable estimate of its prospective annual gross operating revenues.

(d) Any carrier may, at its option, place itself in any group higher than the one in which it falls on the basis of its average annual gross operating revenues. Notice of such action shall be promptly filed with the Commission.

(Secs. 204, 220, 49 Stat. 546, as amended, 563, as amended 49 U.S.C. 304, 320)

§ 1240.5 Classification of motor carriers of property.

(a) For purposes of the accounting regulations common and contract carriers of property subject to the Interstate Commerce Act are grouped into the following three classes:

Class I: Carriers having average annual gross operating revenues (including interstate and intrastate) of $1,000,000 or more from property motor carrier operations.

Class II: Carriers having average annual gross operating revenues (including interstate and intrastate) of $200,000, but less than $1,000,000, from property motor carrier operations.

Class III: Carriers having average annual gross operating revenues (including interstate and intrastate) of less than $200,000 from property motor carrier operations.

(b) The class to which any carrier belongs shall be determined by the average of its annual gross operating revenues derived from motor carrier operations as a property carrier for the three calendar years immediately preceding the effective date of this system of accounts. If, at the end of any subsequent calendar year, the average of a carrier's annual gross operating revenues from motor carrier operations for the last three preceding years is greater than the maximum or less than the minimum for the class in which the carrier has been previously grouped, it shall automatically be grouped in the higher or lower class in which it falls because of such increased or decreased average annual gross operating revenues, and it shall notify the Commission of the change in its status. Any carrier which begins new operations or extends its existing operations subsequent to the effective date of this system of accounts will be classified in accordance with a reasonable estimate of its prospective annual gross operating revenues.

(c) Any carrier may, at its option, place itself in a group higher than the one in which it falls on the basis of its average annual gross operating revenues. Notice of such action shall be promptly filed with the Commission.

(Secs. 204, 220, 49 Stat. 546, as amended, 563, as amended; 49 U.S.C. 304, 320)

Subpart E—Freight Forwarders

§ 1240.6 Classification for freight forwarders.

(a) For the purpose of annual, other periodical, and special reports, freight forwarders subject to the provision of part IV of the Interstate Commerce Act, shall be, and they hereby are, divided into two general classes designated respectively as Class A and Class B. Class A shall include all forwarders having annual gross operating revenues of $100,000 or more; and Class B, all forwarders having annual gross operating revenues less than $100,000.

(b) For the calendar year 1948 the classification of freight forwarders as aforesaid shall be based on the average annual gross operating revenues for the 3-year period ended with the calendar year 1947; and, subsequently, if at the close of any calendar year the average of the annual gross operating revenues for the latest 3-year period is greater or less than the amount applicable to the class in which the forwarder has been reporting, its class for the next succeeding year shall change accordingly; *Provided*, That:

(1) Forwarders which have operated for a period less than three calendar years shall be classified upon the basis of the average amount of their annual gross operating revenues, for the latest period of such operation;

(2) Newly organized forwarders which commence operations for revenue subsequently to the effective date of this order shall be assigned to classes, as above defined, on the basis of their gross operating revenues, known or estimated, for a year;

(3) Nothing contained in this section shall prevent changes in the assignment of forwarders to classes on the part of the Commission deemed to be warranted by special conditions; and

(4) Forwarders shall within 30 days after the close of a calendar year notify the Commission's Bureau of Accounts when a change of classification has taken place.

(Secs. 403, 412, 56 Stat. 285, 294, 49 U.S.C. 1003, 1012)

PART 1241—ANNUAL, SPECIAL OR PERIODICAL REPORTS; CARRIERS SUBJECT TO PART I OF THE INTERSTATE COMMERCE ACT

Sec.
1241.1 Common carriers.
1241.2 Reporting companies defined.
1241.9 Class I Railroads.
1241.11 Form prescribed for class I railroads.
1241.12 Form prescribed for Class II railroads.
1241.13 Form prescribed for lessors to railroads.
1241.21 Annual reports of electric railways.
1241.31 Annual reports of express companies.
1241.41 Sleeping car companies; fiscal period.
1241.52 Carriers by water; quarterly freight and passenger statistics.
1241.61 Annual reports of carriers by pipe line.
1241.62 Carriers by pipe line; quarterly revenue and volume of traffic.
1241.70 Annual reports of refrigerator car lines owned or controlled by railroad companies.
1241.71 Annual reports of persons furnishing cars, other than refrigerator car lines owned or controlled by railroad companies.

AUTHORITY: The provisions of this Part 1241 issued under secs. 12, 20, 24 Stat. 383, 386, sec. 201, 54 Stat. 933, 944; 49 U.S.C. 12, 20, 904, 913, unless otherwise noted.

§ 1241.1 Common carriers.

All common carriers subject to the provisions of Part I of Interstate Commerce Act, as amended, and the owners of all railroads engaged in interstate commerce as therein defined, are hereby required hereafter to file in the office of the Commission on or before the 31st day of March in each year, reports covering the period of 12 months ending with the 31st day of December preceding said date, giving the particulars heretofore called for in the annual reports required by the Commission of said carriers and owners of railroads.

§ 1241.2 Reporting companies defined.

Annual reports of steam railway corporations to the Interstate Commerce Commission relating to periods of time subsequent to June 30, 1916, should be prepared and submitted in accordance with the following rules:

(a) Every common carrier by rail which is required by the act to regulate commerce to file with the Commission any tariff or schedule of rates, fares, or charges, or any concurrence in such tariff or schedule, shall be required to keep operating accounts and to file an annual operating report unless specifically excused by the Commission.

(b) Every railway corporation owning but not operating a railway used in interstate or foreign commerce shall be required to file with the Commission an annual nonoperating report unless relieved therefrom under the provisions of rule following.

(c) Any actually existing inactive corporation coming within the scope of rule given above may be relieved from the requirements of that rule if it has no outstanding stocks or obligations not held by or for its controlling corporation and the controlling corporation reports for the inactive corporation such facts as the Commission may require to be reported.

(d) Reports of a controlling corporation and its controlled corporations must exclude duplications in respect of investments in railway plant and equipment and in respect of securities outstanding.

§ 1241.10 Class I Railroads.

(a) Commencing with reports of transactions occurring on August 1, 1966, and thereafter until further order, each Class I railroad as described in § 1240.1 of this chapter, subject to Part I of the Interstate Commerce Act, shall be required to file with the Interstate Commerce Commission a duplicate copy of any statement to the Securities and Exchange Commission concerning beneficial ownership or change in beneficial ownership of equity securities of any other carrier subject to economic regulation under Parts I, II, and III of the Interstate Commerce Act, or any freight forwarder subject to such regulation under Part IV of said Act, when any such statement is required to be filed with the Securities and Exchange Commission pursuant to section 16(a) of the Securities Exchange Act of 1934, as amended, or regulations thereunder.

(b) Such duplicate copy shall be filed in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, on or before the date specified in the above-designated statute or regulations thereunder.

§ 1241.11 Form prescribed for Class I railroads.

Commencing with reports for the year ended December 31, 1965, and thereafter, until further order, all line-haul and switching and terminal railroad companies of Class I, as described in § 1240.1, viz. of this chapter, all carriers with average annual operating revenues of $5,000,000 or more, subject to the provisions of section 20, Part I of the Interstate Commerce Act, are required to file annual reports in accordance with Railroad Annual Report Form A. Such annual report shall be filed in duplicate in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, on or before March 31, of the year following the year to which it relates.

§ 1241.12 Form prescribed for Class II railroads.

Commencing with reports for the year ended December 31, 1965, and thereafter, until further order, all line-haul and switching and terminal railroad companies of Class II, as described in § 1240.1 of this chapter, viz, all carriers with average annual operating revenues of less than $5 million, subject to the provisions of section 20, Part I of the Interstate Commerce Act, are required to file annual reports in accordance with Railroad Annual Report Form C, which is attached to and made a part of this section. Such annual report shall be filed in duplicate in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, on or before March 31 of the year following the year to which it relates.

§ 1241.13 Form prescribed for lessors to railroads.

Commencing with the year ended December 31, 1964, and for subsequent years thereafter, until further order, all lessors to railroad companies subject to the provisions of section 20, Part I, of the Interstate Commerce Act, are required to file annual reports in accordance with Annual Report Form E, Railroad Lessor Companies, which is attached hereto and made a part of this section. Such annual reports shall be filed in duplicate in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, on or before March 31 of the year following the year to which it relates.

§ 1241.21 Annual reports of electric railways.

Commencing with the year ended December 31, 1964, and for subsequent years thereafter, until further order, all electric railway companies subject to the provisions of section 20, Part I, of the Interstate Commerce Act, are required to file annual reports in accordance with Annual Report Form G (Electric Railways). Such report shall be filed in duplicate in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, on or before March 31 of the year following the year to which it relates.

§ 1241.31 Annual reports of express companies.

Commencing with the year ended December 31, 1963, and for subsequent years thereafter, until further order, all express companies subject to the provisions of section 20, Part I, of the Interstate Commerce Act, are required to file annual reports in accordance with Annual Report Form H (Express Companies). Such report shall be filed in duplicate in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, on or before March 31, of the year following the year to which it relates.

§ 1241.41 Sleeping car companies; fiscal period.

(a) All carriers by sleeping car companies subject to the provisions of the Interstate Commerce Act are required to file an annual report for each calendar year until further order, in accordance with Annual Report Form I (Sleeping Car Companies).

(b) The annual report shall be filed in duplicate in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, on or before March 31, of the year following the one to which it relates.

§ 1241.52 Carriers by water; quarterly freight and passenger statistics.

Commencing with reports for the quarter ending September 30, 1963, and for subsequent quarters thereafter, until further order, all carriers by water, excluding Class C (carriers having average

annual operating revenues of $100,000 or less), are required to file quarterly reports of freight revenue, number of tons of revenue freight carried, number of revenue tons carried one mile, passenger revenue, and number of revenue passengers carried, in accordance with Quarterly Report Form QWS (Quarterly Report of Revenue Traffic). Such quarterly report forms shall be filed in duplicate in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, within 30 days after the close of the period to which it relates.

§ 1241.61 Annual reports of carriers by pipe line.

Commencing with the year ended December 31, 1964, and for subsequent years thereafter, until further order, all carriers by pipe line subject to the provisions of section 20, Part I of the Interstate Commerce Act, are required to file annual reports in accordance with Annual Report Form P (Carriers by Pipe Line). Such report shall be filed in duplicate in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, on or before March 31 of the year following the year to which it relates.

§ 1241.62 Carriers by pipe line; quarterly revenue and volume of traffic.

(a) Each and every pipe line company subject to the provisions of section 20 of the Interstate Commerce Act, if it has had annual operating revenues of more than $500,000 for the three consecutive calendar years prior to the period for which the report hereinafter mentioned is rendered, shall make a report every three months of its total transportation revenue and total number of barrels of oil originated and received from connections, in accordance with the appropriate quarterly form.

(b) Each said quarterly report shall be filed in duplicate in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, within 30 days after the close of the period to which it relates, the first report to be for the three months ended September 30, 1938.

§ 1241.70 Annual reports of refrigerator car lines owned or controlled by railroad companies.

Commencing with reports for the year ended December 31, 1963, and thereafter, until further order, all refrigerator car lines which are operated in interstate commerce subject to the provisions of section 20(6) of the Interstate Commerce Act, 49 U.S.C. 20, and which are owned or controlled by railroad companies, are required to file annual reports in accordance with Anual Report Form B-1 (Annual Reports of Refrigerator Car Lines Owned or Controlled by Railroad Companies). Such report shall be filed in duplicate in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, on or before March 31 of the year following the year to which it relates.

§ 1241.71 Annual reports of persons furnishing cars, other than refrigerator car lines owned or controlled by railroad companies.

Commencing with reports for the year ended December 31, 1961, and thereafter, until further order, all persons furnishing cars to railroads or express companies, other than refrigerator car lines owned or controlled by railroad companies, and owning or operating 10 or more cars, are required to file annual reports in accordance with Form B-2 (Annual Reports of Persons Furnishing Cars, Other than Refrigerator Car Lines Owned or Controlled by Railroad Companies). Such report shall be filed in duplicate in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, on or before March 31 of the year following the year to which it relates.

PART 1242—SEPARATION OF OPERATING EXPENSES BETWEEN FREIGHT AND PASSENGER SERVICES; [1] RAILROADS

Sec.
1242.0 Separation of operating expenses.

GENERAL

1242.01 Expenses directly assigned.
1242.02 Methods.
1242.03 Made by accounting divisions.
1242.04 Special test.
1242.05 Instructions for apportioning.

OPERATING EXPENSES

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1242.2 Roadway maintenance; tunnels and subways; bridges, trestles, and culverts; elevated structures; ties; rails; other track material; ballast; track laying and surfacing; and fences, snowsheds, and signs (accounts 202–221).
1242.3 Station and office buildings (account 227).
1242.4 Roadway buildings (account 229).
1242.5 Water stations (account 231).
1242.6 Fuel stations (account 233).
1242.7 Shops and enginehouses (account 235).
1242.8 Grain elevators; storage warehouses; wharves and docks; and coal and ore wharves (accounts 237–243).
1242.9 Communication systems (account 247).
1242.10 Signals and interlockers (account 249).
1242.11 Power plants (account 253).
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1242.13 Road property—depreciation; retirements-road, etc. (accounts 266–267).
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1242.16 Small tools and supplies; removing snow, ice, and sand; and public improvements; maintenance (accounts 271–273).
1242.17 Injuries to persons; insurance; stationery and printing; employees health and welfare benefits; and other expenses (accounts 274–277 and 282).
1242.18 Maintaining joint tracks, etc. (accounts 278–279).
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MAINTENANCE OF EQUIPMENT

1242.20 Superintendence (account 301).
1242.21 Shop machinery (account 302).
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1242.23 Shop and power-plant machinery; depreciation; and dismantling retired shop and power-plant machinery (accounts 305–306).
1242.24 Steam locomotives—repairs (account 308).
1242.25 Other locomotives; repairs (account 311).
1242.26 Freight-train cars; repairs; and passenger-train cars; repairs (accounts 314–317).
1242.27 Floating equipment; repairs (account 323).
1242.28 Work equipment; repairs (account 326).
1242.29 Miscellaneous equipment; repairs (account 328).
1242.30 Dismantling retired equipment (account 329).
1242.31 Retirements; equipment (account 330).
1242.32 Equipment; depreciation (account 331).
1242.33 Injuries to persons; insurance; stationery and printing; employees health and welfare benefits; and other expenses (accounts 332–335 and 339).
1242.34 Joint maintenance of equipment expenses, etc. (accounts 336–337).

TRAFFIC

1242.36 Superintendence; outside agencies; advertising; traffic associations; fast freight lines; industrial and immigration bureaus; insurance; stationery and printing; employees health and welfare benefits; and other expenses (accounts 351–360).

TRANSPORTATION; RAIL LINE

1242.37 Superintendence (account 371).
1242.38 Dispatching trains (account 372).
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1242.40 Weighing, inspection, and demurrage bureaus; and coal and ore wharves (accounts 374–375).
1242.41 Station supplies and expenses (account 376).
1242.42 Yardmasters and yard clerks; yard conductors and brakemen; yard switch and signal tenders; and yard enginemen (accounts 377–380).
1242.43 Yard switching fuel (account 382).
1242.44 Yard switching power produced; and purchased (accounts 383–384).
1242.45 Water for yard locomotives (account 385).
1242.46 Lubricants, and other supplies for yard locomotives; enginehouse expenses, yard; and yard supplies and expenses (accounts 386–389).
1242.47 Operating joint yards and terminals, etc. (accounts 390–391).
1242.48 Train enginemen; train fuel; train power purchased (accounts 392–396).
1242.49 Water for train locomotives (account 397).
1242.50 Lubricants for train locomotives; other supplies for train locomotives (accounts 398–399).
1242.51 Enginehouse expenses—train (account 400).
1242.52 Trainmen; and train supplies and expenses (accounts 401–402).

[1] The accounts mentioned in this part refer to and agree with Part 1201 of this chapter.

Sec.
1242.53 Operating sleeping cars (account 403).
1242.54 Signal and interlocker operation; and crossing protection (accounts 404–405).
1242.55 Drawbridge operation (account 406).
1242.56 Communication system operation (account 407).
1242.57 Operating floating equipment (account 408).
1242.59 Employees health and welfare benefits; stationery and printing; and other expenses (accounts 409–411).
1242.60 Operating joint tracks and facilities, etc. (accounts 412–413).
1242.61 Insurance; clearing wrecks; damage to property; and damage to livestock on right-of-way (accounts 414–417).
1242.62 Loss and damage, freight (account 418).
1242.63 Loss and damage, baggage (account 419).
1242.64 Injuries to persons (account 420).

MISCELLANEOUS OPERATIONS

1242.65 Dining and buffet service; hotels and restaurants; grain elevators; producing power sold; other miscellaneous operations; operating joint miscellaneous facilities, and employees health and welfare benefits (accounts 441–449).

GENERAL EXPENSES

1242.66 Salaries and expenses of general officers; salaries and expenses of clerks and attendants; general office supplies and expenses; law expenses; insurance; employees health and welfare benefits; pensions; stationery and printing; other expenses; and general joint facilities (accounts 451–462).

INCOME ACCOUNT

TAXES, EQUIPMENT, RENTS, AND JOINT FACILITY RENTS

1242.67 Hire of freight cars, credit balance (account 503).
1242.68 Rent from locomotives (account 504).
1242.69 Rent from passenger-train cars (account 505).
1242.70 Rent from floating equipment (account 506).
1242.71 Rent from work equipment (account 507).
1242.72 Joint facility rent income (account 508).
1242.73 Railway tax accruals (account 532).
1242.74 Hire of freight cars, debit balance (account 536).
1242.75 Rent for locomotives; rent for passenger-train cars; and rent for floating equipment (accounts 537–539).
1242.76 Rent for work equipment (account 540).
1242.77 Joint facility rents (account 541).

CHARGES AND CREDITS BETWEEN SERVICES

1242.78 Charges and credits between services.

AUTHORITY: The provisions of this Part 1242 issued under secs. 12, 20, 24 Stat. 383, 386, secs. 304, 313, 54 Stat. 933, 944; 49 U.S.C. 12, 20, 904, 913.

§ 1242.0 Separation of operating expenses.

Effective as to annual or quarterly reports for the year 1964 or for any portion thereof, as the case might be, and thereafter until further order, all Class I railroad companies, including switching and terminal companies of Class I (§ 1240.1 of this chapter) subject to the provisions of section 20 of the Interstate Commerce Act as amended:

(a) Shall classify each of its various items of disbursement relating to operating expenses, railway taxes, equipment rents, and joint facility rents according to the relation which such item bears to the freight service and to the passenger and allied services of the carrier. Each such item shall have its character appropriately indicated on the carrier's records according to its relation (1) solely to freight service, or (2) solely to passenger and allied services, or (3) in common to both freight service and passenger and allied services, or (4) to neither freight service nor passenger and allied services. The results of such classification shall be shown in the annual or other reports made by each such carrier to the Interstate Commerce Commission, as may be indicated in forms adopted therefor. Similar analysis shall be made of every journal entry representing a charge or credit to the above-named accounts and the results of such analysis shall be appropriately indicated on the carrier's records;

(b) The operating expenses, railway taxes, equipment rents, and joint facility rents common to both freight service and passenger and allied services shall be apportioned between the two classes of service in accordance with the regulations in this part; and the result of such apportionment shall be shown in detail for the various primary accounts in the annual or other reports of each such carrier to the Interstate Commerce Commission as may be indicated in forms adopted therefor (§ 1241.11 of this chapter).

GENERAL

§ 1242.01 Expenses directly assigned.

Carriers shall first assign to freight service or to passenger service, including allied services, the expenses, taxes, equipment rents and joint facility rents incurred solely for the benefit of such services, respectively.

§ 1242.02 Methods.

The methods indicated under the various accounts are for apportioning common expenses, taxes, equipment rents and joint facility rents to the specific service when not incurred solely for the benefit of such service.

§ 1242.03 Made by accounting divisions.

The separation shall be made by accounting divisions, where such divisions are maintained, and the aggregate of the accounting divisions reported for the year.

§ 1242.04 Special test.

When the separation of expenses between freight and passenger services is based upon a special test or service unit factor, such test should be made at sufficiently frequent intervals to represent actual operating conditions. The service unit factors used should be those of the reporting period.

§ 1242.05 Instructions for apportioning.

Where groups of accounts are hereinafter stated, the instructions immediately thereunder apply to each account in the group.

OPERATING EXPENSES

MAINTENANCE OF WAY AND STRUCTURES

§ 1242.1 Superintendence (account 201).

Assign directly as per § 1242.01. Apportion common expenses according to proportions of accounts 202 and 265, inclusive, 269 to 277, inclusive, and 281 and 282, excluding common expenses in accounts 247, and 274 to 277, inclusive, and 282.

§ 1242.2 Roadway maintenance; tunnels and subways; bridges, trestles, and culverts; elevated structures; ties; rails; other track material; ballast; track laying and surfacing; and fences, snowsheds, and signs (accounts 202–221).

(a) Separate all tracks which are maintained by respondent into the following three classes: Yard switching tracks, Way switching tracks, and Running tracks, as defined in subparagraphs (1) through (3) of this paragraph:

(1) *Yard switching tracks.* Includes tracks in yards where separate switching services are maintained, including classification, house, team, industry, and other tracks switched by yard locomotives. Excludes running tracks located within yards which are regularly used by road trains, passing tracks, and all turnouts from these tracks to clearance points.

(2) *Way switching tracks.* Includes station, team, industry, and other switching tracks for which no separate switching service is maintained.

(3) *Running tracks.* Includes running tracks, passing tracks, crossovers, etc., including turnouts from those tracks to clearance points.

(b) The separation of the expenses between yard switching tracks, way switching tracks, and running tracks shall be based either on the work actually performed and materials used for each class of track or on a weighted track-mile basis, developed from special studies. The expenses for each class of track shall be separated between freight service and passenger service as follows:

(1) *Yard switching tracks.* Expenses for exclusively freight or passenger yards shall be directly assigned. Expenses for yards used in common by freight and passenger services shall be apportioned on the basis of the respective switching locomotive unit-hours in the common yards.

(2) *Way switching tracks.* Expenses of exclusively freight or passenger tracks shall be directly assigned. Where the tracks at any one location are used in common by both freight and passenger services, expenses may be assigned to that service which makes the preponderant use of them.

(3) *Running tracks.* Expenses of tracks exclusively used for freight or passenger service shall be directly assigned. The expenses of tracks used in common by both services shall be apportioned on the basis of gross ton-miles (including locomotive ton-miles) handled over these common tracks in the respective services.

§ 1242.3 Station and office buildings (account 227).

Assign directly as per § 1242.01. If the sum of the direct freight and the direct passenger expenses is more than 50 percent of the total charges to this account for an accounting division, apportion the common expenses on the basis of the directly assigned expenses in this account for the accounting division involved. Where the sum of the direct freight and the direct passenger expenses does not aggregate 50 percent of the total charges for an accounting division, the common expenses should be apportioned on the basis of special test. Where common expenses exist in any accounting division but the direct expenses are applicable to only one service, i. e., freight or passenger, the common expenses shall be apportioned on the basis of a special test. If the accounting is performed on a system basis rather than by accounting divisions, follow the intent of the above instructions.

§ 1242.4 Roadway buildings (account 229).

Assign directly as per § 1242.01. Apportion common expenses according to proportions of accounts 202 to 221, inclusive.

§ 1242.5 Water stations (account 231).

Assigns directly as per § 1242.01. Apportion common expenses according to proportions of accounts 385 and 397, after deducting charges for water issued from stations assigned direct.

§ 1242.6 Fuel stations (account 233).

Assign directly as per § 1242.01. Apportion common expenses according to proportions of charges to accounts 382 and 394, after deducting charges from fuel stations assigned direct.

§ 1242.7 Shops and enginehouses (account 235).

Assign directly as per § 1242.01. Apportion common expenses of shops according to proportions of accounts 308, 311, 314, 317, 323, and 326, excluding common expenses in account 326; of enginehouses according to proportions of accounts 388 and 400

§ 1242.8 Grain elevators; storage warehouses; wharves and docks; and coal and ore wharves (accounts 237–243).

Assign directly or apportion according to facts in individual instances.

§ 1242.9 Communication systems (account 247).

Assign directly as per § 1242.01. Apportion common expenses on basis of accounts 201, 301, 351, 371, and 372 taken together.

NOTE: As accounts 451 and 452 are apportioned on the basis of proportions established for accounts 201 to 449, inclusive, they are not included here as bases for apportioning account 247.

§ 1242.10 Signals and interlockers (account 249).

Assign directly as per § 1242.01. Apportion common expenses on the basis of the total train-hours (including train-switching hours) and yard-switching hours.

§ 1242.11 Power plants (account 253).

Assign directly as per § 1242.01. Apportion common expenses on basis of power used.

§ 1242.12 Power-transmission systems; and miscellaneous structures (accounts 257–265).

Assign according to the facts in individual instances.

§ 1247.13 Road property—depreciation; retirements-road, etc. (accounts 266–267).

Assign directly as per § 1242.01. Apportion common expenses according to the proportions of charges under the appropriate maintenance of way and structures accounts.

§ 1242.14 Roadway machines (account 269).

Assign directly as per § 1242.01. Apportion common expenses according to proportions of accounts 202 to 221, inclusive.

§ 1242.15 Dismantling retired road property (account 270).

Assign directly as per § 1242.01. Apportion common expenses according to proportions of charges under the appropriate maintenance of way and structures accounts.

§ 1242.16 Small tools and supplies; removing snow, ice, and sand; and public improvements; maintenance (accounts 271–273).

Assign directly as per § 1242.01. Apportion common expenses according to proportions of accounts 202 to 221, inclusive.

§ 1242.17 Injuries to persons; insurance; stationery and printing; employees health and welfare benefits; and other expenses (accounts 274–277 and 282).

When not determined by the particulars in individual instances, these expenses shall be apportioned according to the percentages used to divide common expenses of account 201.

§ 1242.18 Maintaining joint tracks, etc. (accounts 278–279).

Joint facility debits shall be separated according to use made of the facilities by the debtor carrier regardless of the use by the other carriers. The creditor carrier shall apportion the credits on the basis of accounts 202 to 277, inclusive, and 281 and 282, excluding common expenses in account 247.

§ 1242.19 Right-of-way expenses (account 281).

Assign directly as per § 1242.01. Apportion common expenses according to proportions of accounts 202 to 221, inclusive.

MAINTENANCE OF EQUIPMENT

§ 1242.20 Superintendence (account 301).

Assign directly as per § 1242.01. Apportion common expenses according to the proportions of accounts 302, 304, 306 to 329, inclusive, and 332 to 335, inclusive, and 339, excluding common expenses in accounts 328, and 332 to 335, inclusive, and 339.

§ 1242.21 Shop machinery (account 302).

Assign directly as per § 1242.01. Apportion common expenses according to proportions of accounts 308, 311, 314, 317, 323, and 326 combined.

§ 1242.22 Power-plant machinery (account 304).

Assign directly as per § 1242.01. Apportion common expenses on basis of power used.

§ 1242.23 Shop and power-plant machinery; depreciation; and dismantling retired shop and power-plant machinery (accounts 305–306).

Assign directly as per § 1242.01. Apportion common expenses according to tenor of accounts 302 and 304.

§ 1242.24 Steam locomotives—repairs (account 308).

(a) *Where the carrier maintains records of the repairs by individual locomotive units or classes of locomotive units.* When the individual locomotive units or classes of locomotive units are used exclusively in road-freight, road-passenger, yard-freight or yard-passenger services, the separation shall be actual. When the individual locomotive unit or classes of locomotive units are used interchangeably in road-freight (including train-switching), road-passenger, yard-freight or yard-passenger services, distribute the heavy shop repairs between these services on the basis of run-out miles of the individual locomotive units or classes of locomotive units since the previous shopping; and distribute the cost of running repairs between such services on the basis of the miles run by the individual locomotive unit or class of locomotive unit in each service during the accounting period for which the separation is being made.

(b) *Where the cost of heavy shop repairs is kept by individual locomotive units or classes of locomotive units, but the cost of running repairs is not kept either by individual locomotive units or classes of locomotive units*—The heavy shop repairs should be distributed as indicated in paragraph (a) of this section. The cost of running repairs shall be apportioned among road-freight (includ-

ing train-switching), road-passenger, yard-freight and yard-passenger services on the basis of locomotive ton-miles or locomotive unit miles for the accounting period for which the separation is being made.

(c) *Where record is not kept of either heavy shop repairs or running repairs by individual locomotive units or classes of locomotive units.* The expenses shall be distributed among road-freight service (including train-switching), road-passenger service, yard-freight, and yard-passenger, on the basis of locomotive ton-miles or locomotive unit-miles for the accounting period for which the separation is being made.

§ 1242.25 Other locomotives; repairs (account 311).

Treat in accordance with the methods used for account 308.

§ 1242.26 Freight-train cars; repairs; and passenger-train cars; repairs (accounts 314–317).

Assign directly.

§ 1242.27 Floating equipment; repairs (account 323).

Apportion according to use made of the floating equipment.

§ 1242.28 Work equipment; repairs (account 326).

Apportion common expenses according to proportions of accounts 202 to 265, inclusive, 269 to 273, inclusive, and 281, excluding common expenses in account 247.

§ 1242.29 Miscellaneous equipment; repairs (account 328).

Assign directly as per § 1242.01. Apportion common expenses according to percentages used to divide common expenses of accounts 201, 301, 351, and 371.

§ 1242.30 Dismantling retired equipment (account 329).

Observe tenor of directions under accounts 308 to 328, inclusive.

§ 1242.31 Retirements; equipment (account 330).

Assign directly.

§ 1242.32 Equipment; depreciation (account 331).

Observe tenor of directions under accounts 308 to 328, inclusive.

§ 1242.33 Injuries to persons; insurance; stationery and printing; employees health and welfare benefits; and other expenses (accounts 332–335, and 339).

When not determined by the particulars in individual instances, these expenses shall be apportioned according to the percentages used to divide common expenses of account 301.

§ 1242.34 Joint maintenance of equipment expenses, etc. (accounts 336–337).

Joint equipment charges shall be treated on appropriate basis according to the use made of the equipment by the debtor carrier, regardless of the use by other carriers. Creditor carrier should apportion the credits on the basis of accounts 302 to 335, inclusive, and 339.

TRAFFIC

§ 1242.36 Superintendence; outside agencies; advertising; traffic associations; fast freight lines; industrial and immigration bureaus; insurance; stationery and printing; employees health and welfare benefits; and other expenses (accounts 351–360).

Assign directly as per § 1240.01. Apportion the unassigned remainder on the basis of the directly assigned expenses in this general account, other than advertising expense.

TRANSPORTATION; RAIL LINE

§ 1242.37 Superintendence (account 371).

Assign directly as per § 1242.01. Apportion common expenses according to the proportions of accounts 372 to 420, inclusive, excluding the total expenses in accounts 390, 391, 412, and 413, and common expenses in accounts 407, 409, 410, and 411.

§ 1242.38 Dispatching trains (account 372).

Assign directly as per § 1242.01. Apportion common expenses on the basis of transportation service train hours, including train switching hours.

§ 1242.39 Station employees (account 373).

Assign directly as per § 1242.01. If the sum of the direct freight and the direct passenger expenses is more than 50 percent of the total charges to this account for an accounting division, apportion the common expenses on the basis of the directly assigned expenses in this account for the accounting division involved. Where the sum of the direct freight and the direct passenger expenses does not aggregate 50 percent of the total charges for an accounting division, the common expenses should be apportioned on the basis of special test. Where common expenses exist in any accounting division but the direct expenses are applicable to only one service, i. e., freight or passenger, and even though the direct charges are over 50 percent of the total charges, the common expenses shall be apportioned on the basis of a special test. If the accounting is performed on a system basis rather than by accounting divisions, follow the intent of the above instructions.

§ 1242.40 Weighing, inspection, and demurrage bureaus; and coal and ore wharves (accounts 374–375).

Assign directly.

§ 1242.41 Station supplies and expenses (account 376).

Assign directly as per § 1242.01. If the sum of the direct freight and the direct passenger expenses is more than 50 percent of the total charges to this account for an accounting division, apportion the common expenses on the basis of the directly assigned expenses in this account for the accounting division involved. Where the sum of the direct freight and the direct passenger expenses does not aggregate 50 percent of the total charges for an accounting division, the common expenses should be apportioned on the basis of special test. Where common expenses apply in any accounting division but the direct expenses are applicable to only service, i. e., freight or passenger, and even though the direct charges are over 50 percent of the total charges, the common expenses shall be apportioned on the basis of a special test. If the accounting is performed on a system basis rather than by accounting divisions, follow the intent of the above instructions.

§ 1242.42 Yardmasters and yard clerks; yard conductors and brakemen; yard switch and signal tenders; and yard enginemen (accounts 377–380).

Expenses for exclusively freight or passenger yards shall be assigned directly. Apportion the expenses of common yards on the basis of the total yard-switching hours in those yards.

§ 1242.43 Yard switching fuel (account 382).

Expenses for exclusively freight and passenger yards shall be assigned directly. Apportion the common expenses of each kind of fuel on the basis of the switching locomotive unit-hours of the locomotives using that kind of fuel in those yards.

§ 1242.44 Yard switching power produced; and purchased (accounts 383–384).

Expenses for exclusively freight and passenger yards shall be assigned directly. Apportion the expenses of the common yards on the basis of the switching locomotive unit-hours of the locomotives in the common yards using the power produced or purchased.

§ 1242.45 Water for yard locomotives (account 385).

Expenses for exclusively freight and passenger yards shall be assigned directly. Apportion the expenses of common yards on the basis of account 382, yard-switching fuel.

§ 1242.46 Lubricants, and other supplies for yard locomotives; enginehouse expenses—yard; and yard supplies and expenses (accounts 386–389).

Expenses for exclusively freight or passenger yards shall be assigned directly. Apportion the expenses of common yards on the basis of the total switching locomotive unit-hours in those yards.

§ 1242.47 Operating joint yards and terminals, etc. (accounts 390–391).

Joint facilities shall be treated on appropriate bases according to the use made of the facilities by the debtor carrier, regardless of the use by other carriers. Creditor carriers shall apportion the total of account 391 on the basis of accounts 373, and 376 to 389, inclusive.

§ 1242.48 Train enginemen; train fuel; train power produced; and train power purchased (accounts 392–396).

Assign directly as per § 1242.01. Apportion common expenses on the basis of the direct assignment.

§ 1242.49 Water for train locomotives (account 397).

Assign directly as per § 1242.01. Apportion common expenses on the basis of the expense of fuel consumed by locomotive units in freight-train and passenger-train services, respectively.

§ 1242.50 Lubricants for train locomotives; and other supplies for train locomotives (accounts 398–399).

Observe tenor of directions under accounts 392 to 396, inclusive.

§ 1242.51 Enginehouse expenses—train (account 400).

Assign directly as per § 1242.01. Common expenses at each enginehouse shall be divided according to the number of locomotive units handled for each service.

§ 1242.52 Trainmen; and train supplies and expenses (accounts 401–402).

Observe tenor of directions under accounts 392 to 396, inclusive.

§ 1242.53 Operating sleeping cars (account 403).

Assign to passenger.

§ 1242.54 Signal and interlocker operation; and crossing protection (accounts 404–405).

Assign directly as per § 1242.01. Apportion common expenses on the basis of the total train-hours (including train-switching hours), and yard-switching hours.

§ 1242.55 Drawbridge operation (account 406).

Assign directly as per § 1242.01. Apportion common expenses on the basis of train hours of the particular operating division on which the bridge is located.

§ 1242.56 Communication system operation (account 407).

Assign directly as per § 1242.01. Apportion common expenses on the basis of the sum of the charges (assigned or apportioned) to accounts 201, 301, 351, 371, and 372.

NOTE: As accounts 451 and 452 are apportioned on the basis of proportions established for accounts 201 to 449, inclusive, they are not included here as bases for apportioning this account.

§ 1242.57 Operating floating equipment (account 408).

Assign directly as per § 1242.01. Apportion common expenses according to the use made of the floating equipment.

§ 1242.59 Employees health and welfare benefits; stationery and printing; and other expenses (accounts 409–411).

When not determined by the particulars in individual instances, these expenses shall be apportioned according to the percentages used to divide common expenses of account 371.

§ 1242.60 Operating joint tracks and facilities, etc. (accounts 412–413).

Joint facilities shall be treated on appropriate bases according to the use made of the facilities by the debtor carrier, regardless of the use by other carriers. Creditor carrier shall apportion the total of account 413 on the basis of accounts 392 to 402, inclusive.

§ 1242.61 Insurance; clearing wrecks; damage to property; and damage to livestock on right-of-way (accounts 414–417).

Assign directly as per § 1242.01. Apportion unassigned remainder on the basis of the directly assigned expenses.

§ 1242.62 Loss and damage, freight (account 418).

Assign to freight.

§ 1242.63 Loss and damage, baggage (account 419).

Assign to passenger.

§ 1242.64 Injuries to persons (account 420).

Assign directly as per § 1242.01. Apportion unassigned remainder on the basis of the directly assigned expenses.

MISCELLANEOUS OPERATIONS

§ 1242.65 Dining and buffet service; hotels and restaurants; grain elevators; producing power sold; other miscellaneous operations; operating joint miscellaneous facilities and employees health and welfare benefits (accounts 441–449).

Assign directly as per § 1242.01. Apportion remainder on appropriate units according to local conditions.

GENERAL EXPENSES

§ 1242.66 Salaries and expenses of general officers; salaries and expenses of clerks and attendants; general office supplies and expenses; law expenses; insurance; employees health and welfare benefits; pensions; stationery and printing; other expenses; and general joint facilities (accounts 451–462).

Assign directly as per § 1242.01. Apportion the remainder according to proportions of accounts 201 to 449, inclusive.

INCOME ACCOUNT

TAXES, EQUIPMENT RENTS, AND JOINT FACILITY RENTS

§ 1242.67 Hire of freight cars, credit balance (account 503).

Assign directly to freight service.

§ 1242.68 Rent from locomotives (account 504).

Assign according to type of locomotive rented.

§ 1242.69 Rent from passenger-train cars (account 505).

Assign directly.

§ 1242.70 Rent from floating equipment (account 506).

Assign according to type of equipment rented.

§ 1242.71 Rent from work equipment (account 507).

Apportion in accordance with rules for treating account 326.

§ 1242.72 Joint facility rent income (account 508).

Assign directly as per § 1242.01. Apportion common expenses on basis of the sum of accounts 279, 337, 391, 413, 448, and 462.

§ 1242.73 Railway tax accruals (account 532).

(a) Apportion current income tax accruals in accordance with separation of net railway operating income before deducting Federal and State income taxes. If result for one service upon that basis is a deficit, assign income tax to the other service showing an income.

(b) Apportion large or unusual debit and credit adjustments of prior years' income tax accruals on the basis of the respective tax accruals applicable to the year to which such tax adjustments relate.

(c) Apportion all other tax accruals on the basis of separation of total operating expenses.

§ 1242.74 Hire of freight cars, debit balance (account 536).

Assign directly to freight service.

§ 1242.75 Rent for locomotives; rent for passenger-train cars; and rent for floating equipment (accounts 537–539).

Assign directly.

§ 1242.76 Rent for work equipment (account 540).

Apportion in accordance with rules for treating account 326.

§ 1242.77 Joint facility rents (account 541).

Assign directly as per § 1242.01. Apportion common expenses on the basis of the sum of accounts 278, 336, 390, 412, 447 and 461.

CHARGES AND CREDITS BETWEEN SERVICES

§ 1242.78 Charges and credits between services.

Carriers in making apportionments under the preceding rules should not, until further notice, make any allowance for the credit that should be given to the freight service for work performed (such as carrying company fuel) for the passenger service and vice versa.

NOTE A: If compilation of the information in compliance with any of the foregoing rules or parts thereof result in an undue burden or increase in accounting expense, the matter of relief therefrom may be referred to the Bureau of Accounts for consideration and decision. Also, if data as good or better can be developed through methods and procedures other than any of those above prescribed, permission for substitu-

tion thereof should be requested of the said Bureau. Requests in either event should be supported by full particulars.

NOTE B: The total distribution to freight service or passenger service derived under the foregoing rules for separation consists of the solely related or directly assignable amounts plus an apportionment of the common on a service or use basis. Inasmuch as the amounts assigned and/or apportioned to the freight and passenger services, respectively, are based on the performance of both services, the operating expenses, taxes, equipment, and joint facility rents assigned and/or apportioned to either service may not represent the amounts that could be eliminated if either service were discontinued.

PART 1243—QUARTERLY OPERATING REPORTS—RAILROADS

Sec.
1243.1 Revenues and expenses.
1243.2 Selected income and balance-sheet items.
1243.3 Operating statistics.

AUTHORITY: The provisions of this Part 1243 issued under secs. 12, 20, 24 Stat. 383, 386; 49 U.S.C. 12, 20.

§ 1243.1 Revenues and expenses.

Commencing with reports for the three months beginning January 1, 1962, and thereafter until further order, all Class I railroads, except switching and terminal companies, subject to the provisions of Part I of the Interstate Commerce Act, be, and they are hereby, required to file quarterly reports of revenues and expenses in accordance with quarterly report Form R&E, and notes of instruction thereon. Such quarterly reports shall be filed in duplicate in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C., 20423, within 26 days after the end of the quarter to which they relate.

§ 1243.2 Selected income and balance-sheet items.

Commencing with reports for the three months beginning January 1, 1962, and thereafter until further order, all Class I railroads, except switching and terminal companies, subject to the provisions of Part I of the Interstate Commerce Act, be, and they are hereby, required to file quarterly reports of selected income and balance sheet items in accordance with quarterly report Form IBS, and notes of instruction thereon. Such quarterly reports shall be filed in duplicate in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C., 20423, within 45 days after the end of the quarter to which they relate.

§ 1243.3 Operating statistics.

Commencing with reports for the three months beginning January 1, 1964, and thereafter until further order, all Class I railroads, including Class I switching and terminal companies, subject to the provisions of Part I of the Interstate Commerce Act, be, and they are hereby, required to file quarterly reports of operating statistics in accordance with forms of reports, and notes of instruction thereon, designated as follows:

Form OS–A, Train and Yard Service.
Form OS–B, Revenue Traffic.
Form OS–C, Motive Power and Car Equipment.

Provided however, That Class I switching and terminal companies are not required to submit reports on Form OS–B. Such quarterly reports shall be filed in duplicate in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C., 20423, on or before the dates indicated in the instruction on each form.

PART 1244—WAYBILL ANALYSIS OF TRANSPORTATION OF PROPERTY—RAILROADS

Sec.
1244.1 Waybills.
1244.2 Supplemental statement required and form prescribed.
1244.3 Date of filing.

AUTHORITY: The provisions of this Part 1244 issued under sec. 12, 24 Stat. 383, as amended; 49 U.S.C. 12. Interpret or apply sec. 20, 24 Stat. 386, as amended; 49 U.S.C. 20.

§ 1244.1 Waybills.

(a) Effective January 1, 1965, and thereafter unless otherwise ordered, all railroads, other than switching and terminal companies, subject to the provisions of Part I of the Interstate Commerce Act, and every receiver, trustee, executor, administrator or assignee of any such railroad, having average annual operating revenues of $3,000,000 or more, are hereby required to file an authenticated copy of the front only of the audited waybills for all carload shipments terminated whose waybill serial numbers are "1" or end with "01".

(b) In determining the average annual operating revenues of railroads for purposes of this section, the method specified in § 1240.1(c) of this chapter, shall be followed.

§ 1244.2 Supplemental statement required and form prescribed.

A supplemental statement furnishing additional information in accordance with the prescribed waybill—Supplemental Statement shall be attached to and made a part of each waybill.

§ 1244.3 Date of filing.

Copies of said audited waybills and supplemental statements should be forwarded upon completion of audit, but shall be forwarded not less than once each calendar month, to the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423.

PART 1245—CLASSIFICATION OF RAILROAD EMPLOYEES; REPORTS OF SERVICE AND COMPENSATION

Sec.
1245.1 Rules governing classification of employees, service, and compensation.
1245.2 Reports; period covered, forms, date of filing.
1245.3 Employees; definition, service hours, and compensation.
1245.4 Forms required to be used.
1245.5 Explanatory instructions pertaining to Form A—Column 1.
1245.6 Explanatory instructions pertaining to Form B—Column 1.
1245.7 Appendix—Forms A and B.

AUTHORITY: The provisions of this Part 1245 issued under sec. 12, 24 Stat. 383, as amended; 49 U.S.C. 12. Interpret or apply sec. 20, 24 Stat. 386, as amended; 49 U.S.C. 20.

§ 1245.1 Rules governing classification of employees, service, and compensation.

The annexed revised rules governing the classification of railroad employees and reports of their service and compensation outlined in §§ 1245.3 and 1245.4 are hereby approved, to become effective on January 1, 1951, and each and every railroad (except electric railways) within the scope of section 20, Part 1, of the Interstate Commerce Act shall be governed by such rules in the preparation and submission of their annual and other periodical reports to the Interstate Commerce Commission in accordance with the forms adopted for such returns (§ 1245.2); and also with respect to any other matters covered by these rules.

§ 1245.2 Reports; period covered, forms, date of filing.

Commencing with the month of January 1951 and monthly thereafter until further order, each and every Class I railroad (§ 1240.1 of this chapter), including Class I switching and terminal companies, is hereby required to file monthly reports of employees, service and compensation in accordance with the forms outlined in §§ 1244.4 and 1244.7: *Provided*, That such carriers shall also file summary reports covering the period January 1 to December 31, inclusive, of each year beginning with returns for the year 1951 in accordance with the said forms. Such monthly reports shall be filed in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, within thirty days after the close of the month to which they relate; and, the annual summaries shall be filed within forty-five days following the close of the period for which they are compiled. Railroads of Class I, II, and III (§ 1240.1 of this chapter), including switching and terminal companies and lessor companies, shall include a statement of employees, service and compensation in their annual reports to the Interstate Commerce Commission in accordance with the requirements of the annual report forms prescribed for such carriers (Part 1241 of this chapter).

§ 1245.3 Employees; definition, service hours, and compensation.

(a) *Definition of "employees"*. The word "employees," as used in this part, is intended to include every person in the service of the reporting carrier subject to its continuing authority to supervise and direct the manner of rendition of his service. Persons engaged to render only specifically defined service and not subject to the continuing authority of the carrier to supervise and control their acts, such as customhouse brokers, law-

yers retained only for specific cases and not under general or continuing retainer, etc., are not employees in the meaning of the term used in this part.

(b) *Counting employees.* Since the number of employees fluctuates, carriers are required to classify and count all of their employees at twelve different times each year.

(c) *Joint employees.* Each person jointly employed shall, if carried on the payrolls of the several joint employers, be counted by each employer and represented in its return of number of employees by a fraction based on the number of employers reporting him; if a person, for example, is reportable by three employers, each should include him in its number of employees as one-third of an employee. When the entire compensation of a joint employee is shown on the payroll of a single joint employer and is paid to the employee by that employer such employee should, for the purpose of returns, be treated as if employed solely by such employer.

(d) *Service hours.* (1) The number of hours on duty, or held for duty, and the number of hours paid for are to be ascertained and recorded for every class of employee. For enginemen and trainmen, the actual number of miles run and miles paid for but not run are to be recorded, as well as the number of hours on duty and the number of hours paid for. (The service time of all classes of employees shall be recorded in hours instead of days or hours as heretofore.)

(2) Whenever an employee works at more than one occupation, or in more than one class of service, both the number of hours worked and the compensation paid, should be separated and reported under the proper Reporting Divisions.

(3) If an employee is paid a day's wage for a smaller number of hours than constitutes a day's work, the number of hours paid for as well as the actual number of hours the employee is on duty should be ascertained and recorded. Time allowed for meals, part holidays, holidays, absences on leave, vacations, etc., should be excluded from time actually worked, but if such time is paid for it should be appropriately reported as "Time paid for but not worked" on Form A or as a "constructive allowance" on Form B. These requirements apply to enginemen and trainmen paid on the basis of trips or of miles run, and to employees paid at piece rates, as well as to employees paid on hourly, daily, weekly, monthly, or other time basis. Service hours for officers and employees who do not receive payment for overtime should be reported as the number of hours in each month at 8 hours per day contemplated for the position.

(e) *Compensation.* The compensation of employees as defined in the rules in this part is to be stated in such manner and detail as the forms adopted for periodical returns require.

§ 1245.4 Forms required to be used.

(a) There are presented outlines of two forms for the report of information to the Interstate Commerce Commission on railroad employees, their service and compensation, designated as Form A (§ 1245.5), which relates to employees other than train and engine service employees, and Form B (§ 1245.6), which relates to train and engine service employees. These forms are explained by instructions, in order that the intent of the forms may be correctly understood.

(b) With general reference to the statement of the compensation of employees in Forms A and B, it should be understood that the total compensation received by the employees in each Reporting Division, as well as the amount of work they perform, should be shown properly distributed under the prescribed column heads as indicated by the forms. It should be noted that if the work of an employee varies during a report period, his time and compensation should be apportioned accordingly. Amounts reported should be gross compensation paid.

Illustrations. (a) In the course of a month, an employee works as a Machinist, and as such earns $200 and he works also as a Gang Foreman and earns $130. The pay received by him in the occupation of Machinist with corresponding time should be included in returns for Division 61, "Machinists", and his other pay and time as indicated should be included in returns for Division 53, "Gang Foremen and Gang Leaders". (b) When an employee works at two or more of the occupations of engineer, fireman, conductor, and brakeman, his time and compensation should be assigned in accordance with the facts. For example, in a certain month an employee earns as a Through Freight Engineer $110, as a Local or Way Freight Engineer $140, as a Yard Engineer $100, and as a Local or Way Freight Fireman $75. The time and the compensation of this employee should be correspondingly distributed among Reporting Divisions 122, 123, 124, and 127 as they are respectively applicable, without regard to the predominance of the time worked or the amount earned by him in one occupation.

(c) As elsewhere indicated, the statement of the number of employees in the service of a company with respect to Reporting Divisions depends upon the allocation of the individual employees as of the day of count.

(d) The Reporting Divisions shown in Forms A and B following will also be used in connection with the employees' schedule in the annual reports of railroads of Classes I and II to the Commission. Railroads of Class III and lessor companies shall report only the information required in the annual report forms prescribed for such companies.

§ 1245.5 Explanatory instructions pertaining to Form A—Column 1.

Employees should be classified for reporting purposes in accordance with the reporting divisions shown in this column.

Column 2. Enter the total number of employees in service as of the 15th day of the month, except when it falls on a Saturday, Sunday, or a holiday, in which case the count should be made as of the last preceding business day.

Employees whose duties are such as to make them includible in two or more Reporting Divisions should be reported in that Division indicated by the occupation in which engaged on the day of the middle of month count.

The count should not be restricted to employees actually on duty as of the day of the count, but should include all other regular assigned employees, employees under pay on vacation or sick leave and relief employees. Employees who are not subject to call for duty, such as employees absent on definite leave or under suspension; employees on furlough; and pensioners not bound to render service, should be excluded.

Column 3. Enter number of employees who made time during the month, no matter for how short a period, classified by reporting divisions. Employees who worked in more than one occupation during the month should be assigned according to the preponderance of their duties.

Column 4. There should be stated for each of the Reporting Divisions the total number of hours actually worked and paid for at straight time rates by the employees whose service is includible in the particular division. (Time previously reported as overtime at pro rata rates should be included.)

Column 5. Enter the total number of overtime hours paid for at punitive rates.

Column 6. Enter the totals of time paid for and not worked, such as payment for part holidays, holidays, absence on definite leave, vacations, miscellaneous time paid for but not worked, such as pay for attending court, suspensions, sickness, time allowed for meals, and other time that can properly be considered constructive, such as allowance to complete a minimum day when less than a minimum day is worked.

Where vacation allowances are based on compensation earned in previous year, the hours should be computed as in note to Column 7, Form B.

Column 7. Enter the total of columns 4 to 6.

Column 8. Enter the compensation for the time shown in column 4.

Column 9. Enter the compensation for the time shown in column 5.

Column 10. Enter the compensation for the time shown in column 6.

Column 11. Enter the total of columns 8 to 10.

§ 1245.6 Explanatory instructions pertaining to Form B—Column 1.

Employees should be classified for reporting purposes in accordance with the reporting divisions shown in this column.

Column 2. Enter the total number of employees in service as of the 15th day of the month, except when it falls on a Saturday, Sunday, or a holiday, in which

case the count should be made as of the last preceding business day.

Employees whose duties are such as to make them includible in two or more Reporting Divisions should be reported in that Division indicated by the occupation in which engaged on the day of middle of month count.

The count should not be restricted to employees actually on duty as of the day of the count, but should include all other regular assigned employees, employees under pay on vacation or sick leave, as well as those listed on the "extra board" in train and engine service who are subject to call for duty. Employees who are not subject to call for duty, such as employees absent on definite leave or under suspension; employees on furlough; and pensioners not bound to render service, should be excluded.

Column 3. Enter number of employees who made time during the month, no matter for how short a period, classified by reporting divisions. Employees who worked in more than one occupation during the month should be assigned according to the preponderance of their duties.

Column 4. Enter the number of straight-time hours actually worked.

Column 5. Enter the total straight-time hours paid for.

Column 6. Enter the number of hours of overtime paid for.

Column 7. Enter the number of constructive hours allowed which does not represent actual train service and for which mileage is not allowed, such as vacation time, pay for "Held away from home terminal" rule, called and not used, runaround, deadheading, attending court, suspensions, investigations, and claim and safety meetings.

NOTE: The total dollar amount of vacation allowance in a particular month, for each reporting division, should be divided by the average straight time hourly rate of such reporting division, to determine the constructive vacation hours paid for. The straight time hourly rate for each such reporting division should be determined by dividing the "Compensation—Straight Time Paid For" by "Service Hours—Straight Time Paid For" for the latest available month.

Column 8. Enter the total of amounts shown in columns 5, 6, and 7.

Column 9. Enter the straight-time compensation for the time shown in column 5.

Column 10. Enter the overtime compensation for the time shown in column 6.

Column 11. Enter the compensation for the time shown in column 7.

Column 12. Enter the sum of the amounts shown in columns 9, 10, and 11.

Column 13. Enter the number of miles run in performing actual train service.

Column 14. Enter the number of miles paid for but not run in connection with actual train service.

Column 15. Include in this column the number of trips made for which not less than a minimum day is paid.

§ 1245.7 Appendix—Forms A and B.

I. C. C. Wage Statistics

MONTHLY REPORT OF EMPLOYEES SERVICE AND COMPENSATION

FORM A

Full name of reporting company .....

Miles of line covered by this report ..... Month of ....., 19....

Calendar year 19....

(Strike out one)

Division No.	Reporting division (1)	Column headings
	I. EXECUTIVES, OFFICIALS, AND STAFF ASSISTANTS	
1	Executives, general officers, and assistants	
2	Division officers, assistants, and staff assistants	
(901)	Total (executives, officials, and staff assistants)	
	II. PROFESSIONAL, CLERICAL, AND GENERAL	
3	Professional and subprofessional assistants	(2) Number of employees middle of month.
4	Supervisory or chief clerks (major departments)	(3) Number of employees who received pay during month.
5	Chief clerks (minor departments) and assistant chief clerks and supervising cashiers	SERVICE HOURS
6	Clerks and clerical specialists (A)	
7	Clerks (B and C)	
8	Mechanical device operators (office)	(4) Time actually worked and paid for at straight time rates.
9	Stenographers and secretaries (A)	(5) Overtime paid for at punitive rates.
10	Stenographers and typists (B)	(6) Time paid for but not worked.
11	Storekeepers, sales agents, and buyers	(7) Total time paid for.
12	Ticket agents and assistant ticket agents	
13	Traveling auditors or accountants	COMPENSATION
14	Telephone switchboard operators and office assistants	
15	Messengers and office boys	
16	Elevator operators and other office attendants	(8) Time actually worked and paid for at straight time rates.
17	Lieutenants and sergeants of police	(9) Overtime paid for at punitive rates.
18	Patrolmen and watchmen	(10) Time paid for but not worked.
19	Traffic and various other agents, inspectors, and investigators	(11) Total.
20	Claim agents or investigators	
21	Freight claim agents or investigators	
22	Chief claim agents or investigators	
23	Miscellaneous trades workers (other than plumbers)	
24	Motor vehicle and motor car operators	
25	Teamsters and stablemen	
26	Janitors and cleaners	
(902)	Total (professional, clerical, and general)	
	III. MAINTENANCE OF WAY AND STRUCTURES	
27	Roadmasters, general foremen and assistants	(2) Number of employees middle of month.
28	Maintenance of way and scale inspectors	(3) Number of employees who received pay during month.
29	Bridge and building gang foremen (skilled labor)	
30	Bridge and building carpenters	SERVICE HOURS
31	Bridge and building ironworkers	
32	Bridge and building painters	
33	Masons, bricklayers, plasterers, and plumbers	(4) Time actually worked and paid for at straight time rates.
34	Maintenance of way and structures helpers and apprentices	(5) Overtime paid for at punitive rates.
35	Portable equipment operators	(6) Time paid for but not worked.
36	Portable equipment operator helpers	(7) Total time paid for.
37	Pumping equipment operators	
38	Gang foremen (extra gang and work train laborers)	COMPENSATION
39	Gang foremen (bridge and building, signal and telegraph laborers)	
40	Gang or section foremen	(8) Time actually worked and paid for at straight time rates.
41	Extra gang men	(9) Overtime paid for at punitive rates.
42	Section men	(10) Time paid for but not worked.
43	Maintenance of way laborers (other than track and roadway) and gardeners and farmers	(11) Total.
44	General and assistant general foremen and inspectors (signal, telegraph, and electrical transmission)	
45	Gang foremen (signal and telegraph skilled trades labor)	
46	Signalmen and signal maintainers	
47	Linemen and groundmen	
48	Assistant signalmen and assistant signal maintainers	
49	Signalmen and signal maintainer helpers	
(903)	Total (maintenance of way and structures)	
	IV. MAINTENANCE OF EQUIPMENT AND STORES	
50	General, assistant general, and department foremen	(2) Number of employees middle of month.
51	General and assistant general foremen (stores)	(3) Number of employees who received pay during month.
52	Equipment, shop, electrical, material and supplies inspectors	
53	Gang foremen and gang leaders (skilled labor)	SERVICE HOURS
54	Blacksmiths	
55	Boilermakers	(4) Time actually worked and paid for at straight time rates.
56	Carmen (A and B)	(5) Overtime paid for at punitive rates.
57	Carmen (C and D)	(6) Time paid for but not worked.
58	Electrical workers (A)	(7) Total time paid for.
59	Electrical workers (B)	
60	Electrical workers (C)	COMPENSATION
61	Machinists	
62	Molders	
63	Sheet-metal workers	(8) Time actually worked and paid for at straight time rates.
64	Skilled trades helpers (M. of E. and Stores)	(9) Overtime paid for at punitive rates.
65	Helper apprentices (M. of E. and Stores)	(10) Time paid for but not worked.
66	Regular apprentices (M. of E. and Stores)	(11) Total.
67	Coach cleaners	
68	Gang foremen (shops, engine houses, and power plants)	
69	Gang foremen (stores and ice, reclamation, and timber-treating plants)	

FORM A—Continued

Division No.	Reporting division (1)	Column headings
	IV. MAINTENANCE OF EQUIPMENT AND STORES—continued	
70	Classified laborers (shops, engine houses, and power plants)	
71	General laborers (shops, engine houses, and power plants)	
72	General laborers (stores and ice, reclamation, and timber-treating plants)	
73	Stationary engineers (steam)	
74	Stationary firemen, oilers, coal passers, and water tenders	
(904)	Total (maintenance of equipment and stores)	
	V. TRANSPORTATION; (OTHER THAN TRAIN, ENGINE, AND YARD)	
75	Chief train dispatchers	(2) Number of employees middle of month. (3) Number of employees who received pay during month. SERVICE HOURS (4) Time actually worked and paid for at straight time rates. (5) Overtime paid for at punitive rates. (6) Time paid for but not worked. (7) Total time paid for. COMPENSATION (8) Time actually worked and paid for at straight time rates. (9) Overtime paid for at punitive rates. (10) Time paid for but not worked. (11) Total.
76	Train dispatchers	
77	Train directors	
78	Station agents (supervisory—major stations—nontelegraphers)	
79	Station agents (smaller stations—nontelegraphers)	
80	Station agents (telegraphers and telephoners)	
81	Chief telegraphers and telephoners or wire chiefs	
82	Clerk-telegraphers and clerk-telephoners	
83	Telegraphers, telephoners, and towermen	
84	Station masters and assistants	
85	Supervising baggage agents	
86	Baggage agents and assistants	
87	Baggage, parcel room, and station attendants	
88	General foremen (freight stations, warehouses, grain elevators, and docks)	
89	Assistant general foremen (freight stations, warehouses, grain elevators, and docks)	
90	Gang foremen (freight stations, warehouse, grain elevator, and dock labor)	
91	Callers, loaders, scalers, sealers, and perishable-freight inspectors	
92	Truckers (stations, warehouses, and platforms)	
93	Laborers (coal and ore docks and grain elevators)	
94	Common laborers (stations, warehouses, platforms, and grain elevators)	
95	Stewards, restaurant and lodging-house managers, and dining-car supervisors	
96	Chefs and cooks (restaurants or dining cars)	
97	Waiters, camp cooks, kitchen helpers, etc	
98	Officers, workers, and attendants on barges, launches, ferry boats, towing vessels, steamers, and shore workers	
99	Transportation and dining-service inspectors	
100	Parlor and sleeping car conductors	
101	Train attendants	
102	Bridge operators and helpers	
103	Crossing and bridge flagmen and gatemen	
104	Foremen (laundry and laundry workers)	
(905)	Total (transportation—other than train, engine, and yard)	
	VI (a). TRANSPORTATION (YARD MASTERS, SWITCHTENDERS, AND HOSTLERS)	
105	Yardmasters	(2) Number of employees middle of month. (3) Number of employees who received pay during month. SERVICE HOURS (4) Time actually worked and paid for at straight time rates. (5) Overtime paid for at punitive rates. (6) Time paid for but not worked. (7) Total time paid for. COMPENSATION (8) Time actually worked and paid for at straight time rates. (9) Overtime paid for at punitive rates. (10) Time paid for but not worked. (11) Total.
106	Assistant yardmasters	
107	Switch tenders	
108	Outside hostlers	
109	Inside hostlers	
110	Outside hostler helpers	
(906)	Total (transportation—yard masters, switch tenders, and hostlers)	
(907)	Total, all groups (except train and engine)	

FORM A—Continued

Division No.	Reporting division (1)	Column headings
	VI (b). TRANSPORTATION (TRAIN AND ENGINE)	
111	Road passenger conductors	(2) Number of employees middle of month. (3) Number of employees who received pay during month. SERVICE HOURS (4) Straight time actually worked. (5) Straight time paid for. (6) Overtime paid for. (7) Constructive allowances. (8) Total. COMPENSATION (9) Straight time paid for. (10) Overtime paid for. (11) Constructive allowances. (12) Total. MILES (13) Actually run. (14) Paid for but not run. (15) Total number of trips for which not less than a minimum day was paid.
112	Assistant road passenger conductors and ticket collectors	
113	Road freight conductors (through freight)	
114	Road freight conductors (local and way freight)	
115	Road passenger baggagemen	
116	Road passenger brakemen and flagmen	
117	Road freight brakemen and flagmen (through freight)	
118	Road freight brakemen and flagmen (local and way freight)	
119	Yard conductors and yard foremen	
120	Yard brakemen and yard helpers	
121	Road passenger engineers and motormen	
122	Road freight engineers and motormen (through freight)	
123	Road freight engineers and motormen (local and way freight)	
124	Yard engineers and motormen	
125	Road passenger firemen and helpers	
126	Road freight firemen and helpers (through freight)	
127	Road freight firemen and helpers (local and way freight)	
128	Yard firemen and helpers	
(908)	Total (transportation—train and engine)	

NOTE: The reporting requirements of this order have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

PART 1246—NUMBER OF RAILROAD EMPLOYEES

§ 1246.1 Preliminary report of number of employees.

(a) Each steam railway of class I shall file a preliminary monthly report of the number of their employees at middle of month divided into seven groups in accordance with the following form:

PRELIMINARY REPORT OF NUMBER OF EMPLOYEES OF CLASS I RAILWAYS

Middle of the month count corresponding with the column 2 count in Forms A and B of monthly report of employees, services, and compensation.

To be mailed to the Bureau of Accounts, Interstate Commerce Commission, on or before the last day of the month to which the count relates.

NUMBER OF EMPLOYEES, MIDDLE OF MONTH

Executives, Officials, and Staff Assistants
Professional, Clerical, and General
Maintenance of Way and Structures
Maintenance of Equipment and Stores
Transportation (Other Than Train, Engine, and Yard)
Transportation (Yard Masters, Switchtenders, and Hostlers)
Transportation (Train and Engine)
Total

(b) The reports hereby required shall begin with that for the month of May 1933.

(Sec. 12, 24 Stat. 383, as amended; 49 U. S. C. 12. Interprets or applies sec. 20, 24 Stat. 386, as amended; 49 U.S.C. 20)

CROSS REFERENCE: For explanatory instructions, see §§ 1245.5, 1245.6.

PART 1247—CLASSIFICATION OF EXPRESS COMPANY EMPLOYEES FOR REPORTS OF EMPLOYEES

§ 1247.1 Employees, service, and compensation; express.

Commencing with the month of January 1953, and continuing monthly and annually thereafter unless otherwise ordered, express companies, subject to the provisions of the Interstate Commerce Act, shall classify employees and make and file reports of their service hours and compensation in accordance with Form WSX, Monthly Report of Employees, Service, and Compensation—Express. The monthly reports shall be filed, in duplicate, in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, on or before the 25th day of the month following the month to which it relates.

(Sec. 12, 24 Stat. 383, as amended; 49 U. S. C. 12. Interprets or applies sec. 20, 24 Stat. 386, as amended; 49 U.S.C. 20)

PART 1248—FREIGHT COMMODITY STATISTICS

Subpart A—Railroads

1248.1 Freight commodity statistics.
1248.2 Items to be reported.
1248.3 Carload and L. C. L. traffic defined.
1248.4 Originating and connecting line traffic.
1248.5 Report forms and date of filing.
1248.6 Public inspection—railroad reports.

Subpart B—Carriers by Water

1248.21 Freight commodity statistics.
1248.22 Items to be reported.
1248.23 Traffic defined.
1248.24 Number of tons of revenue freight carried.
1248.25 Gross freight revenue.
1248.26 Nonrevenue freight carried.
1248.27 Reports and date of filing.
1248.28 Public inspection—water carrier reports.

Subpart C—Electric Railways

1248.35 Freight commodity statistics and operating statistics.
1248.36 Items to be reported for each commodity class.
1248.37 Carload and L. C. L. traffic defined.
1248.38 Originating and connecting line traffic.
1248.39 Items of statistics of rail-line operations to be reported.
1248.40 Freight train-miles.
1248.41 Freight locomotive-miles.
1248.42 Freight-train car-miles.
1248.43 Report and date of filing.
1248.44 Public inspection—electric railway reports.

Subpart D—Motor Carriers

1248.51 Freight commodity statistics.
1248.52 Exempt carriers.
1248.53 Items to be reported.
1248.54 Truckload traffic defined.
1248.55 Freight revenue.
1248.56 Report form and date of filing.
1248.57 Public inspection.

Subpart E—Commodity Code

1248.100 Commodity classification designated.
1248.101 Commodity codes required.

Subpart A—Railroads

AUTHORITY: The provisions of Subpart A issued under secs. 12, 20, 24 Stat. 383, 386; 49 U.S.C. 12, 20.

§ 1248.1 Freight commodity statistics.

Commencing with reports for the first quarter of 1964 or for the year 1964, as the case might be, and thereafter until further order, all Class I and Class II railroads, as described in § 1240.1 of this chapter, subject to Part I of the Interstate Commerce Act, other than switching and terminal companies, shall compile and report freight commodity statistics on the basis of the commodity codes named in § 1248.101. Class I railroads shall report quarterly and annually on the basis of the 3, 4 and 5-digit commodity codes named in that section, and Class II railroads shall report annually on the basis of the 2-digit commodity codes named therein. Such reports shall be made in conformity with the outline of terms set forth in §§ 1248.2 to 1248.5, inclusive, as supplemented by instructions included in the appropriate report forms to be supplied to the reporting railroads.

§ 1248.2 Items to be reported.

(a) The following items are to be reported quarterly and annually by class I railroads:

(1) Average number of miles of road operated in freight service.

(2) For each commodity code used in reporting, except that the number of carloads for commodity code 431, "Small packaged freight shipments," shall be omitted, the following items:

Revenue freight originating on respondent's road:
  Terminating on line:
    Number of carloads.
    Number of tons (2,000 pounds).
  Delivered to connecting rail carriers.
    Number of carloads.
    Number of tons (2,000 pounds).
Revenue freight received from connecting rail carriers:
  Terminating on line:
    Number of carloads.
    Number of tons (2,000 pounds).
  Delivered to connecting rail carriers:
    Number of carloads.
    Number of tons (2,000 pounds).
  Total revenue freight carried:
    Number of carloads.
    Number of tons (2,000 pounds).
  Gross freight revenue.

(b) The following items are to be reported annually by Class II railroads for the 2-digit codes in § 1248.101:

Number of tons (2,000 pounds) of revenue freight originating on respondent's road.
Number of tons (2,000 pounds) of revenue freight received from connecting carriers.
Total revenue freight carried:
Number of tons (2,000 pounds each).
Gross freight revenue.

§ 1248.3 Carload and L.C.L. traffic defined.

(a) Commodity codes 01 through 422 and 44 through 462, named in § 1248.101, shall include only carload traffic. All shipments weighing less than 10,000 pounds shall be included in commodity code 431, "Small packaged freight shipments."

(b) A "carload" for the purpose of this order shall consist of a shipment of not less than 10,000 pounds of one commodity. A mixed carload for the purpose of this order shall be treated as a carload of that commodity which forms the major portion of the shipment in weight. If a single shipment is loaded into more than one car, each car used shall be reported as a carload. If more than one "carload" shipment is loaded into one car, each shipment shall be reported separately as a carload.

§ 1248.4 Originating and connecting line traffic.

(a) Revenue freight reported as "received from connecting rail carriers" shall include all shipments received from connecting rail carriers, either directly or indirectly, so far as apparent from information on the waybills or abstracts.

(b) Revenue freight reported as "originating on respondent's road" shall include shipments originating on line and shipments received from water lines and highway motor truck lines, except when identified as having had previous rail transportation, as provided in paragraph (a) of this section.

(c) Freight which receives its first line-haul on respondent's road, but originates on switching roads connecting directly or indirectly with respondent's line, shall be reported as freight originated by respondent.

(d) Revenue freight reported as "delivered to connecting rail carriers" shall include shipments delivered to connecting rail carriers, either directly or indirectly, as far as apparent from information on waybills or abstracts.

(e) Revenue freight reported as "terminating on respondent's road" shall include shipments terminating on line and shipments delivered to water lines and highway motor truck lines, except when identified as to receive further rail transportation as provided in paragraph (d) of this section.

(f) Freight which receives its last line haul on respondent's line, but is delivered to a switching road connecting directly or indirectly with respondent's line, shall be reported as freight terminated by respondent.

(g) Import and export traffic received from or delivered to water carriers and traffic from and to outlying possessions of the United States received from or delivered to water carriers shall be reported as originating or terminating at the port of entry or exit.

(h) Traffic interchanged with connecting rail lines operating in Canada and Mexico shall be reported as delivered to or received from connecting rail carriers.

(i) Lake cargo coal delivered to lower Lake and St. Lawrence River ports for transshipment by vessel shall be reported as "delivered to connecting rail carrier." Lake cargo coal received at upper Lake ports shall be reported as "received from connecting rail carriers."

(j) Iron ore delivered to upper Lake ports for transshipment by vessel shall be reported as "delivered to connecting rail carriers." Iron ore received at lower Lake and St. Lawrence River ports shall be reported as "received from connecting rail carriers."

(k) Tidewater coal to Atlantic ports shall be reported as "delivered to connecting rail carriers." Tidewater coal from Atlantic ports shall be reported as "received from connecting rail carriers."

(l) Freight accorded transit privileges shall be reported as "originated on respondent's road" at the transit point, even though the outbound shipment may move under transit balances or proportional rates.

(m) "Gross freight revenue" means respondent's gross revenue from freight without adjustment for absorptions or corrections.

(n) Commodity codes 44 and 441, "Freight forwarder traffic," as named in § 1248.101, include freight traffic in carloads shipped by or consigned to any forwarder holding a certificate under Part IV of the Interstate Commerce Act.

§ 1248.5 Report forms and date of filing.

(a) Reports required from Class I carriers by this section shall be filed in duplicate with the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, on forms which will be furnished to the carriers. Data required under § 1248.2 shall be filed on Form QCS on or before the 60th day succeeding the close of the period for which they are compiled.

NOTE: The outline of Report Form QCS follows the tenor of the order.

(b) Reports required from Class II carriers by this section shall be included in their Annual Report to the Interstate Commerce Commission (§ 1241.11 of this chapter.)

§ 1248.6 Public inspection—railroad reports.

The individual commodity statistics reports of class I and class II railroads, required to be filed, for the year beginning January 1, 1964, or for quarters thereof, and for the quarters of 1965, as the case might be, under the terms of § 123.1, shall not be open to public inspection, and such required commodity statistics reports, to be filed for the years beginning January 1, 1965, and for the quarters of the year beginning January 1, 1966, and later, to the extent that they involve traffic of less than three shippers, reportable in one of the commodity reporting classes, may be excluded from a railroad's regular freight commodity statistics report and filed in a supplemental report which will not be open for public inspection, except that access to supplemental reports may be given upon approval by the Commission.

Subpart B—Carriers by Water

AUTHORITY: The provisions of Subpart B issued under secs. 12, 20, 24 Stat. 383, as amended, 386, as amended, 54 Stat. 933, 944; 49 U.S.C. 12, 20, 913, 933.

§ 1248.21 Freight commodity statistics.

Commencing with reports for the year beginning January 1, 1964, and thereafter until further order, all carriers by water subject to the provisions of Parts I and III of the Interstate Commerce Act, assigned to classes A and B, as described in § 1240.2, of this chapter, shall compile and report freight commodity statistics annually on the basis of the 3, 4 and 5-digit commodity codes named in § 1248.101. Full information shall be furnished in accordance with the terms of outlines and requirements set forth in §§ 1248.22 to 1248.27, as supplemented by instructions included in the annual report forms to be supplied to the reporting water carriers.

§ 1248.22 Items to be reported.

For each commodity code used in reporting, the following items and subdivisions thereof are to be reported annually by each carrier by water, except shipments of less than 10,000 pounds, which shall be reported as provided in § 1248.23(b):

a. Number of tons (2,000 pounds) of revenue freight carried:
   Joint rail and water traffic
   All other traffic
   Total
b. Gross freight revenue (dollars):
   Joint rail and water traffic
   All other traffic
   Total

§ 1248.23 Traffic defined.

(a) Commodity codes used in reporting, except commodity code 431, "Small packaged freight shipments," shall include shipments weighing 10,000 pounds or more, except as provided in paragraph (b) of this section.

(b) Shipments of less than 10,000 pounds of one commodity shall be reported under commodity code 431, "Small packaged freight shipments," unless the reporting carrier elects to distribute all revenue freight among the other designated classes.

§ 1248.24 Number of tons of revenue freight.

(a) *Tonnage of commodities.* Tonnage of commodities, in tons of 2,000 pounds, carried by the reporting carrier in its water-line and motor-truck operations, and for the reporting carrier in the vessels and motor trucks of other companies (carriers) under contract, in revenue service, shall be separate for each commodity code between "Joint rail and water traffic" and "All other traffic." The separation as to joint rail and water traffic and all other traffic may be omitted for commodity code 431, "Small packaged freight shipments."

(b) *Joint rail and water traffic.* Include all shipments that, so far as apparent from the information on the waybills or abstracts thereof, are being transported (partly) by railroad and partly by water when both are used under a common control, management, or arrangement for a continuous carriage or shipment such as traffic moving on joint rail-water and rail-motor-water rates.

(c) *All other traffic.* Include all shipments that, so far as apparent from the information on the waybills or abstracts thereof, are transported from point of origin to point of destination solely by water, solely by truck, partly by water and partly by truck, or by any other combination which does not involve the interchanging of traffic with a railroad company; also, shipments moving on water rates when the carrier by water absorbs out of its port-to-port rates certain charges for switching, terminal, drayage, or other services within a port terminal district.

(d) *Commodity code 37111.* Commodity code 37111, "Passenger cars, assembled," is confined to vehicles carried as revenue freight on freight rates and does not include those carried as an adjunct to passenger business.

(e) *Commodity code 441.* Commodity code 441, "Freight Forwarder Traffic," includes freight traffic shipped by or consigned to any forwarder holding a certificate under Part IV of the Interstate Commerce Act.

§ 1248.25 Gross freight revenue.

(a) Include under "Joint rail and water traffic" and "All other traffic," the revenues that are applicable to the tonnage, as provided in § 1248.24 (a), (b), and (c).

(b) Gross freight revenue means the respondent's gross revenue from freight without adjustment for absorption or corrections.

§ 1248.26 Nonrevenue freight carried.

The tonnage of nonrevenue freight carried shall be reported annually in total and not by classes of commodities.

§ 1248.27 Reports and date of filing.

Reports required from Class A and Class B carriers by water by § 1248.21 shall be included in their annual reports to the Interstate Commerce Commission (see § 1250.10 of this chapter).

§ 1248.28 Public inspection—water carrier reports.

The individual commodity statistics reports of water carriers required to be filed, for the year beginning January 1, 1964, under the terms of § 1248.21, shall not be open to public inspection, and such required commodity statistics reports, to be filed for the years beginning January 1, 1965, and later, to the extent that they involve traffic of less than three shippers, reportable in one of the commodity reporting classes, may be excluded from a water carrier's regular freight commodity statistics report and filed in a supplemental report which will not be open for public inspection, except that access to supplemental reports may be given upon approval by the Commission.

Subpart C—Electric Railways

AUTHORITY: The provisions of Subpart C issued under secs. 12, 20, 24 Stat. 383, as amended, 386, as amended; 49 U.S.C. 12, 20.

§ 1248.35 Freight commodity statistics and operating statistics.

Commencing with reports for the year beginning January 1, 1964, and thereafter until further order, carriers by electric railway, subject to the provisions of Part I of the Interstate Commerce Act, which reported more than 1,000,000 freight, mail, and express car-miles in rail-line operations during the year 1946, shall compile freight commodity statistics and operating statistics, and report annually such statistics to this Commission, according to the items and subdivisions thereof listed in § 1248.36, and for each 3, 4 and 5-digit commodity code named in § 1248.101. Full information shall be furnished in accordance with the terms and requirements outlined below, as supplemented by instructions included in the annual report forms to be supplied to the reporting electric railways.

§ 1248.36 Items to be reported for each commodity code.

For each commodity code used in reporting, the following items and subdivisions thereof are to be reported annually by each electric railway, as defined in § 1248.35, except that the number of car-

loads for commodity code 431, "Small packaged freight shipments," shall be omitted.

(a) Revenue freight originating on respondent's road:

Terminating on line:
Number of carloads.
Number of tons (2,000 pounds).
Delivered to connecting carriers:
Number of carloads.
Number of tons (2,000 pounds).

(b) Revenue freight received from connecting carriers:

Terminating on line:
Number of carloads.
Number of tons (2,000 pounds).
Delivered to connecting carriers:
Number of carloads.
Number of tons (2,000 pounds).

(c) Total revenue freight carried:

Number of carloads.
Number of tons (2,000 pounds).

(d) Gross freight revenue.

§ 1248.37 Carload and L.C.L. traffic defined.

(a) Commodity codes 01 through 422 and 44 through 462, shall include only carload traffic. All shipments weighing less than 10,000 pounds shall be included in commodity code 431, "Small packaged shipments."

(b) A "carload" for the purpose of this order shall consist of a shipment of not less than 10,000 pounds of one commodity. A mixed carload for the purpose of this order shall be treated as a carload of that commodity which forms the major portion of the shipment in weight. If a single shipment is loaded into more than one car, each car used shall be reported as a carload. If more than one "carload" shipment is loaded into one car, each shipment shall be reported separately as a carload.

§ 1248.38 Originating and connecting line traffic.

(a) Revenue freight reported as "received from connecting rail carriers" shall include all shipments received from connecting rail carriers, either directly or indirectly, so far as apparent from information on the waybills or abstracts.

(b) Revenue freight reported as "originating on respondent's road" shall include shipments originating on line and shipments received from water lines and highway motor truck lines, except when identified as having had previous rail transportation, as provided in paragraph (a) of this section.

(c) Freight which receives its first line-haul on respondent's road, but originates on switching roads connecting directly or indirectly with respondent's line, shall be reported as freight originated by respondent.

(d) Revenue freight reported as "delivered to connecting rail carriers" shall include shipments delivered to connecting rail carriers, either directly or indirectly, as far as apparent from information on waybills or abstracts.

(e) Revenue freight reported as "terminating on respondent's road" shall include shipments terminating on line and shipments delivered to water lines and highway motor truck lines, except when identified as to receive further rail transportation as provided in paragraph (d) of this section.

(f) Freight which receives its last line haul on respondent's line, but is delivered to a switching road connecting directly or indirectly with respondent's line, shall be reported as freight terminated by respondent.

(g) Import and export traffic received from or delivered to water carriers and traffic from and to outlying possessions of the United States received from or delivered to water carriers shall be reported as originating or terminating at the port of entry or exit.

(h) Traffic interchanged with connecting rail lines operating in Canada and Mexico shall be reported as delivered to or received from connecting rail carriers.

(i) Lake cargo coal delivered to lower Lake and St. Lawrence River ports for transshipment by vessel shall be reported as "delivered to connecting rail carrier." Lake cargo coal received at upper Lake ports shall be reported as "received from connecting rail carriers."

(j) Iron ore delivered to upper Lake ports for transshipment by vessel shall be reported as "delivered to connecting rail carriers." Iron ore received at lower Lake and St. Lawrence River ports shall be reported as "received from connecting rail carriers."

(k) Tidewater coal to Atlantic ports shall be reported as "delivered to connecting rail carriers." Tidewater coal from Atlantic ports shall be reported as "received from connecting rail carriers."

(l) Freight accorded transit privileges shall be reported as "originated on respondent's road" at the transit point, even though the outbound shipment may move under transit balances or proportional rates.

(m) "Gross freight revenue" means respondent's gross revenue from freight without adjustment for absorptions or corrections.

(n) Commodity code 441, "Freight forwarder traffic," as named in § 1248.101, includes freight traffic in carloads shipped by or consigned to any forwarder holding a certificate under Part IV of the Interstate Commerce Act.

§ 1248.39 Items of statistics of rail-line operations to be reported.

1. Average number of miles of road operated in freight service.
2. Freight train-miles (locomotive-propelled and motor-car trains).
   - 2-01. Ordinary.
   - 2-02. Light.
   - 2-03. Total.
3. Freight locomotive- miles.
   - 3-01. Principal.
   - 3-02. Helper.
   - 3-03. Light.
   - 3-04. Total.
4. Freight-train car-miles.
   - 4-01. Loaded freight cars.
   - 4-02. Empty freight cars.
   - 4-03. Caboose.
   - 4-04. Total.
5. Number of tons of revenue freight carried.
6. Number of tons carried one mile.
   - 6-01. Revenue freight.
   - 6-02. Non-revenue freight.
   - 6-03. Total.
7. Freight revenue (account 107).

Averages

8. Miles per revenue ton (6—01÷5).
9. Ton-miles per car-mile (6—03÷4—01).
10. Average freight revenue:
    - 10-01. Per revenue ton carried (7÷5).
    - 10-02. Per revenue ton-mile (7÷6—01).
    - 10-03. Per loaded car-mile (7÷4—01).

§ 1248.40 Freight train-miles.

Include miles run by all trains between terminals or stations for the transportation of revenue and company freight; also miles run by trains consisting of empty freight cars, and by trains consisting of a locomotive and caboose running light in connection with such service. Trains which contain passenger-train cars shall be classed as freight trains whenever the number of freight-train cars is in excess of the number of passenger-train cars in them. Freight-train miles should be subdivided as follows: Ordinary freight-train miles which includes miles run by trains consisting of a locomotive, with or without caboose, with other equipment; Light freight-train miles which includes miles run by trains consisting of a locomotive and caboose, running light in connection with freight-train service. Motor-car train-miles should be included.

§ 1248.41 Freight locomotive-miles.

Include miles run by locomotive in freight-train service. Miles of motor cars (propelling units) should not be classed as locomotive-miles. Locomotive-miles should be subdivided as follows: Principal freight locomotive-miles, including miles run by locomotives principal to the train, between terminals, or stations, with freight trains; also miles run by locomotives between terminals or stations, with cabooses, going to or returning from such service; and miles run in hauling the second cut of freight trains doubled over grades; Helper freight locomotive-miles, including miles run by locomotives as helpers over the division or that portion covered by the run, or on important grades including double-headers, triple-headers, and pushers, regardless of whether on the head end, in the middle, or on the rear of the train; Light freight locomotive-miles, including miles run by locomotives light between terminals or stations in connection with freight-train service on account of unbalanced traffic; miles run light for hauling second cuts of trains doubled; miles run light between freight trains and next coaling station or water tank for coal or water; miles run light to pick up or assist freight trains between terminals; miles run light by grade helpers in returning from assisting freight trains as pushers or double-headers; and miles run light by locomotives coming from or going to enginehouses or turntables from freight-train service.

§ 1248.42 Freight-train car-miles.

Include the miles run by freight-train cars (including caboose cars) in trans-

portation service. Such car-miles should be subdivided as follows: loaded; empty; and caboose. The mileage of company service equipment, designed exclusively for work service and moved in transportation trains, should be classed as loaded freight car-miles. Car mileage of motor-car trains should be included.

§ 1248.43 Report and date of filing.

Reports required from carriers by electric railway by § 1248.35 shall be included in their annual reports to the Interstate Commerce Commission (see § 1241.21 of this chapter).

§ 1248.44 Public inspection—electric railway reports.

The individual commodity statistics reports of electric railways, required to be filed, for the year beginning January 1, 1964, under the terms of § 1248.35, shall not be open to public inspection and such required commodity statistics reports, to be filed for the years beginning January 1, 1965, and later, to the extent that they involve the traffic of less than three shippers, reportable in one of the commodity reporting classes, may be excluded from an electric railway's regular freight commodity statistics report and filed in a supplemental report which will not be open to public inspection, except that access to supplemental reports may be given upon approval by the Commission.

Subpart D—Motor Carriers

AUTHORITY: The provisions of Subpart D issues under 49 Stat. 546, as amended, 563, as amended; 49 U.S.C. 304, 320.

§ 1248.51 Freight commodity statistics.

Commencing with reports for the year beginning January 1, 1964, and thereafter until further order, all Class I common and contract motor carriers of property, as defined in § 1240.5 of this chapter, subject to Part II of the Interstate Commerce Act, and not hereinafter specifically exempted from the requirements of this part, shall compile and report annually certain freight traffic statistics according to the 3, 4, and 5-digit commodity codes named in § 1248.101 of this chapter, and in conformity with formal instructions included in the appropriate report forms hereinafter prescribed.

§ 1248.52 Exempt carriers.

Until further order of the Commission those Class I common and contract motor carriers of property which are predominantly engaged in the types of carriage or service indicated below will be exempt from the requirements for compiling and reporting freight commodity statistics:

(a) Dump trucking,
(b) Armored truck service,
(c) Film and associated commodities,
(d) Retail store delivery,
(e) Household goods,
(f) Carriers of specific commodities not grouped in Classes I to 16, inclusive, Schedule 20 of Motor Carrier Annual Report Form A, § 1249.1 of this chapter.

§ 1248.53 Items to be reported.

Information respecting intercity truckload shipments shall be compiled and reported for each commodity class named in § 1248.58, as follows:

(a) Revenue freight originated:

Terminating with carrier;
Number of shipments,
Number of tons (2,000 lbs.),
Delivered to another motor carrier;
Number of shipments,
Number of tons (2,000 lbs.).

(b) Revenue freight received from another motor carrier:

Terminating with carrier;
Number of shipments,
Number of tons (2,000 lbs.),
Delivered to another motor carrier:
Number of shipments,
Number of tons (2,000 lbs.).

(c) Total truckload revenue freight:

Number of shipments,
Number of tons (2,000 lbs.),
Freight revenue.

§ 1248.54 Truckload traffic defined.

For purposes of this part a truckload shipment shall mean any shipment of not less than 10,000 pounds of a single commodity represented by one of the classes of the Commission's freight commodity classification or any subdivision of such classes which moves on a single bill of lading. It is recognized that more than one shipment of 10,000 pounds will at times move in the same truck, but, in compiling the information, each such shipment will be treated as a truckload shipment. Truckload shipments received from or delivered to a carrier other than a motor carrier shall be classified as originating and terminating, respectively, with the reporting carrier.

§ 1248.55 Freight revenue.

Freight revenue as used in § 1248.53 means the reporting carrier's proportion of the revenue shown on each freight bill without subsequent adjustment for errors in rates, extensions, interline divisions, etc.

§ 1248.56 Report form and date of filing.

Commencing with reports for the year 1957, reports required by these rules and regulations shall be filed in duplicate with the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, within three months after the close of the year for which the reports are made, on Form TCS which will be furnished to the carriers. (The outline of the report Form follows the tenor of the order.)

§ 1248.57 Public inspection—motor carrier reports.

The individual commodity statistics reports of motor carriers required to be filed for the year beginning January 1, 1964, under the terms of § 1248.51, shall not be open to public inspection, and such required commodity statistics reports, required to be filed for the years beginning January 1, 1965, and later, to the extent that they involve the traffic of less than three shippers, reportable in one of the commodity reporting classes, may be excluded from a motor carrier's regular freight commodity statistics report and filed in a supplemental report which will not be open for public inspection, except that access to supplemental reports may be given upon approval by the Commission.

Subpart E—Commodity Code

AUTHORITY: The provisions of Subpart E issued under sec. 12, 24 Stat. 383, as amended, sec. 20, 24 Stat. 386, as amended, sec. 204, 49 Stat. 546, as amended, sec. 304, 54 Stat. 933, sec. 220, 49 Stat. 563, as amended, sec. 313, 54 Stat. 944, as amended; 49 U.S.C. 12, 20, 304, 320, 904, 913.

§ 1248.100 Commodity classification designated.

Commencing with reports for the year or quarter beginning January 1, 1964, as the case might be, and thereafter until further order, reports of commodity statistics required to be made to the Commission, shall be based on the commodity codes, up to 5 digits, in groups 01 through 40, in the Commodity Classification for Transportation Statistics, 1963, issued by the Bureau of the Budget, and on additional codes 411 through 462 shown in § 1248.101.

§ 1248.101 Commodity codes required.

Commodity codes required to be reported, as referred to in this part or in Part 206 of this chapter, are as follows:

Code	*Description*
01	FARM PRODUCTS.
011	Field Crops.
0112	Cotton, raw.
01121	Cotton in bales.
01131	Barley.
01132	Corn, except popcorn.
01133	Oats.
01134	Rice, rough.
01135	Rye.
01136	Sorghum grains.
01137	Wheat, except buckwheat.
01139	Grain, n.e.c.
0114	Oil seeds, oil nuts, and oil kernels, except edible tree nuts.
01144	Soybeans.
0115	Field seeds, except oil seeds.
0119	Miscellaneous field crops.
01193	Leaf tobacco.
01195	Potatoes, other than sweet.
01197	Sugar beets.
012	Fresh Fruits and Tree Nuts.
0121	Citrus fruits.
0122	Deciduous fruits.
01221	Apples.
01224	Grapes.
01226	Peaches.
0123	Tropical fruits, except citrus.
01232	Bananas.
0129	Miscellaneous fresh fruits and tree nuts.
01295	Coffee, green.
013	Fresh Vegetables.
0131	Bulbs, roots, and tubers, with or without tops except potatoes.
01318	Onions, dry.
0133	Leafy fresh vegetables.
01334	Celery.
01335	Lettuce.
0134	Dry ripe vegetable seeds, etc. (except artificially dried).
01341	Beans, dry ripe.
01342	Peas, dry.
0139	Miscellaneous fresh vegetables:
01392	Watermelons.
01394	Tomatoes.

Code	Description
01398	Melons, except watermelons (cantaloupes, muskmelons, etc.).
014	Livestock and Livestock Products.
0141	Livestock.
01411	Cattle.
01413	Hogs and pigs.
01414	Sheep and lambs.
0142	Dairy farm products, except pasteurized.
0143	Animal fibers.
01431	Wool.
015	Poultry and Poultry Products.
0151	Live poultry.
0152	Poultry eggs.
019	Miscellaneous Farm Products.
0191	Horticultural specialties.
0192	Animal specialties.
08	Forest Products.
084	Gums and Barks, Crude.
08423	Latex and allied gums (crude natural rubber).
086	Miscellaneous Forest Products.
09	Fresh Fish and Other Marine Products.
091	Fresh Fish and Other Marine Products.
0912	Fresh fish and whale products, including frozen unpackaged fish.
09131	Shells (oyster, crab, clam, etc.).
10	Metallic Ores.
101	Iron Ores.
10112	Beneficiating-grade ore, crude.
102	Copper Ores.
103	Lead and Zinc Ores.
1031	Lead ores.
1032	Zinc ores.
104	Gold and Silver Ores.
105	Bauxite and Other Aluminum Ores.
106	Manganese Ores.
107	Tungsten Ores.
108	Chromium Ores.
109	Miscellaneous Metal Ores.
11	Coal.
111	Anthracite Coal.
11111	Raw anthracite (lump).
11112	Cleaned or prepared anthracite (crushed, screened, or sized).
112	Bituminous Coal and Lignite.
1121	Bituminous coal.
13	Crude Petroleum, Natural Gas, and Natural Gasoline.
131	Crude Petroleum and Natural Gas.
132	Natural Gasoline.
14	Nonmetallic Minerals, Except Fuels.
141	Dimension Stone, quarry.
142	Crushed and Broken Stone, including riprap
14211	Agricultural limestone.
14219	Crushed and broken stone, including riprap, n.e.c.
144	Sand and Gravel.
14411	Sand (aggregate and ballast).
14412	Gravel (aggregate and ballast).
14413	Industrial sand and gravel.
145	Clay, Ceramic and Refractory Minerals.
14511	Bentonite.
14512	Fire clay.
14514	Kaolin and ball clay.
147	Chemical and Fertilizer Minerals.
14711	Barite.
14713	Potash, soda and borate.
14714	Phosphate rock.
14715	Rock salt.
14716	Sulphur.
149	Miscellaneous Nonmetallic Minerals, Except Fuels.
14911	Gypsum and anhydrite.
14913	Native asphalt and bitumens.
14914	Pumice and pumicite.
19	Ordnance and Accessories.
191	Guns, Howitzers, Mortars, and Related Equipment, Over 30 mm.
192	Ammunition, Except for Small Arms (over 30 mm.).
193	Full Tracked Combat Vehicles and Parts.
194	Sighting and Fire Control Equipment.
195	Small Arms, 30 mm. and Under.
196	Small Arms Ammunition, 30 mm. and Under.
199	Miscellaneous Ordnance and Accessories.
20	Food and Kindred Products.
201	Meat (Including Poultry and Small Game): Fresh, Chilled, or Frozen.
2011	Meat, fresh or chilled, except salted.
2012	Meat, fresh-frozen.
2013	Meat products.
2014	Animal by-products, inedible.
20141	Hides, skins and pelts, not tanned (cattle, pig, goat, sheep, mule, and horse).
2015	Dressed poultry, small game, and related products, fresh, chilled or canned.
2016	Dressed poultry, small game and related products, fresh-frozen.
202	Dairy Products.
2021	Creamery butter.
2023	Condensed, evaporated milk and dry milk.
2024	Ice cream and related frozen desserts.
2025	Cheese and other special dairy products.
2026	Processed whole milk, skim milk, cream and other fluid products.
203	Canned and Preserved Fruits, Vegetables and Sea Foods.
2031	Canned and cured sea foods.
2032	Canned specialties.
2033	Canned fruits and vegetables.
2034	Dried and dehydrated fruits and vegetables (except field dried) and soup mix.
2035	Pickled fruits and vegetables; sauces and seasoning; salad dressing.
2036	Fresh or frozen packaged fish.
2037	Frozen fruits, fruit juices, vegetables and specialties.
204	Grain Mill Products.
2041	Flour and other grain mill products.
20411	Wheat flour, except blended and prepared.
20421	Prepared feeds for animals and fowls, except canned.
20423	Canned feed for animals and poultry.
2043	Cereal preparations.
2044	Milled rice, flour and meal.
2045	Blended and prepared flour.
2046	Corn starch, sirup, oil, sugar and by-products (wet process).
20461	Corn sirup.
20462	Corn starch.
20463	Corn sugar.
205	Bakery Products.
206	Sugar (beet and cane).
2061	Sugar mill products and by-products.
20611	Raw cane and beet sugar.
20616	Sugar molasses, except blackstrap.
20617	Blackstrap molasses.
2062	Sugar, refined: Cane and beet.
20625	Sugar refining by-products.
20626	Pulp, molasses, beet.
207	Confectionery and related products.
208	Beverages and flavoring extracts.
20821	Beer, ale, porter, stout: Bottled, barrels, kegs.
20823	Malt extract and brewers' spent grains.
2083	Malt.
2084	Wines, brandy, and brandy spirits.
20851	Distilled, rectified and blended liquors.
20859	By-products of liquor distilling.
2086	Bottled and canned soft drinks and carbonated and mineral waters.
2087	Miscellaneous flavoring extracts and flavoring sirups and compounds except chocolate syrups.
209	Miscellaneous Food Preparations and Kindred Products.
20911	Cottonseed oil, crude or refined.
20914	Cottonseed cake, meal and other by-products.
20921	Soybean oil, crude or refined.
20923	Soybean cake, meal, flour, grits, and other by-products.
2093	Vegetable and nut oils and by-products, except cottonseed and soybean.
2094	Marine fats and oils.
2095	Roasted coffee, including instant coffee.
2096	Shortening, table oils, margarine and other edible fats and oils, n.e.c.
2097	Ice, natural or manufactured.
2098	Macaroni, spaghetti, vermicelli, and noodles.
21	Tobacco Products:
211	Cigarettes.
212	Cigars.
213	Chewing and Smoking Tobacco and Snuff.
214	Stemmed and Redried Tobacco.
22	Basic Textiles:
221	Cotton Broad Woven Fabrics.
222	Man-made Fiber and Silk Broad Woven Fabrics.
223	Wool Broad Woven Fabrics.
224	Narrow Fabrics.
225	Knit Fabrics.
227	Carpets and Rugs, Textile.
228	Yarn and Thread.
229	Miscellaneous Basic Textiles.
2296	Tire cord and fabrics.
2297	Wool and mohair (scoured, combed, carbonized): Tops, noils, nubs, slubs and grease.
2298	Cordage and twine.
23	Apparel and Other Finished Textile Products Including Knit.
231	Men's, Youths', and Boys' Clothing.
233	Women's, Misses', Girls' and Infants' Clothing.
235	Millinery, Hats and Caps.
237	Fur Goods.
238	Miscellaneous Apparel and Accessories.
239	Miscellaneous Fabricated Textile Products.
24	Lumber and Wood Products, Except Furniture.
241	Primary Forest Products (Pulpwood, Piling, Posts, Logs, Bolts, etc.).
24114	Pulpwood logs.
24115	Pulpwood chips.
24116	Woodposts, poles and piling.
242	Lumber and Dimension Stock:
2421	Lumber and dimension stock:
24212	Sawed ties (railroads, mine, etc.).
2429	Miscellaneous sawmill and planing mill products (shingles, cooperage stock, etc.).
243	Millwork, Veneer, Plywood, Prefabricated Structural Wood Products.
2431	Millwood.
2432	Veneer and plywood.
244	Wooden Containers.
249	Miscellaneous Wood Products.
2491	Creosoted or oil treated wood products.
25	Furniture and Fixtures
251	Household and Office Furniture.
253	Public Building and Related Furniture.
254	Partitions, Shelving, Lockers, Office, and Store Fixtures.
259	Miscellaneous Furniture and Fixtures.
26	Pulp, Paper and Allied Products
261	Pulp and pulp mill products.
26111	Pulp.
262	Paper, except building paper.
26211	Newsprint.
26216	Coarse paper, including wrapping paper.

Code	Description
263	Paperboard, pulpboard and fiberboard, except insulating board.
264	Converted paper and paperboard products, except containers and boxes.
2643	Paper bags.
265	Containers and boxes, paperboard, fiberboard and pulpboard.
266	Building paper and building board.
2661	Building paper and building board.
26613	Wallboard.
27	PRINTED MATTER.
271	Newspapers.
272	Periodicals.
273	Books.
274	Miscellaneous Printed Matter.
276	Manifold Business Forms.
277	Greeting Cards, Seals, Labels, And Tags.
278	Blankbooks, Looseleaf Binders and Devices.
279	Products of Service Industries for the Printing Trades.
28	CHEMICAL AND ALLIED PRODUCTS
281	Industrial Inorganic and Organic Chemicals.
2812	Sodium, potassium, and other basic inorganic chemical compounds and chlorine.
28123	Sodium compounds, except sodium alkalies.
2813	Industrial gases (compressed and liquefied).
2814	Crude products from coal tar, petroleum and natural gas.
2816	Inorganic pigments.
2818	Miscellaneous industrial organic chemicals.
28184	Alcohols.
2819	Miscellaneous industrial inorganic chemicals.
28193	Sulphuric acid.
282	Plastics Materials and Synthetic Resins, Synthetic Rubbers and Fibers.
28212	Synthetic rubber.
28213	Synthetic organic fibers.
283	Drugs (Biological Products, Medicinal Chemicals, Botanical Products and Pharmaceutical Preparations).
284	Soap, Detergents, and Cleaning Preparations, Perfumes, Cosmetics and Other Toilet Preparations.
2841	Soap and other detergents, except specialty cleansers.
285	Paints, Varnishes, Lacquers, Enamels, and Allied Products.
286	Gum and Wood Chemicals.
287	Agricultural Chemicals.
2871	Fertilizers.
289	Miscellaneous Chemical Products.
2892	Explosives.
28991	Salt.
29	PETROLEUM AND COAL PRODUCTS.
291	Products of Petroleum Refining.
29111	Gasoline, jet fuels and other high volatile petroleum fuels, except natural gasoline.
29112	Kerosene.
29113	Distillate fuel oil.
29114	Lubricating and similar oils and derivatives.
29115	Lubricating greases.
29116	Asphalt, tar and pitches (petroleum, cokeoven, coal tar).
29117	Residual fuel oil and other low volatile petroleum fuels.
29119	Products of petroleum refining, n.e.c.
2912	Liquefied petroleum gases and coal gases.
295	Paving and Roofing Materials.
2951	Paving mixtures and blocks.
2952	Asphalt felt and coatings.
299	Miscellaneous Petroleum and Coal Products.
29911	Coke and coal briquettes.
30	RUBBER AND MISCELLANEOUS PLASTIC PRODUCTS.
301	Tires and Inner Tubes.
302	Rubber Footwear.
303	Reclaimed Rubber.
306	Miscellaneous Fabricated Rubber Products.
307	Miscellaneous Plastics Products.
31	LEATHER AND LEATHER PRODUCTS.
311	Leather.
312	Industrial Leather Belting and Packing.
313	Boot and Shoe Cut Stock and Findings, All Materials.
314	Footwear, Except Rubber.
315	Leather Gloves and Mittens.
316	Luggage, Handbags, and Other Personal Leather Goods (all materials).
319	Miscellaneous Leather Goods.
32	STONE, CLAY AND GLASS PRODUCTS.
321	Flat Glass.
322	Glass and Glassware, Pressed and Blown.
3221	Glass containers.
324	Hydraulic Cement.
32411	Cement, hydraulic; Portland, natural, masonry, puzzolan.
325	Structural Clay Products.
3251	Brick and structural clay tile.
32511	Brick, except ceramic glazed and refractory brick.
3253	Ceramic wall and floor tile.
3255	Refractories, clay and nonclay.
3259	Miscellaneous structural clay products.
32594	Roofing tile.
326	Pottery and Related Products.
327	Concrete, Gypsum, and Plaster Products.
3271	Concrete products.
3274	Lime.
3275	Gypsum products.
328	Cut Stone and Stone Products.
329	Abrasives, Asbestos, and Miscellaneous Nonmetallic Mineral Products.
3291	Abrasive products.
33	PRIMARY METAL PRODUCTS.
331	Steel Works and Rolling Mill Products.
33111	Pig iron.
33112	Slag.
33113	Coke, screenings and breeze.
33119	Coke oven and blast furnace products, n.e.c.
3312	Primary iron and steel products, except coke oven by-products.
33121	Steel ingot and semi-finished shapes.
3313	Ferro-alloys.
3315	Steel wire, nails, and spikes.
332	Iron and Steel Castings.
33211	Iron and steel cast pipe and fittings.
333	Nonferrous Metals Primary Smelter Products (Slab, Ingot, Pig, etc., and Residues).
3331	Primary copper and copper base alloys smelter products.
3332	Primary lead and lead base alloys smelter products.
3333	Primary zinc and zinc base alloys smelter products.
3334	Primary aluminum and aluminum base alloys smelter products.
335	Nonferrous Metal Basic Shapes.
3351	Copper, brass or bronze and other copper base alloy basic shapes.
3352	Aluminum and aluminum base alloy basic shapes except aluminum foil.
3357	Nonferrous wire, including insulated wire.
336	Nonferrous and Nonferrous Base Alloy Castings.
3361	Aluminum and aluminum base alloy castings.
3362	Brass, bronze, copper, and copper base alloy castings.
339	Miscellaneous Primary Metal Products.
3391	Iron and steel forgings.
3392	Nonferrous forgings.
34	FABRICATED METAL PRODUCTS, EXCEPT ORDNANCE, MACHINERY, AND TRANSPORTATION EQUIPMENT.
341	Metal Cans.
342	Cutlery, Hand Tools, and General Hardware.
343	Plumbing Fixtures and Heating Apparatus, Except Electric.
3433	Heating equipment, except electric.
344	Fabricated structural metal products.
3441	Fabricated structural metal products.
345	Bolts, Nuts, Screws, Rivets, Washers, and Other Industrial Fasteners.
346	Metal Stampings.
348	Miscellaneous Fabricated Wire Products.
349	Miscellaneous Fabricated Metal Products.
3491	Metal barrels, drums, kegs, and pails.
3494	Valves and pipe fittings (except plumbers' brass goods and fittings), fabricated pipe and fabricated pipe fittings.
35	MACHINERY, EXCEPT ELECTRICAL.
351	Engines and Turbines.
352	Farm Machinery and Equipment.
353	Construction, Mining and Materials Handling Equipment.
3531	Construction machinery and equipment.
3532	Mining machinery and equipment, except oil field machinery and equipment.
3533	Oil field machinery and equipment.
3537	Industrial trucks, tractors, trailers, and stackers.
354	Metalworking Machinery and Equipment.
355	Special Industry Machinery, Except Metalworking Machinery.
356	General Industrial Machinery and Equipment.
357	Office, Computing, and Accounting Machines.
358	Service Industry Machines.
359	Miscellaneous Machinery and Parts, Except Electrical.
36	ELECTRICAL MACHINERY, EQUIPMENT AND SUPPLIES.
361	Electrical Transmission and Distribution Equipment.
362	Electrical Industrial Apparatus.
363	Household Appliances.
3631	Household cooking equipment, all types.
3632	Household refrigerators and home and farm freezers.
3633	Household laundry equipment.
364	Electric Lighting and Wiring Equipment.
365	Radio and TV Receiving Sets, Except Communication Types.
366	Communication Equipment.
367	Electronic Components and Accessories.
369	Miscellaneous Electrical Machinery, Equipment, and Supplies.
37	TRANSPORTATION EQUIPMENT.
371	Motor Vehicles and Motor Vehicle Equipment.
3711	Motor vehicles.
37111	Passenger cars, assembled.
37112	Truck tractors, and trucks, assembled.
37113	Motor coaches, assembled (including trolley busses) and fire department vehicles.

Code	Description
3712	Passenger car bodies and body parts.
3713	Truck and bus bodies and body parts.
3714	Motor vehicle parts and accessories.
3715	Truck trailers.
372	Aircraft and Parts.
373	Ships and Boats.
374	Railroad Equipment.
375	Motorcycles, Bicycles, and Parts.
379	Miscellaneous Transportation Equipment.
38	Instruments, Photographic and Optical Goods, Watches and Clocks.
381	Engineering, Laboratory, and Scientific Instruments.
382	Measuring, Controlling, and Indicating Instruments.
383	Optical Instruments and Lenses.
384	Surgical, Medical, and Dental Instruments and Supplies.
385	Ophthalmic or Opticians' Goods.
386	Photographic Equipment and Supplies.
387	Watches, Clocks, Clockwork Operated Devices, and Parts.
39	Miscellaneous Products of Manufacturing.
391	Jewelry, Silverware, and Plated Ware.
393	Musical Instruments and Parts.
394	Toys, Amusement, Sporting and Athletic Goods.
3949	Sporting and athletic goods.
395	Pens, Pencils, and Other Office and Artists' Materials.
396	Costume Jewelry, Novelties, Buttons, and Notions.
398	Miscellaneous Manufactured Products—A.
399	Miscellaneous Manufactured Products—B.
40	Waste and Scrap Materials.
401	Ashes.
402	Waste and Scrap, Except Ashes.
4021	Metal scrap, waste and tailings.
40211	Iron and steel scrap, wastes and tailings.
4022	Textile waste, scrap and sweepings.
4024	Paper waste and scrap.
4026	Rubber and plastic scrap and waste.
41	Misc. Freight Shipments.
411	Misc. Freight Shipments.
41111	Outfits or kits.
41114	Articles, used except for repair, reconditioning (41115) returned empty (421), remelting 4021).
41115	Articles, used, returned for repair, incl. for reconditioning.
412	Miscellaneous Commodities Not Taken in Regular Freight Service.
42	Containers, Shipping, Returned Empty.
421	Containers, Shipping, Returned Empty Inc. Carriers or Devices.
422	Trailers, Semi-Trailers, Returned Empty.
44	Freight Forwarder Traffic.
441	Freight Forwarder Traffic, Carload or Truckload.
45	Shipper Association or Similar Traffic.
451	Shipper Association or Similar Traffic, Carload or Truckload.
46	Miscellaneous Mixed Shipments Exc. Forwarder See 44 Shipper Association See 45.
461	All Freight Rate Shipments, N.E.C., Inc. TOFC.
462	Mixed Shipments on One Factor Rates Cnstg. of Commodities Representing Two or More Major Industry Groups Where it is Impossible to Determine the Predominant Industry.
47	Small Packaged Freight Shipments.
471	Small Packaged Freight Shipments, Including LCL or LTL.

PART 1249—REPORTS OF MOTOR CARRIERS

Sec.

1249.1 Annual reports of Class I carriers of property.
1249.2 Annual reports of Class II carriers of property.
1249.3 Motor carrier holding companies.
1249.4 Annual reports of Class III carriers of property.
1249.5 Annual reports of Class I carriers of passengers.
1249.6 Annual reports of carriers of passengers other than Class I carriers.
1249.7 Class I Motor Carriers.
1249.11 Quarterly reports of passenger revenues, expenses and statistics.
1249.12 Quarterly reports of property revenues, expenses and statistics.
1249.13 Quarterly reports of revenues, expenses and statistics—Class I common carriers of general freight.
1249.14 Quarterly reports of Class II carriers of property.

Authority: The provisions of this Part 1249 issued under secs. 204, 220, 49 Stat. 546, as amended, 563, as amended; 49 U.S.C. 304, 320.

§ 1249.1 Annual reports of Class I carriers of property.

Commencing with reports for the year ended December 31, 1965, and thereafter, until further order, all Class I motor carriers of property, as described in § 1240.5 of this chapter, viz, carriers with average annual gross operating revenues (including interstate and intrastate) of $1,000,000 or more, from property motor carrier operations, are required to file annual reports in accordance with Motor Carrier Annual Report Form A (Property). Such annual report shall be filed in duplicate in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C., 20423, on or before March 31 of the year following the year to which it relates.

§ 1249.2 Annual reports of Class II carriers of property.

Commencing with reports for the year ended December 31, 1965, and thereafter, until further order, all Class II motor carriers of property, as described in § 1240.5 of this chapter, viz, carriers with average annual gross operating revenues (including interstate and intrastate) of $200,000 but less than $1,000,000, from property motor carrier operations, are required to file annual reports in accordance with Motor Carrier Annual Report Form B (Property). Such annual report shall be filed in duplicate in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C., 20423, on or before March 31 of the year following the year to which it relates.

§ 1249.3 Motor carrier holding companies.

Each person which is not a motor carrier, but which shall be considered a motor carrier subject to provisions of section 220 of the Interstate Commerce Act by reason of effective control over one or more motor carriers through ownership of securities issued or assumed by such controlled motor carrier or carriers, shall file a report of its financial transactions during the year 1956 in accordance with Motor Carrier Annual Report Form A as prescribed in § 1249.1. Such reports hereby required to be filed shall be complete as to all schedules, declarations, replies, attachments, and other requirements of Motor Carrier Annual Report Form A, other than those which relate solely to the direct ownership and operation of highway equipment, and shall be filed in duplicate with the Interstate Commerce Commission, Washington, D.C., on or before November 1, 1957. Such persons shall also file similar reports annually, prepared in accordance with requirements for compiling Motor Carrier Annual Report Form A, as those requirements are now in effect or may in the future be modified, for each succeeding calendar year beginning with the year 1957, such annual reports to be filed in duplicate with the Commission on or before March 31 of the year following the one to which the report relates.

Each company subject to this section is hereby required to file with this Commission, in addition to said Annual Report Form A, a supplemental consolidated report setting forth the complete financial condition of such company and its subsidiaries in the scope and form indicated in the instructions to the supplemental consolidated report for the calendar year 1959 and each succeeding year thereafter. Such supplemental financial reports shall be attached to and considered an integral part of the Motor Carrier Annual Report Form A filed by each company.

§ 1249.4 Annual reports of class III carriers of property.

Commencing with the year ended December 31, 1965, and for subsequent years thereafter, until further order, all class III motor carriers of property, as defined in § 1240.5 of this chapter, carriers having average annual gross operating revenues (including interstate and intrastate) of less than $200,000 from property motor carrier operations, are required to file annual reports in accordance with Motor Carrier Annual Report Form C (property). Such report shall be filed in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, on or before April 30 of the year following the year to which it relates.

§ 1249.5 Annual reports of class I carriers of passengers.

Commencing with reports for the year ended December 31, 1965, and thereafter, until further order, all class I motor carriers of passengers, as defined in § 1240.4 of this chapter, carriers with average annual gross operating revenues (including interstate and intrastate) of $200,000 or more, from passenger motor carrier operations, are required to file annual reports in accordance with Motor Carrier Annual Report Form D (Passenger). Such annual report shall be filed in du-

plicate in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, on or before March 31 of the year following the year to which it relates.

§ 1249.6 Annual reports of carriers of passengers other than class I carriers.

Commencing with the year ended December 31, 1965, and for subsequent years thereafter, until further order, all motor carriers of passengers other than class I carriers, as defined in § 1240.4 of this chapter, carriers having gross operating revenues (including interstate and intrastate) of less than $200,000 annually from passenger motor carrier operations, are required to file annual reports in accordance with Motor Carrier Annual Report Form E (passenger). Such report shall be filed in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, on or before April 30 of the year following the year to which it relates.

§ 1249.7 Class I Motor Carriers.

(a) Commencing with reports of transactions occurring on August 1, 1966, and thereafter until further order, each Class I motor carrier, as described in §§ 1240.4 and 1240.5 of this chapter, subject to Part II of the Interstate Commerce Act, shall be required to file with the Interstate Commerce Commission a duplicate copy of any statement to the Securities and Exchange Commission concerning beneficial ownership or change in beneficial ownership of equity securities of any other carrier subject to economic regulation under Parts I, II, and III of the Interstate Commerce Act, or any freight forwarder subject to such regulation under Part IV of said Act, when any such statement is required to be filed with the Securities and Exchange Commission pursuant to section 16(a) of the Securities Exchange Act of 1934, as amended, or regulations thereunder.

(b) Such duplicate copy shall be filed in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, on or before the date specified in the above-designated statute or regulation thereunder.

§ 1249.11 Quarterly reports of passenger revenues, expenses, and statistics.

Commencing with reports for the quarter ended March 31, 1961, and for subsequent quarters thereafter, until further order, all Class I common and contract motor carriers of passengers, as defined in § 1240.4 of this chapter, viz., carriers having average gross operating revenues (including interstate and intrastate) of $200,000 or over annually, from passenger motor carrier operations, are required to file quarterly reports in accordance with Motor Carrier Quarterly Report Form QPA (Class I Carriers of Passengers). Such quarterly report shall be filed in triplicate in the office of the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, within 30 days after the close of the period to which it relates.

§ 1249.12 Quarterly reports of property revenues, expenses and statistics.

Commencing with reports for the quarter ended September 30, 1962, and for subsequent quarters thereafter, until further order, all Class I common and contract motor carriers of property as defined in § 1240.5 of this chapter, carriers having average annual gross operating revenues (including interstate and intrastate) of $1,000,000 or more from property motor carrier operations, except carriers of general freight subject to the terms of § 1249.13, are required to file quarterly reports in accordance with Motor Carrier Quarterly Report Form QFR–I (Property). Such quarterly report shall be filed in triplicate in the office of the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C., 20423, within 30 days after the close of the period to which it relates.

§ 1249.13 Quarterly reports of revenues, expenses, and statistics—Class I common carriers of general freight.

Commencing with reports for the quarter ended September 30, 1962, and for subsequent quarters thereafter, until further order, all Class I common carriers of general freight, included in Class I carriers, as defined in § 1240.5 of this chapter, carriers having average annual gross operating revenues (including interstate and intrastate) of $1,000,000 or more, from property motor carrier operations, are required to file quarterly reports in accordance with Motor Carrier Quarterly Report Form QFR–I–GF (General Freight). Such quarterly report shall be filed in triplicate in the office of the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, within 30 days after the close of the period to which it relates.

§ 1249.14 Quarterly reports of Class II carriers of property.

Commencing with reports for the quarter ended March 31, 1961, and for subsequent quarters thereafter, until further order, all Class II common and contract motor carriers of property as defined in § 1240.5 of this chapter, viz., carriers having average annual gross operating revenues (including interstate and intrastate) of $200,000 but less than $1,000,000, from property motor carrier operations, are required to file quarterly reports in accordance with Motor Carrier Quarterly Report Form QFR–II (Property). Such quarterly report shall be filed in triplicate in the office of the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, within 30 days after the close of the period to which it relates.

PART 1250—REPORTS OF WATER CARRIERS

Sec.
1250.10 Annual reports of Class A and B water carriers on inland and coastal waterways.
1250.20 Form prescribed for maritime carriers.
1250.30 Annual reports of Class C water carriers.

AUTHORITY: The provisions of this Part 1250 issued under secs. 304, 313, as amended, 54 Stat. 933, 944, as amended; 49 U.S.C. 904, 913, unless otherwise noted.

§ 1250.10 Annual reports of Class A and B water carriers on inland and coastal waterways.

Commencing with the year ended December 31, 1964, and for subsequent years thereafter, until further order, all water carriers on inland and coastal waterways, subject to the provisions of section 313, Part III of the Interstate Commerce Act, and of Classes A and B, as described in § 1240.2, of this chapter, carriers with average annual operating revenues exceeding $100,000, are required to file annual reports in accordance with Inland and Coastal Waterways Annual Report Form K–A (Class A and Class B Water Carriers). Such annual report shall be filed in duplicate in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, on or before March 31 of the year following the year to which it relates.

§ 1250.20 Form prescribed for maritime carriers.

Commencing with the year ended December 31, 1964, and for subsequent years thereafter, until further order, all maritime carriers subject to section 313, Part III, of the Interstate Commerce Act, are required to file annual reports in accordance with Annual Report Form M (Maritime Carriers). Such annual report shall be filed in duplicate in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, on or before March 31 of the year following the year to which it relates.

§ 1250.30 Annual reports of Class C water carriers.

Commencing with the year ended December 31, 1957, and for subsequent years thereafter, until further order, all Class C water carriers, as described in § 1240.2 of this chapter, viz, carriers with annual operating revenues of $100,000 or less, subject to the provisions of section 313, Part III of the Interstate Commerce Act, are required to file reports in accordance with Annual Report Form K–C (Class C Water Carriers). Such annual report shall be filed in duplicate in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, on or before March 31 of the year following the year to which it relates.

PART 1251—REPORTS OF FREIGHT FORWARDERS

Sec.
1251.1 Annual reports of Class A freight forwarders.
1251.2 Form prescribed for freight forwarders of Class B.
1251.3 Form prescribed for quarterly reports of freight forwarders.

AUTHORITY: The provisions of this part 1251 issued under Secs. 403, 412, 56 Stat. 285, 294; 49 U.S.C. 1003, 1012.

§ 1251.1 Annual reports of Class A freight forwarders.

Commencing with the year ended December 31, 1963, and for subsequent years thereafter, until further order, all Class A freight forwarders, as described in § 1240.6 of this chapter, viz, forwarders having annual gross operating revenues of $100,000 or more, are required to file annual reports in accordance with Annual Report Form F–a (Class A Freight Forwarders). Such annual report shall be filed in duplicate in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, on or before March 31, of the year following the year to which it relates.

§ 1251.2 Form prescribed for freight forwarders of Class B.

All freight forwarders of Class B as described in § 1240.6 of this chapter, within the scope of section 412, part IV of the Interstate Commerce Act are hereby required to file annual reports for the year ended December 31, 1951, and for each succeeding year until further order, in accordance with Annual Report Form F–b (Freight Forwarders). The annual report shall be filed in duplicate, in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, on or before March 31, of the year following the one to which it relates.

§ 1251.3 Form prescribed for quarterly reports of freight forwarders.

(a) Beginning with the three months' period ending March 31, 1943, and quarterly thereafter, until further order of this Commission, all Freight Forwarders within the scope of section 412, part IV of the Interstate Commerce Act having annual gross revenues of $100,000 or more for the calendar year 1942, are hereby required to file reports of revenues, expenses, and statistics in accordance with Form QFF.

(b) The said quarterly report shall be filed, in duplicate, in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, within 60 days after the close of the period to which it relates.

PART 1252—PIGGYBACK TRAFFIC STATISTICS

Sec.
1252.1 Rail carriers.
1252.2 Motor carriers.
1252.3 Water carriers.
1252.4 Freight forwarders.

§ 1252.1 Rail carriers.

Commencing with reports for the first quarter of 1964, and thereafter until further order, each class I railroad as described in § 1240.1 of this chapter, subject to Part I of the Interstate Commerce Act, other than switching or terminal companies, shall compile and file in accordance with Form PTR–R, Piggyback Traffic Terminated by Class I Railroads and Piggyback Car Movements, statistics of piggyback transportation, as defined therein, performed by such railroad, either in all-rail transportation or in participation with motor carriers of property, or shall, as may be required, advise the Commission that it does not perform such piggyback transportation service. The report on Form PTR–R shall be filed in duplicate in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, within 60 days after the close of the quarter to which it relates. The individual reports filed under this section shall not be open to public inspection.

(Sec. 12, 20, 24 Stat. 383, as amended, 386, as amended; 49 U.S.C. 12, 20)

§ 1252.2 Motor carriers.

Commencing with reports for the first quarter of 1964, and thereafter until further order, each class I intercity motor carrier of property, as defined in § 1240.5 of this chapter, subject to Part II of the Interstate Commerce Act, shall compile and file in accordance with Form PTR–M, Piggyback Traffic of Class I Motor Carriers of Property, statistics of piggyback transportation, as defined therein, used by such motor carrier in participation with railroads or with water carriers, or shall, as may be required, advise the Commission that it does not make use of such piggyback service. The report, on Form PTR–M, shall be filed in duplicate in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, within 60 days after the close of the quarter to which it relates. The individual reports filed under this section shall not be open to public inspection.

(Secs. 204, 220, 49 Stat. 546, as amended, 563, as amended; 49 U.S.C. 304, 320)

§ 1252.3 Water carriers.

Commencing with reports for the first quarter of 1964, and thereafter until further order, each carrier by water subject to Parts I and III of the Interstate Commerce Act, assigned to class A, as described in § 1240.2 of this chapter, and each maritime carrier subject to Part III of such Act, shall compile and file in accordance with Form PTR–W, Piggyback Traffic Terminated by Class A Water Carriers and Maritime Carriers, statistics of piggyback transportation as defined therein, performed by such water carriers, either in all-water transportation or in participation with motor carriers of property, or shall, as may be required, advise the Commission that it does not perform such piggyback transportation service. The report, on Form PTR–W, shall be filed in duplicate in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, within 60 days after the close of the quarter to which it relates. The individual reports filed under this section shall not be open to public inspection.

(Secs. 304, 313, 54 Stat. 933, 944 as amended, 49 U.S.C. 904, 913)

§ 1252.4 Freight forwarders.

Commencing with reports for the first quarter of 1964, and thereafter until further order, each freight forwarder subject to Part IV of the Interstate Commerce Act, assigned to class A, as described in § 1240.6 of this chapter, shall compile and file in accordance with Form PTR–FF, Piggyback Traffic Originated by Class A Freight Forwarders, statistics of piggyback transportation of railroads or water carriers used by such freight forwarder, or shall, as may be required, advise the Commission that it does not make use of piggyback transportation service. The report on Form PTR–FF shall be filed in duplicate in the office of the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, within 60 days after the close of the quarter to which it relates. The individual reports filed under this section shall not be open to public inspection.

(Secs. 403, 412, 56 Stat. 285, 294; 49 U.S.C. 1003, 1012)

PART 1253—RATE-MAKING ORGANIZATION; RECORDS AND REPORTS

Sec.
1253.10 Accounts.
1253.20 Other records.
1253.30 Retention of records.
1253.31 Destruction of records.
1253.40 Reporting requirements.

AUTHORITY: The provisions of this Part 1253 issued under sec. 5a(3), 62 Stat. 472; 49 U.S.C. 5b.

§ 1253.10 Accounts.

Accounts shall be kept by each conference, bureau, committee, or other organization subject to section 5a to record all receipts and expenditures of moneys. Such accounts shall be kept with sufficient particularity to show the facts pertaining to all transactions reflected in the entries made in the accounts. All receipts shall be supported by records, including records showing the basis for charges to members. All disbursements shall be supported by vouchers, payrolls, cancelled checks, and other evidences of expenditures, including the basis for any apportionment of expense items to members.

§ 1253.20 Other records.

Each such organization subject to section 5a shall maintain: (a)(1) A file for each proposal relating to rates, fares, classifications, divisions, allowances, or charges (including charges between carriers and compensation paid or received for the use of facilities and equipment), or rules and regulations pertaining thereto, which shall contain the complete proposal, all procedural documents issued, protests, memoranda, amendments, reports, etc., submitted and any other correspondence respecting the matter proposed. Also reports or minutes of all proceedings at any oral, committee or public hearing held thereon and the determination relating thereto; (2) a file covering each petition or protest filed by the organization against tariff publications of a member for suspension of rates or other matters published for such member carrier; (3) a file covering each instruction or request for publication by independent action.

(b) All accounts and other records covered by this part shall be filed in such manner as to be readily accessible for examination by representatives of the Commission.

§ 1253.30 Retention of records.

Except as otherwise specifically provided in § 1253.31, each such organization subject to section 5a shall retain records or documents, which relate or pertain to transactions or activities in that connection, for the periods of time specified for each kind respectively in the following list. Inclusion of a record or document in the list imposes no requirement that it shall be installed if its purpose is otherwise being adequately served.

Item	Description of records	Period to be retained
1.	Capital stock records, corporate charters or certificates, minutes of meetings, and all similar records pertaining to formation of the organization	Permanent.[1]
2.	General ledgers, general journals, and general cash books	10 years.
3.	Property records; those pertaining to the acquisition, depreciation, retirement, and replacement of property	5 years after sale or retirement.
4.	Contracts, leases, and agreements	3 years after expiration.
5.	Records and documents required by provisions of § 130.20 to be maintained	5 years.
6.	All other records, memoranda, documents, papers, and correspondence	3 years.

[1] Permanent records are those which may not be destroyed without special authority.

§ 1253.31 Destruction of records.

(a) A permanent record shall be maintained of all records and documents subject to this part which have been destroyed after the required periods of retention. Compliance with this part will not exempt an organization subject thereto from statutory requirements, other than the Interstate Commerce Act, for retention of records or documents for periods longer than those herein prescribed.

(b) *Photographic copies.* Records and documents not specifically designated as permanent records may be destroyed at any time after they have been suitably photographed in the normal course of business under a program instituted for the protection or storage of records generally: *Provided, however,* That microfilm copies shall be retained for the periods of time prescribed for the original records or documents, respectively; that the microfilm copies shall be no less readily accessible than the original records or documents as normally filed or preserved would be; and that suitable facilities shall be available to locate, identify, read, and reproduce such microfilm copies.

(c) *Special authority.* Organizations subject to the provisions of this part proposing to destroy records or documents which have not been retained for the period of time required by regulations, may request special authority to destroy them. Applications for such special authority shall describe in detail the records or documents to be destroyed and shall explain why their continued retention is unnecessary.

§ 1253.40 Reporting requirements.

All conferences, bureaus, committees, or other organizations, subject to section 5a shall file annual reports for the year ended December 31, 1959, and for each succeeding year until further notice in accordance with Annual Report Form RBO be filed, in duplicate, in the Bureau of Accounts, Interstate Commerce Commission, Washington, D.C. 20423, on or before March 31 of the year following the one to which it relates.

PARTS 1260–1269—VALUATION

NOTE: Forms prescribed in parts 1260–1269 are available upon request from the Office of the Secretary, Interstate Commerce Commission, Washington, D.C. 20423.

PART 1260—REPORTING OF DATA FOR INITIAL PIPELINE VALUATIONS

GENERAL

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1260.105 Maps.
1260.106 Plot plans.
1260.107 Sketches.
1260.108 Photographs.
1260.109 Special notes.
1260.110 Identification of aids, gifts, grants or donations.
1260.111 Reconciliations.
1260.112 Corporate history and development of fixed physical property.

AUTHORITY: The provisions of this Part 1260 issued under sec. 19a, 37 Stat. 701, as amended; 49 U.S.C. 19a, as amended.

GENERAL

§ 1260.0 Regulations prescribed.

Each common carrier by pipeline, subject to the provisions of the Interstate Commerce Act, for which an initial valuation is to be found by the Commission is required to comply with regulations in this Part pertaining to the preparation and filing of data with the Commission for its consideration in finding such initial valuation. The data to be filed shall be reported separately by ownership and use, by states, and by primary property accounts, as hereinafter prescribed.

§ 1260.1 Data to be filed.

(a) Except as may be otherwise directed by the Commission, the following data shall be filed:

ACV Form No. 5—Inventory of Property Other than Land and Rights-of-Way.
ACV Form No. 6—Inventory of Land and Rights-of-Way.
ACV Form No. 7—Summary of Original Cost of Inventory.
ACV Form No. 8—Cost Data for Equipment and Tanks.
ACV Form No. 9—Cost Data for Pipeline Construction.
Maps.
Pilot plans.
Sketches.
Photographs.
Special notes.
Identification of aids, gifts, grants or donations.
Reconciliations.
Corporate history and development of fixed physical property.

(b) All worksheets and other underlying support of data filed shall be retained by carriers in such manner that they may be readily verified.

§ 1260.2 Responsibility for filing data.

It shall be the responsibility of the carrier for which an initial valuation is to be found by the Commission to file the data prescribed by this order. This responsibility shall apply whether property included in the initial inventory is wholly or jointly owned and used, wholly or jointly owned but not used, or wholly or jointly used but not owned, or whether such property is a part of a "system" or otherwise. As used in these regulations, the term "agent operator" refers only to a carrier for which an initial valuation is to be found by the Commission.

§ 1260.3 Copies required.

The data referred to in § 1260.1 shall be filed with the Commission in an original only, and one copy shall be retained by carriers. However, copies of ACV Forms prepared by other than the filing carrier may be filed in lieu of originals.

§ 1260.4 Carrier and noncarrier property defined.

Carrier property is that which is used exclusively for common-carrier purposes. Noncarrier property is that which is used exclusively for purposes other than those of a common carrier. Property held in anticipation of an indefinite future use, and property which is owned by a common carrier and is leased to other than a common carrier shall be reported as noncarrier property. Classification of property under this definition shall be consistent with the classification of property for accounting purposes.

§ 1260.5 Original cost defined.

(a) Original cost means the actual cost of construction or acquisition of

property to the first person or corporation dedicating such property to public use. Interpretive examples of this definition follow:

(1) Where an entire property, or portion thereof, is acquired from another common carrier by purchase, merger, consolidation, or reorganization, the cost of the property, estimated if not known, to the vendor shall be construed to be the original cost of the property acquired.

(2) Where property which has not been previously dedicated to public use is acquired, the cost of acquisition to the vendee shall be regarded as the original cost of the property acquired.

(3) Where the actual cost of property acquired by lease from a noncarrier and placed in public use by a carrier is not obtainable, the estimated cost of such property, as of the date of the lease, shall be used as the original cost.

(b) Where estimated original cost is used it shall be prorated among the primary accounts on an equitable basis, and a notation shall be made that estimates were used, together with an explanation of the method employed in arriving at such estimates.

§ 1260.6 Reporting overhead expenditures.

To assure against the double inclusion of overhead in the determination by the Commission of the cost of reproduction new of the inventory of carrier property, overhead expenditures shall be reported separately under the caption "Overhead," in complete detail for each account for each valuation section, and shall be reported on ACV Form No. 5 and on ACV Form No. 6 immediately following the last original cost amount stated on these forms in accordance with §§ 1260.100 and 1260.101. The term overhead, as used in these regulations, shall be construed as consisting of those expenditures incurred in connection with the construction or acquisition of property which were applicable to a period prior to the date that the property to which they relate was placed in operation. Examples of such expenditures are interest during construction, engineering cost, taxes on physical property, etc.

§ 1260.7 Reporting cost of organization.

Cost of organization shall be reported, in complete detail by category of expenditure, on a separate ACV Form No. 5 which shall be headed "Account No. 2 Cost of organization." The total of amounts shown shall be reported on ACV Form No. 7 in accordance with instructions appearing in § 1260.102.

§ 1260.8 Valuation sections.

A valuation section is a geographical segregation of property within a state, and in no case may a valuation section extend beyond a state line. Separate valuation sections shall be established within each state for each group of property identified in the Uniform System of Accounts for Pipe Line Companies as "Gathering Lines," "Trunk Lines," and "General." Valuation sections so established shall be numbered and shall bear the corresponding identifying suffix G for gathering line property, T Crude or T Prods. for trunkline property, and Gen. for property classified as general. Jointly owning or jointly using carriers, and carriers wholly using property owned by others, shall assign their own valuation section numbers to property so owned or used. Mobile property servicing more than one valuation section of a state shall not be assigned to a valuation section but shall be reported as "Unallocated" for the state served. Mobile property servicing more than one state shall not be assigned to a valuation section but shall be reported as "Unallocated" for the carrier as a whole without state identity. Valuation section numbers and unallocated designations shall be decided by each carrier, subject to the approval of the Commission.

§ 1264.9 Auxiliary documents.

The following documents referred to in these regulations will be supplied by the Bureau of Accounts:

1947 Period Guide Prices and Annual and Period Indices.
Schedule of Element Codes and Guide Service Lives for Oil Pipeline Property.

ACV Forms No. 4, No. 5 and No. 6.

§ 1260.10 Assembling and numbering forms.

Related ACV Forms No. 5, 6, and 7 shall be associated, with ACV Forms No. 5 and 6 following ACV Form No. 7. ACV Forms No. 8 and 9 shall then be placed behind ACV Forms No. 5, 6, and 7. All ACV Forms thus assembled shall then be consecutively numbered in the upper right-hand corner. There shall also be shown in the upper right-hand corner of the ACV Form numbered 1 the total number of ACV Forms filed.

§ 1260.11 Amendments and deviations.

Only those amendments to or deviations from the regulations prescribed by this Order as may be directed by the Commission are authorized.

PREPARATION OF DATA

§ 1260.100 ACV Form No. 5—Inventory of Property Other Than Land and Rights-of-Way.

(a) This is a multipurpose form designed to meet the needs of both the carriers and the Commission. Columns 1 through 7 shall be used by carriers to document the inventory. The remaining columns will be completed by the Commission.

(b) A separate ACV Form No. 5 shall be filed bearing the following statement which shall be signed by a responsible officer of the carrier, or agent, filing the data prescribed by these regulations:

The data filed pursuant to Valuation Order No. 29 have been carefully examined by the undersigned who declares that such data have been prepared in accordance with regulations set out in said Order.

(Signature)

(Title)

(Date)

(c) A pipeline mileage statement shall be presented on ACV Form No. 5, in the following format, on Sheet No. 1 of each valuation section, summarizing the pipeline footage included in the inventory. The gross and screwage shown on the statement shall represent the pipe footage reported on ACV Forms No. 5 documenting the inventory:

PIPELINE MILEAGE STATEMENT

	Footage[1]			Mileage[2]
	Gross	Screwage	Net	
Trunk lines:				
Crude:				
Line				
Loops				
Other[3]				
Products:				
Line				
Loops				
Other[3]				
All gathering lines				

[1] The footage reported must agree with the total footage shown in the summaries appearing on the right-of-way maps prepared for the valuation section.
[2] Enter the equivalent miles, to the nearest thousandth, for the net footage shown.
[3] Exclude service pipe such as water, air, steam, gas or fuel piping.

(d) Inventory data to be shown on ACV Form No. 5 shall be reported in summary form by kind of property within each account. By summary reporting is meant the grouping of property units having characteristics common to all such units. An example of summary reporting appears in paragraph (e) of this section.

(e) The number of units to be reported in column 6 of ACV Form No. 5 shall be governed by the applicability to such units of the identifying data shown in columns 1 through 5. Taking steel pipe as an example, the units of pipe to be reported in column 6 must be of the same construction, that is, either plain end or screw end, lap weld, electric weld, seamless, etc., and they must have the same diameter and weight in pounds per foot (all these identifications will appear in column 1); they must have been dedicated to public use in the same year (column 2); they must be in-

cludible in the same element code (column 3); they must have the same guide life years (column 4); and they will have a common unit of property, linear feet (column 5).

(f) ACV Form No. 5 shall be prepared by typewriter without interlineation as follows:

(1) Enter the date assigned for the valuation of the property on the line provided in the caption of the form.

(2) ☐ *Carrier Property* ☐ *Noncarrier Property.* Place an X in the appropriate block to identify the property being reported.

(3) *Account No. _____.* Enter the appropriate primary account number. When ACV Form No. 5 is used to report noncarrier property, the primary property account numbers used to report carrier property shall also be employed to facilitate the identification of such property.

(4) *State _____ Val. Sec. _____.* Identify the state and the valuation section in which the property is located. Enter "Unallocated" when appropriate.

(5) *Sheet No. ____ of ____ Sheets.* The use of this line shall be restricted to identifying the sheets relating to the valuation section or Unallocated, as appropriate.

(6) *Report Filed by _____ Property Owned by _____ Property Used by _____.* Identify, respectively, the carrier or agent filing the report, the owner of the property, and the carrier using the property. When the form is used to report jointly owned or jointly used property, enter an asterisk (*) on the Property Owned by _____ and Property Used by _____ lines of Sheet No. 1 of each valuation section, or Unallocated, and below, in the body of the form, the identity of both the owning and the using carriers and the percentage of their respective owning and using interest. Enter an asterisk on these two lines on all remaining sheets to indicate that the identity of the owning and using carriers is set out on Sheet No. 1.

(7) *Columns 1 and 5.* The property description and unit of property to be shown in these columns shall conform with those appearing in the 1947 Period Guide Prices and Annual and Period Indices. Where property descriptions do not appear in that document or where, in the view of the carrier, they are inadequate, they shall be shown in column 1 in sufficient detail to clearly describe the property being reported. Identify, in column 1, property representing public improvement projects, and show the total cost of the project, the identity of the participants, and the percentage of participation, in addition to the description of the property. Identify also in column 1 property included in the inventory, other than land and rights-of-way, which was acquired by aid, gift, grant or donation from private parties. See (11)(vii) below for instructions covering the reporting of original cost for public improvement projects and for aids, gifts, grants or donations received from private parties. Except for service pipe, show in column 1 the screwage included in the gross linear footage reported in column 6 for pipe in accounts 103, 153, 110, 160, 112 and 162.

(8) *Column 2.* Show the year the property was dedicated to public use. Where the year, or years, of construction or installation differ from the year of dedication to public use show the former in column 1, together with the number of units constructed or installed during such years.

(9) *Columns 3 and 4.* The data to be entered in these columns shall be taken from the Schedule of Element Codes and Guide Service Lives for Oil Pipeline Property. Guide life years shall not be shown for property reported under accounts 104, 105, 154, and 155, or for property reported under element code 124 of accounts 111 and 161. Use guide lives other than those shown in the Schedule of Element Codes and Guide Service Lives for Oil Pipeline Property only when specifically authorized by the Bureau of Accounts.

(10) *Column 6.* Enter the total number of units of property referred to in columns 1 through 5. See example of summary reporting appearing in (e) of this Section. Where the unit reported in column 5 is "Lot" make no entry in this column.

(11) *Column 7.* Report, to the nearest dollar, in this column, in the manner directed in (i) through (v) below, the original cost, exclusive of overhead which shall be reported in accordance with § 1260.6, of the property identified in Columns 1 through 6. With the exception of cathodic protection reported separately under element code 24, include the cost of cathodic protection with the cost of the property reported:

(i) Report a single total for the entire valuation section for each of the following accounts: 103, 104, 109, 114, 153, 154, 159, 164, 179, and 184.

(ii) Report a single total for the entire valuation section for each of the following element codes: 26, 128, 150, 154, 156, 174, 176, 178, and each element code assigned to other accounts when such element codes are used to identify property reported under accounts 116, 166 and 186.

(iii) Enter a single total for the entire valuation section for each of the following portions of element codes: cathodic protection reported under element code 24; the installation of oil lines in stations reported under element code 24; ordinary casing installations at railroad or highway crossings reported under element code 24; with the exception of river crossings, pipeline bridges, and unusual construction jobs, all other pipeline construction reported under element code 24 not enumerated in this paragraph; oil pipe in place reported under element code 96; fittings in place reported under element code 96; service pipe in place reported under element code 98; fittings in place reported under element code 98; the miscellaneous portion of element code 124; oil pipe in place reported under element code 130; and fittings in place reported under element code 130. When reporting clearing and grubbing under element code 24 include only those expenditures for areas where it is necessary to remove trees and heavy brush, and not for the entire right-of-way prior-to-ditching grading.

(iv) Enter a separate total for the following:

Accounts 105 and 155. Each river crossing, pipeline bridge, or each unusual construction job such as one involving long stretches of solid rock or swamp areas or an unusual casing installation, reported under element code 24; and each type of coating reported under element code 28.

Accounts 106, 156, and 176. Each building, station ground or bridge. Include communication system buildings and grounds.

Accounts 107, 108, 157, and 158. Each unit, or group of units, reported in accordance with (10) above.

Accounts 110, 112, 160, and 162. All of the property for each station reported under each of the element codes 100, 102, 132, 134, 136, 138, and 140.

Accounts 111 and 161. Each unit, or group of units, reported in accordance with (10) above. Exclude the miscellaneous portion of element code 124 and all of element code 128.

(v) Report the original cost of each unit of property, or each group of those units of property which are identical, which has not been specifically identified in (i) through (iv) above, or for which a description and unit price has not been provided in the 1947 Period Guide Prices and Annual and Period Indices.

(vi) The following chart, presenting graphically the reporting requirements set out in (i) through (v) above, is provided for ready reference. Portions of prescribed elements, only, have been identified in the column captioned "Element—Subtitle."

Account	Element		Report original cost as follows—		
	Code	Subtitle	Single total for the entire valuation section	Separate total for each or for each group that is identical	Separate total for each station
103-153			X		
104-154			X		
105-155	24	Cathodic protection	X		
		Installation of oil lines in stations	X		
		Ordinary casing installations at railroad or highway crossings	X		
		River crossings		X	
		Pipeline bridges		X	
		Unusual construction jobs		X	
		All other pipeline construction	X		
	26		X		
	28	Type of coating		X	
106-156-176	40			X	
	42			X	
	44			X	
	46			X	
	48			X	
107-157	60			X	
	61			X	
108-158	68			X	
	69			X	
	70			X	
	71			X	
	72			X	
	73			X	
	74			X	
	76			X	

Account	Element: Code	Element: Subtitle	Report original cost as follows—: Single total for the entire valuation section	Separate total for each or for each group that is identical	Separate total for each station
109-159-179					
110-160	96	Oil pipe in place	X		
		Fittings in place	X		
	98	Service pipe in place	X		
		Fittings in place	X		
	100				X
	102				X
111-161				X [1]	
	124	Miscellaneous	X		
	126		X		
112-162					
	130	Oil pipe in place	X		
		Fittings in place	X		
	132				X
	134				X
	136				X
	138				X
	140				X
113-163-183					
	150		X		
	154		X		
	156		X		
114-164-184			X		
115-165-185					
	174		X		
	176		X		
	178		X		
116-166-186	(2)		X		
Property not covered above, or property for which a description and unit price has not been provided in the 1947 Period Guide Prices and Annual and Period Indices				X	

[1] Except the "Miscellaneous" portion of Element Code 124, and all of Element Code 126.
[2] For each element code assigned to other accounts when used to identify property reported under these accounts.

(vii) In reporting original cost in accordance with (i) through (vi) above include for property acquired by aid, gift, grant or donation from private parties, identified in column 1 in accordance with (7) above, the cost of such property, or the appraised value where the cost cannot be determined; in the case of property identified as a public improvement project in column 1 in accordance with (7) above, include only the cost borne by the carrier.

(12) When ACV Form No. 5 has been completed for each account, show the total of all amounts entered in column 7. In the case of jointly owned or jointly used property apply the owning or using percentages, shown on Sheet No. 1, to the total and identify the results by each jointly owning or jointly using carrier.

(g) ACV Forms No. 5 prepared by agent operators for "system" property as a whole, together with related ACV Forms No. 5 showing the proportionate share of the original cost of such property applicable to each jointly owning or jointly using carrier, shall be filed with the Commission for review and completion.

(h) Following review and completion by the Commission of ACV Forms No. 5 filed by agent operators in accordance with paragraph (g) of this section, agent operators will be supplied with photocopies of all ACV Forms No. 5 for "system" property as a whole, and with photocopies of all ACV Forms No. 5 showing proportionate shares of original cost on which corrections are made by the Commission. Agent operators shall then provide each jointly owning or jointly using carrier with two copies of its "proportionate share" ACV Forms No. 5, one to be retained and one to be filed with the Commission.

(i) Following their review and completion by the Commission ACV Forms No. 5 will be made available for required photocopying by wholly owning or wholly using carriers.

§ 1260.101 ACV Form No. 6—Inventory of Land and Rights-of-Way.

(a) The data to be reported on this form shall be typewritten and double spaced. To facilitate identification use carrier property primary account numbers when reporting noncarrier property. When the form is used to report jointly owned or jointly used property enter on Sheet No. 1, for each valuation section, an asterisk (*) on the Property Owned by _____ and Property Used by _____ lines and, in the body of the form, the identity of both the owning and the using carriers and the percentage of their respective owning or using interest.

(b) The form shall be executed as follows:

(1) Enter the date assigned for the valuation of the property on the line provided in the caption of the form.

(2) ☐ *Carrier Property* ☐ *Noncarrier Property.* Place an X in the appropriate block to identify the property being reported.

(3) *Report Filed by _____ Property Owned by _____ Property Used by _____.* Enter appropriate identifications. Where jointly owned or jointly used property is being reported, enter an asterisk (*) on the Property Owned by _____ and Property Used by _____ line to indicate that the identity of the owning and the using carriers is set out on Sheet No. 1 of ACV Form No. 6 for the valuation section, as directed in (a) above.

(4) *State _____ Val. Sec. _____.* Identify the state and valuation section in which the property being reported is located.

(5) *Sheet No. _____ of _____ Sheets.* This line shall identify the sheets relating to the valuation section only.

(6) Enter the appropriate account number in the Land or Rights-of-Way block.

(7) *Column 1.* Enter the number of the land map assigned by the carrier in accordance with § 1260.105(b)(6).

(8) *Column 2.* Indicate the number assigned to the parcel, or parcels, on the map identified in column 1.

(9) *Column 3.* Indicate the date and the kind of instrument by which title to, or interest in, each parcel was derived, such as deed, quitclaim deed, condemnation, ordinance, lease, agreement, etc.

(10) *Columns 4 and 5.* Enter, respectively, the name of the grantor and grantee cited in the instrument identified in column 3.

(11) *Column 6.* Enter in this column the area, either in square feet or acres, of the parcel, or parcels, identified in column 2.

(12) *Column 7.* Enter, to the nearest dollar, the original cost of the area reported in column 6. In the case of land which was acquired by aid, gift, grant or donation record the cost, or the appraised value where the cost cannot be determined, of land so acquired from private parties only. Incidental costs and assessments for public improvements shall be reported separately in column 7 and identified in column 13. Incidental costs and assessments shall be allocated to the parcels affected. If considerations other than cash were exchanged for land, identify such considerations in column 13. Total column 7 for each valuation section, including overhead.

(13) *Column 8.* Use this column for both land and rights-of-way. Enter the year that the parcel, or parcels, of land, or the year that the first trunk pipeline right-of-way, or portion thereof, was dedicated to public use.

(14) *Columns 9 and 10.* Identify the termini of trunk pipeline rights-of-way placed in public service during the year shown in column 8.

(15) *Column 11.* Enter, for the termini identified in columns 9 and 10, the line miles of trunk pipeline right-of-way.

(16) *Column 12.* Enter, to the nearest dollar, the total original cost for the valuation section as a whole for either trunk or gathering lines. Where rights-of-way were acquired by aid, gift, grant or donation include in the total entered in column 12 the cost, or the appraised value where the cost cannot be determined, of rights-of-way so acquired from private parties only. Record overhead and show total. If considerations other than cash were exchanged for rights-of-way identify such considerations in column 13.

(17) *Column 13.* Include in this column the number of the right-of-way map, or maps, depicting the trunk line, or lines, identified by the termini shown in columns 9 and 10. Identify also in this column land or rights-of-way included in the inventory which were acquired by aid, gift, grant or donation from private parties, the cost or appraised value of which is included in amounts reported in column 7 or column 12.

(18) In the case of jointly owned or jointly used property apply the owning or using percentages, shown on Sheet No. 1 for the valuation section, to the total shown in column 7 or in column 12, and identify the results by each jointly owning or jointly using carrier.

(c) ACV Forms No. 6 prepared by agent operators for "system" property as a whole, together with related ACV Forms No. 6 showing the proportionate share of the original cost of such property applicable to each jointly owning or jointly using carrier, shall be filed with the Commission for review.

(d) Following review by the Commission of ACV Forms No. 6 filed by agent operators in accordance with paragraph (c) of this section, agent operators will be supplied with photocopies of all such

forms on which corrections are made by the Commission. Agent operators shall then provide each jointly owning or jointly using carrier with two copies of its "proportionate share" ACV Forms No. 6, one to be retained and one to be filed with the Commission.

(e) Following the review of ACV Forms No. 6 filed for wholly owned or wholly used property, the Commission will provide each wholly owning or wholly using carrier with photocopies of those forms on which changes are made.

§ 1260.102 ACV Form No. 7—Summary of Original Cost of Inventory.

(a) ACV Form No. 7 shall be filed in typewritten form to report in summary the original cost of the inventory of carrier and noncarrier property. Include jointly owned and used property with wholly owned and used property when preparing the form for owned and used property. Report cost of organization and mobile property servicing more than one state in the column captioned "Unallocated." For uniformity in reporting, report the cost of noncarrier property on the ACV Form No. 7 prepared for owned and used property. Enter the names of the States in which property is located in the blank blocks provided in columns 2 through 9.

(b) Summarize, by primary account for carrier property and by the account 5 categories shown on ACV Form No. 7 for Miscellaneous physical property, the original cost totals, including the appropriate percentage thereof for jointly owned or jointly used property, shown on ACV Forms No. 5 and 6. Record the results in columns 2 through 10.

(c) Following the completion of paragraph (b) of this section, crossfoot amounts reported in columns 2 through 10 and enter the results in column 1. Produce the totals and grand totals indicated to be shown on ACV Form No. 7 and crossfoot to balance.

§ 1260.103 ACV Form No. 8—Cost Data for Equipment and Tanks.

(a) The purpose of this form is twofold:

(1) To provide information pertaining to the cost of line pipe, equipment and tanks included in the initial inventory of property reported on ACV Form No. 5 which were purchased during the year as of which an initial valuation will be found by the Commission or during the two previous years. ACV Forms No. 8 reporting such information shall be submitted with the data required to be filed in accordance with § 1260.1.

(2) To report the cost of line pipe, equipment and tanks purchased through December 1 of each year following the filing of initial inventory data, regardless of whether such property was placed in service during the reporting period or not. ACV Forms No. 8 presenting such data shall be filed with the Commission, in an original only, by each carrier or agent, required to file reports of property changes under the requirements of Revised Supplement No. 8 to Valuation Order No. 3, Second Revised Issue. Such ACV Forms No. 8 shall be filed not later than February 1 following the end of the reporting period.

(b) ACV Form No. 8 shall be prepared in typewritten form as follows:

(1) Enter an X in the (☐) Initial block when the form is prepared for the purpose set out in (a)(1) above. Show the year of purchase on the For the Year ____ line where the form is prepared for the purpose stated in (a)(2) above.

(2) The Sheet No. ____ of ____ Sheets line shall be used to identify the number of sheets used for each account reported.

(3) Enter the name of the carrier, or agent, filing the forms on the Report Filed by _____ line, and the name of the carrier or system using, or which will use, the purchased property on the Property Used by _____ line.

(4) Enter one of the following accounts, as appropriate, on the Account No. _____ line: 104, 154, 108, 158, 111, or 161.

(5) For accounts 103 and 153 report, only, purchases of new pipe in lots of 40,000 pounds or more. See (6), (7), (9), (11) below for further details concerning the reporting of line pipe.

For accounts 104 and 154 report, only, motor operated valves 12" and up; for accounts 108 and 158 report major units of pumping equipment only, such as large engines, large centrifugal or reciprocating pumps, electric motors over 250 horsepower, and speed increasers. Do not report purchases of portable or miscellaneous units, or secondhand equipment. For accounts 111 and 161 report tanks only. Exclude all appurtenances except where they are included in the purchase price as a standard fixture or fitting. See (6) below for further details concerning the reporting of tanks.

(6) Except for line pipe enter in column 1 a complete description of the property including, where applicable, the name of the manufacturer, serial number, size, dimensions, capacity, model, type, material from which manufactured, construction and special features, and all other specifications which will clearly identify the property being reported. Include in this column only those features which are included in the unit price reported in column 4. It is imperative when reporting tanks that the following be observed. The 1947 Period Guide Prices and Annual and Period Indices lists certain features of tank construction the cost of which is included in the prices per pound in place shown for the tanks identified in that document. Where features, appurtenances or accessories, other than those listed in the 1947 Period Guide Prices and Annual and Period Indices are included in the unit price of the tanks shown in Column 4, list each such item in column 1 showing its weight, where appropriate, and the cost applicable thereto (estimated where necessary) included in the unit price shown in column 4.

For line pipe enter in column 1 the name of the manufacturer, nominal diameter, wall thickness, weight in pounds per lineal foot, kind (i.e., electric weld, seamless, butweld, etc.), type of end, and A.P.I. grade.

(7) Except for line pipe report in column 2, for forms prepared to reflect the data referred to in (a)(1) above, the year in which the property described in column 1 was purchased. Leave this column blank when the form is prepared to report the data referred to in (a)(2) above.

For line pipe show the month and date of each purchase.

(8) Signify in column 3 the number of units purchased.

(9) State in column 4 the price paid for each unit of property reported in column 3 for equipment and tanks. Show "in place" unit prices for tanks. For line pipe, if purchased f.o.b. mill, report the unit price per one hundred lineal feet. Exclude from unit prices all sales, use or other taxes required by lawful taxing authority to be added to the total invoice cost of materials purchased.

(10) For equipment and tanks show the geographical location of the point indicated in column 5. For line pipe purchased f.o.b. destination report in column 5 the unit price per one hundred lineal feet.

(11) Show the geographical locations of the points indicated in columns 6 and 7.

(12) Except for line pipe enter in column 8 the net shipping weight for each of the units reported in column 3. Where actual net weight cannot be determined show estimated net weight and indicate that an estimate was used.

For line pipe purchased f.o.b. mill show freight charges in cents per hundred pounds.

(13) Where no purchases are made during the year covered by the report, so state on a separate ACV Form No. 8 or by letter indicating thereon the account in which there was no purchase activity.

§ 1260.104 ACV Form No. 9—Cost Data for Pipeline Construction.

(a) This form will serve two purposes:

(1) It will report the cost of pipeline construction included in the initial inventory of property reported on ACV Form No. 5 which was constructed during the year as of which an initial valuation will be found by the Commission, or during the two previous years. ACV Forms No. 9 reporting this information shall be submitted with the data required to be filed in accordance with § 1260.1.

(2) It will provide the cost of pipeline constructed through December 1 of each year following the filing of initial inventory data, including the cost of pipeline constructed during the year and not placed in service as of the end of the period covered by the report. ACV Forms No. 9 reporting this data shall be filed with the Commission, in an original only, by each carrier, or agent, required to file reports of property changes under the requirements of Revised Supplement No. 8 to Valuation Order No. 3, Second Revised Issue. Such ACV Forms No. 9 shall be filed not later than February 1 following the end of the reporting year.

(b) The information to be recorded on ACV Form No. 9 shall be reported separately by each contract, and shall include data pertaining only to contracts completed. Report subcontracts separately only when subcontract amounts are not included in amounts reported in column 11 for prime contracts. The form shall be executed in typewritten form as follows:

(1) Enter an X in the ☐ Initial block when the form is prepared for the purpose set out in (a)(1) above. Show the year of construction on the For the Year ____ line when the form is used for the purpose stated in (a)(2) above.

(2) The Sheet No. ____ of ____ Sheets line shall be used to identify the number of sheets used for each account.

(3) Enter the name of the carrier, or agent, filing the form on the Report Filed by _____ line and, on the Property Used by _____ line, the name of the carrier or system using, or which will use, the pipeline covered by the report.

(4) Enter account 105 or 155, as appropriate, on the Account No. ____ line.

(5) For forms prepared to show the information referred to in (a)(1) above, re-

port in column 1 the year in which the pipeline construction was completed. Leave this column blank when the form is prepared to report the data referred to in (a)(2) above.

(6) In column 2 show the name of the contractor, or subcontractor, and the contract number or other identity.

(7) Enter in columns 3 and 4 the geographical location of the terminal points of the pipeline constructed under the contract. Identify all states through which the pipeline runs.

(8) Show in column 5 the linear feet of pipeline constructed between the termini shown in columns 3 and 4.

(9) In columns 6 and 7 enter, respectively, the average depth and width, in inches, of the trench in which the line pipe was placed.

(10) Provide in columns 8 and 9 the descriptive matter called for pertaining to the line pipe used in the construction of the pipeline. In recording pipe diameter in column 8 show the inside measurement for pipe having diameters up to and including 12"; for pipe having diameters in excess of 12" show the outside measurement.

(11) Enter in column 10 the average number of miles it was required to haul line pipe during construction from rail point, pipe yard or other storage location to point of installation.

(12) Record in column 11 the amount of the contract covering the construction referred to in the preceding columns. Where claims by contractors for amounts in excess of the contract are in negotiation or litigation provide details. Identify, also, duplicate or extra costs, such as moving equipment, incurred by subsequent contractors as a result of failure to perform under the original contract.

(13) Show in column 12 the total expenditures incurred by the carrier, or carriers, incident to the construction over and above the amount of the contract.

(14) Show in columns 13 through 17, to the nearest hundredth of a cent, the cost per linear foot of performing the operations identified in the captions of these columns. Record contract and carrier costs on separate lines. Include as clearing and grubbing expenditures in the amount reported in column 13 only those applicable to areas where it is necessary to remove trees and heavy brush, and not for the entire right-of-way. Include the cost of the following operations in the amount reported in column 15: pilot road grading, hauling and stringing pipe, ditching, laying pipe, backfilling, and inspecting and testing pipe. Include in the amount reported in column 16 only those overhead expenditures defined in § 1260.6. Include in the amount reported in column 17 all other pipeline construction costs not provided for in columns 13 through 16, such as damages, cathodic protection, pipe supports, line markers, etc.

(15) Report in column 18 the total of amounts reported in columns 13 through 17. Total cost per linear foot reported separately in this column, representing contract cost and carrier cost, when multiplied by the linear feet reported in column 5 must agree with amounts reported in columns 11 and 12, respectively.

(16) Immediately below the data entered in the columns of ACV Form No. 9 in accordance with the above, provide the following information in narrative form:

(i) Describe the method used in applying coating referred to in column 14 and state whether it was applied at the factory, storage point or trench site. Also describe the kind of coating including the number and type of enamels, wraps, etc.

(ii) Describe the pipeline right-of-way terrain. Include in such description whether the land in the area of construction is isolated, hilly, mountainous, flat or swampy; whether forest or pasture land or otherwise under cultivation; whether the soil is sandy, rocky, loamy, etc.; and, when necessary, whether water crossings were submerged or overhead, and the identity of the body of water crossed. State also whether the construction area was congested, such as cities or towns, etc.

(iii) Discuss any other conditions encountered during construction which will aid in evaluating the cost data presented.

(c) If there was no pipeline construction during the year covered by the report, so indicate on a separate ACV Form No. 9 showing the accounts in which there was no such activity.

§ 1260.105 Maps.

(a) Right-of-way maps shall be filed for each valuation section. These maps, which shall be 17" x 11" in size, shall be drawn to a scale suitable for clearly identifying what is depicted on the maps. An arrow shall be placed on each map showing the north bearing. The following information shall be shown on each map:

(1) The general direction and approximate geographical location of the line shall be shown, the latter by identifying the state and county, and the city, village, town, township or section, or other geographical identity, through which the line runs, or to which the line is adjacent.

(2) Pipe in the line shall be identified by manufacturer, kind, diameter, weight in pounds per foot, and whether new or secondhand when laid. Loops and parallel lines shall be identified, as shall crude and products lines.

(3) All buildings including offices, pumping stations, and terminals shall be shown; also, tanks and tank areas, bridges, radio and microwave towers and telegraph and telephone lines where includible on the map as drawn, casing locations, and equipment which is not housed in or constituting a part of pumping stations or terminals, such as isolated pumps or gate valves. Where available, carrier assigned numbers or other identification shall be shown for this property depicted on the map.

(4) The beginning and ending survey station numbers assigned to the area depicted on the map shall be shown, as well as such intervening survey station numbers as will establish the location of structures, equipment, and tank and storage areas identified on the map. The beginning and ending survey station numbers assigned to land maps shall also be shown.

(5) Bodies of water shall be identified, and the land area through which the line runs shall be described to indicate whether it is hilly, mountainous or swampy, or in forest or pasture or otherwise under cultivation, and whether it is loamy, sandy or rocky. Other physical features of the terrain traversed by the pipeline shall be identified. Railroads, highways, roads, trails, fences, transmission lines, etc., including those which cross the line, shall also be identified. The beginning and ending survey station numbers shall be shown at the points at which the pipeline crosses or intersects the above described physical features.

(6) In most cases, it will be necessary to prepare a number of maps for a single valuation section. Such multiple maps shall be consecutively numbered beginning with number 1 for each valuation section, and shall show the total number of maps prepared for the valuation section, such as 1 of 10.

(7) There shall be shown in the bottom right-hand corner of each map, in the following order, the name of the carrier or agent filing the map, the state and valuation section identity, the map number, the beginning and ending survey station numbers shown on the map, and the scale used. Do not include survey station numbers assigned to land maps.

(8) There shall also be shown on each map for the line presented thereon a pipeline footage summary by kind, construction, diameter and weight in pounds per foot. When summarizing screw end pipe increase the footage by 1 percent for screwage and show the total footage including the screwage. Show, separately, the screwage included in the total footage. Show crude and product footage separately. The summary shall be also stated separately for new and secondhand pipe, these classifications to be interpreted as being representative of the pipe when installed.

(9) There shall also be presented on each map a summary of pipeline construction items identified thereon such as casings, vents, pipe supports, fences cut, drains cut, river weights, riprap, valve boxes, danger signs, line markers, piling, concrete, etc.

(10) From the above summaries ACV Form No. 5, headed "Map Summary Totals," shall be prepared for each valuation section to total, by like item, the items included on each map summary. In developing each item total show the number of units of the item on each summary and the number of the map on which the summary is shown. Item totals thus developed must agree with those reported on ACV Forms No. 5 prepared in accordance with § 1260.100.

(11) In those cases where items of property, such as telegraph and telephone lines and microwave installations, are located a great distance from the pipeline right-of-way such property may be shown on one, or more, legible maps 17" x 11" in size.

(b) Land maps, covering land purchased for right-of-way purposes and land purchased to provide required areas for storage, structures and equipment, shall be filed for each valuation section. These maps, which shall be 17" x 11" in size, shall be drawn to scale, not less than 100' equals 1", and shall bear an arrow showing the north bearing. The following information shall be shown on each map:

(1) The geographical location of the land shall be shown by indicating the state and county, and the city, village, town, township or section, or other geographical identity, in which the land is located or to which the land is adjacent.

(2) The dimensions, expressed in linear feet, of each parcel of land identi-

filed in column 2 of ACV Form No. 6 shall be shown, and shall bear the number corresponding to that recorded in column 2 of ACV Form No. 6.

(3) Where known, the property lines and the names of the owners, and the utility, of adjoining property shall be shown.

(4) There shall be shown, in outline, on maps covering land purchased to provide required areas for storage, structures and equipment, the location of such property on such land, as well as the location and direction of discharge lines, only, for trunk lines, and the location and direction of all gathering lines. The location and direction of all trunk and gathering lines shall be shown, in outline, on maps covering land purchased for right-of-way purposes.

(5) The beginning and ending survey station numbers assigned to the land covered by the map shall be shown. These survey station numbers shall agree with those shown on right-of-way maps in accordance with paragraph (a)(4) of this section.

(6) Where it is necessary to prepare more than one map for a valuation section, number such multiple maps consecutively, beginning with number 1 for each valuation section, and show the total number of maps prepared for the valuation section, such as 1 of 5. Where a single map covers all the land within a given valuation section it shall be numbered 1 of 1.

(7) There shall be shown in the bottom right-hand corner of each map, in the following order, the name of the carrier or agent filing the map, the state and valuation section identity, the map number, and the beginning and ending survey station numbers shown on the map.

(c) Existing maps meeting the specifications enumerated in paragraphs (a) and (b) of this section may be filed in lieu of preparing new ones.

(d) As directed in § 1260.106 selected items of property identified on maps will be depicted in greater detail on plot plans, and § 1260.107 provides for describing more fully on sketches certain items of property shown on plot plans or maps.

§ 1260.106 Plot plans.

(a) Plot plans, 17" x 11" in size, and bearing an arrow to indicate the north bearing, shall be filed to depict graphically, by schematic drawing or diagram, the following property identified on maps:

(1) *Accounts 105 and 155.* Pipeline bridges.

(2) *Accounts 106, 156, and 176.* Buildings and station grounds.

(3) *Accounts 111 and 161.* Tanks and firewalls.

(4) *Accounts 112 and 162.* Loading racks, railroad tracks, docks and dredged areas.

(5) *Accounts 113, 163, and 183.* Radio and microwave towers.

(b) Plot plans shall be consecutively numbered beginning with number 1 for each valuation section. Show the total number of plot plans prepared for the valuation section, such as 1 of 4. There shall be shown in the bottom right-hand corner of each plot plan, in the following order, the name of the carrier or agent filing the plot plan, the state and valuation section identity, the number of the map showing the property depicted on the plot plan, the plot plan number, and the beginning and ending survey station numbers applicable to the property depicted on the plot plan.

§ 1260.107 Sketches.

(a) Sketches, 17" x 11" in size, shall be filed to describe in greater detail, as indicated below, the following items of property which are depicted on plot plans or maps:

(1) *Accounts 105 and 155.* Profiles of river beds for all crossings, including approaches, and floor plans and elevations for pipeline bridges.

(2) *Accounts 106, 156, and 176.* Floor plans and elevations for buildings.

(3) *Accounts 110 and 160.* Layout for station oil pipe and service pipe.

(4) *Accounts 112 and 162.* Layout for delivery facility oil pipe, and elevation and details for loading racks and docks.

(b) Sketches shall be consecutively numbered beginning with number 1 for each valuation section. Show the total number of sketches prepared for the valuation section, such as 1 of 6. There shall be shown in the bottom right-hand corner of each sketch, in the following order, the name of the carrier or agent filing the sketch, and state and valuation section identity, the number of the plot plan depicting the property described on the sketch (indicate on profiles of river beds for accounts 105 and 155 and on sketches prepared for property reported under accounts 110 and 160 the number of the map on which the property is identified), the sketch number, and the beginning and ending survey station numbers applicable to the property described on the sketch.

§ 1260.108 Photographs.

(a) Representative photographs in sufficient quantity and of such size and clarity as will adequately illustrate the property inventoried shall be filed to provide the following:

(1) Where available, examples of both usual and unusual types of pipeline construction in progress, including river crossings.

(2) Illustrations of right-of-way terrain.

(3) Pictures of property, excluding railroad tracks and dredged areas, for which plot plans are prescribed in § 1260.106; equipment reported under accounts 108 and 158; and instruments and gauges reported under accounts 110 and 160, and 112 and 162.

(4) Pictures of building interiors, pumping stations and terminals.

(b) Photographs shall be mounted and assembled in looseleaf book form on sheets 17" x 11". A cardboard cover shall be provided on which shall be recorded the name of the carrier or agent filing the photographs.

(c) The identity of the subject matter shall be entered beneath each photograph, followed by the geographical location of the property and the State and valuation section number. Show next the map number for photographs depicting pipeline construction and right-of-way terrain, or the plot plan number for photographs of property for which plot plans have been prescribed. Identify, last, for each photograph filed the survey station number, or numbers, which will provide the location on the related map of the property photographed.

§ 1260.109 Special notes.

The following supplemental information shall be presented in narrative form on 17" x 11" sheets:

(a) Provide, for each valuation section, a brief description of the topography of the country traversed by the pipeline, and the general direction, connecting points and termini of the line.

(b) The rainfall and climatic conditions, including any unusual weather encountered during construction.

(c) The number and location of material yards used during construction and the shortest distance to the line for each.

(d) Discuss, by valuation section, the character and depth of trench excavations.

(e) Report the results of any soil surveys made.

(f) An estimate of the remaining life of each oil field served by the pipeline.

(g) Describe any unusual conditions encountered during construction including, especially, those resulting in either unusually high or unusually low construction costs.

§ 1260.110 Identification of aids, gifts, grants or donations.

List, on a separate ACV Form No. 5, the State, valuation section and sheet number on which aids, gifts, grants or donations from private parties are reported on ACV Form No. 5 and on ACV Form No. 6 and by account number the cost, or appraised value, thereof. If no property was acquired by aid, gift, grant or donation enter the word "None" on this report.

§ 1260.111 Reconciliations.

(a) Carrier property: Carriers shall prepare an analysis of the difference between the original cost shown for "Grand Total incl. land and rights-of-way" in column 1 of ACV Form No. 7, and the closing balances in Account 1, Investment in carrier property (primary accounts 101 to 193 inclusive) and Account 2, Cost of organization, as of the effective date of the initial inventory. This analysis shall be in such form as to separately indicate, by subheadings, amounts included in the closing balances of accounts 1 and 2 but not included in the original cost shown for "Grand Total incl. land and rights-of-way" in column 1 of ACV Form No. 7 and vice versa. The details of items shown under each subheading shall be grouped under appropriate descriptive headings according to the nature of the difference.

(b) Noncarrier property: Carriers shall also prepare an analysis of the difference between the amount shown for "Total account 5" in column 1 of ACV Form No. 7 and the closing balance in Account 5, Miscellaneous physical property as of the effective date of the initial inventory.

(c) The above reconciliations shall be presented on ACV Form No. 5.

§ 1260.112 Corporate history and development of fixed physical property.

Report, on 17" x 11" sheets, the following information for the filing carrier and for each predecessor:

(a) Give name of corporation, company, or firm, date of incorporation, and date of organization. If corporation, state whether incorporated under general law or by special act. If incorporated under general law, state where articles of incorporation were filed. If incorporated by special act, give reference to the act.

(b) Describe the property, or portion of property, constructed by each corporation, company, or firm, and show as to each such property, or portion of property, as so constructed, the termini and mileage of each trunk line, the total mileage of gathering lines, the dates of construction, and the dates the property, or portion thereof, was dedicated to public use.

(c) State length of time any such property, or portion of property, was actually operated by any such corporation, company, or firm, giving, in each instance, date of beginning and date of conclusion of such operation.

(d) If any such corporation has gone out of existence, describe the proceedings by virtue of which the dissolution took place. If any such corporation is still in existence, state where its records are kept and give name and address of person who has custody of them.

(e) State fully the chain of title by which the present corporation acquired the property which it now owns or operates. In this connection list all leases, reorganization proceedings and other instruments bearing upon the corporate history.

PART 1261—REGULATIONS GOVERNING THE REPORTING OF PROPERTY CHANGES; PIPELINE CARRIERS

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FORMS

1263.300 List of forms.

AUTHORITY: The provisions of this Part 1261 issued under sec. 12, 24 Stat. 383, sec. 19a, 37 Stat. 701; 49 U.S.C. 12, 19a.

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

GENERAL

§ 1261.0 Regulations prescribed.

Each common carrier by pipeline subject to provisions of the Interstate Commerce Act is required to comply with regulations in this part in reporting property changes subsequent to the date fixed for the basic inventory of its property. This does not supersede provisions of Valuation Order No. 3—Second Revised Issue, effective January 1, 1919 (Part 1262 of this chapter) requiring all carriers to record and report property changes. Those requirements are adapted by regulations in this part to the terminology and property units peculiar to pipeline carriers, as contemplated by the provisions of sec. 23 of Valuation Order No. 3—Second Revised Issue (§ 1262.23 of this chapter).

§ 1261.1 Prescribed forms.

ACV Forms No. 1, 2, 3, and 4, as listed in § 1261.300, are used as prescribed by this part.

§ 1261.2 Preparation of forms.

Detailed instructions concerning the information to be reported on the forms are set out in §§ 1261.100 to 1261.103, and §§ 1261.200 to 1261.205.

§ 1263.3 Copies required.

The prescribed forms shall be filed with the Commission in an original only and one copy shall be retained by carriers for examination by Commission representatives. Copies of forms prepared by other than filing carriers, appropriately amended by filing carriers to indicate their identity and their designated valuation section numbers, may be filed in lieu of originals.

§ 1261.4 Geographical identity of property changes.

Changes relating to property which is not normally moved from place to place, or mobile property such as vehicles or other work equipment or other property which services a particular valuation section on a reasonably permanent basis, shall be identified with the valuation section and State in which the property is physically located at the end of the reporting period. Changes relating to mobile property servicing more than one valuation section of a State shall be reported as unallocated for the State in which such valuation sections are located. If mobile property services more than one State, changes affecting same shall be reported as unallocated for the carrier as a whole without State identity.

§ 1261.5 Carrier and noncarrier property defined.

Carrier property is that which is used exclusively for common-carrier purposes. Noncarrier property is that which is used exclusively for purposes other than those of a common carrier. These definitions are to be interpreted as disregarding incidental or immaterial use.

§ 1261.6 Reporting changes by class of carrier property.

Property changes shall be reported separately by use and ownership category of carrier property. These are defined as follows:

(a) Class 1: Property owned by a common carrier and used for common-carrier purposes. This class of property includes:

(1) Wholly owned and wholly used by the same carrier.

(2) Jointly owned and used by the same carriers.

(b) Class 2: Property owned by a common carrier but used by another common carrier for common-carrier purposes. This class of property includes:

(1) Wholly owned by one carrier but wholly used by another carrier.

(2) Wholly owned by one carrier but jointly used by other carriers.

(3) Jointly owned by carriers but wholly used by another carrier.

(4) Jointly owned by carriers but jointly used by other carriers.

(c) Class 3: Property used by a common carrier for common-carrier purposes but owned by another common carrier. This class of property includes:

(1) Wholly used by one carrier but wholly owned by another carrier.
(2) Wholly used by one carrier but jointly owned by other carriers.
(3) Jointly used by carriers but wholly owned by another carrier.
(4) Jointly used by carriers but jointly owned by other carriers.

(d) Class 4: Property used by a common carrier for common-carrier purposes but owned by other than a common carrier. This class of property includes:
(1) Wholly used by a carrier but wholly owned by a noncarrier.
(2) Wholly used by a carrier but jointly owned by noncarriers.
(3) Jointly used by carriers but wholly owned by a noncarrier.
(4) Jointly used by carriers but jointly owned by noncarriers.

(e) All possible ownership and use combinations have not been included in the examples set out under the four classes of property defined above. Questions concerning those omitted shall be submitted to the Commission by carriers on an individual case basis.

§ 1261.7 Responsibility for filing forms.

(a) Class 1 property:
(1) ACV Forms No. 1, 2, 3 and 4 shall be filed by the owning carrier.

(2) For agent operated jointly owned and used property, ACV Forms No. 1, 2 and 4 shall be prepared for the property as a whole by the agent operator. In addition to preparing these ACV Forms No. 1, 2 and 4, agent operators shall also prepare, for jointly owned and used property, ACV Forms No. 1 and 2 showing the proportionate share of original cost changes for the reporting period applicable to each jointly owning and using carrier. Separate forms shall be prepared for each state and the identity of the jointly owning and using carrier shall be entered on the Report Filed by _____, Property Owned by _____, and Property Used by _____ lines of the forms. The caption "Proportionate Share of the (Name of the system) Jointly Owned and Used" shall be entered in the body of the forms. Where acquisitions have occurred during the reporting period, enter the caption "Acquisitions" in column 6 of ACV Form No. 1, and in columns 6 and 13 of ACV Form No. 2. The affected primary accounts shall then be listed in column 1 of ACV Form No. 1 and in columns 1 and 11 of ACV Form No. 2. The valuation sections in which property changes have occurred shall be set out under the appropriate account numbers, and the original cost of additions and retirements applicable thereto shall be entered in the Original Cost columns of ACV Forms No. 1 and 2. Acquisitions, if any, shall be entered in the columns so headed. Totals shall be shown in these columns for each account.

(3) Agent operators shall also prepare for jointly owned and used property ACV Form No. 4 showing the proportionate share of cost of reproduction new and cost of reproduction new less depreciation, both including overhead, as of the end of the reporting period, applicable to each jointly owning and using carrier. A separate form shall be prepared for each state and the identity of the jointly owning and using carrier shall be entered on the Report Filed by _____, Property Owned by _____, and Property Used by _____ lines of the form. The caption "Proportionate Share of the (Name of the system) Jointly Owned and Used" shall be entered in the body of the form. The valuation sections of the state shall be listed in column 9 of the form and the related cost of reproduction new and cost of reproduction new less depreciation shall be recorded in columns 21 and 22, respectively.

(4) Agent operators shall file the ACV Forms No. 1, 2 and 4, prepared by them in accordance with the preceding paragraphs, with the Commission where they will be reviewed and retained. Upon the completion of this review agent operators will be so advised and will be provided with photocopies of all ACV Forms No. 1, 2 and 4 on which corrections are made by the Commission. Each jointly owning and using carrier shall then be provided by agent operators with two copies of ACV Forms No. 1, 2 and 4, other than those prepared for jointly owned and used property as a whole, one to be retained by the recipient carrier and the other to be filed with the Commission. Copies of ACV Forms No. 1, 2 and 4 prepared by agent operators for jointly owned and used property as a whole may be made available to jointly owning and using carriers by arrangement with agent operators.

(5) For nonagent operated jointly owned and used property, ACV Forms No. 1, 2 and 4 shall be prepared by one of the jointly owning and using carriers, and two copies of these forms shall be mailed by the carrier preparing them to each jointly owning and using carrier. The recipient carrier shall retain one copy of these forms and shall file the other with the Commission.

(6) For both agent and nonagent operated jointly owned and used property, the proportionate share of original cost changes reported on ACV Forms No. 1 and 2 shall be included in amounts reported on ACV Form No. 3, and the proportionate share of cost of reproduction new and cost of reproduction new less depreciation shall be listed on the ACV Form No. 4 summary.

(b) Class 2 and 3 property:

(1) ACV Forms No. 1, 2, 3 and 4 shall be filed by the owning carrier for class 2 property and by the using carrier for class 3 property. ACV Forms No. 1, 2 and 4 may be prepared by a wholly owning but not using carrier, or by a wholly using but not owning carrier. Two copies of these forms shall be mailed by the carrier preparing them to the wholly owning or to the wholly using carrier, as appropriate.

(2) For agent operated jointly owned but not used property, or for agent operated jointly used but not owned property, ACV Forms No. 1, 2 and 4 shall be prepared for the property as a whole by the agent operator. In addition to preparing these ACV Forms No. 1, 2 and 4, agent operators shall also prepare, for jointly owned but not used and for jointly used but not owned property, ACV Forms No. 1 and 2 showing the proportionate share of original cost changes for the reporting period applicable to each jointly owning or jointly using carrier. Separate forms shall be prepared for each state. For Class 2 property, the identity of the jointly owning but not using carrier shall be entered on the Report Filed by _____ and Property Owned by _____ lines, and the identity of the using carrier, or carriers, shall be entered on the Property Used by _____ line. For Class 3 property, the identity of the jointly using but not owning carrier shall be entered on the Report Filed by _____ and Property Used by _____ lines, and the identity of the owning carrier, or carriers, shall be entered on the Property Owned by _____ line. The caption "Proportionate Share of the (Name of the system) Jointly Owned but not Used, or Jointly Used but not Owned," as appropriate, shall be entered in the body of the forms. Where acquisitions have occurred during the reporting period, enter the caption "Acquisitions" in column 6 of ACV Form No. 1, and in columns 6 and 13 of ACV Form No. 2. The affected primary accounts shall then be listed in column 1 of ACV Form No. 1 and in columns 1 and 11 of ACV Form No. 2. The valuation sections in which property changes have occurred shall be set out under the appropriate account numbers, and the original cost of additions and retirements applicable thereto shall be entered in the Original Cost columns of ACV Forms No. 1 and 2. Acquisitions, if any, shall be entered in the columns so headed. Totals shall be shown in these columns for each account.

(3) Agent operators shall also prepare for jointly owned but not used, and for jointly used but not owned, property ACV Form No. 4 showing the proportionate share of cost of reproduction new and cost of reproduction new less depreciation, both including overhead, as of the end of the reporting period, applicable to each jointly owning but not using, and jointly using but not owning, carrier. A separate form shall be prepared for each state. The lines Report Filed by _____, Property Owned by _____, and Property Used by _____ shall be filled in as directed in the preceding paragraph, and the caption "Proportionate Share of the (Name of the system) Jointly Owned but not Used," or "Jointly Used but not Owned," as appropriate, shall be entered in the body of the form. The valuation sections of the State shall be listed in column 9 of the form and the related cost of reproduction new and cost of reproduction new less depreciation shall be reported in columns 21 and 22, respectively.

(4) Agent operators shall file the ACV Forms No. 1, 2 and 4, prepared by them in accordance with the preceding paragraphs, with the Commission where they will be reviewed and retained. Upon

the completion of this review agent operators will be so advised and will be provided with photocopies of all ACV Forms No. 1, 2 and 4 on which corrections are made by the Commission. Each jointly owning but not using, and each jointly using but not owning carrier shall then be provided by agent operators with two copies of ACV Forms No. 1, 2 and 4, other than those prepared for jointly owned but not used and jointly used but not owned property as a whole, one to be retained by the recipient carrier and the other to be filed with the Commission. Copies of ACV Forms No. 1, 2 and 4 prepared by agent operators for jointly owned but not used, or for jointly used but not owned property as a whole may be made available to jointly owning or jointly using carriers by arrangement with agent operators.

(5) For nonagent operated jointly owned but not used or jointly used but not owned property, ACV Forms No. 1, 2 and 4 shall be prepared by one of the jointly owning or jointly using carriers, and two copies of these forms shall be mailed by the carrier preparing them to each jointly owning or jointly using carrier. The recipient carrier shall retain one copy of these forms and shall file the other with the Commission.

(6) For both agent and nonagent operated jointly owned but not used, or jointly used but not owned property, the proportionate share of original cost changes reported on ACV Forms No. 1 and 2 shall be included in amounts reported on ACV Form No. 3, and the proportionate share of cost of reproduction new and cost of reproduction new less depreciation shall be listed on the ACV Form No. 4 summary.

(c) Class 4 property:

(1) ACV Forms No. 1, 2, 3 and 4 shall be filed by the using carrier.

(2) For agent operated jointly used but not owned property, ACV Forms No. 1, 2 and 4 shall be prepared for the property as a whole by the agent operator. In addition to preparing these ACV Forms No. 1, 2 and 4, agent operators shall also prepare, for jointly used but not owned property, ACV Forms No. 1 and 2 showing the proportionate share of original cost changes for the reporting period applicable to each jointly using carrier. Separate forms shall be prepared for each state. The identity of the jointly using but not owning carrier shall be entered on the Report Filed by ---------- and Property Used by ---------- lines of the forms, and the identity of the owner, or owners, of the property shall be entered on the Property Owned by ---------- line of the form. The caption "Proportionate Share of the (Name of the system) Jointly Used but not Owned" shall be entered in the body of the forms. Where acquisitions have occurred during the reporting period, enter the caption "Acquisitions" in column 6 of ACV Form No. 1, and in columns 6 and 13 of ACV Form No. 2. The affected primary accounts shall then be listed in column 1 of ACV Form No. 1 and in columns 1 and 11 of ACV Form No. 2. The valuation sections in which property changes have occurred shall be set out under the appropriate account numbers, and the original cost of additions and retirements applicable thereto shall be entered in the Original Cost columns of ACV Forms No. 1 and 2. Acquisitions, if any, shall be entered in the columns so headed. Totals shall be shown in these columns for each account.

(3) Agent operators shall also prepare for jointly used but not owned property ACV Form No. 4 showing the proportionate share of cost of reproduction new and cost of reproduction new less depreciation, both including overhead, as of the end of the reporting period, applicable to each jointly using but not owning carrier. A separate form shall be prepared for each state. The identity of the jointly using but not owning carrier shall be entered on the Report Filed by ---------- and Property Used by ---------- lines of the form, and the identity of the owner, or owners, of the property shall be entered on the Property Owned by ---------- line of the form. The caption "Proportionate Share of the (Name of the system) Jointly Used but not Owned" shall be entered in the body of the form. The valuation sections of the state shall be listed in column 9 of the form and the related cost of reproduction new and cost of reproduction new less depreciation shall be recorded in columns 21 and 22, respectively.

(4) Agent operators shall file the ACV Forms No. 1, 2 and 4, prepared by them in accordance with the preceding paragraphs, with the Commission where they will be reviewed and retained. Upon the completion of this review agent operators will be so advised and will be provided with photocopies of all ACV Forms No. 1, 2 and 4 on which corrections are made by the Commission. Each jointly using but not owning carrier shall then be provided by agent operators with two copies of ACV Forms No. 1, 2 and 4, other than those prepared for jointly used but not owned property as a whole, one to be retained by the recipient carrier and the other to be filed with the Commission. Copies of ACV Forms No. 1, 2 and 4 prepared by agent operators for jointly used but not owned property as a whole may be made available to jointly using but not owning carriers by arrangement with agent operators.

(5) For nonagent operated jointly used but not owned property, ACV Forms No. 1, 2 and 4 shall be prepared by one of the jointly using carriers, and two copies of these forms shall be mailed by the carrier preparing them to each jointly using carrier. The recipient carrier shall retain one copy of these forms and shall file the other with the Commission.

(6) For both agent and nonagent operated jointly used but not owned property, the proportionate share of original cost changes reported on ACV Forms No. 1 and 2 shall be included in amounts reported on ACV Form No. 3, and the proportionate share of cost of reproduction new and cost of reproduction new less depreciation shall be listed on the ACV Form No. 4 summary.

(d) Forms filed with the Commission shall report all property changes whether made by the owning or by the using carrier.

(e) To assure the prompt review and early return by the Commission of the ACV Forms pertaining to agent operated property required by this Section to be mailed to the Commission, such forms shall be mailed as soon after the close of the reporting year as practicable.

(f) A summary by class of property shall be filed by each carrier on ACV Form No. 4, prepared in accordance with § 1261.103 (d) and (e).

§ 1261.8 Reporting period and filing date.

The forms shall be prepared as of December 31 of each year, shall be filed with the Commission not later than the next succeeding September 30, and shall cover property changes occurring since the date of basic inventory or since the date of the lates previously filed forms.

§ 1261.9 Out-of-service property.

Property temporarily out of service, and held under a definite plan for pipeline operations within a reasonable period of time, shall not be reported as a retirement or reported separately. Out-of-service property not meeting these criteria shall be reported as a retirement.

§ 1261.10 Transfers between category of property.

Transfers between carrier and noncarrier property, between classes of carrier property, or between primary accounts, shall be reported separately as additions and retirements and shall be clearly identified as such.

§ 1261.11 Exceptions.

Exceptions taken by the Commission to property transactions recorded or reported on forms prescribed by Valuation Order No. 3, or Supplements or Revisions thereto, fall into two categories: those evidenced by corrections made by the Commission on ACV Forms filed by carriers; and those made the subject of a letter of exception. Carriers will be provided with photocopies of ACV forms in the former category, and such forms shall supersede and shall replace in the files of carriers the related ACV forms originally filed. No further action need be taken by carriers on exceptions in this category. Exceptions made the subject of a letter of exception shall be processed on the first ACV forms prepared following the receipt of such a letter, and reference shall be made on the forms to the letter directing the action.

§ 1261.12 Reconciliations.

(a) Carrier property: Carriers shall prepare and submit on ACV Form No. 1 an analysis of the difference between the closing balance of original cost shown in column 5 of ACV Form No. 3 for owned property and the closing balance in Account 1, Investment in Carrier Property (primary accounts 101 to 193, inclusive) and Account 2, Cost of Organization at

the end of the reporting period. This analysis shall be in such form as to separately indicate by subheadings, amounts included in Accounts 1 and 2 but not included in the closing balance of original cost at the end of the reporting period, and amounts included in the closing balance of original cost but not included in Accounts 1 and 2 at the end of the reporting period. The details of items under each subheading shall be grouped under appropriate descriptive headings according to the nature of the difference.

(b) Noncarrier property: Carriers shall also prepare and submit on ACV Form No. 1 a reconciliation statement showing an analysis of the difference between the closing balance of original cost shown in column 5 of ACV Form No. 3 for owned property and the closing balance in Account 5, Miscellaneous Physical Property at the end of the reporting period.

§ 1261.13 Valuation sections.

Valuation section identity shall be determined as of the date of original valuation, or subsequent thereto when appropriate, subject to the approval of the Commission.

§ 1261.14 Corrections of additions or retirements previously reported.

In reporting corrections of additions or retirements previously reported, the adjusting entry in the current report shall be shown as an increase or as a decrease in the same column in which the original item was reported.

§ 1261.15 Ancillary documents.

The following documents referred to in these regulations will be supplied by the Bureau of Accounts:

1947 Period Guide Prices and Annual and Period Indices.
Schedule of Annual and Period Indices.
Pipeline Condition Percent Table.
Schedule of Element Codes and Guide Service Lives.
Table of Index Reciprocals.
Schedule of ratios of Freight Rates to Delivered Prices of Pipe.

§ 1261.16 Assembling and numbering forms.

(a) To facilitate the review and processing of ACV forms they shall be assembled in the following order prior to their being filed with the Commission:

(1) ACV Form No. 1 bearing the carrier's certification and the identity of the forms filed.

(2) ACV Form No. 1 containing the narrative statement pertaining to significant changes which occurred during the reporting period.

(3) ACV Form(s) No. 1 presenting the Reconciliation Statement for carrier property.

(4) ACV Form(s) No. 1 presenting the Reconciliation Statement for noncarrier property.

(5) ACV Forms No. 3 followed by the ACV Form No. 4 summary. ACV Forms No. 3 shall be arranged as follows:

(i) Class 1 property.

(ii) Class 2 property: Assemble alphabetically by lessee.

(iii) Class 3 and 4 property: Assemble alphabetically by lessor without regard to class of property.

(6) ACV Forms No. 1, 2 and 4 prepared by the filing carrier and those prepared by other than the filing carrier, covering property changes for the reporting period, shall be grouped together by form number in the above order. ACV Form No. 2 listing by state those valuation sections in which there were no property changes for the reporting period shall be placed ahead of the ACV Forms No. 2 reporting property changes. Each group of forms thus assembled shall include all classes of property in the following order:

(i) Class 1 property: For wholly owned and used property, assemble forms alphabetically by state and under each state by gathering, trunk, and general valuation sections grouped separately, with each group in valuation section number order. Arrange forms so grouped by primary account number. For jointly owned and used nonagent operated property, assemble forms for each such property in the same order prescribed for wholly owned and used property, and file alphabetically by jointly owned and used property identity immediately following the forms for wholly owned and used property for the corresponding state. For jointly owned and used agent operated property, assemble forms alphabetically by state and thereunder alphabetically by system, and file immediately following the forms for jointly owned and used nonagent operated property for the corresponding state.

(ii) Class 2 property: For wholly owned but not used, and jointly owned but not used nonagent operated property, assemble forms alphabetically by lessee and thereunder alphabetically by state, the latter in the manner prescribed above for wholly owned and used Class 1 property. Interfile with these forms, alphabetically by lessee and thereunder alphabetically by state, forms for jointly owned but not used agent operated property.

(iii) Class 3 and 4 property: For wholly used but not owned, and jointly used but not owned nonagent operated property, assemble forms alphabetically by lessor, without regard to class of property, and thereunder alphabetically by state, the latter as prescribed above for wholly owned and used Class 1 property. Interfile with these forms alphabetically by lessor, also without regard to class of property, and thereunder alphabetically by state, forms for jointly used but not owned agent operated property.

(b) ACV Forms assembled in accordance with the foregoing shall be numbered consecutively beginning with ACV Form No. 1 referred to in paragraph (a)(1) of this section and ending with the last ACV Form No. 4 assembled under paragraph (a)(6) of this section. These consecutive numbers shall be shown in the top right-hand corner of the forms and shall be in addition to the numbers prescribed to be entered on the Sheet No. _____ of _____ Sheets line of the ACV forms.

§ 1261.17 Location sketches.

A sketch, or sketches, 17" x 11" in size, which need not be drawn to scale, shall be submitted showing, by valuation section, the approximate geographical location of trunk lines and pumping stations. Trunk lines shall be identified by crude or product, and loop or parallel lines shall be shown. The pumping station identity assigned by the carrier shall be indicated and cities adjacent thereto shall be shown. Indicate for gathering lines only the general areas served. It will not be necessary to submit a separate sketch for each valuation section. A single sketch for an entire state will suffice where a carrier's pipelines and pumping stations are located in one state. Where it can be produced legibly, a single sketch will also be acceptable where a carrier operates in a number of contiguous states. Following the initial submission of sketches it will be necessary thereafter to submit corrected sketches only to reflect significant changes such as added pumping stations, entry into a new field, construction of parallel or loop trunk lines, or trunk line extensions or connections.

§ 1261.18 Amendments and deviations.

Only those amendments to or deviations from the regulations prescribed by this part as may be directed by the Commission are authorized.

FORMS INSTRUCTIONS

§ 1261.100 Property changes other than land and rights-of-way.

Instructions for the preparation of ACV Form No. 1 Statement of Property Changes other than Land and Rights-of-Way.

(a) The data to be reported on this form should be typewritten. However, the form may be prepared manually where such method will assure legibility and permanency. Where the form is prepared manually, required additional horizontal lines shall be provided at the time of printing to aid in its preparation and to improve its legibility. A new sheet shall be started for each primary account. When ACV Form No. 1 is used to report changes in noncarrier property, the primary account numbers used for carrier property shall also be employed to facilitate the identification of such changes. With the exception of column 1, all entries on the form shall be double spaced. Additions and retirements shall be reported on separate lines. If there have been no property changes in a given valuation section for the reporting period, a form shall be prepared for each such valuation section bearing the statement "No Property Changes." When a major addition to, or a major replacement of a portion of, a unit of existing property occurs, report as a retirement the entire unit of property affected by the action and, in the case of a major addition, report as an addition both the property so retired and the addition made; in the case of a major replacement, report as an addition both the

property retired less the replaced portion, and the replacing portion. For additions or retirements of pipe for accounts 103, 153, 110, 160, 112 and 162 report both the gross linear footage, and the related screwage included in such gross linear footage. To facilitate the preparation and verification of the Pipeline Footage Change Summary, segregate additions and retirements for the above accounts for trunk lines by crude and product, and thereunder separately by line, loops and other. Segregate, also, and report separately additions and retirements for all gathering lines and, if reported, service pipe. Except for service pipe, show both gross linear footage and related screwage totals for additions and for retirements for each of the above segregations.

(b) A single copy of the form shall be used to set forth the following statement which shall be signed by a responsible officer of the carrier preparing the reports:

The forms identified hereon have been carefully examined by the undersigned who declares that they have been prepared in accordance with regulations issued by the Interstate Commerce Commission.

(Signature)

(Title)

(Date)

There shall also be set forth on this copy the identity and the number of forms filed. To assure the receipt of such forms this information shall be presented in such manner as to permit ready verification. A single copy of the form shall also be used to present in narrative form a summary of significant changes which occurred during the reporting period. Record the statement "No significant changes during reporting period" when appropriate.

(c) Sheet No. 1 of ACV Form No. 1 of each valuation section shall be used to identify the primary accounts, by account number only, in which property changes are reported for the valuation section. Footage change totals reported for accounts 103, 153, 110, 160, 112 and 162 in accordance with § 1261.100(a) shall also be summarized on this sheet as follows:

PIPELINE FOOTAGE CHANGE SUMMARY [1]

	Trunk Lines						All gath. lines	
	Line		Loops		Other			
	Adds.	Rets.	Adds.	Rets.	Adds.	Rets.	Adds.	Rets.
Account No.								
Less Screwage								
Account No.								
Less Screwage								
Account No.								
Less Screwage								
Totals [2]								
Equivalent Miles								

[1] Indicate whether Crude or Products for trunk lines.
[2] Show footage totals, less screwage, for all accounts. Convert to miles, to the nearest thousandth, and record results on the Equiv. Miles line. Enter these miles on the Pipeline Mileage Statement.

This same sheet shall also set forth a statement of changes in pipeline mileage occurring between the current and the next previously filed statement. This information shall be presented in the following form:

PIPELINE MILEAGE STATEMENT

(In Thousandths)

	At beginning of period	During period		At end of period
		Adds.	Rets.	
Trunk Lines:				
Crude:				
Line				
Loops				
Other				
Totals				
Products:				
Line				
Loops				
Other				
Totals				
All Gathering Lines				

The Pipeline Footage Change Summary and the Pipeline Mileage Statement shall be prepared to include only the category of pipeline being reported, i.e. Trunk Lines—Crude; or Trunk Lines—Products; or All Gathering Lines, as appropriate. It will not be necessary to include the inapplicable portions of the formats shown.

(d) When ACV Form No. 1 is used to report changes affecting jointly owned or jointly used property enter on Sheet No. 1, for each valuation section, an asterisk (*) on the Property Owned by ---------- and Property Used by ---------- line and, in the body of the form, the identity of both the owning and the using carriers and the percentage of their respective owning or using interest.

(e) ACV Form No. 1 shall be executed as follows:

(1) *Statement of Property Changes From ---------- To ----------.* Indicate the beginning and ending dates of the period covered by the report.

(2) ☐ *Carrier Property* ☐ *Noncarrier Property.* Place an X in the appropriate block to identify the property being reported. Data shall not be recorded in columns 4, 6, 8, 9, 10 and 12 of ACV Form No. 1 when reporting property changes for noncarrier property.

(3) *Report Filed by ---------- Property Owned by ---------- Property Used by ----------.* Enter appropriate identifications. Where jointly owned or jointly used property is being reported, enter an asterisk (*) on the Property Owned by ---------- and Property Used by ---------- line to indicate that the identity of the owning and the using carriers is set out on Sheet No. 1 for the valuation section, as directed in (d) above.

(4) *State ---------- Val. Sec. ----------.* Identify the state and valuation section in which the property changes being reported occurred. Enter the word "Unallocated" on the Val. Sec. ---------- line for mobile property servicing more than one valuation section of the state. Enter the word "Unallocated" on the State ---------- line for mobile property servicing more than one state, leaving the Val. Sec. ---------- line blank.

(5) *Sheet No. ------ of ------ Sheets.* Except when the form is used as a summary or as otherwise directed, the use of this line shall be restricted to identifying the sheets relating to the valuation section indicated on the line above on the form. It shall not be used for the consecutive numbering of all sheets constituting the complete carrier's report of all property changes for the reporting period. When the form is otherwise used this line shall identify the sheets so used.

(6) *Columns 1 and 3.* Property additions described in these columns shall be expressed as prescribed in the 1947 Period Guide Prices and Annual and Period Indices. When reporting significant additions, such as additional pipeline construction, excluding loops, or newly constructed buildings, file with related ACV Forms No. 1 right-of-way maps and station plats for pipeline construction, and floor plan sketches and pictures for buildings. Property retirements need not be described in complete detail. A general description, including the carrier's property number, will suffice. Include in column 1, however, for retirements, the identity of the B.V. Form 590 which reported, as a basic inventory item, the property being retired; include also the the identity of the Statement of Property Changes which reported, as an addition, the property being retired. When reporting additions to existing property, such as an addition made to an existing building or tank, indicate this same identity for the existing property to which the addition was made. Report, also, the date of installation of the existing property in column 1. Identify secondhand property and station piping clearly as such in column 1, and indicate the applicable freight rates for accounts 103, 105, 110, 112, 153, 155, 160 and 162. Show in column 1 the computation of the factor and the quotient referred to in (8) below.

(7) *Column 2.* Enter for both additions and retirements the year, including the current year, the property was dedicated to public service. This shall be construed as the year in which the property was first placed in common-carrier service by a carrier, and this date shall also govern when reporting carrier property transactions for each successive owning or using common carrier. Record dates for additions, only, for accounts 104 and 154. When the year of dedication to public service differs from the year the property was actually installed indicate, also, the latter year in column 1. This requirement shall apply equally to property installed by previous owners. Where the precise year cannot be determined enter the best estimate. When showing these dates only the last two digits of the year need be shown. Thus, 1956 may be indicated by 56.

(8) *Column 4.* Enter applicable unit price from the 1947 Period Guide Prices and Annual and Period Indices. Where period guide prices have not been established enter appropriate annual index from this same document, or the corresponding reciprocal from the Table of Index Reciprocals. For retirements from accounts 104 and 154 enter factor, determined by dividing cumulative cost of reproduction new by cumulative original cost, both as of the end of the next previous reporting period. For retirements of construction damages from accounts 105 and 155, enter the quotient of cumulative cost of reproduction new divided by related

lineal feet of line pipe, both as of the end of the next previous reporting period. All entries in this column shall be used as multipliers.

(9) *Columns 5 and 11.* Enter the number of units applicable to the property described in columns 1 and 3. Leave these columns blank where the unit in column 3 is Lot.

(10) *Column 6.* Enter, to the nearest dollar, the product of column 5 times column 4. This will represent the cost of reproduction new at 1947 period prices. Entries shall not be made in this column for overhead items.

(11) *Columns 7 and 13.* Enter in these columns, to the nearest dollar, the original cost of each unit, or the aggregate cost of all units, reported in related columns 5 and 11, or the original cost of each lot reported in column 3. The term original cost shall be interpreted to mean the actual cost of property to a carrier at the time of its initial dedication to public use. Overhead items shall be stated separately and shall be clearly defined and identified as such in column 1.

(12) *Columns 8 and 9.* The data to be entered in these columns shall be taken from the Schedule of Element Codes and Guide Service Lives. Where property is to be depreciated to a 50 percent minimum indicate an asterisk (*) after the guide service life in column 9. Service life shall not be shown in column 9 for accounts 104, 105, 154 and 155, nor for element code 124 of accounts 111 and 161.

(13) *Column 10.* Enter applicable percent for additions or retirements from the Pipeline Condition Percent Table. Indicate 100 percent when appropriate. Except as may be otherwise approved by the Commission in individual cases, additions to existing property, such as an addition to an existing building or tank shall follow the condition percent of the property to which it is added. Condition percent for accounts 104 and 105, and, 154 and 155, shall not be shown in this column since the condition percent of these accounts follows the condition percent of accounts 103 and 153, respectively. Omit condition percent also for element code 124 of accounts 111 and 161, since the condition percent for this element represents a composite of the condition percents of the remaining tank elements of accounts 111 and 161.

(14) *Column 12.* Enter, to the nearest dollar, the product of column 11 times column 4. This will represent the cost of reproduction new at 1947 period prices. Entries shall not be made in this column for overhead items.

(f) A total shall be shown on this form, at the end of each account, for columns 6, 7, 12 and 13. The amount of property changes reported in columns 6 and 12 shall then be summarized, by element code, and the summaries entered in these columns below the total, with the appropriate element code, service life, and weighted average condition percent being shown in columns 8, 9 and 10, respectively. Caption this summary "Distribution of columns 6 and 12." The total of amounts summarized by code in columns 6 and 12 must agree with the totals shown at the end of the account for these columns, and this summary shall serve as the posting medium for entries to be made in columns 7, 8, 9 and 10 of ACV Form No. 4.

(g) For jointly owned or jointly used property, the owning and the using percentages set out on Sheet No. 1 for the valuation section shall be applied to the totals prescribed in the preceding paragraph to be shown at the end of each account for columns 7 and 13. The percentages and resultant amounts shall be shown and identified by each owning and each using carrier.

(h) ACV Form No. 1 reporting changes to jointly owned or jointly used property representing less than a valuation section shall report the complete property change. There shall then be indicated on the form the identity of the participating carriers and their owning or using percentage of interest. The appropriate percentage shall then be applied to the totals prescribed to be shown at the end of each account for columns 7 and 13, and by element code for columns 6 and 12. The resultant amounts shall be shown and identified by each owning or using carrier, and two copies of ACV Form No. 1 shall be mailed by the carrier reporting the change to each participating carrier, one to be retained and the other to accompany related forms filed with the Commission. In the case of joint projects involving expenditures not exceeding $5,000.00 each, expenditures representing the portion borne by the carrier may be grouped for the entire valuation section and the total reported as a lot. Joint projects involving expenditures exceeding $5,000.00 each shall be described in complete detail, including the total cost of the project, the identity and percentage of participation, and the number of units, in column 1 of ACV Form No. 1 and the carrier's share of the expenditure reported in total in columns 6, 7, 12 or 13.

(i) See §§ 1261.201 to 1261.205 for instructions covering purchase, sale, merger, consolidation or reorganization actions.

§ 1261.101 Land and rights-of-way property changes.

Instructions for the preparation of ACV Form No. 2—Statement of Land and Rights-of-Way Property Changes.

(a) The data to be reported on this form shall be typewritten. When ACV Form No. 2 is used to report changes in noncarrier property, the primary account numbers used for carrier property shall also be employed to facilitate the identification of such changes. If there have been no property changes in a given valuation section for the reporting period, it will not be necessary to prepare ACV Form No. 2 for such valuation sections. Prepare, instead, a single copy of the form listing thereon by state the valuation sections in which there were no property changes for the reporting period. All classes of property shall be included on this copy. When the form is used to report changes affecting jointly owned or jointly used property enter on Sheet No. 1, for each valuation section, an asterisk (*) on the Property Owned by _____ and Property Used by _____ lines and, in the body of the form, the identity of both the owning and the using carriers and the percentage of their respective owning or using interest.

(b) Instructions set out in § 1261.100 (h) pertaining to the manner of preparing ACV Form No. 1 covering changes in jointly owned or jointly used property representing less than a valuation section, or when used to report joint projects, shall also apply in the preparation of ACV Form No. 2.

(c) Maps, prepared in accordance with the specifications set out in Valuation Order No. 26, showing land additions and retirements, shall be filed with ACV Form No. 2 for both carrier and noncarrier property. Land additions and retirements shall also be indicated on carriers' copies of maps. Maps will not be required to be filed where an entire parcel, previously reported, is retired.

(d) In reporting land acquisitions having an original cost of $500.00 or less per individual acquisition, group such acquisitions by county and report original cost and related areas by county total, and identify the county in column 17. It will not be necessary to file maps for acquisitions so reported. Undeveloped land having an original cost of $500.00 or less per lease, leased to a carrier or to a noncarrier, or leased from a carrier, shall not be reported. Undeveloped land leased from a noncarrier having an annual rental of $500.00 or less shall not be reported. When reporting undeveloped land leased from a noncarrier having an annual rental in excess of $500.00 omit original cost. Regardless of the original cost or annual rental amount, land shall be reported where the property leased includes improvements. Exclude, however, original cost when reporting such land leased from a noncarrier. See paragraph (f) of this section for instructions governing the treatment to be accorded leased land for agent or nonagent operated jointly owned or jointly used property. Portions of land owned and no longer used for common-carrier purposes, and having an original cost of $500.00 or less per portion, shall be regarded as incidental and immaterial with respect to its noncarrier category, and such portions shall not be transferred to noncarrier property.

(e) ACV Form No. 2 shall be executed as follows:

(1) From _____ To _____. Indicate the beginning and ending dates of the period covered by the report.

(2) ☐ *Carrier Property* ☐ *Noncarrier Property.* Place an X in the appropriate block to identify the property being reported.

(3) *Report Filed by* _____ *Property Owned by* _____ *Property Used by* _____. Enter appropriate identifications. Where jointly owned or jointly used property is being reported, enter an asterisk (*) on the Property Owned by _____ and Property Used by _____ line to indicate that the identity of the owning and the using carriers is set out on Sheet No. 1 of ACV Form No. 2 for the valuation section, as directed in (a) above.

(4) *State* _____ *Val. Sec.* _____. Identify the state and valuation section in which the property changes being reported occurred.

(5) *Sheet No.* _____ *of* _____ *Sheets.* This line shall identify the sheets relating to the valuation section, only, indicated on the line above on the form.

(6) *Column 1.* Enter the number of the land map assigned by the carrier.

(7) *Column 2.* Indicate the number assigned to the parcel, or parcels, on the map identified in column 1.

(8) *Column 3.* Indicate the date and the kind of instrument by which title to, or interest in, each parcel was derived, such as deed, quitclaim deed, condemnation, ordinance, lease, agreement, grant, donation, etc. In the case of land retirements requiring the execution of a new instrument, identify such instrument in this column.

(9) *Columns 4 and 5.* Enter, respectively, the name of the grantor and grantee cited in the instrument identified in column 3.

(10) *Columns 6 and 8.* Enter in these columns, respectively, the area, either in square feet or acres, of the land added or retired.

(11) *Columns 7 and 9.* Enter to the nearest dollar in these columns, respectively, the original cost of additions or retirements for the areas reported in columns 6 and 8. Incidental costs and assessments for public improvements shall be reported separately and shall be identified in column 17. Incidental costs and assessments shall be allocated to the parcels affected. If the considerations involved are other than cash identify such considerations in column 17. Enter valuation section totals for these columns.

(12) *Column 10.* Use this column for both land and rights-of-way. Enter the year that the parcel of land, or the year that the first trunk pipeline rights-of-way for the valuation section, or portion thereof, was dedicated to public service. Record this information for both additions and retirements.

(13) *Columns 11 and 12.* Identify the termini of the valuation section, or portion thereof, of trunk pipeline rights-of-way added or retired.

(14) *Columns 13 and 15.* Enter in these columns, for the termini identified in columns 11 and 12, the line miles of trunk pipeline rights-of-way added or retired.

(15) *Columns 14 and 16.* Enter to the nearest dollar in these columns, respectively, the total original cost for the valuation section as a whole of additions or retirements. If the considerations involved are other than cash identify such considerations in column 17.

(16) *Column 17.* Use this column to record information relevant to both land and rights-of-way not otherwise provided for on the form such as, in the case of land or rights-of-way acquired, a statement of the specific use to which such property has been put; or, in the case of land or rights-of-way retired, transferred or relinquished from carrier use, the disposition thereof, such as sales, transfers to noncarrier, reversions, etc. Record also in this column the dollar amount of land or rights-of-way sales.

(f) For jointly owned or jointly used agent or nonagent operated property, record the total original cost of each land change in column 17 of ACV Form No. 2, indicate the owning or using percentages set out on Sheet No. 1 for the valuation section, apply same to the total original cost recorded in this column and show, also in column 17, the resultant amounts representing each jointly owning or jointly using carrier's proportionate share of the change. For land changes other than those reporting the lease of undeveloped land to a carrier or to a noncarrier, or from a carrier, enter the total original cost also in column 7 or column 9, as appropriate. For land changes reporting the lease of undeveloped land add those proportionate shares appearing in column 17 which exceed $500.00 and enter the total in column 7 or column 9, as appropriate. In conformance with the provisions of paragraph (d) of this section, only those proportionate shares appearing in column 17 having an original cost in excess of $500.00 shall be included on ACV Forms No. 2 prepared by agent operators in accordance with § 1261.7, showing the proportionate share of original cost changes applicable to each jointly owing or jointly using carrier; also, jointly owning or jointly using carriers of nonagent operated property shall include only those proportionate shares shown in column 17 having an original cost in excess of $500.00 when preparing their ACV Forms No. 3. In the case of rights-of-way changes affecting jointly owned or jointly used agent or nonagent operated property, the owning or the using percentages appearing on Sheet No. 1 for the valuation section shall be applied to the total original cost recorded for the valuation section as a whole in column 14 or column 16 in accordance with paragraph (e)(15) of this section. The percentages and resultant amounts shall be shown and identified by each jointly owning or jointly using carrier.

(g) See §§ 1261.201 to 1261.205 for instructions covering purchase, sale, merger, consolidation or reorganization actions.

§ 1261.102 Summary of original cost.

Instructions for the preparation of ACV Form No. 3—Summary of Changes in Original Cost and Total Original Cost at Close of Period.

(a) This form includes two identical sections of five columns each for reporting, by primary account and by the noncarrier property categories indicated, the information cited in the title of the form, for the carrier as a whole and for each state and Unallocated. A blank block appears at the top of each section of the form to provide this latter identity. The information required for the carrier as a whole shall be entered in the first section of Sheet No. 1 and this section shall be headed "As a Whole" in the blank block provided. The information required for the first State to be reported shall be entered in the remaining section of Sheet No. 1 of the form, and this section shall bear the name of the State being reported in the blank block provided. The sections of all such additional sheets as may be required shall be used to report the remaining States, and Unallocated, and these sections shall also be appropriately identified in the blank blocks. Record States alphabetically, with Unallocated last in these blank blocks. When the form has been completed, the total of all amounts entered in similarly numbered columns in the state and Unallocated sections shall be balanced, by primary account and by noncarrier property category, with amounts entered in the corresponding columns of the "As a Whole" section. All totals and grand totals indicated to be shown on ACV Form No. 3 shall be crossfooted by individual state and Unallocated sections, which shall then be crossfooted to balance with amounts shown in the "As a Whole" section. Since this form will not be prepared by class of property for noncarrier property, for uniformity in reporting, record the data for all noncarrier property on ACV Form No. 3 prepared for class 1 property.

(b) The data reported on ACV Form No. 3 shall be typewritten and the form shall be executed as follows:

(1) *Summary of Changes in Original Cost From _____ To _____, and Total Original Cost at Close of Period.* Indicate the beginning and ending dates of the period covered by the report.

(2) *Sheet No. _____ of _____ Sheets.* This line shall identify the number of sheets constituting the Summary and the individual sheets thereof.

(3) *Report Filed by _____ Property Owned by _____ Property Used by _____.* Enter appropriate identifications.

(4) *Accounts.* The primary accounts and the noncarrier property categories designated in this column shall identify the applicable amounts stated in columns 1 through 5 of both sections of the form.

(5) *Column 1.* Enter the amounts appearing in column 5 of the form for the previous reporting period.

(6) *Column 2. Each state and Unallocated.* Record, by primary account and by noncarrier property category, for all valuation sections, the total of acquisitions recorded on ACV Forms No. 1 and 2 prepared in accordance with § 1261.7 (a), (b) and (c); § 1261.201(b) (2) and (3); § 1261.202(b)(1); § 1261.203(b); and § 1261.205(a).

(7) *Columns 3 and 4. Each state and Unallocated.* Record, by primary account and by noncarrier property category, for all valuation sections, the total of additions and retirements recorded on ACV Forms No. 1 and 2 for the reporting period, exclusive of those acquisitions referred to in (6) above.

(8) *Column 5. Each state and Unallocated.* This column is the product of column 1 plus columns 2 and 3 minus column 4.

(9) *Columns 2, 3, 4 and 5. As a whole.* The amounts to be entered in these columns shall represent the total of amounts entered in similarly numbered columns of the state and Unallocated sections.

§ 1261.103 Summary of cost of reproduction new and cost of reproduction new less depreciation.

Instructions for the preparation of ACV Form No. 4—Summary of Cost of Reproduction New and Cost of Reproduction New Less Depreciation.

(a) The data to be reported on this form should be typewritten. However, the form may be prepared manually where such method will assure legibility and permanency. Where the form is prepared manually, required additional horizontal lines shall be provided at the time of printing to aid in its preparation and to improve its legibility. All entries on the form shall be double spaced. Because of changing condition percents and current period indices, it will be necessary to prepare and file this form even though there were no additions or retirements during the reporting period. When the form is used to report changes affecting jointly owned or jointly used property enter on Sheet No. 1, for each valuation section, an asterisk (*) on the Property Owned by _____ and Property Used by _____ line and, in the body of the form, the identiy of both the owning and the using carriers and

the percentage of their respective owning or using interest.

(b) ACV Form No. 4 shall be executed as follows:

(1) *For the Year* _____. Indicate the calendar year covered by the report.

(2) *Report Filed by* _____ *Property Owned by* _____ *Property Used by* _____. Enter appropriate indentifications. Where jointly owned or jointly used property is being reported, enter an asterisk (*) on the Property Owned by _____ and Property Used by _____ line to indicate that the identity of the owning and the using carriers is set out on Sheet No. 1 of ACV Form No. 4 for the valuation section, as directed in (a) above.

(3) *State* _____ *Val. Sec.* _____. Identify the state and valuation section in which the property changes being reported occurred. Enter the word "Unallocated" in the Val. Sec. _____ line for mobile property servicing more than one valuation section of the state. Enter the word "Unallocated" on the State _____ line for mobile property servicing more than one state, leaving the Val. Sec. _____ line blank.

(4) *Sheet No.* _____ *of* _____ *Sheets.* Except where the form is used as a summary, the use of this line shall be restricted to identifying the sheets relating to the valuation section indicated on the line above on the form. It shall not be used for the consecutive numbering of all sheets constituting the complete carrier's report of all property changes for the reporting period. When the form is used as a summary this line shall identify the sheets so used.

(5) *Freight on Pipe.* Rate _____ percent. Enter the appropriate rate and percentage from the Schedule of Ratios of Freight Rates to Delivered Prices of Pipe.

(6) *Columns 1, 2, 3, 4 and 5.* Enter in these columns, respectively, the same information appearing in columns 1, 2, 3, 11 and 12 of the form for the next previous reporting period. Omit service life and condition percent in columns 3 and 5 for accounts 104, 105, 154, and 155, and for element code 124 of accounts 111 and 161. Where property changes occur during the current reporting period and no entries appear in columns 11 and 12 for the next previous reporting period, enter account number, element code, and service life in columns 1, 2 and 3, respectively, from ACV Form No. 1.

(7) *Column 6.* Enter the applicable current year condition percent for each element code from the Condition Percent Table. Omit condition percent for accounts 104, 105, 154 and 155, and for element code 124 of accounts 111 and 161.

(8) *Columns 7, 8, 9 and 10.* The data to be entered in these columns are those set out in columns 6, 10 and 12 under "Distribution of columns 6 and 12" which appears at the end of each account on ACV Form No. 1 for which property changes are reported. Since this distribution will report no condition percent for accounts 104, 105, 154 and 155, or for element code 124 of accounts 111 and 161, none will be shown in columns 8 and 10.

(9) *Column 11.* The amount to be entered in this column is produced as follows: Column 4 plus column 7, minus column 9. Enter account totals in this column.

(10) *Column 12.*

(i) This condition percent is arrived at by dividing the product of: Column 4 times column 6, plus column 7 times column 8, minus column 9 times column 10, by the amount in column 11.

(ii) In the case of element codes 2, 4, 6 and 8, for accounts 103 and 153 the percentage of cost new shall also be shown in this column. This percentage is determined by multiplying the salvage factor percent (to be shown as SF—in parentheses in column 13) by the difference between the condition percent and 100 percent, and adding the result to the condition percent. Entries in this column shall be shown, for example, as 70/76, the condition percent being 70 and the percentage of cost new being 76.

(iii) A weighted condition percent shall also be developed from the element codes of accounts 103 and 153 which shall be used for conditioning accounts 104 and 105, and 154 and 155, respectively. This weighted condition percent shall be developed as follows: Multiply the amount for each element code in column 11 by the related condition percent (not the percentage of cost new) in column 12. Add the products and divide the resultant sum by the total for account 103 or 153 appearing in column 11. This weighted condition percent shall be shown in parenthesis in this column opposite the total for these accounts. This condition percent shall be entered in this column for the element codes of accounts 104, 105, 154 and 155, and shall be used to condition amounts in column 11 for these elements. It shall not be used to condition accounts 103 or 153.

(iv) A weighted condition percent shall also be developed from the tank element codes of accounts 111 or 161, which shall be used for conditioning element code 124 of these accounts. This weighted condition percent shall be developed by multiplying the amount for each tank element code in column 11 by the related condition percent in column 12, adding the products and dividing the resultant sum by the total of the tank elements for account 111 or 161 appearing in column 11. This condition percent shall be entered in this column for element code 124, and shall be used to condition the amount in column 11 for this element.

(11) *Column 13.* This is the product of column 11 times column 12. For elements 2, 4, 6 and 8 of accounts 103 and 153 use the percentage of cost new instead of condition percent. Where a current period index (Column 14) is common to all elements of an account, the total of the account, only, shall be entered in this column. Enter also in parenthesis in this column for element codes 2, 4, 6 and 8 for accounts 103 and 153, the appropriate salvage factor (SF-) as shown in the Schedule of Element Codes and Guide Service Lives. Indicate account totals in this column.

(12) *Column 14.* Enter the current year period index from the Schedule of Annual and Period Indices. Since the amounts reported in columns 11 and 13 for accounts 103 and 153 include freight, for which a separate period index is established, it will be necessary to develop a weighted index for amounts in columns 11 and 13 for accounts 103 and 153. This weighted index shall be arrived at by multiplying the Freight on Pipe %, shown in the upper right hand portion of the form, by the current year period index for freight on pipe, and adding to this the product of 100 percent less the freight on pipe percent, times the current year period index for line pipe. Enter the weighted index computed for account 103 and for account 153 in this column, opposite the totals shown for these accounts in column 13 and, above the index, the factors used in computing it.

(13) *Columns 15 and 16.* Enter, respectively, the products of column 11 times column 14, and column 13 times column 14.

(14) Enter valuation section totals for columns 4, 7, 9, 11 (these columns must crossfoot), 13, 15 and 16.

(15) Entries will be made on ACV Form No. 4 in columns 17 through 22 as follows for the valuation section as a whole only:

(i) *Columns 17, 18, 19 and 20.* Enter the percentages approved for the carrier for each valuation section.

(ii) *Columns 21 and 22.* Add 100 to each of the percentages in columns 17 through 20, and multiply columns 17 times 18 times 19 times 20. Apply the product to the totals in columns 15 and 16 and enter the results in columns 21 and 22, respectively.

(c) For jointly owned or jointly used property, the owning and the using percentages, set out on Sheet No. 1 of ACV Form No. 4 for the valuation section, shall be applied to each of the totals appearing in columns 21 and 22. The resultant amounts shall be shown and identified by each owning and each using carrier.

(d) ACV Form No. 4 shall be used to produce summaries of the following categories of property:

(1) *Owned and Used Summary.* List wholly owned and wholly used property followed by jointly owned and used property. When listing jointly owned and used property identify the system of which it is a part, or other joint tenant or tenants.

(2) *Owned but Not Used Summary.* List property, whether wholly or jointly owned, leased to carriers and identify lessees.

(3) *Used but Not Owned Summary.* List property, whether wholly or jointly used, leased from carriers followed by property leased from noncarriers. Identify lessors.

(e) Execute the "For the Year," "Report Filed by _____," and "Sheet No. _____ of _____ Sheets" captions in the heading of the form, and prepare the summaries, double spaced, as follows:

(1) Enter the following headings on the first line of the body of the form:

Column 7. Val. Sec.
Column 9. Line.
Column 11. Loops.
Column 13. Other.
Column 15. Total Trunk.
Column 16. All Gathering.

(2) Identify the summary being produced. Use the summary titles referred to in (d) above.

(3) On the next line, in column 11, indicate the state being summarized.

(4) Enter on successive lines for each valuation section:

(i) *Columns 7, 9, 11, 13, 15 and 16.* List, from Sheet No. 1 of ACV Form No. 1, the valuation section number and the appropriate mileages recorded in the At End of Period column of the Pipeline Mileage Statement. Add the suffix "Prod." to product valuation section numbers. For jointly owned and used, and jointly owned but not used or jointly used but not owned property record the total mileage for the valuation section and enter an asterisk (*) in column 6.

(ii) *Columns 21 and 22.* List, from ACV Form No. 4, the totals in these columns appearing at the end of each valuation section. Enter the proportionate share, only, for jointly owned and used, and for jointly owned but not used or jointly used but not owned property.

(iii) Include in the above listing, and identify as "Unallocated" in column 7, ACV Forms No. 4 for mobile property servicing more than one valuation section.

(iv) Where two or more valuation sections are listed in a single state for a given lessee or lessor, indicate a state total for each in columns 21 and 22 only.

(v) For jointly owned and used property identify, beginning in column 1, the system of which it is a part, or other joint tenant

or tenants. For owned but not used property, and property used but not owned, identify, also beginning in column 1, lessees and lessors, respectively.

(5) Indicate the subheading "State Totals" in column 4 and enter the totals of columns 21 and 22 only.

(6) Repeat (3), (4) and (5) above until all states have been summarized.

(7) Following the development of state totals enter, on the next line, the caption "Unallocated" in column 11 and, on the same line, record in columns 21 and 22 the totals appearing in these columns on ACV Form No. 4 for mobile property servicing more than one state.

(8) Enter the identification "As a Whole Totals" in column 4 on the next line and, on the same line, record, in columns 21 and 22 only, the grand summary of state and unallocated totals produced in accordance with (5), (6) and (7) above.

(9) When as a whole totals have been developed for each summary enter, on the next succeeding lines, the terms "Total Owned," and "Total Used." Record, in columns 21 and 22, opposite the former term, the totals of amounts appearing in these columns for the owned and used, and owned but not used summaries; record opposite the latter term, in columns 21 and 22, the totals of amounts in these columns for the owned and used, and used but not owned summaries.

(10) Enter an asterisk (*) on the last line followed by the phrase "Undivided joint mileage."

(f) See §§ 1261.201 to 1261.205 for instructions covering purchase, sale, merger, consolidation or reorganization actions.

INSTRUCTIONS COVERING THE PROCESSING OF PURCHASE, SALE, MERGER, CONSOLIDATION OR REORGANIZATION ACTIONS

§ 1261.200 Introduction.

(a) ACV Forms No. 1, 2, 3 and 4, and B. V. Form No. 588–R and related Subschedules prescribed by Supplement No. 8 to Valuation Order No. 3, Second Revised Issue, shall be used as outlined in this section to document actions in the captioned category. The term "acquiring carrier," as used in this section, refers to the carrier gaining title to property; "releasing carrier" refers to the carrier relinquishing title.

(b) Where purchase, sale, merger, consolidation or reorganization actions are between common carriers, the original cost of property to the releasing carrier as of the date of the action shall be used to record such actions. If such actions are between common carriers and individuals, firms, corporations, or others not common carriers, the purchase price paid by acquiring common carriers shall be used to record property acquisitions, and the original cost of property as of the date of the action shall be used to record property releases.

(c) Cost of organization, either added or retired in connection with purchase, sale, merger, consolidation or reorganization actions, shall be reported on ACV Form No. 1 under accounts 116, 166 or 186 as appropriate.

(d) In identifying actions being reported, as directed in §§ 1261.201 to 1261.205, include vendor or vendee identity in cases of significant sales or purchases.

§ 1261.201 Actions between common carriers affecting property representing one or more complete valuation sections.

(a) The releasing carrier shall:

(1) Prepare ACV Forms No. 1 and 2 covering changes occurring between the date of the latest previously filed statements of property changes and the date of the action.

(2) Prepare a separate ACV Form No. 1, by valuation section, identifying thereon the action being reported, showing the balances of original cost and cost of reproduction new remaining after giving effect to the property changes reported in accordance with subparagraph (1) of this paragraph. Identify the primary accounts affected in column 1, enter the appropriate element codes in column 8, and record related cost of reproduction new balances in column 12. Using the same primary account identity, enter related original cost balances in column 13.

(3) Prepare a separate ACV Form No. 2, by valuation section, identifying thereon the action being reported, showing the balances of original cost remaining after giving effect to the property changes reported on ACV Form No. 2 prepared in accordance with subparagraph (1) of this paragraph. Identify the primary accounts affected in column 1 and enter the balances in column 9 for land accounts, and in column 16 for rights-of-way accounts.

(4) Prepare ACV Form No. 4 through column 11, as directed in Section 1261.103, and include in column 9 amounts reported in column 12 of ACV Forms No. 1 prepared in accordance with subparagraph (2) of this paragraph. This will reduce the balance in column 11 of ACV Form No. 4 to zero.

(5) Provide the acquiring carrier with:

(i) A copy of its December 31, 1947, or later, basic inventory, showing units and costs, of the property affected by the action.

(ii) A copy of all its B. V. Forms No. 588–R and related Subschedules, and ACV Forms No. 1 and 2 covering all property changes through the effective date of the action.

(iii) A copy of its ACV Forms No. 4 referred to in subparagraph (4) of this paragraph showing zero balance in column 11.

(b) Following the close of the reporting period the acquiring carrier shall:

(1) Prepare ACV Forms No. 1 and 2 covering changes for the period from the date of the action to December 31, of the reporting year, including additional organization expenditures.

(2) Prepare a separate ACV Form No. 1, by valuation section, identifying thereon the action being reported. List the primary accounts affected in column 1 and record as acquisitions in column 7 the retirements reported in column 13 of ACV Forms No. 1 prepared by the releasing carrier in accordance with paragraph (a)(2) of this section, and provided the acquiring carrier in accordance with paragraph (a)(5) of this section. Exclude cost of organization reported by the releasing carrier.

(3) Prepare a separate ACV Form No. 2, by valuation section, identifying thereon the action being reported. List the primary accounts affected in column 1 and record as acquisitions in column 7 for land accounts, and in column 14 for rights-of-way accounts, the retirements reported in columns 9 and 16 of ACV Forms No. 2 prepared by the releasing carrier in accordance with paragraph (a)(3) of this section, and provided the acquiring carrier in accordance with paragraph (a)(5) of this section.

(4) Prepare ACV Form No. 4 to cover the entire reporting year, identifying same to indicate that it includes changes applicable to both the releasing and the acquiring carrier. To accomplish this, copy in the corresponding columns of this form the data appearing in columns 1, 2, 3, 4 and 5 of ACV Form No. 4 received from the releasing carrier in accordance with paragraph (a)(5) of this section. Consolidate, by element, the amounts of cost of reproduction new property changes appearing in columns 6 and 12 of the copy of ACV Form No. 1 received from the releasing carrier covering current year changes to the date of the action, and the ACV Form No. 1 prepared by the acquiring carrier covering current year changes from the date of the action to the end of the reporting year. Record these consolidated changes in columns 7 and 9 of ACV Form No. 4 and complete the form as directed in § 1261.103.

(5) Prepare, for the carrier as a whole, a separate ACV Form No. 1 identifying differences between amounts covering acquisitions recorded in account 1, Investment in Carrier Property, and related original cost amounts recorded on ACV Forms No. 1 and 2.

§ 1261.202 Actions between common carriers affecting property representing less than a complete valuation section.

(a) The releasing carrier shall:

(1) Identify the action and report same, by account, as a retirement on separate ACV Forms No. 1 and 2, including complete description, units, costs, etc., immediately following the recording of regular property changes for the reporting year.

(2) Provide the acquiring carrier with a copy of the ACV Forms No. 1 and 2 referred to in subparagraph (1) of this paragraph.

(b) The acquiring carrier shall:

(1) Identify the action and report same by account, as an acquisition on ACV Forms No. 1 and 2, including complete description, units, costs, etc., immediately following the recording of regular property changes for the reporting year. ACV Forms No. 1 and 2 received from the releasing carrier in accordance with paragraph (a)(2) of this section shall serve as the posting media for recording these data.

(2) Prepare, for the carrier as a whole, a separate ACV Form No. 1 identifying differences between amounts covering acquisitions recorded in account 1, In-

vestment in Carrier Property, and related original cost amounts recorded on ACV Forms No. 1 and 2.

§ 1263.203 Actions between common carriers and individuals, firms, corporations or others not common carriers.

(a) The releasing carrier shall record the action as a retirement in the same manner as outlined in § 1261.202(a)(1), except that it will not be necessary to prepare separate ACV Forms No. 1 and 2.

(b) The acquiring carrier shall record the action as an acquisition in the same manner as outlined in § 1261.202(b)(1), except that if the property represents a valuation section or more separate ACV Forms No. 1 and 2 shall be prepared, the date of the acquisition shall be the year in which the property is dedicated to public service by the acquiring carrier and the source medium shall be the inventory of the property acquired. This inventory shall state the manner in which it was determined and shall identify the installation dates of the property included therein. Where accurate installation dates cannot be determined the best possible estimate shall be used.

(c) The acquiring carrier shall also prepare, for the carrier as a whole, a separate ACV Form No. 1 identifying differences between amounts covering acquisitions recorded in account 1, Investment in Carrier Property, and related purchase price amounts recorded on ACV Forms No. 1 and 2.

§ 1261.204 Purchases and sales of jointly owned or jointly used agent operated property.

In cases of purchase and sale actions affecting agent operated jointly owned or jointly used property the agent operator shall:

(a) Prepare a summary on ACV Forms No. 1 and 2 for each valuation section, identifying the action being reported, listing thereon by primary account the total additions and retirements, each shown separately, from the date of the latest previously filed statements of property changes to the date of the action. Indicate the appropriate owning or using percentage in effect prior to the date of the action for each jointly owning or jointly using carrier and apply same to the additions and retirements and record the resultant amounts.

(b) Prepare ACV Forms No. 1 and 2 for each valuation section, identifying the action being reported, and showing thereon the following information by primary account:

(1) The balance of original cost at the end of the latest previous reporting period.

(2) The total of additions and retirements reported in accordance with (a) above.

(3) The balance of original cost as of the date of the action after giving effect to subparagraph (2) of this paragraph.

(c) Apply to the balance developed under paragraph (b)(3) of this section, the percentage representing the relationship between the original cost of the portion of the valuation section involved in the action and the total original cost of the valuation section. Identify the result by each releasing and acquiring jointly owning or jointly using carrier.

(d) Include amounts developed under paragraphs (a) and (c) of this section in totals reported on ACV Forms No. 1 and 2 prepared in accordance with § 156.7 (a), (b) and (c) reporting the carrier's proportionate share of jointly owned or jointly used agent operated property.

(e) Include ACV Forms No. 1 and 2 prepared in accordance with paragraphs (a), (b) and (c) of this section with forms filed with the Commission.

§ 1261.205 Purchases and sales of jointly owned or jointly used nonagent operated property.

(a) The ACV Forms No. 1 and 2 referred to in § 1261.204 (a), (b) and (c) shall be prepared by the carrier having responsibility for preparing the ACV forms for the jointly owned or jointly used property.

(b) Two copies of the ACV Forms No. 1 and 2 referred to in paragraph (a) of this section shall be mailed to each jointly owning or jointly using carrier, one to be retained, the other to be included with reports filed with the Commission.

FORMS

§ 1261.300 List of Forms.

ACV Form No. 1—Statement of Property Changes other than Land and Rights-of-Way.

ACV Form No. 2—Statement of Land and Rights-of-Way Property Changes.

ACV Form No. 3—Summary of Changes in Original Cost and Total Original Cost at Close of Period.

ACV Form No. 4—Summary of Cost of Reproduction New and Cost of Reproduction New Less Depreciation.

PART 1262—UNIFORM SYSTEM OF RECORDS AND REPORTS OF PROPERTY CHANGES; COMMON CARRIERS SUBJECT TO PART I—INTERSTATE COMMERCE ACT

NOTE: Requirements in this part for filing reports with the Commission have been restricted, until further notice, to Class I railroad companies, and to a list of named Class II railroad companies the operating properties of which are generally inseparable from those of an affiliated Class I company. All carriers temporarily so exempted from such reporting requirements were individually notified. This temporary exemption by notice did not relieve any carrier from compliance with requirements for maintaining records or with any other provision of Valuation Order No. 3, second revised issue, and supplements thereto.

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1262.300 List of forms.

AUTHORITY: The provisions of this Part 1262 issued under sec. 12, 24 Stat. 383, 37 Stat. 701; 49 U.S.C. 12, 19a.

NOTE: In §§ 1262.0 to 1262.300 the numbers to the right of the decimal point correspond with the respective section numbers in regulations and instructions to govern the recording and reporting of all extensions and improvements or other physical property of every common carrier, Valuation Order 3, second revised issue, Interstate Commerce Commission, effective Jan. 1, 1919.

CROSS REFERENCE: for uniform system of records and reports of property changes, pipe line carriers, see part 1261 of this chapter.

REGULATIONS AND INSTRUCTIONS

§ 1262.0 Uniform system for recording and reporting changes in physical property.

(a) The regulations and instructions to govern the recording and reporting of changes in physical property of every common carrier subject to the provisions of the act to regulate commerce, which are set out in printed form to be hereafter known as Second Revised Issue are hereby prescribed for the use of the aforesaid carriers in the keeping of their records and in the preparation of reports of changes in physical property required by the Commission to be filed with it in accordance with section 19a of the Interstate Commerce Act; each and every such carrier and each and every receiver or operating trustee of any such carrier is hereby required to keep its records and to prepare and furnish to the Commission reports of changes in physical property in conformity therewith.

(b) Each and every carrier of the class hereinbefore described and referred to, and each and every receiver or operating trustee of any such carrier, whose property has been inventoried as of June 30, 1916, or as of June 30 of any previous year, shall be, and is hereby, required to file with the Commission on forms like B. V. Form No. 589, as soon as the same can be prepared, showing separately for each valuation section within each State, Territory, and the District of Columbia, annual reports for the years ending June 30 of each year, up to and including the year ending June 30, 1917, and separately a report for the 6 months ending December 31, 1917. Those carriers whose property was inventoried as of June 30, 1917, shall file reports for the 6 months ending December 31, 1917. Thereafter the reports shall be made annually for the year ending December 31. Beginning with the year ending December 31, 1919, the reports shall be made within 60 days from the close of the year. Each and every such carrier, and each and every receiver, or operating trustee of such carrier, be and is hereby required, within 90 days from the date prescribed by the Commission, to file on B. V. Forms No. 588 a statement of the property added since the inventory or since the date of any such previous list, and its cost, and a statement of the property retired or released since the inventory or since the date of any such previous list, and its cost, to December 31, 1927, or to such other date or dates as may be indicated, in accordance with the list of property units attached to Revised Supplement No. 4, to Valuation Order No. 3, Second Revised Issue (§ 1262.200), and the detailed instructions relating to the preparation of Forms No. 588.

(d) Other reports shall be prepared and filed as called for by the instructions: *Provided*, That each and every carrier of the class described and referred to in this part, and each and every receiver or operating trustee of any such carrier, shall be, and is hereby, required to keep, subsequent to December 31, 1918, the system of records provided in this part, in the manner prescribed in this part, so that reports on the forms and in accordance with the regulations and instructions provided in this part and prescribed can be prepared therefrom.

(e) Each and every carrier of the class described and referred to in this part, and each and every receiver or operating trustee of any such carrier, whose property has been inventoried as of June 30, 1918, or as of June 30 of any previous year, shall be, and is hereby, required, as rapidly as the work can be accomplished, to make up in accordance with "Exhibit E" (§ 1262.300) a record of property changes occurring between the date of inventory and December 31, 1918; the record to be made separately for each year ending June 30, up to and including the year ending June 30, 1917. The period from June 30, 1917, to December 31, 1917, should be shown separately. The period from December 31, 1917, to December 31, 1918, should be for the year for all carriers affected, except carriers whose property has been inventoried as of June 30, 1918. The last-named carriers shall prepare the record for the 6 months ending December 31, 1918. Thereafter the record shall be made up for the year ending December 31.

NOTE: The date for filing B. V. Form 588 and B. V. Form 589 reports, required by § 1262.0, were modified by orders of Apr. 7, 1941, and July 8, 1941; 6 F. R. 1915, 3478. The order of July 8, 1941, reads in part:

"Carriers are given to October 1, 1941, instead of June 30, 1941, in which to file B. V. Form 589 reports covering such periods, including 1940, for which they have not filed the B. V. Form 588 reports. For years subsequent to 1940 the returns upon B. V. Form 589 will be due on June 1 of the succeeding year provided returns upon B. V. Form 588 will not be filed by December 31. Reports upon B. V. Form 588 for 1941 and for any prior year not covered by such reports shall be filed by December 31, 1942, instead of by June 1, 1942, and beginning with the year 1942. B. V. Form 588 shall be filed annually by December 31, of the following year."

§ 1262.1 General.

That the Commission may be enabled to comply with that portion of section 19a of the act to regulate commerce reading:

Upon completion of the original valuations herein provided for, the Commission shall thereafter keep itself informed of all new construction, extensions, improvements, retirements, or other changes in the condition, quantity, use, and classification of the property of all common carriers as to which original valuations have been made, and of the cost of all additions and betterments thereto and of all changes in the investment therein, and may keep itself informed of current changes in costs and values of railroad properties, in order that it may have available at all times the information deemed by it to be necessary to enable it to revise and correct its previous inventories, classifications, and values of the properties; and when deemed necessary, may revise, correct, and supplement any of its inventories and valuations,

a uniform system of records, which shall be established by carriers, is here prescribed. In these records it is intended that carriers shall record the extensions, improvements, or tother changes that are made in their physical property after the date fixed by the Commission for the inventory of that property. For convenience, the extensions, improvements, or other changes in physical property are hereinafter referred to, individually and collectively, as property changes. From the records prescribed certain reports hereinafter indicated shall be prepared by carriers and filed with the Commission.

§ 1262.2 Records to be established.

(a) The records which compose the system that shall be established are here listed:

(1) Authority for Expenditure, "Exhibit A."
(2) Detailed Estimate Sheet to supplement the Authority for Expenditure, "Exhibit A-1."
(3) Register of Authorities for Expenditures, "Exhibit B."
(4) Roadway Completion Report, "Exhibit C."
(5) Continuation Sheet to supplement the Roadway Completion Report, "Exhibit C-1."
(6) Semiannual Completion Report of Changes in Equipment, "Exhibit D."
(7) Record of Property Changes, "Exhibit E."

(b) The forms of the records numbered (1) to (6), inclusive, here prescribed, are shown by the exhibit lettered "A" to "D" (§ 1262.300). These forms indicate the minimum information required for the Commission's purposes. Any or all of the records above specified may be varied as to the order and arrangement of the data required to be shown, and additional data may be shown at the option of the carrier, provided the minimum information required by these forms and instructions is shown upon the modified forms which carriers elect to use. The seventh record, styled Record of Property Changes, sample sheet of which is marked Exhibit "E" (§ 1262.300) and made a part of the instructions in this part, may be varied to suit the convenience of carriers: *Provided*, The minimum information required by this form and instructions is shown upon the modified form which carriers elect to use: *And provided further*, That such modified form, Exhibit "E" (§ 1262.300), shall not be adopted by the carrier until and unless approved by the Commission. With respect to size of forms, Numbers (1) to (7), inclusive, may be varied to suit the convenience of the carriers.

§ 1262.3 Reports to be prepared.

(a) The reports to be prepared by carriers from these records and filed with the Commission are here listed:

Statements compiled as of June 30 and December 31 of each year, listing the Roadway Completion Reports that have been prepared during the six months ending upon those dates, B. V. Form No. 586.

Statements compiled as of June 30 and December 31 of each year, listing the Equipment Completion Reports that have been prepared during the six months ending upon those dates, B. V. Form No. 587.

Statements of property units added and retired and their costs, to be prepared and filed at such times as the Commission may from time to time direct after the property is inventoried or after the date as of which any such previous lists are prepared and filed, B. V. Form No. 588.

Annual statements of charges and credits to the investment account for property brought into, or retired from, operation, to be prepared as of December 31 of each year, B. V. Form No. 589.

(b) The forms and dimensions of these reports shall be as prescribed and indicated by the samples shown hereafter.

§ 1262.4 Effective date of records; sources of entries.

(a) Carriers shall establish and begin using as of January 1, 1919, that part of the system here prescribed, which is embraced in the records marked exhibits "A" to "D" (§ 1262.300).

(b) The Record of Property Changes, marked exhibit "E," (§ 1262.300) shall be established, and the entries in it shall begin, as of July 1 next succeeding the date fixed by the Commission for the inventory of the property. The entries for the period prior to January 1, 1919, shall be taken from the available records. The source or sources from which the entries have been transcribed shall be shown with particularity for each entry.

§ 1262.5 Classification of property changes.

The property changes recorded in the records here prescribed shall be classified in conformity with the accounting regulations prescribed by the Commission.

Cross Reference: For record of property changes, see § 1262.18.

§ 1262.6 Recording of quantities.

The actual quantities only of material and property installed during the course of a property change shall be recorded in the records here prescribed. If payments to contractors or others in settlement of losses or claims have been based upon other than the actual quantities installed, the amounts paid shall be entered in the appropriate accounts in the records here prescribed, but the constructive quantities upon which such payments have been computed shall be excluded from these records.

§ 1262.7 Reporting changes participated in by other carriers.

Where one carrier assumes the cost of a change upon another carrier's property, or where one or more carriers participate with the owner in the cost of a change in the latter's property, the full detail of the property units involved and their costs shall be recorded in but one set of records and they shall be the records of the carrier to which the property in which the change has been made was originally inventoried by the Commission.

§ 1262.8 Data required for newly built roads, branch lines constructed, or extensions of existing lines.

(a) There shall be filed with the Commission such maps, profiles, plans, diagrams, or other data for newly built roads as will show the nature and extent of their property and its location. Upon request of the Commission, such roads shall also file an inventory of their property. The valuation section references to be given such newly built roads shall be assigned under advice of the Commission.

(b) Maps, profiles, plans, diagrams, or other data relating to branch lines built, or to extensions of existing lines shall be filed with the Commission. Valuation section references which shall be a continuation in consecutive, numerical order of those previously assigned to the other owned property within the State shall be given to such branch lines and extensions.

(c) When so directed, carriers shall file with the Commission such maps, profiles, plans, diagrams, or other data relating to betterments, improvements, conversions, or retirements of property, as will show the general character and extent of those changes.

Cross References: For map specifications, see Part 1263 of this chapter.

§ 1262.9 Aids, gifts, grants, and donations.

The nature, amount, extent, and value of any aid, gift, grant of right of way, or donation made by the Government of the United States or by any State, county, or municipal government or by individuals, associations, or corporations, to any common carrier in connection with property changes in its property shall be recorded in the records, prescribed in this part, of the carrier that was the recipient of such aid.

§ 1262.10 Property acquired through purchase, merger or consolidation.

(a) If a common carrier, by purchase, or through merger or consolidation, acquires part or all of the physical property of another common carrier, the vendor shall issue an Authority for Expenditure and prepare a Completion Report to record its release of the property. The vendee shall issue an Authority for Expenditure and prepare a Completion Report to record its acquisition of the property.

(b) If the transaction involves all of the property devoted to common carrier purposes by the vendor, and that property has been inventoried by the Commission, or if the part transferred consists of one or more valuation sections in entirety, the entries under the heading "Property Retired" in the vendor's Completion Report shall consist of a list of the valuation sections that comprise the property released, arranged by States and with the valuation section termini shown. A copy of the Record of Property Changes recording the changes that have been made in the property during the interval between the date it was inventoried and the date it is transferred to the vendee, shall be prepared by the vendor and given to the vendee at the time the transfer is effected. The record thus secured by the vendee shall be perpetuated and used to record the changes which it makes in the property subsequent to its acquisition. As reference the vendee shall use its own valuation section number or numbers and also refer to the previous owner and its valuation section number or numbers. The vendee shall list in its Completion Report, under the heading "Property Units Added," the valuation sections that comprise the property acquired; the list shall be so arranged, described, and referenced as to correspond with the vendor's list. If new valuation section references are assigned by the vendee to the property acquired, they also shall be shown.

(c) If all, or part, of the property transferred consists of a portion only of a valuation section, an inventory of the portion transferred that is less than a valuation section shall be taken and the Completion Reports of both the vendor and vendee shall enumerate the property units and quantities determined in that inventory, and their costs whenever possible.

(d) If a common carrier acquires railway property from individuals, firms, corporations, or others, that were not common carriers, the vendee shall inventory the property acquired and shall embody the inventory in the appropriate Completion Report.

§ 1262.11 Reporting cost of property sold and cost of property acquired.

The Completion Report of the vendor shall show the cost to the vendor of the property released. The Completion Report of the vendee shall show the cost to the vendee of the property acquired. If, in accordance with prescribed accounting regulations, the vendee is required to record the purchase price of property acquired, such cost shall be distributed equitably among the primary accounts applicable to such property.

§ 1262.12 Units, quantities and descriptions; statement.

The unit designations, the quantities and descriptions recorded in the Completion Reports and in the Record of Property Changes shall be stated so far as possible in the terms of the inventory taken by this Commission.

§ 1262.13 Reports to be attested.

The reports here prescribed to be filed with the Commission shall be attested under oath by the official under whose direction they were prepared.

§ 1262.14 Authorities for expenditures.

(a) Carriers shall issue an Authority for Expenditure for each change in their property. In so far as possible these Authorities shall be issued in advance of making the property changes. Those covering involuntary retirements of property, or changes effected under stress of emergency, may be issued as and when the changes are made.

(b) The Authorities issued for roadway and structural changes shall not overlap valuation section limits. Each Authority issued shall describe the change authorized and its location. A blanket Authority may be issued for minor changes upon a valuation section and for such changes as affect an entire valuation section. Changes in the form of additions, improvements, or retirements, made in connection with a general maintenance program upon a valuation section, may also be authorized under blanket Authority.

(c) Roadway changes shall be authorized separately from equipment changes, except when a railway property, in whole or in part, is acquired in which is included the acquisition of equipment.

(d) The Authorities that are issued for equipment changes shall be drawn separately for the classes indicated by the Commission's classification of investment in road and equipment.

(e) In case the Authorities for Expenditure are issued by other than the company that owns the property in which the change is to be made, the pertinent facts of the circumstance shall be stated. Before issuance each Authority shall be referenced by a registered number with the name of the State and the number of the valuation section suffixed. Those issued for changes in equipment shall bear merely the suffix "Eq."

(f) A form of Authority for Expenditure is shown by the exhibit marked "A." (§ 1262.300)

§ 1262.15 Detailed estimate sheet.

Whenever it is desired to make an extended statement of the estimated cost of any property change, a detailed estimate sheet to supplement the Authority for Expenditure shall be used. A suggested form for this purpose is marked exhibit "A–1." (§ 1262.300)

§ 1262.16 Register of authorities for expenditures.

Each carrier shall establish a register in which to record in consecutive, numerical order with the appropriate State and valuation section references, the Authorities for Expenditures issued. The registered number, with the State and valuation section references suffixed (or in the case of equipment merely the suffix "Eq.") shall become the identifying reference of the change authorized and shall thereafter be so used. A suggested form of Register is marked exhibit "B," (§ 1262.300) which is shown hereafter.

§ 1262.17 Completion reports.

(a) As each change affecting roadway property is turned over to, or retired from, operation, and as common carrier property is transferred from one owner to another, a Completion Report shall be prepared to record the details of each such change. As illustrative of desirable forms for this purpose, reference is made to the exhibits contained in this part marked "C" and "C–1" (§ 1262.300). Each Roadway Completion Report shall show:

Reference to the authority for expenditure.
The significant facts of ownership and operation.
The location of the property change.
A description of the property change.
By whom the costs involved are borne.
An enumeration by primary accounts of units added.
Aggregate cost but not cost per unit unless work was done by contract at a price per unit, in which case unit contract price shall be given. Aggregate cost of property added and retired shall be distributed by constituent parts or items of property under each primary account.
Cost of effecting property retirements shall be distributed by primary accounts.
Descriptive detail of the property units retired and their costs, and of any valuation sections, in whole or in part, released and their costs.
Classification of the property changes and of the costs involved, among the appropriate accounts.

(b) For changes in equipment, completion reports that will show by classes the minimum information indicated by the exhibit contained in this part marked "D" (§ 1262.300) shall be prepared as of June 30 and December 31, of each year, beginning June 30, 1919. These reports shall show:

Reference to the authority for expenditure.
The significant facts of ownership and operation.
The number, name, or other designation of the unit or series of units to which the change is applicable.
Description of the equipment to which the change is applicable.
Number of units affected by the change.
Description of the change.
Date of change.
Cost of change.
Distribution to the appropriate accounts of the cost of the change.

(c) If completion reports are prepared by other than the carrier that owns the property in which the change has been made, the pertinent facts of the circumstance shall be stated.

(d) Where roadway or structural changes are effected under contract and paid for in a lump sum, a list of the units involved in the change, if not obtainable otherwise, shall be secured by an inventory of the property change. The amount paid under the contract shall be distributed to the accounts to which the property is classified in the inventory.

(e) If portions of an authorized change are turned over to operation before completion of the project as a whole, "Progressive" completion reports, referenced as such and numbered, shall be prepared to record the portions of the change that have been brought into operation. The report that records the conclusion of the authorized change shall be designated as the "final" completion report.

(f) From the completion reports described, transcripts shall be made to the record of property changes, as hereinafter indicated.

(g) Completion reports covering property changes that were in progress on the date of valuation, portions of which changes had been turned over to operation and included in the inventory of this Commission, shall be divided into two parts—the first part to show the property turned over to operation and inventoried as of the date of valuation and its costs, the second part to show the property units subsequently installed and their costs. The quantities and costs included in the second part only shall be transcribed to the Record of Property Changes.

§ 1262.18 Record of property changes.

(a) As of July 1 next succeeding the date fixed by the Commission for inventory of the property, carriers shall establish for each valuation section a Record of Property Changes, the form of which is shown by the exhibit contained in this part marked "E" (§ 1262.300) to which shall be transcribed from the Completion Reports, a record of the changes which affect the property embraced in each valuation section. The record shall be established according to owners of the property in which the change is made and shall be arranged by those primary accounts of the classification prescribed by this Commission for investment in road and equipment that are applicable to each valuation section.

(b) For equipment, the Record of Property Changes shall be established according to owners of the property in which the change is made and in conformity with those primary accounts of the aforementioned classification which are applicable to that class of property. Equipment shall be grouped according to the regional assignment to which it is allocated.

(c) Each transcript to the record shall show reference to the appropriate Authority for Expenditure. In the case of installations of property, the date that such property was turned over to operation shall be shown. In the case of retirement of property, the date that such property was withdrawn from the service shall be shown. The amounts transcribed as the cost of property installed shall be those only that affect the investment in road and equipment. Those costs in the Completion Report that are distributed to other than the investment in road and equipment shall be omitted from the Record of Property Changes. The costs inserted for additional property or improvements shall be stated separately from the cost of property that has been retired. Under the appropriate headings descriptive of property units, there shall be shown separately the units added and the units retired. The entries for retired units shall be in red or otherwise clearly indicated.

(d) The headings inserted in the Record of Property Changes, descriptive of property units, shall be stated, so far as possible, in the terms of the Commission's inventory of the property. As new

types of property units are introduced, appropriate descriptive headings shall be inserted.

(e) In aggregating the items entered in the Record of Property Changes the total inserted under each primary account shall be so arranged as to show separately the property additions and their costs, from the property retirements and their costs, for the period for which the total is being stated. Nowhere in the record shall use be made of net figures or amounts in recording property changes.

(f) The Record of Property Changes shall contain no entries for the inventoried portions of property changes that were under way on the date fixed by this Commission as of which the property was to be valued.

CROSS REFERENCE: For classification of property changes, see § 1262.5.

§ 1262.21 Statement of property units added and retired and their costs.

Upon forms like the one marked "B.V. Form No. 588," (§ 1262.300) carriers shall prepare and file with this Commission, when directed, statements that shall show for each valuation section and for equipment: (a) A list of property added since the inventory or since the date of any such previous list and its cost; (b) a list of property retired or released since the inventory or since the date of any such previous list and its cost. The property listed shall be stated in the terms of the inventory and shall be so arranged and classified as to correspond with the inventory. Provision shall be made under each account for inserting descriptions of any new types of property or units that may have been introduced since the inventory. The entries to be inserted in the columns headed "Property Added" and "Property Retired" shall be taken from the Record of Property Changes and shall correspond with the data there recorded. The amounts representing the costs inserted under the heading "Property Added" shall be those only that affect the investment in road and equipment.

CROSS REFERENCES: For property added, see § 1262.102. For property retired, see § 1262.104. For retirement quantities and costs applicable to property retired other than land, see §§ 1262.105, 1262.106. For costs applicable to land retired, see § 1262.108.

§ 1262.23 Records and reports prescribed applicable to all carriers.

The forms of the records and reports prescribed in this part are those applicable to steam roads only, and the instructions governing the use of those records and reports have been expressed in terms that are likewise applicable to steam roads only. Nevertheless, the records and reports prescribed and the instructions governing them, after suitable modification to adapt them to the varying terminology and arrangement of the accounting classifications prescribed by the Commission, shall apply with equal force to all common carriers that are subject to the act to regulate commerce.

§ 1262.101 Form of report.

Upon forms like B. V. Form 588 Revised (§ 1262.300), size 11 by 17 inches the carrier shall file with the Commission, statements that will show for each valuation section and for equipment: (a) A list of property added since the inventory or since the date of any such previous list and its cost.

(b) A list of property retired or released since the inventory or since the date of any such previous list and its cost.

NOTE: Effective with forms prepared and filed to report property changes made during the year 1957, the requirements for filing forms B. V. 588-R in duplicate was canceled, the original only being required to be filed as above.

§ 1262.102 Property added.

Property added shall be reported, together with its cost, separately from property retired and shall be reported by actual "in place" quantities in terms of the units shown in the "List of Units to be used in connection with valuation order No. 3, Second Revised Issue," with descriptive detail to conform with that therein prescribed, or as modified by § 1262.129 of the instructions in this part.

CROSS REFERENCE: For statement of property units added and retired and their costs, see § 1262.21.

§ 1262.103 Cost of property added.

(a) The amounts reported as the cost of property added shall be only those that affect the investment in road and equipment except as hereafter provided with respect to lands, miscellaneous physical property, and cost of road acquired through purchase, merger, consolidation or reorganization, and reconstruction of road so acquired.

(b) The cost reported need be only the total cost of each structure as defined in § 1262.121, the total cost for each mass account as defined in § 1262.120 of the instructions, or as prescribed by the subschedules.

(c) Except that when changes are reported under the unit designation "lot," the cost applicable to such unit shall be also reported.

(d) The costs to be reported for betterments shall be computed in accordance with the rules in the effective accounting regulations. With respect to costs to be reported for track changes in connection with betterments applied, the costs to be reported for account 9, Rails, shall be the cost of the excess in weight of heavier rails laid in replacement of lighter rails; for account 10, Other track material, the excess cost of heavier or improved track material; and for account 11, Ballast, the excess cost of improved ballast. (Added by order of April 17, 1963.)

(e) A supplemental Form No. 588-R shall be filed for account 9, Rails, account 10, Other track material, and account 11, Ballast, bringing the property costs, as shown in the valuation records of the Commission, into conformity with the costs recorded in the books of account pursuant to revised Instruction 2-19 of the accounting regulations. Carriers which recorded costs as shown in valuation records in their books of account at time of reorganizations shall file a supplemental Form 588-R for the period subsequent to the reorganization.

CROSS REFERENCE: For statement of property units added and retired and their costs, see § 1262.21. For subschedules, see § 1262.118.

§ 1262.104 Property retired.

Property retired shall be reported separately from property added, and shall also be reported in terms of the units shown in the "List of Units" (§ 1262.200 (c)) previously referred to, with descriptive details to conform with those therein prescribed, except however, property included in the basic valuation reports and subsequently retired may be stated in terms of the units shown therein. The retirement of a complete structure individualized in the basic reports need be described only to the extent necessary to permit ready identification of such structure in the basic reports.

§ 1262.105 Retirement quantities.

(a) In reporting retirements of property which was included in the final valuation reports of the Commission the quantities thereof shall agree with the quantities included in the final Engineering Report. If loss and waste is included in the reported quantities, a note to that effect shall be made.

(b) In reporting retirements of property which was not included in the final valuation reports of the Commission, but subsequently included in the records and reports prepared in compliance with valuation order No. 3, the quantities shall conform with the record covering the installation of such property.

§ 1262.106 Costs applicable to property retired other than land.

(a) The costs to be reported applicable to property retired other than land shall be:

(1) In column 12, the cost of reproduction new for property included in the basic valuation report, for equipment report also the original cost in column 11.

(2) In column 11, the cost included in the records and reports prescribed by valuation order No. 3 for property installed since date of basic valuation.

(b) [Reserved]

(c) In determining the cost of property retired from service when it is impracticable because of the relatively large number and small size of units of any kind to determine the specific cost thereof, average costs may be used.

(d) When changes are reported under the unit designation "lot," the cost applicable to such unit shall be also reported.

§ 1262.107 Land for transportation purposes.

(a) Changes in lands owned or used for the purposes of a common carrier including acquisitions of lands or rights and lands retired, sold, or otherwise transferred, shall be reported

on B. V. Form No. 588, subschedule "L," (§ 1262.300) attached hereto and made a part hereof. This subschedule shall be filed in duplicate with one copy carbon backed. In the preparation of subschedule "L" there shall be shown in column 15 under the caption "Remarks" for lands acquired a statement of the specific use to which such lands have been put and for lands retired or transferred from carrier use the disposition thereof, such as sales, transfers to noncarrier, reversions, etc. Such lands shall be designated by the map number and parcel number shown therefor in the basic Land Report if included therein.

(b) Assessments for public improvements applicable to lands owned or used for common-carrier purposes shall be reported on subschedule "L" in total for each valuation section and by years.

(c) Incidental land cost need not be reported in detail; only the lump-sum cost applicable to each parcel need be shown.

§ 1262.108 Costs applicable to land retired.

The costs to be reported under the heading "Property Retired" for items of land shall be, the cost at the date of dedication to public use, and separately, the amount entered in the investment account to record therein the retirement.

§ 1262.109 Property transferred from carrier use to noncarrier classification and vice versa.

In reporting changes in carrier property, transfers from noncarrier to carrier use shall be considered additions and transfers from carrier use to noncarrier classification shall be considered retirements and conversely when reporting for noncarrier property.

§ 1262.110 Jointly owned or jointly constructed property.

Changes in jointly owned or jointly constructed property shall be reported separately from other property. The total quantities and total costs shall be reported. The total cost shall be shown in the description column and a statement of the names of the owning or participating companies, individuals or political subdivisions with the amounts or proportions owned and contributed by each. The cost to be entered under the heading "Property Added" shall be the portion of the total cost borne by the company for which the report is made plus the cost of property relinquished and retired from service as a direct result of the arrangement less the salvage recovered therefrom, and less the depreciation accrued on the property. The net amount is part of the total cost of the property to the carrier.

§ 1262.111 Changes made in or to property of other common carriers.

Where one carrier assumes the cost of a change upon another carrier's property or where one or more carriers participate with the owner in the cost of a change in the latter's property, the full details of the property units involved and their cost shall be reported separately from other property changes and the facts as to ownership and use shall be stated.

§ 1262.112 Changes in use of property.

(a) Changes in use of carrier property, through leases from or to common carriers, shall be reported in sufficient particularity to permit identification of the property by ownership and physical characteristics in the basic valuation report or other valuation records.

(b) Changes in the use of property through leases from individuals, firms, corporations, or others not common carriers that are in effect at the date of the report shall be appropriately reported.

§ 1262.113 Reconciliation with investment accounts.

The carrier shall prepare and file with reports on B.V. Form 588 (§ 1262.300) a general analysis of the difference between the charges and credits in Columns 5, 11, and 12 of that form and the increases or decreases in the investment account during the reporting period. The detail of items forming such difference shall be grouped under appropriate descriptive headings according to the nature of the difference.

§ 1262.114 Roads acquired through purchase, merger, consolidation, or reorganization.

(a) Pursuant to sections 10 and 11 of order No. 3 (§§ 1262.10, 1262.11) the changes made in the property during the interval between the date it was inventoried to the former owner and the date transferred to the vendee shall be reported separately from the changes made in such property subsequent to its acquisition. In addition to such changes there shall be reported separately a statement of the property acquired together with the money outlay for constructing and improving such property, which statement shall include the amounts representing the difference between the cost of acquisition and such money outlay in the convenience account styled "Difference between the price paid for property acquired and the money outlay for construction and improvement of that property," and also a statement describing the manner in which the money outlays were ascertained and the basis of distribution among the primary accounts that are applicable to the property.

(b) If the property has been acquired from individuals, firms, corporations or others that were not common carriers the statement shall show in addition to the foregoing the manner in which an inventory of the property was determined.

CROSS REFERENCE: For railroad consolidation plan and procedure, see Part 1111 of this chapter.

§ 1262.115 Reconstruction of road acquired through purchase, merger, consolidation, or reorganization.

(a) Property changes incident to reconstruction of road acquired shall be reported separately from all other property changes. The units installed and their costs and the units retired and their costs shall be allocated on such report to the primary accounts applicable to the property and under each such account they shall be subdivided to show:

(1) Property added in replacement of like property and the retirements in connection therewith.

(2) Property added in betterment of existing property together with retirements in connection therewith.

(b) With the exception of the foregoing subdivision, the reporting of the units and cost for the property added and property retired shall conform to the general rules set forth in this part for other additions and retirements.

CROSS REFERENCE: For rules concurring additions and betterments to and retirements of units, see § 1262.132.

§ 1262.116 General expenditures (Accounts 71 to 77, inclusive).

When items of general expenditures have been included in a particular road and equipment account as a part of the cost of any specific property such amount shall be separately stated under each primary account on the form and indication shall be given as to the general nature of the items.

§ 1262.117 Other changes.

The foregoing rules in this part relate to the manner of reporting property changes, the cost of which affects the investment in road and equipment account. The rules relating to the manner of reporting changes in miscellaneous physical property are shown in the special instructions in § 1261.23 of this chapter. If there have been other changes which affect the condition and value of the property, such changes shall be reported separately, with their costs, from those the cost of which affects the investment in road and equipment account, but in conformity with the general rules given in this part and an explanation made of the accounting performed in connection with such changes.

§ 1262.118 Subschedules.

Subschedules are provided by the instructions in this part for reporting changes in land equipment and miscellaneous physical property. Other subschedules may be used for reporting the foregoing and other classes of property provided that they are first approved by the Commission as to form and method of preparation. When subschedules are used, total charges and credits for each primary account shall be shown upon B.V. Form No. 588 (§ 1262.300) with appropriate reference to the subschedules. Subschedules shall be filed in duplicate with one copy carbon backed.

§ 1262.119 Division of road accounts.

For the purpose of conveniently indicating the treatment to be accorded different classes of property General Account I, Road (except land), will be considered as containing two distinct classes of property; namely, "mass property" and "structural property." By mass property is meant property of like kind and characteristics, the quantities of which may be considered collectively

and reported as a single item. By structural property is meant property which from its nature must be individualized and reported separately from property of like kind and characteristics.

§ 1262.120 Mass property.

This class of property shall be construed generally to include the following:

(a) All items in Account 3, Grading.

(b) All items in Account 6, Bridges, trestles, and culverts and Account 7, Elevated structures, except as required to be individualized and with respect to which instructions are contained in the "List of Units" under this account.

(c) All items in Accounts 8, Tie; 9, Rails; 10, Other track material; 11, Ballast; 12, Track laying and surfacing.

(d) All items in Account 13, Fences, snowsheds, and signs.

(e) All items in Account 26, Communication systems, except equipment of dispatcher or large relay offices.

(f) All items in Account 27, Signals and interlockers, except interlocking plants.

(g) All items in Account 37, Roadway machines; Account 38, Roadway small tools; and paving in Account 39, Public improvements—Construction.

§ 1262.121 Structural property.

This class of property shall be construed generally to include the following:

(a) Under Account 5, Tunnels and subways, each tunnel or subway.

(b) Under Account 6, Bridges, trestles, and culverts; Account 7, Elevated structures; and Account 39, Public improvements—Construction, each bridge or other structure required by the instructions in the "List of Units" under Account 6, to be treated individually.

(c) Under Account 16, Station and office buildings, and Account 17, Roadway buildings, each building except those of minor importance which conform in size and character to an established standard of construction.

(d) Under Account 18, Water stations, each water station or water-treating plant.

(e) Under Account 19, Fuel stations, each fuel station.

(f) Under Account 20, Shops and engine houses, each shop building, engine house, turntable, cinder pit, or gas production plant, each plant.

(g) Under Account 21, Grain elevators, and Account 22, Storage warehouses, each building.

(h) Under Account 23, Wharves and docks, and Account 24, Coal and ore wharves, each wharf, dock, or pier.

(i) [Reserved]

(j) Under Account 26, Communication systems, each dispatcher or large relay office.

(k) Under Account 27, Signals and interlockers, each interlocking plant.

(l) [Reserved]

(m) Under Account 29, Power plants, each building, including power substation buildings.

(n) Under Account 31, Power-transmission systems, each shop plant or each power system, including each power-distribution system, power-line poles and fixtures system, and underground conduits system.

(o) Under Account 35, Miscellaneous structures, important structures as may be appropriate.

(p) Under Account 44, Shop machinery, and Account 45, Power-plant machinery, each separate plant.

§ 1262.122 Manner of reporting changes in mass property.

Mass property shall be listed in total by units for all years to cover the complete period subsequent to valuation date or since the date of any such previous list, unless specific instructions to the contrary are given, and the weighted average date (year) of installation shall be shown for each item except for clearing, grubbing, grading, or items in Account 12.

§ 1262.123 Manner of reporting changes in structural property.

(a) Each bridge, building, structure, plant, or facility referred to in § 1262.121 as "structural property" shall be reported separately from every other bridge, building, structure, plant, or facility, and the accessories attached thereto, or forming a part thereof, such as furniture, fixtures, equipment, and appurtenances shall be grouped therewith and reported in appropriate units with descriptive detail as indicated in the "List of Units" § 1262.200(c).

(b) Structural property shall be reported in such a manner as to show date of installation of new facilities, date (year) of additions and betterments made to existing facilities, and date of retirements of facilities or parts thereof.

§ 1262.124 Structural property additions and betterments.

(a) In reporting additions and betterments to and retirements from structural property all changes affecting a given bridge, building, structure, plant, or facility shall be grouped under a common description of such facility or an appropriate reference to the same by page and item number of the Engineering Report. Each change shall be separately recorded thereunder in terms of the units and descriptions prescribed in the "List of Units" (§ 1262.200(c)) and the date (year) of each change shall be noted.

(b) In reporting retirements of units designated as structural property to which additions and betterments have been added since valuation date, the net cost of such additions and betterments shall be stated separately from the costs attaching to the unit as existing on valuation date or as installed subsequently thereto.

§ 1262.125 Structural property; major renewals.

When an important building or structure has been retired and replaced due to the renewal of its major portion, the retirement entry shall show all parts of the structure, including those left in place for reuse; the addition shall include such reused parts, in order that the units reported installed shall embrace all those in the facility as restored to service. Reused units and quantities must be separately stated on the report.

§ 1262.126 Valuation sections.

(a) Reports shall be prepared separately for each valuation section shown in the basic engineering report and for those since established.

(b) Appropriate combinations of present valuation sections should be made within practical limitations, to promote facility and economy, subject to the approval of the Commission.

(c) Roadway machines and other similar items may be reported "Unallocated" subject to the approval of the Commission.

§ 1262.127 Mileage changes.

Report shall be made of all changes in track mileage divided to show separately first main track, second main track, third main track, fourth main track, etc., and yard tracks and sidings.

§ 1262.128 Separations by sheets or subschedules.

The following accounts or groups of accounts should be reported on a single sheet or series of sheets; Accounts 1 and 71 to 77, inclusive; 2, 2½ (reproductible), and 39 (assessments); 2½ (nonreproductible), 3, and 5; 6 and 7; 8 to 13, inclusive, and 39 (construction); 16, 17, and 35; 18 and 19; 20 to 22, inclusive; 23 and 24; 26; 27; 29; 31; 40 to 43, inclusive; and, 44 and 45.

§ 1262.129 Modifications of items and units.

Modification in the items, units, forms, and manner of reporting may be made only with the approval of the Commission.

§ 1262.130 Inventory groups.

(a) The instructions pertaining to the equipment accounts are based on the group plan of recording and reporting changes in such property.

(b) This plan contemplates the establishment of groups of cars, locomotives, etc., hereinafter referred to as "inventory groups." A group once established should remain unaltered except to the extent of additions and betterments to individual units and the retirement of units. An inventory group for property included in the final Engineering Report shall be the group established by the Commission as indicated in the final Engineering Report. For equipment acquired since valuation date each class or series of like units built under uniform plans and specifications shall constitute a new inventory group except that subdivisions may be made for convenience in accounting where a series is constructed at different plants or under varying unit contract costs.

§ 1262.131 Equipment acquired.

(a) Each inventory group established for equipment shall be reported separately from every other such group on B.V. Form No. 588–R or with the descriptive detail outlined in the List of Units. Freight charges shall be separately reported with the place built, f. o. b. point

and also the setting-up point for locomotives and receiving point for cars. The name of the vendor shall be reported for equipment purchased second hand.

(b) For rebuilt or converted units constituting a new inventory group reference shall be made to the original group.

§ 1262.132 Additions and betterments to and retirements of units.

The changes which occur in each established inventory group such as additions, betterments, and retirements made since valuation date or since the group was established shall be reported on B.V. Form No. 588–R or subschedule B. There shall be recorded and reported the data indicated by the captions on the subschedule in summary form for each year the current status of each group, as a whole, with respect to the number of units at the end of the year and the changes during the year. There shall be reported in column K a description of major additions and betterments applied during the year or period. (See § 1262.129.) Symbols may be used to describe such additions and betterments.

§ 1262.133 Subschedule M.

(a) On B.V. Form No. 588, subschedule M (§ 1262.300) there shall be reported the changes in the physical property that is owned and "held for purposes other than those of a common carrier," including the additions to, and improvements of such property during the period and the sales, transfers, abandonments, or other dispositions made of such property or any part of it during the same interval.

(b) The information reported shall be as prescribed by subschedule M and shall be grouped as may be appropriate under the following headings that shall be inserted upon the form:

(1) Unimproved noncarrier lands.
(2) Improved noncarrier lands.
(3) Noncarrier improvements upon land which is classified as devoted to common-carrier purposes.
(4) Noncarrier improvements upon lands belonging to others.
(5) Assessments for public improvements applicable to noncarrier lands shall be reported by lump sums for each year.

§ 1262.200 List of units for use of carriers in the preparation of Completion Reports and the Record of Property Changes.

(a) *Order of Commission.* (1) Valuation Order No. 3, Second Revised Issue, prescribing the regulations and instructions to govern the recording and reporting of all extensions and improvements or other changes in physical property of every common carrier subject to the Interstate Commerce Act, provides in section 17, (§ 1262.17) that such carriers shall record on Completion Reports the details of each change affecting roadway property and equipment turned over to, or retired from, operation and of common carrier property transferred from one owner to another; section 18, (§ 1262.18) provides that such carriers shall establish a Record of Property Changes to which shall be transcribed from the Completion Reports a record of the changes which affect the property embraced in each valuation section.

(2) Supplement No. 5 to Valuation Order No. 3, Second Revised Issue, provides that carriers shall report to the Commission on B. V. Form 588 (§ 1262.300) the changes that have been made in the physical property since the date fixed for the basic inventory of the property or since the date of any such previous report.

(3) For the purpose of establishing a uniform manner of recording and reporting such details: *It is ordered*, That:

(i) Each and every such carrier and each and every such receiver or operating trustee of any such carrier, be, and is hereby required, to record such changes in property subsequent to December 31, 1932, in accordance with the list of property units attached hereto and made a part hereof.

(ii) Each and every carrier of the class described and referred to herein and each and every receiver or operating trustee of any such carrier whose Completion Reports, Record of Property Changes, or reports on B. V. Form 588 (§ 1262.300), have not been prepared for a given year or period as of the effective date of this order may prepare such records and reports in accordance with this list of property units.

(b) *Explanation.* (1) The units referred to herein are those prescribed for use of carriers in the preparation of Completion Reports, and also for the Record of Property Changes, and B. V. Form 588–R (§ 1262.300) except as otherwise noted.

(2) The items and units listed are to be considered as merely representative and not as excluding from any account necessary analogous items which are omitted from the list. Where additional units are desired in a given account, appropriate designations may be selected, preferably from the lists in other accounts.

(3) If type symbol designations are used as descriptive of the character and size of items, complete and detail description of what comprises each type shall be prepared, shall be filed with and be subject to the approval of the Commission.

(4) In the following list of units, the phrases shown in the parentheses after each item are indicative of the descriptive information required and the subdivision by classes for each item.

(5) All fixed property must be reported by definite location. Where necessary to supplement descriptions, reference to available plans and specifications should be shown on Completion Report.

(6) Materials salvaged from property retired when reused shall be designated as "second hand." Parts of a structure left in place and reused in connection with property retired and replaced shall be designated as "reused."

(c) *List of units by account numbers.*

Account 1. Engineering (No units are required for this account.)
Account 2. Land for Transportation Purposes
Account 3. Grading
See accounts 6 and 26.
Account 5. Tunnels and Subways
Account 6. Bridges, Trestles, and Culverts
Account 7. Elevated Structures
See account 6.
Account 8. Ties
Account 9. Rails
Account 10. Other Track Material
Account 11. Ballast
Account 12. Tracklaying and Surfacing
Account 13. Fences, Snowsheds, and Signs
Account 16. Station and Office Buildings
Account 17. Roadway Buildings
Account 18. Water Stations
Account 19. Fuel Stations
Account 20. Shops and Engine Houses
Account 21. Grain Elevators
Account 22. Storage Warehouses
Account 23. Wharves and Docks
Account 24. Coal and Ore Wharves
Account 26. Communications Systems
Account 27. Signals and Interlockers
Account 29. Power Plants
Account 31. Power-Transmission Systems
Account 35. Miscellaneous Structures
Account 37. Roadway Machines
Account 38. Roadway Small Tools
Account 39. Public Improvements; Construction
Account 40. Revenues and Operating Expenses During Construction
Account 42. Reconstruction of Road Property Acquired
Account 43. Other Expenditures; Road
Account 44. Shop Machinery
Account 45. Power-Plant Machinery

EQUIPMENT ACCOUNTS

Account 51. Steam Locomotives
Account 52. Other Locomotives
Account 53. Freight-Train Cars
Account 54. Passenger-Train Cars
Account 56. Floating Equipment
Account 57. Work Equipment
Account 58. Miscellaneous Equipment
Accounts 71, 72, 73, 74, 75, 76, 77

NOTE: Under these accounts there shall be recorded descriptive details which shall clearly set forth the character and the nature of the items and in such particulars as to distinguish as between payments for service, for supplies consumed, and for inventoriable property. With respect to items falling within the last-named class, appropriate unit designations shall be selected from the items shown under other accounts.

When items of general expenditures have been included in any road or equipment accounts as part of the cost of any specific property, such items shall be separately stated and the nature appropriately described.

§ 1262.300 List of forms.

Exhibit A—Authority for Expenditure.
Exhibit A–1—Detailed Estimate.
Exhibit B—Register of Authorities for Expenditure.
Exhibit C—Roadway Completion Report.
Exhibit C–1—Roadway Completion Report.
Exhibit D–Completion Report of Changes made in equipment for six months.
Exhibit E—Record of Property Changes.
B. V. Form No. 586—Report of roadway completion reports covering changes for six months.
B. V. Form No. 587—List of equipment completion reports covering changes for six months.
B. V. Form 588, Subschedule B (revised)—Equipment changes.
B. V. Form 588, Subschedule L (revised)—Statement showing changes in lands owned or used for the purpose of a common carrier.
B. V. Form 588, Subschedule M (revised)—Statement showing changes in physical property of owning company held for purposes other than those of a common carrier.
B. V. Form 588, Subschedule N (revised)—Statement showing changes in leases.

B. V. Form No. 588-R—Statement showing property changes for a certain period.
B. V. Form No. 589—Annual statement of charges and credits to the investment account for property brought into or retired from operation in a State.

PART 1263—MAP SPECIFICATIONS

MAP ORDER

Sec.
1263.0 General.

GENERAL

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1263.11 On the right-of-way and track map.
1263.12 On station maps.

AUTHORITY: The provisions of this Part 1263 issued under sec. 12, 24 Stat. 383, as amended; 37 Stat. 701, 49 U.S.C. 12, 19a.

NOTE: In §§ 1260.0 to 1260.12 the numbers to the right of the decimal point correspond with the respective section numbers in Specifications for Maps, Second Issue.

MAP ORDER

§ 1263.0 General.

(a) These specifications for maps are prescribed for the use of all steam railway carriers subject to the provisions of the act to regulate commerce, as amended, in the preparation of all maps which shall be required filed with this Commission in accordance with section 19a of the act to regulate commerce; each and every carrier and each and every receiver or operating trustee of any such carrier be required to prepare and furnish to the Commission all maps in conformity therewith; and a copy of the said second issue be sent to each and every such carrier and to each and every receiver or operating trustee of any such carrier.

(b) Every steam railway carrier shall have available maps of its property and shall currently record thereon the property changes, in conformity with the said specifications.

(c) Every steam railway carrier shall furnish on request copies of such maps showing its property as it exists on such date or dates as may be fixed by the Commission.

(d) January 1, 1933, is hereby fixed as the date on which the said Second Issue of the Specifications for Maps shall become effective.

GENERAL

§ 1263.1 Intent.

(a) In order that the Interstate Commerce Commission may investigate, ascertain, report, and record the value of property of railway carriers as it now exists and as it hereafter may be extended, improved, or changed, it is essential that certain maps shall be available, and copies thereof shall be filed with the Commission whenever requested.

(b) Where maps already in existence contain in the opinion of the Commission the necessary information in such form that it is reasonably available, these will be accepted.

MAPS REQUIRED

§ 1263.2 Classes and titles.

Two general classes of drawings shall be made by the carriers, viz:

(a) Right-of-Way and Track Map.
(b) Station Maps.

§ 1263.3 Description and purpose.

(a) The Right-of-Way and Track Map shall be a true horizontal projection of the right of way, tracks, and other important facilities.

(b) The Station Maps shall be a supplement to the above for terminals and other locations where the property of carriers is so extensive and complicated that it can not be clearly shown on the Right-of-Way and Track Map.

The maps shall be made of materials of standard quality using conventional symbols and plain lettering.

FORM OF MAPS

§ 1263.4 Size of sheets.

The maps shall be made in sheets 24 by 56 inches. A plain, single-line border shall be drawn on each sheet, dimensions inside of which shall be 23 by 55 inches. When more than one sheet is required to show a station property, the plat shall be made upon "matched marked" sheets in such manner as to require a minimum number.

§ 1263.5 Scales.

(a) The Right-of-Way and Track Map shall be made on a scale of 1 inch equals 400 feet, or 1 inch equals 200 feet.

(b) The Station Maps shall be made on a scale of 1 inch equals 100 feet, or in complicated situations 1 inch equals 50 feet.

§ 1263.6 Arrangement of data.

The maps shall be made with the zero or lowest numbered station at the left side of each sheet and shall be platted continuously from left to right. Where the use of this method would involve the abandonment of established survey station numbers of a railway, the platting may be done in such a way as to preserve them, provided the maps for any given main line or branch are continuous in same direction between termini of main line or branch. The general direction of the center line of track shall be as nearly as possible parallel to and half way between the long sides of sheets, so that the maximum space each side of platted right-of-way lines may be available for showing adjacent topography and property lines and for making notes as to physical property. The maximum length of main roadway represented on any one sheet (between "match marks") shall be 4 miles, if scale is 1 inch equals 400 feet, or 2 miles if scale is 1 inch equals 200 feet.

§ 1263.7 Cardinal points.

On all maps an arrow showing the true north and south line (as nearly as can be ascertained from existing records) shall be placed. This arrow shall not be less than 3 inches in length and shall have the letter "N" marked at its north end.

§ 1263.8 Indexing.

(a) All Right-of-Way and Track Map sheets shall be numbered serially, beginning with sheet 1. The sheets representing valuation sections shall form separate series, and the valuation sections shall be numbered serially with the letter "V" preceding the number. Index numbers shall be in lower right-hand corner of the sheet and inclosed in plain, single-line circle 1 inch in diameter. Valuation numbers shall be in the upper half of circle and sheet number below with a straight line between.

(b) The Station Maps shall be given the same serial number preceded by the letter "S" as the sheet of the Right-of-Way and Track Map which they supplement.

(c) In case a Right-of-Way and Track Map sheet is supplemented by more than one Station Map, a subscript letter should be used after the number, e. g., S 32a, S 32b, etc., where lands and track features are combined; S–L 32a, etc., where land only is shown; and S–T 32a, etc., where track features only are shown.

(d) On the Right-of-Way and Track Map sheets reference to all Station Maps shall be shown by outlining limits of Station Maps and giving the number of the Station Map sheets.

§ 1263.9 Title.

The title shall be placed as near the lower right-hand corner as practicable. The following information shall be given therein:

(a) Class: Right-of-Way and Track Map; Station Map.
(b) Corporate name of the railway.
(c) Name of operating company.
(d) Name of railway division or branch line.
(e) Beginning and ending survey station numbers on sheet.
(f) Scale or scales.
(g) Date as of which maps represent the facts shown thereon.
(h) Office from which issued.

§ 1263.10 Certification.

Certification as to the correctness of all maps shall be executed and shall accompany such maps when submitted to the Commission.

DATA REQUIRED

§ 1263.11 On the right-of-way and track map.

On the Right-of-Way and Track Map shall be shown the data given in paragraphs (a) to (h) of this section.

(a) *Boundary lines of all right-of-way.* (1) The term "right-of-way" as used in this part includes all lands owned or used for purposes of a common carrier, no matter how acquired.

(2) Show: Width of right-of-way, in figures, at each end of the sheet and at points where a change of width occurs, with station and plus of such points where known; boundary lines and dimension of each separate tract acquired where known; a schedule of deed, custodian's number, the name of grantor and grantee, kind and date of instrument. Each tract of land shall be given a serial number and listed serially in the schedule. The schedule shall also include reference to leases to the company, franchises, ordinances, grants, and all other methods of acquisition.

(b) *Boundary lines of detached lands.* (1) The term "detached lands" as used in this part includes:

(i) Lands owned or used for purposes of a common carrier, but not adjoining or connecting with other lands of the carrier.

(ii) Lands owned and not used for purposes of a common carrier, either adjoining or disconnected from other property owned by the carrier.

(2) Show: Boundary lines and dimensions where known; distance and bearing from some point on the boundary line to some established point or permanent land corner, where practicable, and separately on the schedule above, the lands not used for purposes of a common carrier.

(c) *Intersecting property lines of adjacent landowners.* Where known show: The property lines of adjacent landowners, the station and plus of important intersections of property lines with center line of railway or other railway base line, and the names of owners of the land adjacent to the right-of-way.

(d) *Intersecting divisional land lines.* Where known show: Section, township, county, State, city, town, village or other governmental lines, with names or designations; the width and names of streets and highways which intersect the right-of-way; and the approximate station and plus at all such points of crossing or intersections with center line of railway or other railway base line.

(e) *Division and subdivision of lands beyond the limits of the right-of-way.* Where known show: The section and quarter-section lines for a maximum distance of 1 mile on each side of the center or base line of railway where the land has been subdivided into townships and sections; such data as to divisions, tracts, streets, alleys, blocks, and lots, where the land has been divided in some other way than by sections; the distance, where known, from railway base line to permanent land corners or monuments; and the base line from which the railway's lands were located (center line of first, second, third, or fourth main track or other base line).

(f) *Alignment and tracks.* Show: The center line of each main and side track when such tracks are outside the limits covered by the Station Maps and center line of each main track also inside Station-Map limits; the length, in figures, of all sidetracks from point of switch to point of switch, or point of switch to end of track; all other railways, crossed or connecting, and state if crossing is over or under grade, and give name of owner of such tracks; survey station number at even 1,000 scale-feet intervals, and station and plus at points of all main line switches at points of curves and tangents and at beginning and ending points on each sheet; the degree and central angle of curves; and joint tracks and ownership thereof.

(g) *Improvements.* Show: Important facilities in general outlines and give approximate station and plus thereof.

(h) *Topographical features.* Where practicable show: Water courses, highway crossings, etc. Give names where known, and when highway crossings are over or under grade so state.

§ 1263.12 **On station maps.**

(a) The purpose of the large scale Station Maps is to permit the showing of improvements in more detail than is practicable on the right-of-way and track map.

(b) Where the station property to be mapped is extensive and complicated, it shall be delineated on two separate maps.

(1) Shall show all data relating to ownership of lands.

(2) Shall show all tracks and structures and external land boundaries.

(c) Where practicable, without sacrificing the clearness of the map, the two may be combined into one map.

(d) Show all information set forth under § 1263.11 (a) to (h), when inside of Station-Map limits.

(e) Tracks shall be represented on Station Maps either by center lines or by rail lines.

(f) Information called for under § 1263.11 (c), (e) and Station Maps under this section may be omitted upon the approval of the Commission.

PARTS 1270–1279—PASSES AND FREE TRANSPORTATION

NOTE: Forms prescribed by Parts 1270–1279 are available upon request from the Office of the Secretary, Interstate Commerce Commission, Washington, D.C. 20423.

PART 1270—RAIL AND WATER CARRIER PASSES

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Sec.
1270.86 Pass and record forms.
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1270.101 List of forms.

AUTHORITY: The provisions of this Part 1270 issued under sec. 12, 20, 24 Stat. 383, 386; 49 U.S.C. 12, 20.

§ 1270.0 Application of the regulations.

(a) The regulations in this part apply to all carriers of classes designated in the order whether passes are issued or are honored for transportation wholly within one State or otherwise, and whether the operated mileage or termini of any such carrier be located entirely within the limits of one State or otherwise.

(b) These regulations shall apply, on and after the fifteenth day of February 1943, to all common carriers by water subject to part III of the Interstate Commerce Act.

(Secs. 1, 22, 24 Stat. 379, as amended, 387, as amended, 54 Stat. 933, 935, as amended; 49 U.S.C. 1, 22, 904, 906)

§ 1270.1 Nonrevenue passenger service.

All nonrevenue passenger service, whether transportation, meals, or sleeping, parlor, or other accommodations, except as provided in § 1270.39 and §§ 1270.42–1270.50, furnished by steam roads, electric railways, carriers by water, and sleeping car companies, subject to the regulations in this part shall be covered by passes as prescribed in this part.

§ 1270.2 General classes of passes.

(a) Passes issued shall consist of not more than eight general classes, viz:

(1) Annual or term passes for passage only.

(2) Annual or term passes for meals and sleeping, parlor, and other accommodations, but not including passage.

(3) Annual or term passes for passage, including meals and sleeping, parlor, and other accommodations.

(4) Trip passes for passage only.

(5) Trip passes for meals and sleeping, parlor, and other accommodations, but not including passage.

(6) Trip passes for passage, including meals and sleeping, parlor, and other accommodations.

(7) Commuter passes.

(8) Telegraph passes.

Annual passes are those good until the end of the calendar year without restriction as to the number of trips.

Term passes are those good for a designated period of time other than a calendar year and without restriction as to the number of trips.

Trip passes are those good for a specified period of time and restricted to a single trip or to one round trip.

Commuter passes are those good for a specified period of time and restricted as to the number of trips. This form of pass need not be confined to suburban territory, but may be issued over any portion of a carrier's line.

Telegraph passes are those issued upon telegraphic or telephonic authority and restricted to a trip in one direction within a specified period of time.

(b) Carriers are at liberty to enlarge this classification of pass forms, provided it is done by subdividing any of the general classes, and provided further, that the record of pass stock received and distributed shows the distinctive features of pass forms so subdivided. (See § 1270.12.) It is not desired that carriers file with the Commission samples of their passes.

(c) If the number of passes to be issued for meals and sleeping, parlor, and other accommodations, including passage, is relatively small, carriers are permitted to indorse a pass of any class prepared for passage only so as to include such accommodations as are to be furnished. (See § 1270.54.)

§ 1270.3 Officers issuing and requesting passes.

Each carrier shall maintain in its files (a) a list of the names and titles of officers in whom is reposed the authority for issuance of free transportation and over whose signature passes will be issued, and (b) a list of the names and titles of officers having the authority to request free transportation of other carriers except that requests for passes may be honored when signed by retired employees of lines which have been abandoned subsequent to the date of their retirement and upon satisfactory evidence that they are on the pension roll of the Railroad Retirement Board.

§ 1270.4 Countersignatures.

The names and titles of persons authorized to countersign passes and requests for passes need not be filed with the Commission.

§ 1270.5 Joint bureaus and associations.

Requests for passes for or on account of officers or employees of traffic associations, fast freight lines, demurrage and car-service bureaus, weighing and inspection bureaus, and other joint agencies maintained by or on behalf of carriers subject to the regulations in this part, for transportation over the lines which are members of such associations may be made direct on such lines in the same manner as provided for requests for passes for or on account of a carrier's own officers or employees. (See § 1270.27.) Requests for passes over lines other than member lines must be made in one of the three following methods:

(a) Requests may be made over the signature of an officer of a member line if such officer's name is included in a list maintained by such member line in compliance with § 1270.3(b), with the countersignature of an officer or employee of the association.

(b) Requests may be made over the signature of an officer of the association if such officer's name is included in a list maintained in the files of one or more of the member lines in accordance with § 1270.3(b), with appropriate evidence of authority to request passes on account of the association.

(c) Requests may be made over the signatures of officers of the association if such officers' names are included in a list maintained in the files of the association, in accordance with § 1270.3(b), provided authority has been appropriately delegated to the officers by the member lines to request passes on account of the association.

§ 1270.6 Signature of issuing officers.

Each pass (except a telegraph pass) must bear the signature of an issuing officer named in the list referred to in § 1270.3(a). This signature may be an autograph or a facsimile printed on the pass, or it may be impressed by a mechanical device or by any other means. Since the carrier has the obligation to safeguard the authenticity of passes, the carrier may also determine if this can be done more expeditiously than by autograph signatures. If the carrier requires a countersignature by a subordinate designated on the pass, such countersignature may also be affixed by any method acceptable to the issuing carrier.

§ 1270.7 [Reserved]

§ 1270.8 Ordering and storing pass stock.

The ordering of all pass stock must be confined to requisitions made by a single designated officer and delivery of the entire stock must be made to him. All vouchers or bills covering the cost of pass stock shall be approved by the officer making requisition therefor before they are carried through the accounts for payment. Unissued pass stock must be filed in such manner as to be accessible and convenient for examination.

§ 1270.9 Serial numbering of passes.

All passes (except telegraph passes issued on telegraph blanks) shall be consecutively numbered before or immediately upon receipt from the printer or stationer. No two passes of the same general class shall bear the same number without an indicative letter prefixed or affixed. Unless all passes are numbered in one series, each general class adopted shall constitute a series of numbers and each subdivision of any general class adopted shall constitute a series of numbers with an indicative letter prefixed or affixed.

§ 1270.10 Pass stock used more than 1 year.

If a separate stock of passes is provided for each year the numbering must begin with 0 or 1 at the beginning of the year. If the same stock is used for 2 or more years the numbers may continue consecutively from year to year, commencing with 0 or 1 when desired, but not oftener than once in each calendar year.

§ 1270.11 Letter prefix to pass numbers.

If adherence to the regulations in this part would result in passes carrying numbers consisting of more than five figures, a new series of numbers beginning with 0 or 1 with a letter prefixed may be adopted, provided the let-

ter so prefixed does not occur on any other class of passes.

§ 1270.12 Record of pass stock received and distributed.

A record of pass stock received and distributed must be kept by the officer ordering the pass stock. (See Form 9.) Each of the different forms and series of passes received must be entered on separate sheets or pages and must be recorded and distributed in numerical order. This record must show the form of pass, also the distinctive features of any pass prepared as a subdivision of any of the general classes as provided in § 1270.2(b). On the debit side of the record must be entered the entire pass stock received. On the credit side must be entered all pass stock distributed among other officers or countersigning subordinates, all stock assigned to the officer ordering the stock and issuable by him, and all pass stock destroyed. (For the periods of retention see regulations to govern the destruction of records Parts 1220–1225 of this chapter.)

§ 1270.13 Preparation of passes.

All passes must be filled out with a durable ink, either with pen or typewriter, or by printing, except that in case of emergency a trip pass may be filled out and countersigned by the use of indelible pencil.

§ 1270.14 Identity and qualification of user.

Each pass issued must bear upon its face the name of the person to be accorded free transportation, who must be of a class named in section 1 of the Interstate Commerce Act, as amended, as eligible to receive free transportation.

§ 1270.15 Inclusion of unnamed persons.

A pass may include, in addition to the person named thereon, a specified number of unnamed persons of any class eligible to receive free transportation, the number and the class to which such persons belong being specified upon the pass; e. g.,

Pass: John Smith, car, and five officers and employees.
Account: President, officers, and employees X. Y. & Z. Ry.
Pass: John Smith and six employees.
Account: Section foreman and laborers X. Y. & Z. Ry.
Pass: One extra messenger when presented with letter signed by superintendent of Eastern Express Co. authorizing use and giving name of person to be passed.
Account: Messenger, Eastern Express Co.

A car pass may be issued only for cars owned by the issuing carrier or held by it under lease for use in its business as a common carrier, and for cars owned by another carrier used for the benefit of the issuing carrier in a bona fide test of transportation equipment (including the return of such cars after the completion of the test). It may not be issued for other cars. This provision is not to be construed as prohibiting the issuance of passes for cars of lines operated as a part of the same system. See In the Matter of the Use of Private Passenger Train Cars, 155 I. C. C. 775.

A pass for "John Smith and three children" is not a sufficient compliance with the provisions of this paragraph; it must be made so that the representation that they are the children of the person named shall affirmatively appear; e. g.,

Pass: John Smith, one son, and two daughters.
Account: Brakeman, X. Y. & Z. Ry.

§ 1270.16 Joint passes used separately.

The name of the person presenting the pass must appear upon it unless it be prepared similar to the third example of § 1270.15, and presented with letter authorizing use and giving name of person to be passed. Passes issued for the transportation of more than one person so as to be used by such persons separately must name the person actually using the pass. For instance, a pass to be used by John Smith and his daughter, separately, or a pass to be used by William Brown and one brakeman, separately, should read:

Pass: John Smith and Miss Mary Smith.
Pass: John Smith and daughter Mary.
Pass: William Brown and Edgar Moore.

A pass issued to "John Smith and wife" or to "Mr. and Mrs. John Smith" is construed as if having the name of the wife appearing upon it and may be used by her in the absence of her husband.

§ 1270.17 Account of issuance.

Each pass must show, in accordance with the following, on what account it is issued:

(a) A pass for an officer or employee of the carrier issuing the pass must show the title or occupation of the person to whom it is issued, e. g.,

Pass: John Smith.
Account: Brakeman.

(b) A pass for a member of the family of an officer or employee of the carrier issuing the pass must show the name of such officer or employee, except as provided in paragraph (c) of this section, his title or occupation, and the relationship of the person to whom it is issued, e. g.,

Pass: Miss Mary Smith.
Account: Daughter of John Smith, brakeman.

(c) A pass for the wife of an officer or employee of the carrier issuing the pass, which shows the husband's Christian name, may omit, after "Account," the name of such officer or employee, e. g.,

Pass: Mrs. John Smith.
Account: Wife of brakeman.

(d) A pass for an officer or employee of a carrier other than the carrier issuing the pass must show the title or occupation of the person to whom the pass is issued and the name of the carrier by which employed, e. g.,

Pass: John Smith.
Account: Brakeman, A. & B. R. R.

(e) A pass for a member of the family of an officer or employee of a carrier other than the carrier issuing the pass must show the name of such officer or employee, except as provided in paragraph (f) of this section, his title or occupation, the relationship of the person to whom the pass is issued, and the name of the carrier by which employed, e. g.,

Pass: Miss Mary Smith.
Account: Daughter of John Smith, brakeman, A. & B. R. R.

(f) A pass for the wife of an officer or employee of a carrier other than the carrier issuing the pass, which shows the husband's Christian name, may omit, after "Account," the name of such officer or employee, e. g.,

Pass: Mrs. George Brown.
Account: Wife of clerk, A. & B. R. R.

(g) Every pass issued to a person other than an officer or employee of a common carrier or members of their families must state in the space provided for "Account" the reason for the issuance of the pass, e. g.,

Pass: Mrs. Sarah Jones.
Account: Charity.
Pass: Mr. Henry Brown.
Account: Traveling secretary, R. R. Y. M. C. A.

§ 1270.18 Accommodations other than transportation.

Every pass issued upon which meals, or sleeping, parlor, or other accommodations are to be furnished free must indicate the character of the accommodations to be furnished thereon, e.g.,

(a) When pass does not include passage (see Forms 2 and 5):

To occupy one stateroom.
To meals and berth.

(b) When pass includes passage and accommodations (see Forms 3 and 6):

Including parlor room.
Including meals and berth.

§ 1270.19 Territory or trip limits.

The territory in which or the points between which a pass will be honored must be shown upon it, e.g.,

From ——— to ———.
Between ——— and ———.
Over entire system.

§ 1270.20 Time limit.

The period of time for which a pass will be accepted for transportation must be indicated upon it, e.g.,

Until ———.
Good for one trip only until ———.
Expires ———.
If used within ——— days.
During lifetime.

§ 1270.21 Requests for passes.

Passes shall be issued only upon written requests, or telegraphic requests confirmed by written requests, except as provided in §§ 1270.23 and 1270.24, and in accordance with the forms prescribed in this part as applicable.

§ 1270.22 Information required on pass requests.

All the information required to be shown on passes issued, as prescribed in §§ 1270.14 to 1270.20 must be indicated on requests for passes. In addition to such information requests must furnish in-

formation in accordance with the following:

(a) The address of the person for whom the pass is requested.

(b) If request be made for a pass for or on account of an officer or employee of a carrier other than the carrier by which such pass may be issued, it must contain a statement that the person for whom the pass is requested is not prohibited by law from receiving free transportation. (Form 16 and 17.)

(c) If request be made for a pass for a person other than an officer or employee, or the member of the family of an officer or employee, of a common carrier the request must give evidence, clearly set forth, or be accompanied by papers, showing the legality of the issuance of the pass requested. No form is prescribed for requests of this character.

§ 1270.23 Certain written requests not required.

Written requests for passes may be dispensed with in the following cases, provided the records of passes issued show the full information required, and in addition state upon whose authority the passes were issued and the reasons for dispensing with written requests:

(a) For passes issued to employees engaged in the office in which the passes are actually prepared.

(b) For passes sent to employees attached to the office in which the passes are actually prepared but temporarily located at other points to travel upon instructions from such office.

(c) In cases of emergency requiring immediate use of pass and when there is insufficient time to procure written requests before issuance.

§ 1270.24 Optional pass requests.

Carriers may, at their option, permit their principal officers to furnish passes to officers and employees, and to the members of families of officers and employees, of other carriers subject to the regulations in this part who are not prohibited by law from using free transportation, without requiring written requests, *Provided:*

(a) That acknowledgments, in accordance with Form 22 hereinafter prescribed, be secured from the persons to whom or on whose account the passes are issued, or from an officer whose name is included in a list maintained in compliance with § 1270.3(b), of the carrier on whose account the passes are issued; and provided further,

(b) That notices, in accordance with Form 23 hereinafter prescribed, be given the carriers on whose account the passes are issued through the officers of such carriers ordinarily authorized to issue requests on other carriers for passes (see § 1270.68): *And provided further,*

(c) That the records of the issuing carriers show upon whose authority the passes are issued.

Carriers should be prepared to furnish the Commission, when so required, a full report of passes issued without written requests under the provisions of this section.

§ 1270.25 Notice of passes without written requests.

Notices to other carriers advising of the issuance of passes without written request must be made in duplicate, or legible impression copies must be taken of them, and the duplicates or impression copies must be retained by the issuing carrier.

§ 1270.26 Filing pass requests.

Requests for passes, also acknowledgments received and copies of notices retained for passes issued without requests, must be filed in the office in which are filed records of annual or term passes or the stubs or carbon copies of trip passes, and in such manner as to be accessible and convenient for examination. The numbers of the passes issued must be noted upon the faces of the requests.

§ 1270.27 Signature on pass requests.

Requests for passes for or on account of officers or employees of a carrier subject to this part, other than the carrier issuing the pass, must be over the signature of an officer named in the list referred to in § 1270.3(b). If this signature is not an autograph, the method of affixing it must satisfy the carrier honoring the request that the request is by authority of the designated officer.

§ 1270.28 [Reserved]

§ 1270.29 Requests not by a carrier.

Requests for passes for any persons not covered by § 1270.27 must be made over the signatures of the persons making such requests.

§ 1270.30 Signatures of users of passes.

All passes must bear the signatures of the users, preferably in ink. On the back of each pass, other than a telegraph pass issued on a telegraph blank, must appear a statement that the holder is not prohibited by law from receiving free transportation, and that the pass will be lawfully used. This statement may be shown among other conditions, if any, and must be subscribed to by the holder.

§ 1270.31 Group passes in one name.

A pass issued for a number of persons, but naming only one person, such as:

John Smith, section foreman, and six employees of X. Y. & Z. Ry.
George Jones and two daughters,

need be signed only by the person whose name appears on the pass.

§ 1270.32 Signatures on joint passes.

A pass issued for a number of persons, the names of all appearing on the pass, such as:

William Brown and Edgar Moore, Brakemen,

must be signed by the users, whether the pass is used by one or by more than one of the persons named thereon; except that such pass when issued to the members of a family need be signed only by one of the persons using it.

§ 1270.33 Identification of unnamed user.

A pass issued for a person without giving the name, such as:

Pass one extra messenger when presented with letter, etc.,

need not be signed by the user. The letter or identification form which accompanies the pass must be endorsed by the user and collected and filed with collected trip passes.

§ 1270.34 Telegraph passes.

Telegraph passes may be issued in cases of emergency only and shall be confined to one-way passage. The issuance of telegraph passes shall be over the name of one of the officers named in the list referred to in § 1270.3(a) or that of one of the countersigning officers referred to in § 1270.7, and only within the territory over which such officers have authority to issue annual, term, or trip passes.

§ 1270.35 Form for telegraph passes.

Telegraph passes must be issued either on telegraph blanks in accordance with Form 8 or on a special printed form of telegraph pass, showing the same data as required on Form 8 but similar in form to trip passes.

§ 1270.36 Copies of telegraph passes.

Copies of telegraph passes and of the telegrams authorizing issuance of printed forms of telegraph passes must be made by the issuing officer and filed with the stubs or carbon copies of trip passes.

§ 1270.37 Substitutes for telegraph passes.

If, after a telegraph pass is used, a trip pass is substituted therefor, the former should be filed with requests for trip passes as the authority for issuing the latter.

§ 1270.38 Filing telegraph passes.

Except as provided in § 1270.37, used telegraph passes must be filed with used trip passes.

§ 1270.39 Tickets in lieu of passes.

Detectives and others engaged in similar work and, in cases of emergency, employees and others entitled to free transportation, may be furnished with regular passenger tickets or may be permitted to purchase tickets and have the amounts paid therefor afterwards refunded. In such cases the ticket agent's report of the tickets "without value," or the vouchers refunding the amounts paid for the tickets, must be supported by the authority of one of the officers named in the list referred to in § 1270.3(a). Applications for refunds of fares paid or the authorities for such refunds must show the same information as is required to be shown on the requests for passes referred to in § 1270.22. When detectives and others engaged in similar work are known by number only and it is desired that their names shall not appear in the records, the numbers may be substituted for the names on the au-

thorities referred to above. Carriers must be prepared to furnish adequate evidence that the persons so designated were actually engaged in the service shown on the authorities.

§ 1270.40 Form of free ticket for accommodations.

The use of a special form of free ticket according to the holder certain privileges or accommodations, such as meals, staterooms, berths, or the use of limited trains, is prohibited. If such form is desired it must be issued either in regular pass form or as a subdivision of one of the general classes as provided for in § 1270.2(b).

§ 1270.41 Record of free and reduced-rate tickets issued.

A complete record of all tickets issued in lieu of passes, including tickets for which the fares have been refunded in whole or in part as well as those issued free or at reduced rates, must be maintained. This record must show the date; form and number of ticket; stations from and to; name and address or other designation of person to whom issued; account of issuance (in accordance with § 1270.17); amount of fare, amount of reduction, and the amount of refund if that is less than the fare; and name of officer authorizing the refund or issuance of the ticket. (See § 1270.101 *List of forms*. If this information with respect to such reduced-rate tickets is available in accounting or other records, a separate record of them on Form 13 is not required.)

§ 1270.42 Free transportation without passes.

At the option of carriers, the following designated persons may be given passage, meals and sleeping, parlor, or other accommodations without passes, when in the actual performance of their duties:

Crews of trains, cars, and vessels.
Sleeping car, parlor car, and dining car employees.
Express messengers.
Baggage agents.
Newsboys on trains.

§ 1270.43 Emergency transportation without passes.

In cases of wrecks, epidemics, or other calamitous visitations, persons not prohibited by law from receiving free transportation may be accorded such transportation without passes. In such cases a general statement of the facts must be made by conductors or pursers and filed with reports of passes honored.

§ 1270.44 Carrier's employees on duty.

Passes need not be issued to a carrier's own employees for necessary travel in the performance of their duties in the transportation, maintenance, or construction work of the carrier requiring the movement of employees between points on its line of road, or for travel to and from such duties: *Provided*, That in lieu of passes such employees be supplied with checks, uniforms, badges, or other evidence which will establish their identity as bona fide employees entitled to receive passes: *And, provided further*, That instructions to recognize the particular means of identification which the carrier adopts be issued to conductors and ticket collectors and included in the carrier's general rules and instructions governing the issuance and use of passes referred to in § 1270.85.

§ 1270.45 Transportation within a municipality.

Carriers are not required to issue passes for the free transportation wholly within any one municipality of their employees and others not prohibited by law from receiving free transportation: *Provided*, That persons so transported are distinguishable by badges, cap emblems, or uniforms indicative of their service.

§ 1270.46 Post Office Department commissions.

Commissions issued by the United States Post Office Department may be accepted for the passage of officers and employees of that department when traveling on official business. (See § 1270.74.)

§ 1270.47 Transportation of caretakers.

Pass forms must not be used for the transportation of caretakers of property The transportation of caretakers is regarded as revenue transportation, the cost of which is included in the rates covering the charges on shipments for which caretakers are allowed.

§ 1270.48 Caretakers' shipping contracts and tickets.

Caretakers in actual charge of shipments of livestock, poultry, milk, or fruit, and traveling on trains or vessels with such shipments, shall be furnished with no other evidences of their rights to transportation than are contained in shipping contracts, or in identification papers to be used in connection with notations on waybills. If caretakers are permitted under the provisions of tariffs to travel on passenger trains immediately preceding or following shipments, they must be furnished with a form of caretakers' ticket which must give full waybilling reference and conform to published tariff provisions.

§ 1270.49 Caretakers' return passage.

If a caretaker's return passage is furnished under the terms of the shipping contract, it shall be provided for either by having the shipping contract executed at destination for return, or by having it lifted and a caretaker's return ticket issued, which must conform to published tariff provisions and show (a) the waybill or the shipping contract reference or (b) the initials and numbers of the cars, or the name of vessel, the shipping point, and the destination named in the contract.

§ 1270.50 Caretakers for shipments of milk.

In case shipments of milk are handled on tickets instead of waybills, caretakers' tickets must give full references to dates and numbers of the trains, or names of vessels, on which the shipments move.

§ 1270.51 Auditing and filing caretaker tickets.

All collected caretakers' tickets, shipping contracts, and identification papers on which caretakers are carried must be checked against the waybills or waybill records and filed in such manner as to be accessible and convenient for examination.

§ 1270.52 Extension of passes by endorsement.

The time limit of a pass may be extended by an endorsement thereon: *Provided*, That appropriate record is maintained showing the final limit of passes so endorsed.

§ 1270.53 Extension of passes without endorsement.

The time limit of outstanding annual or term passes may be extended, without endorsement, by the issuance of a general notice to that effect. If this is done, a copy of the notice shall be filed with the Commission and a copy shall be filed in the office in which are kept the records of the issuance of passes so extended and shall become a part of the records of passes issued.

§ 1270.54 Records of passes issued.

A complete record of each pass issued must be kept by carriers subject to the regulations in this part. This record must supply information as indicated by the headings on the forms hereinafter prescribed appropriate for the class of pass to be recorded, and such information must correspond with that appearing on the pass and request. In space provided for "Accommodations, etc.," on the record of annual and term passes issued must be shown all accommodations and services included on pass other than passage, such as drawing room, stateroom, berth, or meals. If passes, prepared for passage only, are endorsed as permitted in § 1270.2(c) to include accommodations in addition to passage, similar endorsement must be made in the record of passes issued; if made on annual or term passes, it must appear in space for "Accommodations, etc.," on Form 10 or 11; if on trip passes, it must also appear on the stub or carbon copy of pass so endorsed.

§ 1270.55 Records of annual and term passes.

Annual and term passes issued must be recorded on sheets or cards prepared similar to Forms 10 or 11.

§ 1270.56 Book records of annual and term passes.

If Form 10 is adopted, the passes must be entered either in numerical order or in alphabetical order according to the surnames of the persons to whom the passes are issued. When passes are entered in numerical order, an alphabetical index by names shall be maintained; when entered in alphabetical order, a numerical index showing name shall be maintained.

§ 1270.57 Card records of annual and term passes.

If Form 11 is adopted, the cards must be filed either in numerical order or in alphabetical order according to the surnames of the persons to whom the passes are issued. When cards are filed in numerical order, an alphabetical index by names shall be maintained; when filed in alphabetical order, a numerical index showing name shall be maintained. In lieu of the index required in this paragraph, if desired, records on this form may be made in duplicate with one set of cards filed in numerical order and the other set filed in alphabetical order according to the surnames of the persons to whom the passes are issued.

§ 1270.58 Preparation of books and card records.

The numerical records or indexes referred to in §§ 1270.56 and 1270.57 must be kept separately by forms and series of passes; the alphabetical records or indexes may be kept either by forms and series of passes or in one complete alphabetical list for the entire issue.

§ 1270.59 Optional records of passes.

Carriers may, if it is desired, keep an additional record of passes issued entered by departments, carriers, or otherwise, on Forms 10 or 11, but such additional record shall not substitute the complete alphabetical or numerical record or index required in §§ 1270.56 and 1270.57.

§ 1270.60 Pass numbers on pass requests.

When the numbers of passes issued are shown in strict numerical order on request received for annual and term passes, such requests may constitute the numerical index required in §§ 1270.56 and 1270.57: *Provided*, That any numerical index so maintained shall be complete and shall contain not more than one series of numbers nor more than one form of pass.

§ 1270.61 Stubs or copies of trip passes.

The record of trip passes issued shall be kept on the stubs or carbon copies of trip passes. Full information must be shown on the stub or carbon copy of each trip pass, as provided on Forms 4, 5, and 6, and this information must conform to the data on the pass and coupon.

§ 1270.62 Records of commuter passes.

The record of commuter passes shall be kept on Form 10 or Form 11, if issued in card or book form, or on the stubs, if issued in coupon form with stub. These records must be maintained in the same manner as is provided for annual, term, or trip passes.

§ 1270.63 Records of telegraph passes.

The record of telegraph passes issued on telegraph blanks shall be kept on Form 12. Such passes may be entered (a) in chronological order, (b) in alphabetical order according to surnames of persons to whom passes were issued, or (c) under departments, carriers, etc.

§ 1270.64 Records of telegraph passes on printed forms.

The record of telegraph passes issued on printed forms similar to trip passes shall be kept either on Form 12 or upon the stubs, if issued with stubs. In either event the full information required on Form 12 shall be shown.

§ 1270.65 Passes canceled, returned, or lost.

If a pass is cancelled, returned, or lost, the fact must be stated on the record, with the date of cancellation, return, or loss entered.

§ 1270.66 Filing pass records.

The records of passes issued must be filed in such manner as to be accessible and convenient for examination.

§ 1270.67 Records of pass requests.

Requests on other carriers for passes must be made in duplicate, or legible impression copies must be taken of them, and the duplicates or impression copies must be retained by the requesting carrier and filed in such manner as to be accessible and convenient for examination. When a pass is received, its number must be noted on the duplicate or impression copy of the request.

§ 1270.68 Notices of passes issued by others.

Notices received from other carriers advising of the issuance of passes under the provisions of § 1270.24 shall be filed in the office in which are filed copies of requests on other carriers for passes.

§ 1270.69 Passes issued jointly by two or more carriers.

A pass issued jointly by two or more carriers must show, in space provided for "Name of carrier," the names of the carriers concerned in such pass, and must also bear the signature of an officer named in the list referred to in § 1270.3 (a) of each of the carriers interested. (See § 1270.6 in the matter of signatures by officers.)

§ 1270.70 Honoring passes of other carriers.

If arrangements are made to accept or honor passes issued by other carriers over certain portions of a carrier's lines, such arrangements must be embodied in the pass rules and regulations referred to in § 1270.85, or a statement of the arrangements must be filed with the Commission.

§ 1270.71 Filing passes.

All passes collected and passes spoiled or returned must be filed in such manner as to be readily accessible and convenient for examination.

§ 1270.72 Reports of passes honored.

Reports, showing the use of passes, shall be made in accordance with the provisions of §§ 1270.75 to 1270.84.

§ 1270.73 Reports of transportation certificates.

Travel performed on transportation certificates or similar authorities issued in accordance with the laws of a State which require designated officers to be accorded free transportation while on journeys entirely within the limits of such State, must be reported in the same manner as travel performed on annual or term passes.

§ 1270.74 Reports of travel for Post Office Department.

Travel performed on commissions issued by the United States Post Office Department must be shown on conductor's or purser's report of passes honored, except when the holder is actually engaged in handling mail on the train or vessel.

§ 1270.75 Rail annual and term passes honored.

Conductors or ticket collectors of carriers by rail must make reports of annual and term passes honored for each run on blank similar to Form 18 hereinafter prescribed, or on identification slips, as provided in § 1270.77. If desired, such reports may be combined with reports of revenue passengers, provided the required information is shown. It is optional with carriers by rail whether or not this report shall cover (a) passes issued to the employees of the reporting carrier and members of their families, (b) passes honored in suburban territory, and (c) passes honored for transportation wholly within any one city, town, or municipality. By the term "employees," as here used, is meant the officers and employees devoting substantially all their time to the work or business of the carrier and regularly carried on its payrolls. By "suburban territory," as used in this section, is meant the territory adjacent to large centers to and from which there is a regular commuter travel.

§ 1270.76 Rail trip passes collected.

Trip passes collected on rail lines, except as covered in § 1270.75 (a), (b), or (c), shall in all cases be endorsed or punched so as to indicate the dates and numbers of trains on which used, and in addition thereto:

(a) If a trip pass, except as covered in § 1270.75 (a), (b), or (c), is honored for passage between stations other than those named on its face and is collected, the conductor or ticket collector shall indicate upon it by punch or endorsement the stations between which it actually is used.

(b) If a trip pass, except as covered in § 1270.75 (a), (b), or (c), is honored for passage between stations other than those named on its face and is not collected, the conductor or ticket collector shall report the use of the pass on conductor's report, Form 18, or on identification slip, and in the same manner as provided for annual and term passes.

§ 1270.77 Identification slips for rail passes.

The use of identification slips and the form of such slips, if used, are left to the option of carriers by rail. If identification slips are used, and if they show the same information as required by conductor's report, Form 18, they

may be substituted in lieu of the conductor's report.

§ 1270.78 Conductors' use of station numbers.

Station numbers or letters instead of names may be used on conductors' reports and for endorsements on trip passes provided an official list of the symbols used is kept available for examination.

§ 1270.79 Reports of water line passes honored and not collected.

Pursers or stewards of carriers by water must make reports of all passes honored and not collected for each trip on blank similar either to Form 20 or 21 hereinafter prescribed. If desired, Form 20 may be combined with the landing or identification check (as used in the collection of transportation at the time passengers disembark) and Form 21 may be combined with the reports of revenue passengers, provided the information required on Forms 20 and 21 is shown. It is optional with carriers by water whether or not these reports shall cover trip passes honored and collected.

§ 1270.80 Reports of water line passes honored and collected.

A trip pass honored and collected, when not included in purser's report of passes honored, must be endorsed or punched by the ticket collector so as to indicate the date and name of vessel on which used, and the points between which used if other than those named on pass, and further, in the event that the pass includes sleeping or other accommodations, the state room or other accommodations furnished on the pass shall also be indicated by number or letter.

§ 1270.81 Locked boxes for water line passes.

Where locked boxes are used in which ticket collectors deposit all collections as passengers disembark, reports of or endorsements on trip passes, as to date and name of vessel on which used, shall be made by either the ticket collector or by the employee whose duty it is to open and report the contents of such boxes.

§ 1270.82 Ferry line passes.

It is optional with carriers by water whether or not reports shall be made covering passes honored over ferry lines when operated between points of close proximity.

§ 1270.83 Reports of sleeping and parlor car passes honored.

Conductors or ticket collectors of sleeping and parlor cars must make reports for each run of passes on which accommodations have been furnished, on blanks similar to From 19 hereinafter prescribed or on reports prepared in columnar form, similar to Form 18, with headings to provide for the information required. If desired, Form 19 may be combined with reports of revenue passengers, provided the information required on Form 19 is shown. It is optional with carriers whether or not these reports shall cover trip passes honored and collected.

§ 1270.84 Sleeping and parlor car trip passes.

Trip passes collected and not included in conductors' reports of passes honored, must be endorsed or punched by the conductors or ticket collectors so as to indicate the dates on which used, the points between which used if other than those named on pass, the accommodations furnished thereon, the names or numbers of cars, and the route.

§ 1270.85 Carriers' pass rules.

Carriers must file with the Commission on or before January 1, 1917, copies of all their general rules and instructions then in effect governing the issuance and use of passes, if such have not been filed, and forward promptly copies of any subsequent rules and instructions. It is not intended, however, that carriers shall cause to be printed such rules or instructions for the specific purpose of filing them with the Commission.

§ 1270.86 Pass and record forms.

Passes must be issued and records kept substantially in accordance with the forms hereinafter prescribed. Except as provided for elsewhere in the regulations of this part the forms indicate the nature of the information required and the order in which it shall appear. If, however, there is insufficient space on the face of any pass to show all the information required, reference may be made to the back of pass, where it shall be shown.

§ 1270.87 Dimensions of pass and record forms.

The dimensions of the forms contained in the regulations in this part are not prescribed; however, in order to facilitate the filing of records it is recommended that Forms 16, 17, and 23 be prepared on paper 8 by 10½ inches.

§ 1270.88 Additional matter on pass and record forms.

Carriers may include any additional matter in the pass forms or record forms, but such additional matter must not be permitted to impair the information required in the prescribed forms or to affect the order in which it is given. The matter printed in italic type in the prescribed forms is not intended to be a part o fthe form but merely to indicate the nature of the information required.

§ 1270.89 Optional pass record forms.

Carriers may adopt additional record forms, but must file with the commission a list of such forms, showing their use and their purpose, as provided in the order dated July 8, 1916.

§ 1270.90 Special coupon pass form.

For a special or unusual occasion—such as a convention of an association of railway employees, to attend which its members would use the lines of two or more carriers—when compliance with the foregoing regulations would be needlessly burdensome to the carriers concerned, consideration will be given by the Commission to an application from the initial carrier, made after an agreement with the other carrier or carriers over whose lines it is proposed to issue free transportation, for authority to issue a special form of pass, bearing coupons for the several carriers over whose lines the pass is to be effective.

§ 1270.101 List of forms.

Form 1: Annual or term pass (for passage only).
Form 2: Annual or term pass (for accommodations, meals, etc., but not including passage).
Form 3: Annual or term pass (for passage, including meals, berths, or other accommodations).
Form 4: Trip pass (for passage only).
Form 5: Trip pass (for accommodations, meals, etc., but not including passage).
Form 6: Trip pass (for passage, including meals, berths, or other accommodations).
Form 7: Commuter pass.
Form 8: Telegraph pass.
Form 9: Record of pass stock received and distributed.
Form 10: Record of annual and term passes issued—Book record.
Form 11: Record of annual and term passes issued—Card record.
Form 12: Record of telegraph passes issued.
Form 13: Record of free and reduced-rate tickets issued.
Form 14: Request from carrier's officers and employees for passes (passage only).
Form 15: Request from carrier's officers and employees for passes (passage and accommodations, or accommodations only).
Form 16: Request on another carrier for trip passes.
Form 17: Request on another carrier for annual or term passes.
Form 18: Conductor's report of passes honored (steam roads and electric railways).
Form 19: Conductor's report of passes honored (sleeping and parlor car accommodations).
Form 20: Purser's report of passes honored (carriers by water).
Form 21: Purser's report of passes honored (carriers by water).
Form 22: Acknowledgment of passes issued without written request.
Form 23: Notification of passes issued without written request.

PART 1271—MOTOR CARRIER PASSES

Sec.
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1271.27 List of forms.

AUTHORITY: The provisions of this Part 1271 issued under sec. 12, 24 Stat. 383, as amended, secs. 204, 220, 49 Stat. 546, as amended, 563, as amended; 49 U.S.C. 12, 304, 320.

§ 1271.0 Application of the regulations.

The regulations in this part apply to all common carriers by motor vehicle designated in the order whether passes are issued or are honored for transportation wholly within one State or otherwise, and whether the operated mileage or termini of any such carrier be located entirely within the limits of one State or otherwise.

§ 1271.1 Nonrevenue passenger service.

All nonrevenue passenger service, whether transportation or other accommodations, except as otherwise provided in § 1271.16, and §§ 1271.18 and 1271.19, furnished by common carriers by motor vehicle subject to the regulations in this part, shall be covered by passes as hereinafter prescribed. Carriers shall be prepared to furnish the Commission, when so required, a full report of all passes issued.

§ 1271.2 General classes of passes.

(a) Passes issued shall consist of not more than five general classes, viz:
(1) Annual or term passes for passage only.
(2) Annual or term passes for passage, including other accommodations.
(3) Trip passes for passage only.
(4) Trip passes for passage, including other accommodations.
(5) Commuter passes.
(b) (1) Annual passes are those good until the end of the calendar year in which issued without restriction as to the number of trips.
(2) Term passes are those good for a specified period of time other than a calendar year and without restriction as to the number of trips.
(3) Trip passes are those good for a specified period of time and restricted to a single trip or to one round trip.
(4) Commuter passes are those good for a specified period of time and restricted as to the number of trips. This form of pass need not be confined to suburban territory, but may be issued over any portion of a carrier's line.
(c) If the number of passes to be issued for accommodations other than passage is relatively small, carriers are permitted to indorse a pass of any class prepared for passage only so as to include such accommodations as are to be furnished. (See § 1271.21(a).)

§ 1271.3 Officers issuing and requesting passes.

Each carrier shall designate an officer in whom is reposed the authority for the issuance of passes, and for the requesting of passes over the lines of another carrier.

§ 1271.4 Persons who may receive free transportation.

The authority for the issuance of free transportation by common carriers by motor vehicle is contained in section 217 (b) of the Interstate Commerce Act by reference to provisions of section 1(7), and section 22.

§ 1271.5 Signature of issuing officer.

Each pass must bear the signature of the designated issuing officer, which may be an autograph, a facsimile printed on the pass, or a signature impressed by a mechanical device or any other means. The carrier has the obligation to safeguard the authenticity of passes, so the carrier may also determine if this can be done more expeditiously than by autograph signatures. If a countersignature by a subordinate designated on the pass is required, such countersignature may also be affixed by any method acceptable to the issuing carrier.

§ 1271.6 Numbering passes.

All passes shall be consecutively numbered before or immediately upon receipt from the printer or stationer. No two passes of the same general class shall bear the same number without an indicative letter prefixed or suffixed. Unless all passes are numbered in one series, each general class adopted shall constitute a series of numbers and each subdivision of any general class adopted shall constitute a series of numbers with an indicative letter prefixed or suffixed.

§ 1271.7 Record of pass stock.

(a) A record of pass stock received and distributed must be kept by the officer ordering the pass stock. (See Form 4, § 1271.27 (d).) Each of the different forms and series of passes received must be entered on separate sheets or pages and must be recorded and distributed in numerical order. On this same record must be entered all the pass stock destroyed. (For the periods of retention see regulations to govern the destruction of records.)
(b) Unissued pass stock must be filed in such manner as to be accessible and convenient for examination.

§ 1271.8 Preparation of passes.

(a) All passes must be filled out with a durable ink, either with pen or typewriter, or by printing, except that in case of emergency a trip pass may be filled out and countersigned by the use of indelible pencil.
(b) Each pass issued must bear upon its face the name of the person to be accorded free transportation, who must be of a class named in sections 1 and 22 of the Interstate Commerce Act as eligible to receive free transportation.
(c) A pass may include, in addition to the person named thereon, a specified number of unnamed persons of any class eligible to receive free transportation, the number and the class to which such persons belong being specified upon the pass, e.g.,

Pass John Smith and six employees.
Account Garage foreman and mechanics A. & B. Bus Line.

A pass for "John Smith and three children" is not a sufficient compliance with the provisions of this paragraph; it must be made so that the representation that they are children of the person named shall affirmatively appear; e.g.,

Pass John Smith, one son, and two daughters.
Account Driver, A. & B. Bus Line.

(d) The name of the person presenting the pass must appear on it. Passes issued for the transportation of more than one person so as to be used by such persons separately must name the person actually using the pass. For instance, a pass to be used by John Smith and his daughter, separately, or a pass to be used by William Brown and one driver separately, should read:

Pass John Smith and Miss Mary Smith.
Pass John Smith and daughter Mary.
Pass William Brown and Edgar Moore.

A pass issued to "John Smith and wife" or to "Mr. and Mrs. John Smith" is construed as if having the name of the wife appearing upon it and may be used by her in the absence of her husband.

§ 1271.9 Account of issuance.

Each pass must show, in accordance with the following, on what account it is issued:
(a) A pass for an officer or employee of the carrier issuing the pass must show the title or occupation of the person to whom it is issued; e.g.,

Pass John Smith.
Account Driver.

(b) A pass for a member of the family of an officer or employee of the carrier issuing the pass must show the name of such officer or employee, except as otherwise provided in paragraph (c) of this section, his title or occupation, and the relationship of the person to whom it is issued; e.g.,

Pass Miss Mary Smith.
Account Daughter of John Smith, driver.

(c) A pass for the wife of an officer or employee of the carrier issuing the pass, which shows the husband's Christian name, may omit, after "Account," the name of such officer or employee; e.g.,

Pass Mrs. John Smith.
Account Wife of driver.

(d) A pass for an officer or employee of a carrier other than the carrier issuing the pass must show the title or occupation of the person to whom the pass is issued and the name of the carrier by which employed; e.g.,

Pass John Smith.
Account Driver A. & B. Bus Line.

(e) A pass for a member of the family of an officer or employee of a carrier other than the carrier issuing the pass must show the name of such officer or employee, except as otherwise provided in paragraph (f) of this section, his title or occupation, the relationship of the person to whom the pass is issued, and

the name of the carrier by which employed; e.g.,

Pass Miss Mary Smith.
Account Daughter of John Smith, driver A. & B. Bus Line.

(f) A pass for the wife of an officer or employee of a carrier other than the carrier issuing the pass, which shows the husband's Christian name, may omit, after "Account," the name of such officer or employee; e.g.,

Pass Mrs. George Brown.
Account Wife of clerk, A. & B. Bus Line.

(g) Every pass issued to a person other than an officer or employee of a common carrier or members of their families must state in the space provided for "Account" the reason for the issuance of the pass; e.g.,

Pass Mrs. Sarah Jones.
Account Charity.
Pass Mr. Henry Brown.
Account Traveling secretary, Y.M.C.A.

§ 1271.10 Pass to show accommodations furnished.

(a) Every pass issued upon which accommodations other than passage are to be furnished free must indicate the character of the accommodations to be furnished thereon.

(b) The territory in which or the points between which a pass will be honored must be shown upon it; e.g.,

From _____ to _____.
Between _____ and _____.
Over entire system.

(c) The period of time for which a pass will be accepted for transportation must be indicated upon it; e.g.,

Until _____.
Good for one trip only until _____.
Expires _____.
If used within _____ days.
During lifetime.

§ 1271.11 Requests for passes.

(a) Passes shall be issued only upon written requests, except as otherwise provided in § 1271.12, and in accordance with the forms hereinafter prescribed as applicable.

(b) All the information required to be shown on passes issued, as prescribed in §§ 1271.8 to 1271.10, inclusive, must be indicated on requests for passes. In addition to such information, requests must furnish information in accordance with the following:

(1) The address of the person for whom the pass is requested.

(2) If request be made for a pass for or on account of an officer or employee of a carrier other than the carrier by which such pass may be issued, it must contain a statement that the person for whom the pass is requested is not prohibited by law from receiving free transportation. (Forms 9 and 10, § 1271.27 (i) and (j).)

(c) If request be made for a pass for a person other than an officer or employee, or the member of the family of an officer or employee, of a carrier, the request must give evidence, clearly set forth, or be accompanied by papers, showing the legality of the issuance of the pass requested. No form is prescribed for requests of this character.

§ 1271.12 Passes without written requests.

(a) Written requests for passes may be dispensed with in the following cases, provided the records of passes issued show the full information required, and in addition state upon whose authority the passes were issued and the reasons for dispensing with written requests:

(1) For passes issued to employees engaged in the office in which the passes are actually prepared.

(2) In cases of emergency requiring immediate use of pass and when there is insufficient time to procure written requests before issuance.

(b) Carriers may, at their option, permit their principal officers to furnish passes to officers and employees, and to the members of families of officers and employees, of other carriers subject to these regulations, who are not prohibited by law from using free transportation, without requiring written requests, provided:

(1) That acknowledgments, in accordance with Form 11 (§ 1271.27(k)) hereinafter prescribed, be secured from the persons to whom or on whose account the passes are issued, and provided further;

(2) That notices, in accordance with Form 12 (§ 1271.27(l)) hereinafter prescribed, be given the carriers on whose account the passes are issued, through the officers of such carriers ordinarily authorized to issue requests on other carriers for passes (see § 1271.22 (b)), and provided further;

(3) That the records of the issuing carriers show upon whose authority the passes are issued.

(c) Notices to other carriers advising of the issuance of passes without written requests must be made in duplicate and the duplicates must be retained by the issuing carrier.

§ 1271.13 Retention of pass requests.

Requests for passes, also acknowledgments received and copies of notices retained for passes issued without requests, must be filed in the office in which are filed records of annual or term passes or the stubs or carbon copies of trip passes, and in such manner as to be accessible and convenient for examination. The numbers of the passes issued must be noted upon the faces of the requests.

§ 1271.14 Signatures on pass requests.

(a) Requests for passes for or on account of a carrier's own officers or employees must be made over the signature of the person to whom or on whose account the passes may be issued, or by a superior or ranking officer or employee.

(b) Requests for passes for or on account of officers or employees of a carrier subject to these regulations other than the carrier issuing the pass, must be over the signature of the officer of the carrier designated to issue passes. If this signature is not an autograph, the method of affixing it must satisfy the carrier honoring the request that the request is by authority of the designated officer.

(c) Requests for passes for any persons not covered by paragraphs (a) and (b) of this section must be signed by the persons making such requests.

§ 1271.15 Signatures of users of passes.

(a) All passes must bear the signatures of the users, preferably in ink. On the back of each pass must appear a statement that the holder is not prohibited by law from receiving free transportation, and that the pass will be lawfully used. This statement may be shown among other conditions, if any, and must be subscribed to by the holder.

(b) A pass issued for a number of persons, but naming only one person, such as—

John Smith, garage foreman, and six employees of A. & B. Bus Line.
George Jones and two daughters.

need be signed only by the person whose name appears on the pass.

(c) A pass issued for a number of persons, the names of all appearing on the pass, such as—

William Brown and Edgar Moore, mechanics.

must be signed by the users, whether the pass is used by one or by more than one of the persons named thereon; except that such pass when issued to the members of a family need be signed only by one of the persons using it.

§ 1271.16 Tickets in lieu of passes.

(a) Detectives and others engaged in similar work and, in cases of emergency, employees and others entitled to free transportation, may be furnished with regular passenger tickets or may be permitted to purchase tickets and have the amounts paid therefor afterwards refunded in whole or in part. In such cases the ticket agent's report of the tickets "without value," or "reduced fare," or the vouchers refunding amounts paid for the tickets, must be supported by the authority of the officer authorized to issue passes. Applications for refunds of fares paid or the authorities for such refunds must show the same information as is required to be shown on the requests for passes referred to in § 1271.11 (b). Carriers must be prepared to furnish adequate evidence that the persons so designated were actually engaged in the service shown on the authorities.

(b) The use of a special form of free ticket, according to the holder certain privileges or accommodations, such as the use of limited buses, is prohibited. If such a form is desired, it must be issued in regular pass form.

§ 1271.17 Record of free and reduced-rate tickets issued.

A complete record of all tickets issued in lieu of passes, including tickets for which the fares have been refunded in whole or in part as well as those issued free or at reduced rates must be maintained by carriers and filed in the office of the officer authorizing such issuance or refund. This record must show the

date; form and number of ticket; stations from and to; name and address or other designation of person to whom issued; account of issuance (in accordance with § 1271.9); amount of fare; and name of officer authorizing the issuance of free ticket or refund of fare paid. (See Form 7, § 1271.27(g).)

§ 1271.18 Free transportation without passes.

(a) At the option of carriers, the following designated persons may be given passage or other accommodations without passes, when in the actual performance of their duties:

Drivers.
Student drivers.
Drivers' helpers.
Hostesses (conductorettes) on buses.
Porters on buses.
Lecturers and guides on buses.
Stewards on buses.
Other employees engaged in the transportation or maintenance work of the carrier, requiring their transfer from one point to another in the performance of such duties; provided, that in lieu of passes such employees be supplied with checks, badges, uniforms, or other evidence which will establish their identity as bona fide employees entitled to receive passes.

(b) In cases of wrecks, epidemics, or other calamitous visitations, persons not prohibited by law from receiving free transportation may be accorded such transportation without passes. In such cases a general statement of the facts must be made by drivers and filed with reports of passes honored.

(c) Carriers are not required to issue passes for the free transportation wholly within any one municipality of their employees and others not prohibited by law from receiving free transportation; provided, that persons so transported are distinguishable by badges, cap emblems, or uniforms indicative of their service.

§ 1271.19 United States Post Office Department commissions.

Commissions issued by the United States Post Office Department may be accepted for the passage of officers and employees of that department when traveling on official business. (See § 1271.24(b).)

§ 1271.20 Extension of time limit of passes.

The time limit of a pass may be extended by an indorsement thereon, provided that appropriate record is maintained showing the final limit of passes so indorsed.

§ 1271.21 Records of passes issued.

(a) A complete record of each pass issued must be kept by carriers subject to these regulations. This record must supply information as indicated by the headings on the forms hereinafter prescribed appropriate for the class of pass to be recorded, and such information must correspond with that appearing on the pass and request. In space provided for "Accommodations, etc.," on the record of annual and term passes issued, must be shown all accommodations and services included on the pass.

(b) Annual and term passes issued must be recorded on sheets or cards prepared similar to Forms 5 or 6 (§ 1271.27 (e) and (f)).

(1) If Form 5 (§ 1271.27(e)) is adopted, the passes must be entered either in numerical order or in alphabetical order according to the surnames of the person to whom the passes are issued. When passes are entered in numerical order, an alphabetical index by names shall be maintained; when entered in alphabetical order, a numerical index showing name shall be maintained.

(2) If Form 6 (§ 1271.27(f)) is adopted, the cards must be filed either in numerical order or in alphabetical order according to the surnames of the persons to whom the passes are issued. When cards are filed in numerical order, an alphabetical index by names shall be maintained; when filed in alphabetical order, a numerical index showing name shall be maintained. In lieu of the index required in this paragraph, if desired, records on this form may be made in duplicate with one set of cards filed in numerical order and the other set filed in alphabetical order according to the surnames of the persons to whom the passes are issued.

(3) The numerical records or indexes must be kept separately by forms and series of passes; the alphabetical records or indexes may be kept either by forms and series of passes or in one complete alphabetical list for the entire issue.

(c) When the numbers of passes issued are shown in strict numerical order on requests received for annual and term passes, such requests may constitute the numerical index required in paragraph (b) of this section, provided that any numerical index so maintained shall be complete and shall contain not more than one series of numbers nor more than one form of pass.

(d) The record of trip passes issued shall be kept on the stubs or carbon copies of trip passes. Full information must be shown on the stub or carbon copy of each trip pass, as provided on Form 2 (§ 1271.27(b)); and this information must conform to the data on the pass and coupon.

(e) The record of commuter passes shall be kept on Form 5 (§ 1271.27(e)) or Form 6 (§ 1271.27(f)), if issued in card or book form, or on the stubs, if issued in coupon form with stub. These records must be maintained in the same manner as is provided for annual, term, or trip passes.

(f) If a pass is canceled, returned, or lost, the fact must be stated on the record, with the date of cancelation, return, or loss entered.

(g) The records of passes issued must be filed in such manner as to be accessible and convenient for examination.

§ 1271.22 Records of requests on other carriers for passes.

(a) Requests on other carriers for passes must be made in duplicate, and the duplicate copies must be retained by the requesting carrier and filed in such manner as to be accessible and convenient for examination. When a pass is received, its number must be noted on the duplicate of the request.

(b) Notices received from other carriers advising of the issuance of passes under the provisions of § 1271.12(b) shall be filed in the office in which are filed copies of requests on other carriers for passes.

§ 1271.23 Filing passes.

All passes collected and passes spoiled or returned must be filed in such manner as to be readily accessible and convenient for examination.

§ 1271.24 Reports of free transportation.

Reports of persons receiving free transportation shall be made in accordance with the following provisions.

(a) Travel performed on transportation certificates or similar authorities issued in accordance with the laws of a State which require designated officers to be accorded free transportation while on journeys entirely within the limits of such State, must be reported in the same manner as travel performed on annual or term passes.

(b) Travel performed on commissions issued by the United States Post Office Department must be shown on driver's report of passes honored.

(c) Drivers or ticket collectors must make reports of annual and term passes honored, and of persons receiving free transportation without passes as provided in § 1271.18(b). If desired, such reports may be combined with drivers' reports of revenue passengers, provided the required information is shown.

(d) Trip passes collected shall in all cases be indorsed or punched so as to indicate the date and schedule number on which used, and in addition thereto:

(1) If a trip pass is honored for passage between stations other than those named on its face and is collected, the driver or ticket collector shall indicate upon it by punch or indorsement the stations between which it actually is used.

(2) If a trip pass is honored for passage between stations other than those named on its face and is not collected, the driver or ticket collector shall report the use of the pass on driver's report in the same manner as provided for annual and term passes.

§ 1271.25 Carriers' pass rules.

Copies of all general rules and instructions governing the issuance and use of passes shall be filed with the Commission. It is not intended, however, that such rules or instructions shall be printed for the specific purpose of filing them with the Commission.

§ 1271.26 Pass and pass record forms.

(a) Passes must be issued and records kept substantially in accordance with the forms hereinafter prescribed. Except as provided for elsewhere in these regulations the forms indicate the nature of the information required and the order in which it shall appear. If, however, there is insufficient space on the face of any pass to show all the information re-

quired, reference may be made to the back of pass, where it shall be shown.

(b) Carriers may include any additional matter in the pass forms or record forms, but such additional matter must not be permitted to impair the information required in the prescribed forms or to affect the order in which it is given.

§ 1271.27 List of Forms.

(a) Form 1—Annual or term pass.
(b) Form 2—Trip pass.
(c) Form 3—Commuter pass.
(d) Form 4—Record of pass stock.
(e) Form 5—Record of annual and term passes issued, book record.
(f) Form 6—Record of annual and term passes issued; card record.
(g) Form 7—Record of free and reduced-rate tickets issued.
(h) Form 8—Request from carrier's officers and employees for passes.
(i) Form 9—Request on another carrier for trip passes.
(j) Form 10—Request on another carrier for annual or term passes.
(k) Form 11—Acknowledgment of passes issued without written request.
(l) Form 12—Notification of passes issued without written request.

SUBCHAPTER D—TARIFFS AND SCHEDULES

PARTS 1300–1319—PASSENGER AND FREIGHT TARIFFS AND SCHEDULES

PART 1300—FREIGHT SCHEDULES; RAILROADS

Sec.

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1300.200 Alternation of through rates with aggregate of intermediate rates.

AUTHORITY: The provisions of this Part 1300 issued under sec. 12, 24 Stat. 383, as amended, 49 Stat. 546, as amended; 49 U.S.C. 12, 304, and secs. 5, 6, 24 Stat. 380 as amended, 49 Stat. 560, as amended; 49 U.S.C. 5, 6, 317.

NOTE: So far as water carriers are concerned, this part is applicable to the construction and filing of tariffs covering the transportation of property which was subject to the Interstate Commerce Act prior to January 1, 1941. This part also covers water common carriers of property which prior to that date were not subject to the jurisdiction of the Interstate Commerce Commission or the Maritime Commission but which elect to file tariffs conforming to the provisions of this part instead of under Part 1308 of this chapter.

CROSS REFERENCES: For air carrier and commercial operator certification and operations, see 14 CFR, Chapter I, subchapter G.

For other regulations applicable to the construction and filing of tariffs and schedules of water carriers of property subject to the Interstate Commerce Act, see Part 1308 of this chapter.

§ 1300.0 General provisions; definitions.

(a) *Confirmation to rules; reissue.* All tariffs filed on or after October 1, 1928, except as otherwise provided in this part or unless otherwise authorized by special permission of the Commission, must conform to the rules in this part. The Commission may direct the reissue of any tariff, power of attorney, or concurrence at any time.

CROSS REFERENCES: For filing tariffs, see § 1300.13. For provisions covering statutory notice, additional procedure in filing tariffs, rejection of tariffs or schedules, see § 1300.14. For provisions concerning powers of attorney and concurrences, see §§ 1300.17 to 1300.26, inclusive.

(b) *Definitions*—(1) *Local rate.* The term "local rate," as used in this part, is construed to mean a rate that extends over the lines of one carrier only.

(2) *Local tariffs.* "Local tariffs" are those which contain "local rates."

(3) *Joint rate.* The term "joint rate," as used in this part, is construed to mean a rate that extends over the lines of two or more carriers and that is made by arrangement or agreement between such carriers and evidenced by concurrence or power of attorney.

(4) *Joint tariffs.* "Joint tariffs" are those which contain "joint rates."

CROSS REFERENCES: For joint tariffs issued by joint agents, see § 1300.18(e).

(5) *Through rate.* The term "through rate" is construed to mean the total rate from point of origin to destination. It may be a local rate, a joint rate, or a combination of separately established rates.

§ 1300.1 Form, size, and arrangement.

(a) All tariffs and supplements thereto must be in book, pamphlet, or loose-leaf form of size 8 by 11 inches, and must be plainly printed on hard calendered or No. 1 machine finished book paper of durable quality using type of size not less than 8-point bold or full face, except as provided in § 1300.3(b) as to ICC number and § 1300.9(k) as to vacation notice and except further that not less than 6-point bold-face type may be used for reference marks, for explanation of reference marks when such explanation appears on the page on which such reference marks appear, and for column headings and other places where only a few words are used continuously. Stereotype, planograph, or other similar durable process may be used, provided the copies posted and filed are clear and legible in all respects. Reproductions by hectograph or similar process, typewritten sheets or proof sheets must not be used for posting or filing. Alterations in writing or erasures must not be made in tariffs filed with the Commission or posted at stations.

(b) A margin of not less than five-eighths of an inch without any printing thereon must be allowed at the binding edge of each tariff. When rates, rate basis numbers, or numerals used for other purposes are shown in tables, the page shall be ruled from top to bottom. When not more than three figures or letters, including reference characters, are employed, the columns shall be not less than one-fourth of an inch in width with a correspondingly greater width when more than three figures or letters, including reference characters, are employed. In such tables a break in the printed matter of at least one space across the page or a ruled line shall appear after each sixth line or less.

§ 1300.2 Changes to be indicated in tariff or supplement.

(a) *Symbols.* (1) All tariff publications and supplements thereto must indicate changes thereby made in existing rates or charges, rules, regulations or practices, or classifications by use of the following uniform symbols in connection with such changes:

▼ to indicate reductions.
● to denote increases.
▲ to denote changes in wording which result in neither increases nor reductions in charges.

(2) Explanation of such symbols must be provided in the tariff or supplement in which used, and these symbols shall not be used for any other purpose.

(3) When a change of the same character is made in all or in substantially all rates in a tariff or supplement, or a page thereof, that fact and the nature of such change may be indicated in distinctive type at the top of the title page of such issue, or at the top of each page, respectively, in the following manner, "All rates in this issue are increases," or "All rates on this page are reductions except as otherwise provided in connection with the rates." Under this paragraph of the rule a bold-face dot, "●" must be used to symbolize a rate in which no change has been made. This symbol must not be used for any other purpose.

(b) *Omissions from previous tariff.* When a tariff or supplement canceling a previous issue omits points of origin or destination, or rates, ratings, rules or regulations, or routes which were contained in such previous issue, the new tariff or supplement shall indicate the cancellation in the manner prescribed in § 1300.8(e), and if such omissions effect changes in charges or services that fact shall be indicated by the use of the uniform symbols prescribed in paragraph (a) of this section.

§ 1300.3 Content of tariff title page.

The title page of every tariff and of every supplement shall show in the order named:

(a) [Reserved]

(b) ICC number of tariff or supplement in not less than 12-point bold-face type on upper right-hand corner, and immediately thereunder, in smaller type, the ICC number or numbers of tariffs or supplements canceled thereby. If the number of canceled publications is so large as to render it impracticable to thus enter them on the title page, they must be shown immediately following the table of contents, provided specific reference thereto is entered on title page directly under the ICC number. Carriers' serial numbers, if desired, may be entered below the upper marginal line of title page. Separate series of ICC numbers must be used for freight and passenger tariffs.

(c) Corporate name of issuing carrier or name of agent issuing under power of attorney. (See § 1300.4(b).)

(d) Whether tariff or supplement contains local, joint, proportional, export, or import rates, or any combination of such rates; whether it contains class or commodity rates or both; and whether it contains all-rail, rail-motor, all-water, or rail-water rates, or any combination of such rates.

(e) The territory or points from and to which the tariff or supplement applies, briefly stated by Territories, States, points, or carriers. Where the publication contains both specific and distance or mileage rates, the title-page description must include the application of the distance or mileage rates as well as that of the specific rates. (See § 1300.4(d).)

(f) (1) Reference by name and I. C. C. number to the classification, exceptions thereto and/or rules circular, if any, governing the tariff. One of the following forms modified as required shall be used.

Governed, except as otherwise provided herein, by the ____ classification, ____ I. C. C. No. __, by exceptions thereto, ____ I. C. C. No. __, and by supplements to or successive issues of said publications.

or

Governed, except as otherwise provided herein, by (here insert common or popular name of governing classification) and by exceptions thereto, as described in Item ___.

(2) Use of the short form title page reference as provided in (ii) is on condition that complete and formal description of the governing publication(s) be made in the numbered item to which reference is made on the title page.

(3) A tariff is not governed by a classification, classification exceptions, or rules circular, except when and to the extent stated on or in the tariff.

(g) Date of issue and date effective. A provision in a tariff or supplement that the same or any part thereof, will expire with a given date, is not a guaranty that the tariff or supplement, or such part of it, will remain effective until and including that date. Such provision if used, will be held to mean that the tariff or supplement, or specified part of it, will expire with the date named, unless the date is changed on statutory notice, or under authority of special permission of the Commission. In such tariffs or supplements the term "Expires with (date) _____, unless sooner canceled, changed or extended" must be used. The term "Expires with close of business" on a named date must not be used.

(h) On every tariff or supplement in which all the rates, rules, or regulations are made effective on less than 30 days' notice under authority of the Commission, notation that it is issued on_____ days' notice under authority of_____ (here show the authority).

CROSS REFERENCE: For exceptions to general effective date, see § 1300.9(d).

(i) At the bottom of the title page—name, title and mail address of the individual actually responsible for compiling and filing the schedule. If the tariff is issued by a natural person as agent, his name must be shown with the title of "Agent." If issued by a corporation or association as agent, the name and title of the person responsible for the actual compilation and filing must be shown.

§ 1300.4 Content of tariffs.

Tariffs shall contain in the order named:

(a) *Table of contents.* A full and complete statement, in alphabetical order, of the exact location where information under general headings, by subjects, will be found, specifying page or item numbers. If a tariff contains so small a volume of matter that its title page or its interior arrrangement plainly discloses its contents, the table of contents may be omitted.

(b) *Names of participating carriers.* A list, alphabetically arranged, of the correct names of all carriers participating therein, together with the form and number of power of attorney or certificate of concurrence. If there be not more than 10 participating carriers, their names and power of attorney or concurrence forms and numbers may be shown on the title page. Reference to the forms and numbers of powers of attorney and concurrences may be omitted provided this information is furnished to the Commission in an acceptable form.

CROSS REFERENCE: For provisions concerning powers of attorney and concurrences, see §§ 1300.17 to 1300.26, inclusive.

(c) *Index of commodities.* (1) A complete index, alphabetically arranged, of all articles upon which commodity rates are named therein, together with reference to each item (or page) where such article is shown. When nouns are not sufficiently distinctive, articles shall also be indexed under their adjectives. All of the entries relating to different kinds or species of the same commodity shall be grouped together. For example, all items of coal "Coal," and descriptive word or words following, as "Coal, anthracite," "Coal, bituminous," etc.

(2) When articles are grouped together in one list under a generic heading as authorized in paragraph (i) (8) of this section, such generic heading shall be shown in the index and opposite thereto shall be shown reference to each item (or page) where the generic term is used. Each article in the list must be shown separately in its proper alphabetical order in the index, together with reference to each item (or page) where such article is shown by name, but reference to the items (or pages) containings rates applying on the complete list may be omitted provided reference is given to the generic heading as it appears in the index or to an item in that tariff which contains a complete list of the articles covered by the generic term or to the ICC number of a separate tariff which contains such list.

(3) If all of the commodity rates to each destination in a general commodity tariff or a combined class and commodity tariff are arranged in alphabetical order by commodities, the index of commodities may be omitted from that tariff.

CROSS REFERENCE: For commodity-list tariffs see § 1300.6.

(d) *Index of stations.* (1) An alphabetical index of all points from which rates apply, and a separate alphabetical index of all points to which rates apply, together with the names of the States or Territories in which located, except that when the rates apply in both directions between all or substantially all of the stations, the points of origin and destination may be shown in one index. Such index or indexes must contain the item numbers in which rates from or to such

points appear, except that when station numbers are arranged in numerical order or when stations are alphabetically arranged in commodity items, and such commodity items are referred to in the commodity index prescribed by paragraph (c) of this section, item numbers and page numbers may be omitted from the index of points. When item numbers are not used the index or indexes must contain the index numbers of the points and the pages on which rates from or to such points will be found, except that when the index numbers are arranged in the rate tables in numerical order the page numbers may be omitted from the index. If there be not more than 12 points of origin or 12 points of destination, the name of each, if practicable, may be shown in alphabetical order on the title page of the tariff and the index of such points of origin or destination, as the case may be, may be omitted.

(2) If rates are shown in the tariff by territorial groups, such as "Colorado common points," "Chicago and points taking the same rates," or "Chicago and points taking the same rates and arbitraries or differentials to be added to or deducted therefrom," the indexes of points of origin and destination required by the subparagraph (1) of this paragraph must show for each point in such groups the railroad on which it is located and the group to which it is assigned, except that where reference is made to a separate publication as provided in § 1300.15 for lists of points in such groups, such points may be omitted from the indexes, *Provided*, That (i) there is shown in the table of contents specific reference to the item or page which gives ICC reference to the separate publication, and (ii), if the tariff contains any index of stations, there is shown at the head of such index ICC reference to the separate publication.

(3) If points of origin or of destination are shown throughout the tariff of rates, or throughout one or more sections of such tariff, alphabetically by States, and such States are alphabetically arranged, or if points of origin or of destination are shown throughout the tariff of rates in continuous alphabetical order no index of such points of origin or of destination will be required. But when such alphabetical arrangement in the tariff is used, the table of contents must refer to the pages on which points are shown and when arranged by States must give reference to the pages on which rates from or to points in each State will be found.

(4) When rates are shown in a tariff by geographical arrangement of stations, index numbers must be shown in connection with each station and in the alphabetical index of stations.

(5) If rates are shown in a tariff by geographical grouping of station index numbers, the alphabetical index of points of origin and of destination must show for each point the railroad on which it is located and the proper station number, and the tariff must contain a geographical list of stations in the order named in the rate tables, or refer by ICC number to a separate publication filed in accordance with §§ 1300.10(i) or 1300.15 which contains such geographical list of stations with corresponding station numbers. The station index number must follow the name of the station in the alphabetical index of stations and must precede the name of the station in the geographical list in all tariffs containing such list of stations.

(6) When the application of a tariff is extended to cover additional points by an intermediate rule as authorized in § 1300.27 or when the points in a tariff are arranged by States as authorized in paragraph (j) of this section, no index of such points need be shown.

(e) [Reserved]

(f) *List of exceptions.* List of exceptions, if any, to the classification or classification exception tariff or tariffs governing the tariff.

(g) *Explanatory statements.* Such explanatory statements in clear and explicit terms regarding the rates and rules contained in the tariff as may be necessary to remove all doubt as to their proper application.

(h) *Rules governing the tariffs.* (1) Rules and regulations which govern the tariff, the title of the subject of each rule or regulation to be shown in distinctive type. Under this head all of the rules, regulations, or conditions which in any way affect the rates named in the tariff shall be entered, except as otherwise provided in this part. A special rule affecting a particular item or rate must be specifically referred to in such item or in connection with such rate.

(2) Each rule or regulation should be given a separate number; portions which can be understandingly read without recourse to the whole may be published in separate paragraphs and such paragraphs be given subnumbers or letters.

(3) Except as provided in §§ 1300.7(c), 1300.27, no rule or regulation shall be included which in any way or in any terms authorizes substituting for any rate named in the tariff a rate found in any other tariff, nor shall any rule be provided to the effect that traffic of any nature will be "taken only by special agreement" or other provision of like import.

(4) Where it is not desirable or practicable to include the governing rules and regulations in the rate tariff, such rules and regulations may be separately published in tariffs filed by an individual carrier or by an agent. A carrier may have not more than two such rules tariffs, one published by an individual carrier and the other by an agent, except as follows:

(i) A carrier operating in more than one rate territory may have two such tariffs (one by an agent and one by a carrier) for each of such territories. The rate territories to which reference is here made are: New England, trunk line, central, southern, western trunk line, and southwestern territories, and all of western territory not embraced in southwestern or western trunk-line territories.

(ii) The following tariffs will not be counted in applying the provisions of this section: Tariffs containing exclusively rules, regulations, and/or charges applying to the special services covered by § 1300.10(a); classification and classification exception tariffs authorized in § 1300.16; territorial directories, rate bases, and billing books authorized in § 1300.15; tariffs containing rules and regulations governing the transportation of explosives and other dangerous articles; tariffs containing list of stations showing facilities, billing instructions, etc., as authorized by § 1300.10(i); tariffs containing information with respect to freight cars required by § 1300.10(j); and tariffs containing exclusively provisions governing the terminal applications of rates to or from large terminal districts such as New York and Chicago.

(5) Separate publications may be made of the rules and regulations pertaining to a specific commodity to which reference by ICC number may be made in tariffs that contain rates on that commodity only, provided the general rules circular published under this section shall also contain a references as follows:

For rules and regulations applying on —— (here name commodity) see ICC No. —.

(6) When rules or regulations are thus separately published, rate tariffs may be made subject thereto only by specific ICC reference in the rate tariff. This reference should be made in substantially the following form:

Governed, except as otherwise provided herein, by rules and regulations shown in ———— ICC No. ——, supplements thereto or successive issues thereof.

(7) When tariffs of joint rates make reference to separate publications for governing rules and regulations such separate publications must be concurred in by all of the carriers parties to such joint rates.

(8) Tariffs which contain rates for the transportation of explosives and other dangerous articles must also contain the hazardous materials regulations of the Department of Transportation governing the transportation thereof, or must bear specific reference to the ICC number of the publication which contains such rules and regulations. When the latter plan is adopted, the tariff referred to shall contain no matter other than the regulations promulgated by the Department of Transportation.

(i) *Rates.* (1) An explicit statement of the rates, in cents or in dollars and cents, per 100 pounds, per ton, per car, or other unit, together with the names or designation of the places from and to which they apply, all arranged in a simple and systematic manner. Complicated plans or ambiguous terms must not be used.

(2) Insofar as possible such rates should be subdivided into small sections (by items, index numbers, or similar method) to each of which should be assigned an identifying number to facilitate reference thereto.

(3) If all rates in a tariff are stated in the same unit, that fact may be indicated on the title page immediately in connection with the application of the tariff. Tariffs containing rates per ton

must state that rates apply per ton of 2,000 pounds or per ton of 2,240 pounds as the case may be. Where rates are stated in amounts per package definite specifications of the packages on which such rates apply must be shown or reference must be made to the I. C. C. number of a publication containing such specifications.

(4) A tariff may provide rates from or to designated points by the addition or deduction of arbitraries or differentials, from or to rates shown therein from or to base points, but provision for the addition or deduction of arbitraries or differentials must be shown either in connection with the base rate or in a separate item which must specifically name the base point. (See § 1300.15.)

(5) A tariff also may contain through rates made by combination on a base point when the factors are subject to different minimum weights or other conditions which affect the measure of the charge, provided the base point is named, the factors are shown immediately in connection with each other, and the conditions to which each factor is subject are shown in connection with each factor, except that each factor may refer to the governing classification or exceptions for such conditions. When all the conditions governing the separate factors are the same, this method of publication must not be used.

(6) A tariff may provide rates via water or rail-and-water routes by the deduction of arbitraries or differentials from the all-rail rates from and to the same points published in the same tariff.

(7) Minimum weights governing the application of commodity rates must be specifically stated in immediate conjunction with such rates or shown in such manner as will avoid an extensive search therefor, except as provided in subparagraph (8) of this paragraph, and excepting also that reference may be made to the appropriate rule of the governing classification or exceptions tariff for carload minimum weights graduated according to the length or capacity of the car or for carload minimum weights on shipments in tank cars. Minimum weights for mixed carload shipments may be provided for in rules authorizing such mixtures.

(8) An item of a commodity tariff may provide rates on a group of related articles by means of a generic description and without naming the individual articles, provided such item refers to another item of the same tariff or to another tariff (as authorized by §§ 1300.6 (a) and 1300.10) which contains under an identical generic description a complete list of the articles included; for example, "Iron and steel articles as described under that heading in Item ------ of _____ I. C. C. No. ------."
(Tariff)

Where cross reference is made to a list of commodities on which rates apply (as authorized in the preceding sentence), the minimum weight (or weights) governing the application of the rates may be omitted from the commodity-rate item and published with the list of commodities to which reference is made, provided the commodity-rate item specifically states that the minimum weight (or weights) will be found in the list of commodities referred to.

(9) If a carrier (not an agent) publishes, either for itself or jointly with other carriers, a tariff containing only commodity rates on a single commodity or a group of related commodities, it must include therein all commodity rates which it (not an agent) publishes on the same article or articles from the same points of origin to the same destination area. If additional commodity rates, local or joint, are published for it by an agent on the same article or articles from any of the same points of origin to other points in the same destination area, the individually-published commodity tariff must so state and make reference to the agency tariff in which the additional rates are published.

(10) A general commodity tariff or a combined class and commodity tariff shall contain reference to other tariffs in which rates on other commodities are published from any point of origin to any point of destination named therein via the same route. Such reference shall include the I. C. C. number or numbers of such other tariff or tariffs with a brief description of the character of traffic and territory or points of origin and of destination and may be shown in the index, or in alphabetical order in the rate tables, or in a separate list arranged alphabetically by commodities, such list to be specifically referred to in the table of contents. For example, "Staves, from _____ to _____, _____ I. C. C. No. _____." Carriers' tariff numbers may also be shown. The publication of class or commodity rates which duplicate or conflict with the rates published in some other tariff via the same route is not permissible and except as otherwise authorized in §§ 1300.7, 1300.10(g) and 1300.27, the publication of a statement in a tariff to the effect that the rates published therein take precedence over the rates published in some other tariff, or that the rates published in some other tariff take precedence over the rates published therein, is hereby prohibited.

(j) *State grouping.* A tariff naming rates from origins in not less than 20 States or to destinations in not less than 20 States may provide the same rates (1) from or to all points in a State or Territory located on the lines of the carriers parties to the tariff, or (2) from or to all points (except points named) in a State or Territory located on the lines of the carriers parties to the tariff without naming such points in the tariff, provided reference is made by ICC number to a separate publication (not another rate tariff) such as authorized in § 1300.10(i) or § 1300.15, containing a list of stations arranged in geographical order with an index, or in alphabetical order, which list shall include all the points in the State or Territory, together with the State and railroad location of each.

(2) Neither of the above plans may be used unless the carriers parties to the tariff reach at least 90 percent of the steam-railroad freight stations in the State or Territory. When the plan set forth in (2) is used, the list of points excepted must be shown in alphabetical order and may not exceed one-fourth of the number of points in the State or Territory on the lines of the carriers parties to the tariff.

EXAMPLE: A tariff may state that it applies from all points in New York on the lines of the carriers parties to the tariff, from all points in Delaware on the lines of the carriers parties to the tariff, except (here give alphabetical list of excepted points), and from the following points in Ohio (here give alphabetical list of such Ohio points). (See § 1300.4(d).)

(3) When origin points in a tariff are provided in accordance with this section, intermediate application rules as authorized in § 1300.27 may not be made applicable in connection with such origins; and when destinations are so provided, an intermediate rule may not be used in connection with such destinations.

(k) *Routing.* (1) Routing over which the rates apply, stated in such manner that such routes may be definitely ascertained.

This must be accomplished by one of the following plans: (i) By providing that the rates in the tariff apply only via the routes specifically shown therein, or (ii) by providing that the rates apply via all routes made by use of the lines of the carriers parties to the tariff except as otherwise specifically provided in the tariff.

When it is desired to follow the plan listed in subdivision (i) of this subparagraph and provide complete routing for all rates shown in the tariff, the following notation must be shown in the tariff under the heading "Routing instructions":

The rates herein apply only via the routes specified on pages (or in items —).

When it is desired to use the plan listed in subdivision (ii) of this subparagraph and provide complete routing for some but not all of the rates in the tariff, or incomplete routing for all of the rates, the following notation must be included in the tariff under the heading "Routing Instructions":

The rates herein apply via all routes made by use of the lines of any of the carriers parties to this tariff, except as otherwise specifically provided on pages —, in individual rate items, or in connection with individual rates.

The exceptions referred to in the notation shown next preceding may be provided either by showing affirmative routing, viz, a statement of routes (for one or more carriers, for all or a part of the route) together with a definite statement that the rates apply between such points and for account of such carrier or carriers only via the route or routes specified; and/or by showing negative routing, viz, a statement of routes (for one or more carriers, for all or a part of the route) via which the rates do not apply.

NOTE: This section does not authorize departures from the long-and-short-haul provisions of the fourth section of the act.

In lieu of showing in rate tariffs the affirmative routes provided in the plans listed in subdivisions (i) and/or (ii) of this subparagraph such affirmative routes may be published in a separate publication (or publications) filed either by a carrier or by an agent, and specific ICC reference must be made in the rate tariff to such guide. Such a separate publication will hereinafter be designated as a "Routing guide," and may be used only in accordance with the provisions of subparagraphs (2)–(5) of this paragraph.

(2) When in a tariff containing joint rates it is desired to refer to a routing guide or guides for all of the routes, the following notation shall be used:

The rates herein apply only via the routes of the carriers parties to this tariff specified in ------ ICC No. ----, supplements thereto or successive issues thereof.

When in a tariff containing local rates it is desired to refer to a routing guide for all of the routes, an appropriate modification of the notation shown next above shall be used.

When it is desired to refer to a routing guide or guides for routes in connection with some but not all of the rates in a tariff, or for routes for account of some but not all of the carriers parties to the tariff, an appropriate notation in lieu of those above set forth shall be used. When it is desired to provide that certain rates published in a tariff will not apply via all the routes shown in a routing guide to which the rate tariff is made subject, the rate tariff must show clearly what routes in the routing guide are not applicable, or are the only routes applicable, in connection with such rates. When a tariff which refers to a routing guide also shows routes, it must show clearly whether the routes named therein are in addition to the routes shown in the routing guide or are the only routes via which the rates will apply. No one rate may be made subject to more than one routing guide for account of any initial carrier except that (i) a subsidiary or small carrier which connects with two or more parent or connecting carriers may authorize each of such parent or connecting carriers to publish its routes via each of such carriers and its joint rates may be made subject to the routing guides of each of such carriers for routes via which rates apply via their respective lines; (ii) interterritorial rates from one of the major rate traffic territories (New England, trunk line, central, southern, western trunk line, and southwestern territories, and all of western territory not embraced in southwestern or western trunk line territories), to another of such territories, may be made subject to one guide for each of such territories in which it applies; and (iii) where complete through routes are shown in connection with joint rates (either in the rate tariff or in a routing guide or guides to which it is subject), such rates may be made subject to the separate routing guides of any of the carriers parties thereto for internal routing over their respective lines. An interterritorial or intraterritorial routing guide may contain reference to the ICC numbers of the tariffs of carriers parties thereto containing internal routing. When this is done, joint tariffs of rates which are subject to such interterritorial or intraterritorial guides may refer to such interterritorial or intraterritorial guides for internal routing over the lines of the carriers parties to the joint rates.

(3) A routing guide must contain three sections, (i) an alphabetical list of all of the points from and to which routes are provided, with the railroad location of each point which is served by more than one carrier, together with an index number for each of such points, (ii) a table containing the points from which routes apply, the points to which routes apply (or between which routes apply), and the numbers of the routes provided from and to (or between) such points, and (iii) a table containing all the route numbers in numerical order with a full statement of the route opposite each of such numbers.

In subdivision (ii) of this subparagraph the points from, and the points to (or the points between), which routes are provided must be arranged in geographical order. The names of such points must be shown in subdivision (ii) of this subparagraph unless a geographical list of stations is included in subdivision (i) of this subparagraph as part B thereof, or reference is made to the ICC number of a separate publication filed in accordance with §§ 1300.10(i) or 1300.15 which contains such geographical list of stations with corresponding station numbers, in which case only the index numbers need be shown in subdivision (ii) of this subparagraph.

A routing guide must be concurred in by all carriers over whose lines routes are provided therein. Such guides must not contain exceptions to the routes provided therein. All exceptions thereto, if any, must be published in the tariffs making reference thereto.

(4) Routing guides must show on their title pages the following notation:

The routes provided herein may be used only in connection with rates made subject thereto by specific ICC reference to this guide in the tariffs containing such rates. Its use in connection with any tariff is restricted to the carriers and to the application provided in such tariff.

(5) If desired, the following tariff provision may be incorporated under the heading "Routing instructions" in rate tariffs:

The rates named in this tariff will apply only via the routes and junction points authorized herein except that when in the case of pronounced traffic congestion (not an embargo), washout, wreck, or other similar emergency, or through carriers' error, carriers forward shipments via other junction points of the same carriers or via the lines of other carriers parties to the tariff, the rate to apply will be that specified in this tariff but not higher than the rate applicable via the route of movement.

NOTE: If desired, the words "or via the lines of other carriers parties to the tariff" may be omitted from the emergency routing clause.

The above clause may not be shown in routing guides. Its publication in a rate tariff does not relieve carriers from the requirements of the fourth section of the act via the route used.

(l) [Reserved]

(m) *Explanation of abbreviations and reference marks.* (1) At the end of each tariff, except loose-leaf tariffs, there shall appear an Explanation of Abbreviations, followed by an Explanation of Reference Marks. Under the Explanation of Abbreviations shall appear an explanation of all abbreviations used in the tariff, except that commonly used abbreviations of State names may be omitted, and except further that the abbreviations of the names of participating carriers may be explained in the list of such carriers, provided a statement to that effect is included under the Explanation of Abbreviations.

(2) Under the Explanation of Reference Marks shall appear an explanation of all reference marks used in the tariff except reference marks used only once or a few times, which shall be explained on the page or pages of the tariff on which they appear.

(3) The following reference marks shall be used, and shall only be used, for the purposes indicated:

- ↓ to denote reductions.
- ◆ to denote increases.
- ▲ to denote changes in wording which result in neither increases nor reductions in charges.
- • to denote no change in rate. (See § 1300.2 (a).)
- ✳ to denote prepay stations or points.
- + to denote intrastate application only.
- □ to denote reissued matter. (See § 1300.9 (d).)

(4) At the end of each supplement there shall likewise appear an Explanation of Abbreviations followed by an Explanation of Reference Marks. Under those headings shall be shown, subject to the exceptions stated in the preceding paragraphs of this section, an explanation of all abbreviations appearing in the supplement which were not explained in the original tariff (if explained in a prior supplement, the explanation shall be repeated); and an explanation of all reference marks appearing in the supplement.

(5) In loose-leaf tariffs an Explanation of Abbreviations followed by an Explanation of Reference Marks as provided for in this rule may be shown immediately following the index of stations.

§ 1300.5 Proportional rates.

Tariffs containing proportional rates must clearly and definitely show the application thereof. If the application is not restricted, such proportional rates will be useable in connection with any other applicable rates from or to the proportional rate point. It will not be permissible for a tariff to state that a proportional rate applies from (or to) points from (or to) which no through rates are published. Such a provision is not sufficiently definite to restrict the application of the rate. If a proportional rate is intended for use on traffic destined to a restricted territory such territory should be clearly defined. For example, a tariff naming a proportional rate to St. Louis

intended for use on traffic destined to Kansas should state that the rates apply on traffic destined to Kansas only.

§ 1300.6 Commodity-list tariffs.

(a) A rate tariff may not refer to another rate tariff for a list of commodities on which rates apply. A separate tariff not containing rates may be filed either by a carrier or by an agent, showing under appropriate generic headings lists of commodities which are accorded common treatment for rate or other tariff purposes; and rate and other tariffs (including tariffs of classification exceptions, but not classifications) may be made subject thereto. When any commodity list consists of less than 20 articles it may not be published in a commodity-list tariff and must be published in the tariff naming the related rates or ratings. The commodities in each list shall be alphabetically arranged. Such tariffs shall be known as general commodity-list tariffs. No carrier or agent may maintain in effect at any time more than one such publication.

(b) In addition to one such general commodity-list tariff, a carrier or agent may file for the same purpose separate tariffs, each containing under an appropriate generic heading a single list of commodities (not less than 20, alphabetically arranged). Such publications shall be known as specific commodity-list tariffs. Rate and other tariffs, including tariffs of classification exceptions, but not classifications, may be made subject thereto.

(c) The title page of the tariffs authorized in this section shall contain the following: (1) In the case of the general commodity-list tariff, in large type the words "List of commodities upon which rates or other provisions affecting charges are published in tariffs making reference hereto"; and in the case of specific commodity-list tariffs, in large type the words "List of (here insert the generic description of the commodities listed in the tariffs, such as 'Iron and Steel Articles') upon which rates or other provisions affecting charges are published in tariffs making reference hereto;" and (2) in smaller type "This tariff is applicable only in connection with tariffs specifically made subject hereto." Rate or other tariffs governed by a commodity-list tariff shall, to the extent they are so governed, employ the same generic descriptions or headings as the commodity-list tariff, followed in each case by the words "as shown in Item _____ of _____ I. C. C. No. _____," or language equally definite. Commodity-list tariffs shall contain no other matter than that authorized in this section, except that they may contain minimum weights as authorized by § 1300.4(i) and except further that a specific commodity-list tariff may also contain rules applicable in connection therewith.

(d) All carriers that are parties to a tariff making reference to a general or specific commodity-list tariff must also be parties to the tariff so referred to.

(e) Where a tariff contains commodity rates on a given article (termed in this paragraph the basic article) rates may be provided in the same tariff on one or more related articles either (1) by a statement that the rates for the related articles will be specified amounts more or less than the rates for the basic article between the same points, or (2) by a table showing in adjoining columns what the rate for the related articles will be when the rate for the basic article is a specified amount.

(f) When commodity rates are established, the description of the commodity must be specific and the rates thereon must not be applied to analogous articles. As far as possible, uniform commodity descriptions should be used in all tariffs.

§ 1300.7 Alternating rates.

(a) *Alternative rates or ratings subject to different minimum weight or quantity limitations.* (1) Where it is desired to provide for the alternating application of rates or ratings subject to different minimum weight or quantity limitations otherwise than as authorized in paragraph (b) or (c) of this section, the following procedures must be observed:

(i) Alternating commodity rates must be published together, that is, in the same item or on the same page of the tariff.

(ii) Alternating ratings must be published in the same item of the tariff.

(iii) There must be published in the same tariff a note or rule plainly stating, in substance, that where rates or ratings are so published the applicable rate on any given shipment will be that which, subject to the minimum attached thereto, produces the lowest charge.

(2) Commodity rates may be established on different articles for shipment in mixed carloads and will be the applicable rates for such mixtures. Minimum carload weights should be specified, together with a statement in connection with the commodity description that the rates apply when shipped in mixed carloads. Such rates may also be made applicable upon straight carloads of one or more or all of the articles by provision to that effect in connection with the commodity description. When more than one article is included in an item or commodity description the tariff must specifically state whether or not the rates apply on straight or mixed carloads or both.

(b) *Alternative use of rates in sectional tariffs.* (1) Except as authorized or required by paragraphs (a) and (c) of this section, alternation of rates may be provided by publishing such rates in different sections of a single tariff in the manner herein prescribed. When alternating rates are so provided, carriers and publishing agents shall, at frequent intervals, carefully check the rates in one section against those in other sections and make proper cancellations to avoid unnecessary alternation of rates. Alternating reference obviously should not be given to another section unless that section contains rates which in fact alternate.

(2) The first page of each section, which shall be known as the title page of the section, shall contain the number of the section and, if desired, the application of the rates published in that section. Each succeeding page of the section shall also bear the section number. The title page of each section containing alternating rates (not the non-alternating section hereinafter referred to) shall also contain the following notation:

If the charge accruing on a given shipment under section _____ or _____ of this tariff is lower than that accruing under this section, the charge accruing under section _____ or _____, whichever is lower, will apply.

(3) Where the purpose is to provide for application of the higher or highest of the alternating rates or charges, rather than the lower or lowest of such charges, the foregoing notation and other notations prescribed in this section shall be appropriately changed.

(4) Each commodity tariff or class and commodity tariff arranged in alternating sections shall also contain a section hereinafter referred to as the non-alternating section. That section shall contain only commodity rates which in all instances result in charges lower than would result from the application of the commodity rates (but not necessarily the class rates) in any other section. If the tariff contains only commodity rates, the non-alternating section shall be section 1; if the tariff contains both class and commodity rates, the class rates shall be published in a section or sections preceding the commodity sections and the non-alternating section shall be the first commodity section. The title page of the non-alternating section shall contain either of the two following notations, as appropriate:

When rates are published in this section on a given shipment, such rates will apply to the exclusion of the rates in any other section.

or

When rates are published in this section on a given shipment, such rates will apply to the exclusion of the rates in any other commodity section; but if the charge accruing on the shipment under the class rates in section _____ is lower than that accruing under this section, the charge accruing under the class rates in section _____ will apply.

(5) The title page of each other commodity section of the tariff shall contain the following notation preceding that prescribed in subparagraph (2) of this paragraph:

When rates are published in section _____ (the non-alternating section) on a given shipment, such rates will apply to the exclusion of the rates in this section.

(6) The publication of alternating rates in different sections of a tariff is subject to the following restrictions: (i) that class rates in one section may alternate with class rates in only one other section, and that commodity rates in one section may alternate with commodity rates in not more than two other sections; (ii) that rates published in another tariff may not be reproduced for purposes of alternation; (iii) that one section of a tariff may not alternate with more than three other sections; and (iv) that alternating sections may not be sub-

divided and, except as authorized in paragraph (a) (1) of this section, a rate in one section may not be alternated with a rate in the same section.

(c) *Alternation of commodity rates in one tariff with class rates in another tariff.* (1) Provision for the alternation of the commodity rates in a tariff containing only commodity rates with class rates published in other tariffs may be made by including a notation in the following form in the commodity tariff amongst rules governing the application of rates:

If by use of the class rates published in the following tariffs, the charge accruing on a given shipment is lower than that accruing under the commodity rates published in this tariff, such lower charge will apply: (here show the I. C. C. numbers of the class-rate tariffs, together with so much of the territorial application of each class-rate tariff as lies within the territorial application of the commodity tariff).

(2) If a commodity tariff contains only a few rates which result in higher charges than would accrue under the class rates, the reference to the class tariffs prescribed in this section should be shown immediately in connection with such commodity rates or may be shown in a separate item under an appropriate heading and reference to such item shown immediately in connection with the commodity rates.

(3) Great care should be exercised in describing the scope of the class tariffs in order that users of the commodity tariff may determine without examining the class tariffs, which of such class tariffs is to be used in connection with any commodity rate. It also should be understood that the alternative application of commodity rates in one tariff with class rates in another tariff should be resorted to only where there is real necessity therefor and that wherever possible the commodity rates should be revised so that they will not exceed the class rates between the same points.

§ 1300.8 Transfer and cancellation of rates.

(a) *Transfer of rates from one tariff to another.* (1) If a tariff or supplement to a tariff or a revised page is issued which is to displace a part of another tariff which is in force at the time, and which tariff is not thereby canceled in full, it shall specifically state the portion of such other tariff or such other supplement which is thereby canceled, and such other tariff shall at the same time be correspondingly amended, effective on the same date, in the regular way; that is, by reissue if tariff is of four pages or less, by reissue or supplement if tariff is of more than four pages, and by revised pages if tariff is a loose-leaf tariff. (See paragraph (e) of this section and § 1300.9 (e), (k).) Such reissue, supplement, or revised page must state where rates will thereafter be found and must be filed at the same time and in connection with the tariff or supplement which contains the new rates. Cancellation may be indicated substantially as follows: "cancels _____ ICC No. ____, to the extent shown in supplement No. _____ thereto."

(2) A tariff canceling more than one tariff in whole or in part must include a brief description of such tariffs. It will not be necessary to show on a commodity tariff or supplement reference to class tariffs that may be affected, nor to show on a class tariff or supplement reference to a commodity tariff.

(3) If a tariff is canceled by the issuance of another tariff to take its place, cancellation notice must not be given by supplement, but by notice printed, in the new tariff, as provided in § 1300.3(b). (See § 1300.2(b).)

(4) Cancellation of a tariff also cancels supplements to such tariff, if any in effect.

(b) *Transfer of rates from carriers' to agents' tariff and from agents' to carriers' tariff.* (1) An agent who acts under authority of power of attorney is fully authorized to act for the principals that have named him their agent and attorney, and therefore, when an agent publishes rates in his tariffs which are to displace the rates in his principals' tariff, the agent must cancel the rates in his principals' tariffs as per paragraph (a) of this section.

(2) A carrier must not publish in its individual tariff rates which are to displace the rates published in a tariff of a duly authorized agent unless the tariff is accompanied by a supplement issued by the agent canceling the rates in his tariff effective on the same date, as per paragraph (a) of this section.

(c) *Concurrence does not confer authority to cancel.* A concurrence does not confer authority upon a carrier to cancel tariffs of the concurring carrier, and tariffs issued under concurrence must not assume to do so. Such cancellations must be made by the carrier which issued the tariff that is to be canceled.

(d) *Cancellation notice must be by supplement.* If a tariff is canceled with the purpose of canceling entirely the rates named therein, or when, through error or omission, a later issue failed to cancel the previous issue and such tariff is canceled for the purpose of perfecting the records, the cancellation notice must not be given a new ICC number, but must be issued as a supplement to the tariff (including loose-leaf tariffs) which it cancels. In the issuance of such supplement the provisions of § 1300.9(e) need not be observed.

(e) *Notice to specify where rates can be found.* When a tariff is canceled in whole or in part by a supplement thereto, the supplement must show where the rates will thereafter be found or what rates will thereafter apply. When a tariff is canceled by another tariff which does not contain all of the rates shown in the tariff to be canceled the canceling tariff must show where rates not shown therein will thereafter be found, or what rates will thereafter apply. For example: "Rates in _____ ICC No. _____ will apply," or "Class rates will apply," or "Combination rates will apply." (See § 1300.2(b).)

(f) *Cancellation by item numbers.* (1) When portions of a tariff (excepting a tariff in loose-leaf form), or of a supplement to a tariff, are designated as items, they must be given numbers and the cancellation of an item by supplement must be made by bringing forward the item number with a capital letter suffix in alphabetical sequence. For example, if Item 445 is to be canceled, it shall be done by one of the following methods:

State the numbers of both the canceling and the canceled item. For example: "Item 445–A cancels Item 445."

or

Bring forward the item number with letter suffix; for example: "Item 445–A", "Item 445–B". When cancellation under this method is used the following provision is to be published in the general rules section of the tariff proper:

METHOD OF CANCELING ITEMS

As this tariff is supplemented numbered items with letter suffixes cancel correspondingly numbered items in the original tariff or in a prior supplement. Letter suffixes will be used in alphabetical sequence starting with A. Example: Item 445–A cancels Item 445, and Item 365–B cancels Item 365–A in a prior supplement, which in turn canceled Item 365.

(2) When special circumstances require, appropriate variations of the above methods may be used. For example, if an item is to be republished on the same or an earlier effective date, the following may be used: "Item 40–B cancels Item 40–A and 40."

(3) When due to suspension or other circumstances, a portion of an item is to be canceled or items cannot be canceled in consecutive sequence, the following may be used: "Item 40–B cancels Item 40–A except portions under suspension." or "Item 40–B cancels Item 40–A and completes the cancellation of Item 40."

(4) If an item or any part thereof is transferred to another item of different number in the same tariff, the cancellation must be carried under the original item number and must show in what item or items the effective rates are to be found.

(5) If an item is withdrawn in its entirety, leaving no rates or provisions in effect in that item, the cancellation must be brought forward in subsequent supplements as a reissued item.

(6) If an item in a supplement expires by its own terms, and that supplement is canceled by a subsequent supplement, the item, or more accurately, the item number, must be brought forward in the new supplement, together with a statement reading, "Expired with _____, in (Date) Supplement _____."

(7) An item once lawfully eliminated by cancellation or expiration may not be reinstated except by republication under a new effective date. Such republication must be under the same item number and must be given the next letter suffix. For example: If the canceling item is 445–B then the newly published item should be numbered 445–C.

(8) When withdrawing a rule or item designated by an item number the canceled matter need not be reproduced in connection with the item effecting the cancellation except to the extent necessary to identify the item.

§ 1300.9 Amendments and supplements.

(a) *Amendment procedure.* (1) A change in or addition to a tariff shall be known as an amendment, and, excepting amendments to tariffs of less than five pages and amendments to tariffs in loose-leaf form, shall be published in a supplement to the tariff. When an amendment is made in a numbered item or other unit, such item or other unit must be published in a supplement in its entirety as amended, except that additions, changes, or eliminations in a numbered item or other unit consisting of a list of commodities or a list of stations comprising 10 lines or more (measured along the left margin), may be made without publishing such items or units as amended in their entirety, provided that only one such partial amendment of any such item or unit may be in effect at any one time. When rates are published in numbered items, cancellation shall be made as prescribed in § 1300.8(f). When rates are published in numbered units other than item numbers, supplements effecting such change must specifically provide for cancellation of previously effective matter by reference to the number of the unit it cancels. When such a change is made in matter published in a supplement in a numbered unit other than an item, the new supplement must also give reference by number to the previous supplement. In those instances where matter is not published in numbered units, the changed provision must be published in the supplement in its entirety and reference must be made to the page or pages of the tariff on which the matter to be canceled is shown. If such matter has been canceled by a previous supplement, specific cancellation must be made of the corresponding matter in the "tariff as amended" and specific reference shall be made by number to page or pages of the previous supplement containing the matter to be changed, and to the page or pages of the original tariff formerly containing such matter corresponding thereto.

(2) The matter contained in each supplement shall be arranged in the same general manner and order as in the tariff which it amends and when stations in a tariff are given index numbers the same index number must be assigned to the same station in all supplements to the tariff.

(b) *Cancellation of rates when participating carrier is eliminated.* When a participating carrier is eliminated by supplement or by a revised page of a loose-leaf tariff, the tariff must be amended on the same effective date to provide for the cancellation of rates and other provisions in connection with that carrier. This may be done either by appropriate amendment of the individual items or provisions, or by a notation immediately following the statement that the carrier has been eliminated, reading:

This has the effect of canceling all rates and other provisions published in connection with this carrier in this tariff.

(1) When the notation method is used in a supplement the notation must be brought forward as reissued matter, together with reference to the supplement in which the change first appeared.

(2) When the notation method is used in loose-leaf tariffs, subsequent revised pages containing the list of participating carriers must bear reference to such elimination so long as the name of the eliminated carrier appears elsewhere in the tariff, the reference to be shown in the following manner:

(Show name of carrier here)

eliminated as a participating carrier in this tariff and all rates and other provisions published in connection with that carrier canceled effective ---------- See ---------- Revised Page -----.

(c) *Supplement number and cancellations.* Supplements to a tariff shall be numbered consecutively. Each supplement shall specify on its title page the supplement or supplements or tariff or tariffs which it cancels, and shall also show what supplements contain actual changes from the rates, rules, or regulations in the original tariff. Supplements filed under the authority of paragraphs (i), (j), (k), (m) of this section, and § 1300.12(d), and blanket or special supplements that do not change rates, rules or regulations, must be shown separately and the nature of each such supplement must be clearly indicated.

(d) *Effective date; reissued matter.* (1) Every publication which contains rates, rules, or regulations effective upon a date different from the general effective date of such publication must show on its title page the following notation:

"Effective ----------, 19--, (except as otherwise provided herein)" or "except as provided in Item --)" or "(except as provided on page —)."

(2) Every publication which consists partly but not wholly of matter established upon less than statutory notice shall show in connection with each change made effective on less than statutory notice a notation that such matter is issued on ---- days' notice under authority of ----------, (here give specific reference to the special permission, decision, order, rule, or other authority).

(3) Matter brought forward without change from a tariff which has not been in effect 30 days, also matter brought forward without change from one supplement to another, must be designated "Reissued" in distinctive type and, except as authorized in § 1300.10(i), must show the original effective date and the number of the supplement or tariff from which it is reissued; or must be uniformly indicated by the letter T in a square when reissued from another tariff or from a supplement to another tariff and by numerals commencing with 1 in squares when reissued from a prior supplement to the same tariff, printed in distinctive type and shown in a conspicuous manner, and the explanation thereof must be made in the tariff or supplement in which the symbols are used. Examples: " [1] Reissued from ICC No. ----, or (Supplement No. ---- to ICC No. ----), effective (date upon which item became effective in former tariff or supplement to another tariff ----------, 19--"; " [1] Reissued from Supplement No. 1, effective ----------, 19--," and so on numerically, the figures of the symbols always representing the number of the supplement to the same tariff from which the reissued item is brought forward. If items in a tariff or supplement are made effective on dates other than the general effective date shown on the title page, reissue of such items may be indicated in later publications by showing a letter suffix or other symbol in connection with, and as a part of, the letter T or the numerals in squares as authorized in this paragraph. When the reissued item became effective in a supplement to another tariff, the ICC number of that tariff must also be given.

(4) The letter T in a square and numerals commencing with 1 in a square shall not be used as reference marks or symbols for any other purpose in any tariff or supplement.

(e) *Amount of supplemental matter; loose-leaf tariffs.* (1) Except as authorized in §§ 1300.8(d), paragraphs (i), (j), (k), (m) of this section, 1300.11 and 1300.12(d), the following is the maximum number of effective supplements permitted to any tariff:

4 pages or less—No supplements.
5 to 16 pages, inclusive—1 supplement.
17 to 80 pages, inclusive—2 supplements.
81 to 200 pages, inclusive—3 supplements.
201 pages or more—4 supplements.

In addition to the above, tariffs of 17 pages or more may have one additional supplement not exceeding 4 pages.

(2) Except as authorized in §§ 1300.8 (d), paragraphs (f), (h), (i), (j), (k), (m) of this section, §§ 1300.11 and 1300.12(d), tariffs having 5 or more pages may have supplemental matter aggregating not more than 50 percent of the total number of pages in the tariff, except that if the number of pages in the supplement which brings the volume up to that authorized by this rule is not evenly divisible by 4, it may exceed the volume authorized to the extent necessary to bring the number of pages of such supplement to the next multiple of 4. The concluding page or pages of supplements on which appear only explanations of abbreviations and reference marks shall not be counted in applying this paragraph.

(3) The provisions of paragraphs (a), (b) of this section will also apply to tariffs filed prior to October 1, 1928.

(4) Pages of loose-leaf tariffs shall be printed on thin paper of strong texture, on one side only, and must be consecutively numbered and designated as "Original page 1," "Original page 2," etc. Each page must show at the top of the page the name of the issuing carrier, or of the issuing agent (identified as

"Agent"). If the issuing agent is a corporation or association, there shall also be shown the full name of the bureau, committee or regional association, if any, under whose auspices the schedule is compiled and filed. It shall also show the page number and the I. C. C. number of the tariff. At the bottom of the page shall be shown the date of issue, the effective date, and the name, title, and mail address of the individual actually responsible for compiling and filing the schedule. If the tariff is issued by an individual agent, his name must be shown with the title of "Agent." If issued by a corporation or association as agent, the name and title of the person responsible for the actual compilation and filing must be shown.

(5) Changes in and additions to loose-leaf tariffs shall be made by reprinting the page upon which change or addition is made, and such changed page shall be designated as a revised page. For example, "First revised page 1 cancels original page 1," or "Second revised page 2 cancels first revised page 2," etc. When a revised title-page is issued the following notation shall be shown in connection with its effective date:

Original tariff effective _____ (here show effective date of the original tariff).

(6) If on account of expansion of matter on any page it becomes necessary to add an additional page in order to take care of the additional matter, such additional page shall be given the same number with a letter suffix; for example "Original page 4–A," "Original page 4–B," etc. If it is necessary to change matter on original page 4–A it may be done by issuing first revised page 4–A, which shall provide for the cancellation of original page 4–A.

(7) When a revised page is issued which omits rates, rules, or regulations theretofore published on the page which it cancels, and such rates, rules, or regulations are published on another page, the revised page must make specific reference to the page on which the rates, rules, or regulations will be found, and the page to which reference is so made must contain the following notation in connection with such rates, rules, regulations, etc.:

For _____ (here insert rates, rules, regulations, etc., as case may be) in effect prior to the effective date hereof see page —.

Subsequently revised pages of the same number must omit this notation insofar as this particular matter is concerned.

(8) If after a tariff has been filed with the Commission it is desired to file additional pages, such pages may be subsequently filed to the tariff and numbered beginning with the next successive page number to the last page of the tariff, and must be designated as "Original page —." For example, when the tariff filed has 150 pages, page 151 when filed must not be designated as an "Additional" page but should be designated as "Original page 151." Such a page can be filed only for the purpose of adding new matter which does not change the rates, rules, or regulations then in force on other pages of the tariff.

(9) The page of every loose-leaf tariff next to the title page shall be designated as "Original page 1" and shall be known as a "check sheet." When the original tariff is ...led the check sheet must show the number of pages contained in the tariff. For example, "Pages 1 to 150, inclusive, of this tariff are effective as of the date shown." When new pages numbered 151, 152, etc., are added, the above notation must be correspondingly revised to include the added pages. When pages are revised, when new pages (including pages with letter suffix) are added to the tariff, or when supplements are issued the check sheet must be revised accordingly and, in addition to the above notation, shall show under the heading "Original and revised pages as named below and supplement No. __ contain all changes from the original tariff that are in effect on the date hereof" in numerical order a list of all original pages that have been added to the tariff and the pages which have been revised, including the revision number. For example:

Page	*Number of revision except as indicated*
3	5th
5A	Orig.
10	8th
151	Orig.

(10) Revised check sheets listing the added or revised pages must accompany such pages when forwarded to the Commission for filing.

(11) Changes shall be indicated as required by § 1300.2(a). Items which have been in effect 30 days or more need not be shown as reissued items on revised pages but may be republished as effective on 30 days' notice. Items which have not been in effect 30 days when brought forward on revised page must be shown as reissued in the manner prescribed in paragraph (d) of this section.

(12) When protective covers for loose-leaf tariffs are used, only such information should appear thereon as will remain constant and in use during the life of the tariffs.

(13) Supplements shall not be issued to loose-leaf tariffs, except for the purposes authorized by paragraphs (i), (j), and (k) of this section, and § 1300.12(d). When all changes made by a supplement to a loose-leaf tariff have been incorporated in the tariff proper by revision of the appropriate pages, the supplement shall be canceled. Such cancellation must be made by the reissue of the check sheet page (page 1) and by adding in the upper right-hand corner immediately following the words "cancels revised page 1" the words "also cancels Supplement No. _____."

(f) *Periodical tariffs.* A tariff may provide that it will be reissued periodically, but not less frequently than once a year. Such tariff must carry on its title page the notation:

A reissue of this tariff will become effective not later than _____, 19__.

Supplements may be issued to such tariffs without limit as to volume.

(g) *Index to supplement.* (1) A supplement of 5 or more pages must have an index of the matter which it contains, and a supplement of more than 23 pages must also contain a table of contents. In view of the provision of § 1300.8(f) which requires that cancellation of a numbered item must be made under the same item number in a supplement as that given to that item in the tariff, and the requirement of paragraph (a) of this section which provides that the index number assigned to a station in a supplement must be the number assigned to that station in the tariff, the table of contents and indexes in a supplement of five or more pages need not contain therein entries which are shown in the table of contents or indexes in the tariff: *Provided*, That in connection with the index of points of origin (or destination) the following notation shall be shown:

The index numbers of stations in this supplement correspond with the index numbers of the same stations shown on pages — to —, inclusive, of the tariff, with the following additions and exceptions.

(2) The table of contents and indexes in such a supplement may be omitted if § 1300.4 does not require the tariff, to which the supplement is issued, to contain a table of contents and indexes.

(h) *Supplement to tariff filed not yet effective.* (1) If a tariff is filed on statutory notice canceling another tariff and after such filing a supplement to the tariff to be so canceled should be issued effective prior to the general effective date of such new tariff, rates in such supplement could not continue in effect for the 30 days required by law because the cancellation of the former tariff also cancels supplements to it. In such a case, and confined to additions or to changes in rates or provisions which were brought forward in the new tariff without change, the provisions of paragraph (e) of this section need not be observed as to the old tariff, and a supplement making the same changes in or additions to both tariffs may be issued as supplements both to the tariff in effect and to the tariff which will effect such cancellation, and be given both ICC numbers. In other words, such issue must be a supplement both to the old and the new tariffs and copies must be posted and filed accordingly. Only one such supplement may be in effect at any time.

(2) Rates or provisions which have been established in an old tariff and reproduced or reissued in a new tariff may be changed upon lawful notice by supplement to the new tariff, effective not earlier than the general effective date of the new tariff, by showing in the following manner in connection with the changed rates or provisions that the rates or provisions changed thereby have been in effect 30 days or more, in the former issue. Example: "Item 40–A cancels item 40. Item 40 effective _____, brought forward without change from Item No. ____ of ICC No. ____ (former issue)." New rates

or provisions which do not change rates or provisions in either the old or new tariff may be established upon lawful notice by supplement to the new tariff, effective not earlier than the general effective date of the new tariff, by showing in the following manner, in connection with the new rates or provisions that the rates or provisions previously applicable have been in effect 30 days or more in a former issue. Example: "Addition. Changes class rates which became effective _____ in ICC No. _____." Unless the provisions of this paragraph are complied with no supplement to a tariff that is on file and not yet effective may be made effective within 30 days from the effective date of the tariff without special permission.

This section does not waive the requirements of §§ 1300.14, 1300.54.

CROSS REFERENCE: For additional procedure of statutory notice in filing tariffs, see § 1300.13.

(i) *Complete adoption notice.* (1) When the name of a carrier is changed, or when its operating control is transferred to another company the carrier which will thereafter operate the properties shall file and post an adoption notice, numbered in its ICC series, reading as follows:

The _____ (corporate name of adopting carrier) hereby adopts, ratifies, and makes its own, in every respect as if the same had been originally filed and posted by it, all freight tariffs, classifications, rules, notices, concurrences, traffic agreements, divisions, authorities, powers of attorney, or other instruments whatsoever, including supplements or amendments thereto, filed with the Interstate Commerce Commission by or heretofore adopted by, the _____ (corporate name of old company) prior to _____ (date).

(2) In addition to the above adoption notice the new carrier shall immediately file a consecutively numbered supplement to each of the tariffs covered by the adoption notice, reading as follows:

Effective _____ (here insert date shown in the adoption notice) this tariff, or as amended, became the tariff of the _____ (corporate name of new carrier) as per its adoption notice ICC No. _____.

(3) Such supplements issued under authority of this section must contain no other matter, must bear reference to this section and may be issued without regard to the provisions of paragraph (e) of this section.

(4) Succeeding supplements to such tariffs filed by the adopting carrier must be numbered consecutively following the number of the adoption supplement. New tariffs reissuing or succeeding such tariffs shall be numbered in the ICC series of the adopting carrier. When adopted tariffs are canceled by new tariffs of the adopting carrier, the cancellation reference must describe the canceled tariff by using the name or initials of the former issuing carrier.

(5) Tariffs issued by other carriers or agents in which the line absorbed, taken over, operated by another carrier, or whose name is changed, is named as a participating carrier, shall be amended on statutory notice, to eliminate the name of the old carrier and to show the name of the new carrier by the first subsequent supplement. Such supplement shall also contain the following provision:

The _____ (corporate name of adopting carrier) by its adoption notice ICC No. _____ having taken over tariffs, etc., of the _____ (corporate name of old carrier) the _____ (corporate name of adopting carrier) is hereby substituted for the _____ (corporate name of old carrier) wherever it appears in this tariff.

(6) Similar adoption notice numbered consecutively in the ICC series of the carrier must immediately be filed by a receiver, when he assumes possession and control of a carrier's lines. When the receivership is terminated, the carrier taking over the properties shall file an adoption notice and shall also file supplements as hereinabove prescribed if a change in the name of the carrier has been made.

(7) Notices of adoption should be filed with the Commission immediately, and if possible, on or before the date shown therein. Copies must be sent to each agent or carrier to which power of attorney or concurrence has been given. The notice must refer to this section and its effective date must be the date (as shown in body of notice) on which the change in name or operation occurs. If prior approval of such change is necessary, reference must also be made to the order of the Commission.

(8) Concurrences and powers of attorney adopted by a carrier or a receiver must within 120 days be replaced and superseded by new concurrences and powers of attorney issued by and numbered in the series of the new carrier or receiver except that if desired the receiver may number concurrences and powers of attorney in the old series. The cancellation reference to the former concurrence or power of attorney must include name or initials of the former issuing carrier. Concurrences and powers of attorney which will not be replaced by new issues must be regularly revoked on the notice and in the manner prescribed in § 1300.26(b).

(9) If a carrier ceases operation without having a successor, its tariffs, concurrences, and powers of attorney must be regularly canceled on statutory notice, unless otherwise specifically provided by order of the Commission and when canceled on less than statutory notice the cancellation notice must show that cancellation is made on account of discontinuance of operation and must refer to the authority of the Commission permitting such discontinuance.

CROSS REFERENCE: For provisions concerning powers of attorney and concurrences, see §§ 1300.18 to 1300.26, inclusive.

(j) *Partial adoption notice.* (1) When the operating control of only a part of a carrier's properties is transferred to another company, the carrier which will thereafter operate the properties shall file and post an adoption notice, numbered in its ICC series, reading as follows:

The _____ (corporate name of adopting carrier) hereby adopts, ratifies, and makes its own, in every respect as if the same had been originally filed and posted by it, all freight tariffs, classifications, rules, notices, concurrences, traffic agreements, divisions, authorities, powers of attorney, or other instruments whatsoever, including supplements or amendments thereto, filed with the Interstate Commerce Commission by the _____ (corporate name of old carrier) prior to _____ (date) in so far as said instruments apply from, to, at, or via the following stations _____ (naming them).

(2) If, on the transferred portion, there is a junction point which will remain a station on the old line as well as being established as a station on the new line, a note or reference mark may be provided in connection with the name of such point and explained substantially as follows:

This adoption notice does not have the effect of eliminating _____ as a station on _____ (corporate name of old carrier), but has the effect of establishing said station also as a station on _____ (corporate name of adopting carrier).

(3) In addition to the adoption notice in subparagraph (2) of this paragraph the old carrier shall immediatley file, under proper concurrence from the adopting carrier, a supplement to each of the tariffs covered by the adoption notice reading as follows:

Effective _____ (here insert date shown in the adoption notice), this tariff or as amended, in so far as it contains rates, rules, and/or regulations applying from, to, at, or via the following stations _____ (naming them), became the tariff of the _____ (corporate name of adopting carrier as per adoption notice ICC No. _____ of _____ (corporate name of adopting carrier).

(4) Such supplements must contain no other matter, must bear reference to this section, and may be issued without regard to the provisions of paragraph (e) of this section.

(5) Rates applying locally between points on the transferred portion shall as quickly as possible be transferred to tariffs of the adopting carrier. In all instances where rates are transferred from tariffs of the old carrier to tariffs of the adopting carrier, the adopting carrier shall establish the rates in its tariffs and the old carrier shall cancel the corresponding rates from its tariffs effective on the same date with a reference to the ICC number of the adopting carrier for rates applying thereafter.

(6) Tariffs issued by other carriers or agents, in which the line absorbed, taken over, or operated in part by another carrier is named as a participating carrier, shall be amended on statutory notice, to add the new carrier as a participating carrier by the first subsequent supplement. Such supplement shall also contain the following provision:

The _____ (corporate name of adopting carrier) by its adoption notice ICC No. _____, having taken over tariffs, etc., of the _____ (corporate name of old carrier) in so far as they contain rates, charges, rules, or regulations applying from, to, at, or via the following stations _____

(naming them), the ---------- (corporate name of adopting carrier) is hereby substituted for the ---------- (corporate name of old carrier) wherever the latter appears in this tariff in connection with said stations and rates.

(7) Similar adoption notice numbered in the ICC series of the carrier must immediately be filed by a receiver when he assumes possession and control of part of a carrier's lines. When the receivership is terminated, the carrier taking over the properties shall file an adoption notice and shall also file supplements as prescribed in this section if a change in the name of the carrier has been made.

(8) Notices of adoption should be filed with the Commission immediately, and if possible, on or before the date shown therein. Copies must be sent to each agent or carrier to which power of attorney or concurrence has been given. The notice must refer to this rule and its effective date must be the date (as shown in body of notice) on which the change in name or operation occurs. If prior approval of such change is necessary, reference must also be made to the order of the Commission.

(k) *Suspension of tariff schedules.* (1) Upon receipt of an order suspending any tariff or portion thereof, the carrier or agent who filed such tariff shall immediately file with the Commission a supplement, not bearing an effective date, which shall contain a reproduction of the pertinent portions of the Commission's order of suspension (including the paragraph prohibiting changes in the suspended matter), followed by a statement that by reason of the Commission's order (i) the use and application of the suspended publication or portions thereof (which must be identified with certainty) is either indefinitely deferred or deferred for the period prescribed in the Commission's suspension order and (ii) the schedules which were to be changed by the suspended publication (which schedules must also be identified with certainty) will remain in effect and will not be changed so long as effectiveness of the suspended matter is deferred (if deferred only for the term of the Commission's order, the date must be specified), except by order or special permission of the Commission.

(2) If the responsible carrier or publishing agent has elected to file a supplement deferring the suspended matter only for the period prescribed by the Commission's order, and if prior to the expiration of that order, the Commission formally or informally requests that a further deferment be made, the carrier or publishing agent may, under the authority of this section, issue a supplement effecting such further deferment. Where suspended matter has previously been deferred under the authority of this section, the carrier or publishing agent may, when requested by the Commission and prior to the date to which the matter is postponed, issue a supplement under the authority of this section, further postponing the effective date of the matter originally suspended. Supplements issued should be filed on statutory notice if practicable, and otherwise on shorter notice, but the notice shall be as long as time will reasonably permit and in no event less than one day. Where the effectiveness of matter originally suspended by the Commission has been voluntarily postponed beyond the term of the Commission's order, no change during the period of such voluntary postponement may be made in the tariff matter which was originally held in force by the Commission's suspension order, except by order or special permission of the Commission.

(3) Where, following the entry of a report and order in an investigation and suspension proceeding, a further order is entered in such proceeding postponing the effective date or requirement of the original order, the carrier or publishing agent, under authority of this section, may issue a supplement effecting such further deferment of the suspended schedule, and may also issue a supplement to announce postponement of the effective date of a cancellation or vacation supplement or notice filed following the entry of such report and order, to and including a date immediately preceding the effective date fixed in the further order effecting the postponement. Further, where pursuant to the provisions of section 17 (8) of the Interstate Commerce Act, the filing of an application for rehearing, reargument, or reconsideration stays the order fixing the effective date of a requirement or other action in an investigation and suspension proceeding, as evidenced by notice of the Commission to the parties, the carrier or publishing agent, under authority of this section, may issue a supplement effecting further deferment of the schedule under suspension or under voluntary postponement, and may also issue a supplement to announce postponement of the effective date of a cancellation or vacation supplement or notice that was filed following the entry of the report and order in such investigation and suspension proceeding. (Postponement should be to the last day of the suspension period prescribed in the suspension order, except where the responsible carrier or publishing agent elects to defer the use of the suspended schedule beyond the statutory period of suspension, in which event postponement should be until the date upon which the supplement announcing such postponement is canceled.) Supplements issued should be filed on statutory notice if practicable, and otherwise on shorter notice, but the notice shall be as long as time will reasonably permit and in no event less than one day.

(4) When the Commission has suspended a supplement in whole or in part, it sometimes occurs that prior to the filing of the supplement announcing suspension, a later supplement has been filed which purports to reissue the suspended matter. In such instances the suspension supplement required by this section shall also (i) specifically cancel from the later supplement such reissued matter, and (ii) amend the cancellation notice on the title page of said supplement so as to except the suspended matter from the cancellation. Tardiness in filing supplements announcing suspension may result in the rejection by the Commission of the supplement which cancels the suspended matter.

(5) When the Commission suspends an entire tariff, the previous tariff and effective supplements are continued in effect and will remain in force during the period of suspension or until lawfully canceled or reissued. Except as to loose-leaf tariffs and tariffs of less than five pages, supplements containing additions and/or changes in rates or other provisions which were not sought to be changed by the suspended tariff may be filed to the previous tariff without regard to the volume of supplemental matter which the effective supplements in the aggregate may contain. If the volume of supplemental matter permitted by paragraph (e) of this section has been exceeded under authority of this paragraph, and the Commission orders the cancellation of the suspended tariff, the volume of supplemental matter must be brought within the requirements of paragraph (e) of this section by schedule filed within 90 days, or such tariff must be reissued in accordance with the following: If consisting of less than 100 pages, by schedule filed within 90 days, and if consisting of 100 or more pages, by schedule filed within 120 days, from date upon which the suspended tariff is canceled.

(6) When the Commission suspends an entire supplement, the supplement will not be counted in the number of supplements nor in the volume of supplemental matter permitted by paragraph (e) of this section; nor in the event of suspension of a portion of a supplement will that supplement be so counted after all matter therein except the suspended portions has been reissued in or canceled by a subsequent supplement. Such subsequent supplement shall cancel the supplement containing the suspended matter "except portions under suspension in I. & S. Docket No. ------, viz, (identifying the suspended portion by item and page number)."

(7) When a tariff (not a supplement), any portion of which is under suspension, is canceled, the new tariff may either (i) cancel the previous tariff "except portions under suspension in I. & S. Docket No. ------, viz, (identifying the suspended matter and the matter held in force by the suspension order by item and page number)," or (ii) cancel the previous tariff entirely and bring forward without change the matter held in force by the order of suspension, followed immediately by the matter under suspension. The matter held in force by the order of suspension must be identified as such and shown as expiring with the date to which the suspended matter has been postponed. The suspended matter immediately following must likewise be identified as such and shown as effective on the day following the expiration of the matter held in force by the order of suspension.

(8) When an order of suspension relates to a portion of a new tariff or a supplement thereto, intended to supersede completely a readily identifiable

item (or other unit) in the prior tariff, such matter as is continued in effect by the order of suspension may be published (see Note following subparagraph (9) of this section) in the supplement announcing suspension. When so published the following notation must be provided in connection therewith, either as a note or in the form of a reference mark:

The matter subject to this (note or reference mark as the case may be) is reissued from tariff I. C. C. _____ and is continued in effect by the terms of the order of suspension in I. & S. Docket No. _____, and unless it is sooner canceled, changed, or extended, will expire with _____. (The date to be shown will be the date to which the suspended matter has been postponed.)

(9) When an order suspends a particular rate or rates or a portion of matter in an item (or other unit) in a new tariff and the matter remaining in effect in a prior tariff thereby becomes an integral part of such item (or other unit) of the new tariff, the entire item (or other unit) of the new tariff may be republished in the supplement announcing the suspension, provided there is shown in such item (or other unit), (i) the matter continued in effect by reason of the order of suspension, (ii) the suspended matter, and (iii) all other provisions of the item (or other unit) without change and appropriately indicated as reissued from the new tariff (see Note following this paragraph). The matter held in force by the order of suspension must be identified as such and shown as expiring with the date to which the suspended matter has been postponed. The suspended matter immediately following must likewise be identified as such and shown as effective on the day following the expiration of the matter held in force by the order of suspension. When the effective date of suspended matter has been indefinitely postponed, that fact must be stated by appropriate language.

NOTE: The form of publication permitted by the two paragraphs preceding may be used only when it permits complete cancellation of the tariff containing the matter continued in effect by the order of suspension. It may not be used in loose-leaf tariffs nor where the application of matter continued in effect depends in whole or in part upon other provisions, such as station grouping, rate bases, rules or regulations, which differ from those in the new tariff and which cannot be brought forward in the supplement announcing suspension.

(10) When a revised (not an original) loose-leaf page, a portion of which is under suspension, is reissued, the new revised page shall (i) include the matter continued in effect by reason of the order of suspension, (ii) cancel the page previously containing such matter, and (iii) cancel the loose-leaf page containing the suspended matter "except portions under suspension in I. & S. Docket No. _____, viz. (identifying the suspended portion by item and page number)."

(11) Neither a suspended tariff provision nor a provision held in force by reason of an order of suspension may be changed or canceled except by order or permission of the Commission.

(12) When the Commision vacates an order of suspension, or when suspended matter has been voluntarily postponed beyond the term of the Commission's order, and the Commission finds the suspended matter justified, a supplement may be filed making the suspended or postponed matter effective on one day's notice unless the Commission directs otherwise.

(13) When an order which suspended a tariff in its entirety is vacated and/or the Commission formally finds that the suspended tariff is justified, the vacating supplement filed under authority of this section may also include as reissues any changes or additions which in the interim have been made in the tariff which was held in force by the order of suspension. If by special permission a new tariff has been filed during the period of suspension, canceling the tariff proposed to be canceled by the suspended tariff, any changes or additions published in the new tariff which are not included in the suspended tariff may likewise be included in the vacating supplement as reissued items, but in such cases the vacating supplement must also cancel the new tariff. No other matter may be included in vacating supplements. When reissued matter is published in a vacating supplement, the vacation notice must be printed in not less than 10-point type, either on the title page or immediately preceding the particular tariff matter to which the notice applies.

(14) When a tariff has been canceled except portions under suspension by a new tariff and the Commission vacates its suspension order and/or formally finds the suspended matter justified after the new tariff has become effective, a supplement may be filed to the new tariff on not less than one day's notice (unless the Commission directs otherwise), republishing and establishing the suspended matter and canceling the matter which was effective during the period of suspension, together with the matter under suspension in the former issue. When the Commission vacates its suspension order and/or formally finds the suspended matter justified before the new tariff becomes effective, a vacating supplement as provided in this section should be filed to the old tariff, and a supplement should also be filed to the new tariff on not less than one day's notice (unless the Commission directs otherwise), establishing therein the matter which was under suspension in the old tariff. A supplement common to both tariffs as authorized by paragraph (h) of this section may be issued for this purpose.

(15) When the Commission suspends matter in a tariff or a supplement thereto and thereafter orders its cancellation, the cancellation shall become effective upon not less than one day's notice (unless the Commission directs otherwise), by supplement to or reissue of the tariff. When the Commission orders suspended matter canceled and the final date for compliance is subsequent to the date to which the matter has been postponed, carriers should endeavor to make the cancellation in time to prevent the rates or other provisions which have been found not justified from becoming effective. If this is not done and the suspended matter becomes temporarily effective, it is necessary when cancellation is effected to republish and reestablish the matter which was continued in force by reason of the order of suspension.

(16) Every suspension, vacation, and cancellation supplement issued under authority of this section must bear on its title page the following notation:

Issued under authority of rule 9 (k) of Tariff Circular No. 20 and in compliance with order of the Interstate Commerce Commission in I. & S. Docket No. _____ of (date).

Postponement supplements issued under authority of this section must show on the title page:

Issued upon _____ day's notice under authority of rule 9 (k) of Tariff Circular No. 20.

(17) Supplements issued under authority of this section will not be counted in the number of effective supplements, or the volume of supplemental matter, permitted under paragraph (e) of this section, but must be listed among the effective supplements as required by paragraph (c) of this section.

(18) The provisions of this section relating to suspension, postponement, vacation, and cancellation supplements will also govern in connection with tariffs issued in loose-leaf form, except that such supplements must not contain any other matter. All changes made in loose-leaf tariffs must be published on revised pages. (See paragraph (e) of this section.)

(l) [Reserved.]

(m) *Additional supplement to establish rates under rule or order of Commission.* Except as to loose-leaf tariffs and tariffs of less than five pages, one additional supplement may be issued to any tariff without regard to the requirements of paragraph (e) of this section for the purpose of establishing rates or other provisions in compliance with an order or formal decision of the Commission and/or to establish rates under authority of § 1300.56 or § 1300.57. The next regular supplement filed must bring the number of effective supplements within the requirements of paragraph (e) of this section. Only one such supplement may be in effect at any time and, except as provided in § 1300.14(f), may contain no other matter. It must be designated on its title page as "Issued under authority of rule 9 (m) of Tariff Circular No. 20."

§ 1300.10 Terminal and special services; distance and mileage rates.

(a) *Terminal and special services.* Each carrier or its agent shall publish, post, and file tariffs which shall contain in clear, plain, and specific form and terms all the rules governing and rates and charges for demurrage, switching, floating, lighterage, wharfage, and other terminal services, storage transfer and drayage, weighing, diversion, reconsignment, icing, refrigeration, heat, elevation, feeding, grazing, and other transit services, absorptions, allowances, and all other charges and rules which in any

way increase or decrease the amount to be paid on any shipment, or which increase or decrease the value of the service to the shipper. Tariffs authorizing such services, or providing charges therefor or for the absorption of such charges, must clearly show their application in connection with traffic moving under less-than-carload or any quantity rates.

(b) *Method of publication.* Subject to the provisions of paragraphs (c), (f) of this section, the application of the several services and/or the charges covered by paragraph (a) of this section in connection with line-haul rates lawfully on file with the Commission must be provided for in one of the three following ways:

(1) By including in the tariff which contains the rate upon which charges are finally to be assessed the specific authority for the extra service, the rules or regulations under which such extra service is to be performed, and the charge, if any, therefor; (2) by specific reference, in the tariff which contains the rate upon which charges are finally to be assessed, to the ICC number of a separate publication containing the authority for such service and the charge, if any, therefor; or (3) by including in the tariff which contains the rate upon which charges are finally to be assessed a clause providing that shipments made under the rates contained therein are entitled to the following services (here name specifically the services which will be permitted in connection with such rate (tariff) and are subject to the charges therefor, if any, of participating carriers performing the services "as per tariffs lawfully on file with the Interstate Commerce Commission."

(c) *Intermediate switching, drayage, or transfer.* A joint through rate from a point on the line of one carrier to a point on the line of another carrier includes switching, drayage, or other transfer service at intermediate interchange points, and no part of such charges may be added to the joint rate on shipments handled through and not stopped for special services at such intermediate interchange points. Carriers performing intermediate switching services in connection with joint rates should be shown as participating carriers in the joint rate; but if this is not done, the carrier performing the switching service must have on file with the Commission a tariff naming its charges for the intermediate switching service and the line-haul carriers parties to the joint rate must file tariffs providing for the payment of all such charges to the switching road.

All tariffs containing joint rates must contain the following provision:

> The joint rates published herein include all charges for switching, drayage, or other transfer services at intermediate interchange points on shipments handled through and not stopped for special services at such intermediate interchange points.

(d) *Switching road charges.* (1) Any carrier performing a switching or terminal service, even though its line be located wholly within one State, must publish, post, and file in accordance with the law and the Commission's regulations a tariff containing its switching charges upon or for movements on interstate shipments; and this must be done regardless of absorption provisions published in connecting lines' tariffs. Such switching tariff must name the stations, warehouses, team, or industrial tracks, or other points at which shipments will be received or delivered within the switching limits, or must otherwise clearly define such limits

(2) All of the switching charges of a carrier must be published in one tariff except as indicated in subdivisions (i), (ii), and (iii) of this subparagraph.

(i) When a carrier divides its line and publishes separate ICC series of tariffs for the different portions thereof, separate tariffs of switching charges must be published for each.

(ii) When a carrier publishes a separate ICC series to provide rates and charges on a single commodity or group of commodities, for example, coal and coke, it may publish a separate tariff covering all of its switching charges on that commodity or group of commodities.

(iii) Carriers may publish separate tariffs of switching charges applicable at important points on their lines, Provided, That such points are indexed in the general switching tariff and reference is made therein to the ICC number of the separate tariffs published for such points.

(3) Provisions, if any, for the absorption of connecting-line switching charges may be included in the tariff of rates or in the switching tariffs described in this section, or such provisions must be included in a single separate publication or in a single separate publication in each ICC series of tariffs. (See paragraph (f) of this section.)

(4) Nothing in this section shall be construed as prohibiting two or more carriers employing a joint agent for the publication of a consolidated switching tariff at a particular point, which tariff must contain all of the switching charges and absorption provisions of the carriers parties to the tariff at that point. In such cases the general switching tariff (or tariffs) of each carrier must index the point covered by the joint agency publication and must show reference by ICC number to the joint agency publication.

(e) *Switching and other terminal charges added to rate.* A carrier's charges for switching or other terminal services (except as otherwise provided in paragraph (c) of this section) must be added to the line-haul tariff charges unless such switching charges are absorbed, in whole or in part, in the manner provided by paragraph (f) of this section.

(f) *Switching road's charges absorbed.* Line-haul carriers may absorb charges for switching or other terminal services performed at point of origin, point of destination, or (except as otherwise provided in paragraph (c) of this section) at an intermediate point, provided, the line-haul carriers publish and file a tariff which shows that such switching charges as published in tariffs of the switching carrier (naming it) lawfully on file with the Interstate Commerce Commission will be absorbed in their entirety. Line-haul carriers may also absorb switching charges in part or in a specified amount. In such cases the tariff containing the absorption provision shall state that such charges are published in tariffs of the switching carrier (naming it) lawfully on file with the Interstate Commerce Commission and shall also state that charges not absorbed will be in addition to the line-haul rate.

(g) *Distance rates may be used when no other rates provided.* (1) A carrier or an agent acting for two or more carriers may file tariffs containing distance or mileage class or commodity rates, or both. Except as otherwise provided in §§ 1300.7 and 1300.27, distance or mileage class rates may be used only when no specific through class rates from and to the same points are provided and distance or mileage commodity rates may be used only when no specific through commodity rates from and to the same points are provided. Except as otherwise provided in §§ 1300.7 and 1300.27, distance or mileage commodity rates will apply even though specific through class rates from and to the same points are provided.

(2) Tariffs containing distance or mileage rates must clearly and definitely show the application of the rates, must contain an alphabetical list of points between which the rates apply and must also show in proper arrangement the specific distances between such points, or may make reference by I. C. C. number to a separate tariff for such list of points and distances. (See paragraph (h) of this section.)

(3) Each tariff that contains only distance or mileage class rates must bear on its title page the following rule:

> The distance or mileage class rates shown herein may be used only when no commodity rates or specific through class rates from and to the same points have been provided on the same shipment.

(4) Each tariff that contains only distance or mileage commodity rates must bear on its title page the following rule:

> The distance or mileage commodity rates shown herein may be used only when no specific through commodity rates from and to the same points have been provided on the same shipment.

(5) Each tariff that contains only distance or mileage class and commodity rates must bear on its title page the following rule:

> The distance or mileage class rates shown herein may be used only when no commodity rates or specific through class rates from and to the same points have been provided on the same shipment; and the distance or mileage commodity rates shown herein may be used only when no specific through commodity rates from and to the same points have been provided on the same shipment.

(6) If distance or mileage rates without alternative application are published in a tariff which also contains specific rates, the notations for class or commodity or both class and commodity rates, as the case may be, prescribed by this paragraph must be shown immedi-

ately in connection with such distance or mileage rates.

(7) If distance or mileage rates have alternative application, the notations prescribed in this paragraph must be qualified by the prefatory words, "Except to the extent alternative application of rates is provided."

(h) *Distance or mileage tables.* (1) Each carrier must publish, post, and file, individually or through an agent, a tariff containing a list of its stations and the shortest distances via its line between such stations, arranged in one of the three following ways:

(i) Showing the distance from each station to each station.

(ii) Showing the distance from each station to each junction point with a branch of its own railroad and to each junction point with another railroad.

(iii) Showing the distance from each junction point on its line, either with a branch of its own railroad or with another railroad, to each other such junction point, and the distance from each local station to the nearest junction point in each direction.

(2) Each of such tariffs must also clearly indicate which of the stations are junction points at which it is possible to interchange carload traffic without transfer of lading and must name the connecting carriers at each such junction with which such transfer is possible.

(3) Where carriers participate in joint distance or mileage rates they must on or before May 5, 1930 either (i) publish in the tariff containing such joint distance or mileage rates or in a separate publication filed by an agent, an alphabetical list of all stations between which such distance or mileage rates apply and the distances from each of such stations to every other station, indicating in an appropriate manner which of such stations are junction points at which it is possible to interchange carload traffic without transfer of lading, and naming the connecting carriers at each such junction point with which such transfer is possible or (ii) file through an agent a separate joint publication which shall contain an alphabetical list of all the junction points on their respective lines at which it is possible to interchange carload traffic without transfer of lading in the area embraced by the application of such joint distance or mileage rates, together with the names of the connecting carriers at each junction point with which such transfer is possible, and the distance from each such junction to each other such junction point; and they must in the tariffs containing such joint distance or mileage rates give reference by ICC number to such separate joint publication. The latter must also contain the distance from each local station to the nearest junction point in each direction, or the tariff containing the joint distance or mileage rates must also refer by ICC number to the tariff or tariffs of each carrier containing the distances between points on its line and such junction points.

NOTE: It is not intended by the preceding paragraph to require carriers to have one separate publication for each rate tariff containing joint distance or mileage rates but all the distances over which joint rates in which such carrier participates may be included in one publication.

(i) *List of stations showing facilities, additions and abandonments.* (1) A tariff publication may be filed containing a list of stations with the railroad location of each, alphabetically and geographically arranged with index numbers, prepay requirements, station facilities, additions of stations, abandonments of stations, changes in names of stations, and restrictions as to acceptance and delivery of freight. No rates or charges and no matter that will in any way operate to increase or decrease the rate or charge in tariffs making reference to this publication may be shown therein. Changes in such a tariff may be made on not less than one day's notice, except that announcement of the abandonment of stations, changes in index numbers of stations and restrictions as to the acceptance or delivery of freight must be made effective on not less than thirty days' notice.

(2) Changes made on less than statutory notice under the authority of this paragraph shall recite that they are so made, either directly or by reference to an item in the original tariff stating:

Changes in this tariff that make reference to this item are established upon less than statutory notice under authority of rule 10 (i) of Tariff Circular No. 20.

Rate tariffs that are to be governed by such separate tariff publication must make reference thereto in the wording shown below:

Governed by ——— I. C. C. No. ———, supplements thereto or successive issues thereof, as to additions and abandonments of stations, and except as otherwise shown herein, as to prepay requirements, changes in names of stations, restrictions as to acceptance or delivery of freight and changes in station facilities. When a station is abandoned as of a date specified in the above named tariff, the rates from and to such station as published in this tariff are inapplicable on and after that date.

(3) When a station has been abandoned as of a date specified in the tariff authorized by this paragraph, the rates from or to such station in rate tariffs governed thereby have become inapplicable and must be eliminated in the next amendment of such rate tariffs. When the elimination is made by supplement, the following notation must be used:

Eliminate account station abandoned. For effective date see (here make reference to the governing tariff issued under this rule).

This notation must be continued in connection with the name of the station as long as the tariff remains effective, and indicated as a reissue from the supplement in which it was first published, without stating the effective date of such supplement.

(j) *Tank-line gauge books and equipment register.* When rates are published with minimum weights dependent upon the length or marked, cubical or gallonage capacity of the car used, the length or marked, cubical or gallonage capacity becomes an integral part of the charge and carriers must file tariffs showing the numbers, dimensions, capacities, and ownership of freight cars, and other information required by law to be filed with respect to such cars. Such information may be published in separate publications and be filed by duly authorized agents. Tariffs governed by such publications must bear specific reference to the ICC number thereof. Successive issues of such publications and supplements thereto may be made effective on 1 day's notice by noting thereon reference to this section.

§ 1300.11 **Index of tariffs.**

(a) Each carrier shall publish as a tariff, under I.C.C. number, a complete index of all effective tariffs to which it is a party either as initial or delivering carrier. Such index shall be arranged in sections as indicated below, and shall show as to each tariff: (1) I.C.C. number, (2) full or abbreviated name of issuing carrier, tariff publishing bureau, or agent, (3) type of tariff or description of the traffic upon which it applies, (4) where tariff applies from, (5) where tariff applies to, and (6) whether tariff contains other than all-rail rates. The information required by items (3), (4), and (5) shall be stated in sufficient detail to show clearly the application of the tariff. Additionally, the index may show as to each tariff the carrier's own number, the index number, and the issuing carrier's (or agent's or tariff publishing bureau's) number.

First section: A list of all tariffs as to which the carrier is an initial carrier, entered in the following order: Specific commodity tariffs, general commodity tariffs, class and commodity tariffs, class tariffs, and miscellaneous schedules such as billing books, classifications, exception sheets, switching tariffs, etc. Specific commodity tariffs shall be entered alphabetically under the names of commodities or principal commodities. Tariffs applying to different groups of the same commodity shall be grouped together; for example, "Lumber, hardwood, Lumber, yellow pine," etc. Each group of specific commodity tariffs and tariffs grouped under the respective heads of general commodity tariffs, class and commodity tariffs, and class tariffs, shall be entered by alphabetical arrangement of the points or territory from or to which they apply, in either the "From" or "To" column. Miscellaneous schedules shall be entered in alphabetical order.

Second section: A list of all tariffs under which the carrier is a delivering carrier arranged alphabetically by names of issuing carriers, tariff publishing bureaus, or agents, with the items arranged by commodities and classes under each of such carriers, tariff publishing bureaus, or agents, as prescribed for the first section. If carrier so desires, lists of tariffs under which it is an intermediate carrier may be included in this section provided those tariffs under which it is a

delivering carrier or an intermediate carrier or both are indicated.

Third section: A complete list of the numbers of effective tariffs of its own I. C. C. series arranged in numerical order.

(b) Tariffs covering only specific circus movements and supplements to tariffs should not be included in indexes. Where supplements have the effect of changing the application of the original tariff, the descriptions of such tariff in the index should be amended accordingly. If carriers so desire, lists of their intrastate tariffs, division sheets, official circulars, etc., may appear in this publication. In connection with intrastate tariffs which do not bear I. C. C. numbers the reference mark prescribed in § 1300.4(m) must be used with explanation "Rates in this tariff do not apply on interstate shipments." All intrastate tariffs which bear I. C. C. numbers must be properly shown in the index.

(c) A group of family lines may unite in the publication and filing by a connecting trunk line of a joint index of the tariffs of such family lines, provided the application of the tariffs as to each line is plainly indicated and such lines are shown as parties to the joint index under concurrence.

(d) The index must be kept current by supplements, which, however, need not be issued more frequently than quarterly; and must be reissued biennially. Supplements must be numbered consecutively, must be constructed in accordance with specifications for the index itself and must show additions, changes and cancellations made in index itself or in prior supplements, by reference to the page or index number of the entry changed or canceled. Supplements may be issued without regard to volume of supplemental matter permitted by § 1300.9(e), but not more than five supplements may be in effect at any time.

(e) Each index must bear on its title page these notations: "This index contains list of tariffs in effect on (date of issue of index)" to which in proper circumstances may be added "or which have been filed to become effective at a later date as shown within"; also "This index will be reissued on or before _____ 19__, and all changes will be reflected in supplements issued quarterly."

(f) Each supplement to an index must bear on its title page the notation, "Supplements Nos. _____ and _____ contain all changes from original index that are in effect on date hereof"; to which may be added "or which have been filed to become effective at a later date as shown within."

(g) The title page of each index and of each supplement must bear date of issue but must not bear an effective date. The rule requiring thirty days' notice does not apply to these indexes and their supplements.

NOTE: One index containing both freight and passenger tariffs may be filed, but if both freight and passenger tariffs are included in one index the information required by each rule must be shown in separate sections, the index must be given an I. C. C. number in both freight and passenger series, and four copies must be filed with the Commission.

§ 1300.12 Restoration and discontinuance of water service.

Tariffs containing rail-and-water or all-water rates applicable via routes upon which it is necessary to close navigation during a portion of each year, must provide for the restoration and discontinuance of service over such routes in the manner prescribed in paragraphs (a) to (e) of this section.

(a) *Notation on title page.* The following notation shall appear either (1) on the title page of the tariff, (2) amongst the rules governing the application of rates, or (3) immediately in conjunction with the rates to which the notation applies:

Transportation service in connection with (here insert name of water carrier or carriers specified in the tariff) is subject to restoration and discontinuance as indicated on page _____

When the foregoing notation is published in the tariff amongst the rules governing the application of rates, reference thereto must be made in the table of contents of the tariff, and the words "as follows" must be substituted for "as indicated on page _____."

(b) *When definite dates of service cannot be determined.* (1) When definite dates for restoration and discontinuance of transportation service for each season of navigation cannot be determined the following rule must be published in the tariff under the heading of "Application of rates":

Shipments will be accepted by carriers parties to this tariff during the period from _____ (here show date approximately 30 days prior to the first sailing from port of transshipment) to _____ (here insert date which will allow sufficient time for shipment to reach the port of transshipment prior to the last sailing) of each year, for transportation on the vessels of the _____ (here insert name of water carrier or carriers named in the tariff). Shipments also will be accepted from the latter date until the date announced by supplements to this tariff, subject to the condition that all freight left on hand at the port of transshipment after the closing of navigation for lack of space on vessels sailing after the arrival of such freight, and all freight reaching the port of transshipment after the last sailing of each season of navigation, will be forwarded via all-rail routes and be subject to the tariff rates applicable via such all-rail routes in effect on date of shipment from the point of origin of the shipment. In such cases shipping receipts, bills of lading and way-bills must bear notation to that effect. Supplements announcing the final date upon which shipments will be accepted for transportation, under this tariff and effective supplements thereto, will be filed with the Interstate Commerce Commission and posted at points from which the rates apply not less than 1 day in advance of such date.

NOTE: In applying the provisions of the preceding paragraph, the date on which final instructions are received for transportation via the water line will be considered the date of acceptance of the shipment for transportation by that line. The rate to be applied on shipments moved via the water line will be the rate in effect on the date shipments are received for transportation at points of origin.

(2) The dates for restoration and discontinuance of service as set forth in this paragraph shall be shown in boldface type.

(c) *When definite dates of service can be determined.* When definite dates for restoration and discontinuance of transportation service for each season of navigation can be determined the following rule must be published in the tariff under the heading of "Application of rates":

Shipments will be accepted by carriers parties to this tariff during the period from _____ (here show date approximately 30 days to the first sailing from port of transshipment) to _____ (here show date which will allow sufficient time for shipment to reach the port of transshipment prior to the last sailing) of each year, for transportation on the vessels of the _____ (here insert name of water carrier or carriers named in the tariff). Shipments also will be accepted from the latter date until _____ (here insert final date upon which shipments will be accepted for transportation under the tariff and effective supplements thereto), subject to the condition that all freight left on hand at the port of transshipment after the closing of navigation for lack of space on vessels sailing after the arrival of such freight, and all freight reaching the port of transshipment after the last sailing of each season of navigation, will be forwarded via all-rail routes and be subject to the tariff rates applicable via such all-rail routes in effect on date of shipment from the point of origin of the shipment. In such cases shipping receipts, bills of lading, and way-bills must bear notation to that effect.

No supplement will be issued to this tariff announcing the date of discontinuance of transportation service.

NOTE: In applying the provisions of the preceding paragraph, the date on which final instructions are received for transportation via the water line will be considered the date of acceptance of the shipment for transportation by that line. The rate to be applied on shipments moved via the water line will be the rate in effect on the date shipments are received for transportation at points of origin.

The dates for restoration and discontinuance of service as set forth in this section shall be shown in boldface type.

(d) *Contents of supplements.* Supplements announcing discontinuance of transportation service under this section may be filed with the Interstate Commerce Commission and posted at points from which the rates apply on not less than 1 day's notice by noting thereon reference to this section. Only one such supplement may be in effect at any time; it may not contain other matter and may be issued without regard to the requirements of § 1300.9(e).

(e) *Tariffs may be reissued.* Tariffs containing rail-and-water or all-water rates may be reissued or amended at any time in the regular manner, but tariffs containing the clause prescribed by paragraph (b) of this section which are made effective subsequent to the date of actual discontinuance of service must contain a statement that service was discontinued on _____ as per supplement No. _____ to ICC No. _____

(former tariff and that supplement announcing discontinuance of service for that season will not be filed.

CROSS REFERENCE: For regulations of the Federal Maritime Commission relating to tariffs of common carriers by water in interstate commerce, see 46 CFR Part 531.

§ 1300.13 Filing tariffs.

(a) *Authority to file.* Tariffs shall be published and filed by carriers either directly or through duly authorized tariff-publishing agents. When filed directly by a carrier the concurrence (or power of attorney as authorized in § 1300.18(f)), and when filed by an agent the power of attorney, of every carrier participating therein must be filed or on file with the Commission. (See §§ 1300.17 to 1300.20, inclusive.)

(b) *Agent will file under own I. C. C. number.* A tariff publishing agent must file tariffs under his or its own single series of I. C. C. numbers and not in the series of any of his principals. If the agent is a corporation or an unincorporated association (see § 1300.17(a)) having jurisdiction over two or more tariff publishing organizations, bureaus, or committees, the tariffs issued through each such tariff publishing organization may bear a separate series of I. C. C. numbers.

(c) *Filing by issuing carrier or agent.* Tariffs must be filed by the issuing carrier or agent, and such filing will constitute filing for all carriers parties thereto. Such tariffs must be posted at stations of carriers participating therein in the manner required by law.

(d) *Exchange of publications.* The agent or the carrier that issues a joint tariff publication shall at once send copies thereof to each and every carrier that is named as party thereto.

(e) *Conflict between tariffs; avoidance.* A carrier that grants authority to an agent or to another carrier to publish and file certain of its rates must not in its own issues publish rates which duplicate or conflict with those which are published by such authorized agent or other carrier.

CROSS REFERENCE: For provisions concerning powers of attorney and concurrences, see §§ 1300.17 to 1300.26, inclusive.

§ 1300.14 Statutory notice; additional procedure in filing tariffs.

(a) *Period of notice.* The act requires that all changes in rates, or in rules that affect rates, shall be filed with the Commission at least 30 days before the date upon which they are to become effective unless otherwise authorized by the Commission. Manifestly it is impossible for the Commission to check the items in tariffs to determine whether or not statutory notice has been given. Therefore, except as otherwise authorized by the Commission, 30 days' notice to the public and to the Commission must be given as to every tariff publication filed with the Commission, regardless of whether or not changes are effected thereby. (See §§ 1300.3(h), 1300.9(d).)

(b) *Filing of tariffs and receipt by Commission not relief of carriers from liability.* The law affirmatively imposes upon each carrier the duty of filing with the Commission all of its tariffs and amendments thereto in the manner prescribed in the law or in any rule which may be promulgated by the Commission. A penalty is provided for failure so to do, or for using any rate which is not contained in its lawfully published and filed tariffs. The receipt and filing of a tariff or supplement by the Commission does not relieve carriers from liability for violation of the act or of regulations issued thereunder.

(c) *Interstate shipments.* Rates for through shipments are often made by adding together two or more rates. All rates used in making combination through rates for interstate shipments, including rates between points in one State, must be filed with the Commission and posted at stations and can only be changed as to such traffic in accordance with the terms of the act.

(d) *Delivery free of charges.* No tariff, revised page, or supplement will be received by the Commission unless it is delivered to it free from all charges including claims for postage.

(e) *Rejection of tariffs and notices of revocation.* (1) Any tariff or schedule, tendered for filing, which fails to give lawful notice of changes in rates, charges or other provisions which it proposes to establish, or which fails to meet the requirements of the regulations contained in this chapter, or violates any order of the Commission or of a court, is subject to rejection by the Commission. When a tariff or schedule is rejected, the Commission, acting through a designated administrative officer, will inform the carrier or the agent who tendered it for filing, in writing, of the reasons for rejection, and will return the rejected tariff or schedule to such carrier or agent.

(2) The number assigned to a tariff or schedule which has been rejected may not again be used. The rejected tariff or schedule may not be referred to in any subsequent tariff or schedule as having been canceled, amended or withdrawn, but the tariff or schedule which is published in its stead must bear the following notation: "Issued in lieu of (here identify the rejected schedule or tariff), rejected by the Commission."

(3) A notice of the revocation, complete or partial, of a concurrence or power of attorney which, if it were to become effective, would require the establishment of rates, fares, or charges in violation of an order of the Commission or of a court, or of the regulations in this chapter, may be rejected in the same manner as a tariff or schedule, and any such notice of revocation which would require the establishment of rates, fares, or charges of doubtful lawfulness may be suspended.

(f) *Promulgation of rates prescribed in decisions of Commission.* (1) Rates prescribed by the Commission in its decisions and orders in formal cases shall be promulgated by the carriers against which such orders are entered, in duly published, filed, and posted tariffs, revised pages or supplements, and notice shall be sent to the Commission that its decision (or order) in Docket No. _____, has been complied with in item _____, page __ of _____ tariff, ICC No. _____ or supplement No. _____ to _____ tariff, ICC NO. _____.

(2) Unless otherwise specified in the decision or order in the case, such tariff or supplement must be made effective upon statutory notice to the Commission and to the public. Whether made effective on less than statutory notice under special authority granted in the decision or order in the case, or upon statutory notice, when an entire tariff or supplement is issued in compliance with a decision or order, such tariff or supplement shall bear on its title page the notation "In compliance with decision (or order) of Interstate Commerce Commission in Docket No. _____." (Whenever possible, the volume and page number of the report of the Interstate Commerce Commission should be shown.)

(3) If the decision or order of the Commission affects only portions of the tariff or supplements, the above notice shall be shown in connection with each portion so affected.

(4) In establishing rates, classifications, rules or regulations effective on less than 30 days' notice under authority of a decision or order of the Commission in a formal case, the carrier or carriers parties of the record, or that are lawful parties to a joint tariff in which the rates, classifications, rules, or other regulations that are prescribed are published by some carrier that is a party to the record, may include change or changes in commodity or commodities that are grouped with that or those which are specified in the decision or order; and may include adjustment at other points in order to conform rates to the provisions of the fourth section of the act, or to preserve established grouping or relation of points; and may also include adjustment of rates to same points on other commodities for the purpose of maintaining established relation of rates between commodities: *Provided*, All changes made under authority of this section shall be effected by reductions in rates or charges.

(5) If a carrier that is not a party to the record or to the joint tariff desires to make on less than statutory notice the same changes that are made under the decision or order by carrier that is party to the same it must secure special permission so to do. (See also § 1300.9(m).)

(g) *Tariffs to bear consecutive numbers.* Each carrier and agent must file tariffs under consecutive ICC numbers. Occasionally a tariff or supplement is received which does not bear ICC number next in numerical order to that borne by the one last filed. Insofar as possible carriers should file tariffs and supplements in consecutive numerical order of ICC numbers. If from any cause this is not done the tariff or supplement that is filed bearing an ICC number that is not consecutive with the last number filed must be accompanied by a memorandum explaining as to the missing number or numbers.

(h) *Number of copies; address.* Two copies of each tariff, supplement, revised page, classification, or other schedule of rates or regulations, shall be filed with

the Commission, both copies to be filed together under one letter of transmittal (see § 1300.29). They must be addressed to the "Interstate Commerce Commission, Washington, D.C., 20423," with the envelope marked as containing "Tariffs."

§ 1300.15 Rate basis books.

(a) Separate tariffs may be filed showing lists of points located in territorial groups such as "Dayton-South Bend territory," "Colorado common points," "Chicago and points taking same rates," "Baltimore and points taking same rates and points taking arbitraries or differentials to be added to or deducted therefrom," or "Points taking arbitraries over or under base points." Such a publication shall be known as a "Territorial Directory," as a tariff of "Rate Bases," or as a tariff of "Rate Bases and Billing Instructions," all of which will hereinafter be referred to as rate basis books. Such tariffs may also contain routing, waybilling instructions, and divisions, provided duplicate or conflicting routing or waybilling instructions are not also shown in the base rate tariff or in publications which govern that tariff and may be published either by one of the interested carriers or by an agent. When such a separate publication is used, reference must be made in the rate tariff to the ICC number of such separate publication. A rate tariff may not refer to another rate tariff for lists of points in territorial groups, routing, or waybilling instructions. All carriers shown as participating carriers in the tariff of rates making reference to the separate publication shall also be shown as participating carriers in such separate publication.

(b) On and after October 10, 1930,[1] no one rate may be governed by more than two such separate publications, one for points of origin and one for points of destination.

(c) Rate basis books must conform to the following requirements: Such publications should name all of the points in the territories covered and may not rely upon intermediate application rules for this purpose. The railroad location of each point must be shown, and the points in such publication must be arranged in alphabetical order, or such publication must contain an index as provided in § 1300.4(d). The rate basis, group location, or territorial application, or arbitraries or differentials to be added to or deducted from the base or group rates, must be shown immediately in connection with the name of each station, except that reference may there be made to an item showing such information. Exceptions to the rate basis, group location, or territorial application should not be made in the rate basis books unless such exceptions apply to or from a considerable number of points or on a considerable number of commodities. When the arbitraries or differentials to be added to or reducted from the base rates are subject to a different classification or to different classification exceptions than apply in connection with the base rates, references to such classification and exceptions thereto must be made immediately in connection with the arbitraries or differentials.

(d) All the rules and regulations governing the through rates determined by the use of the base rate tariff and rate basis books should be published in the base rate tariff or should be made a part thereof by reference as provided in §§ 1300.4 (h), (k), and/or 1300.10. If, however, it is necessary in particular cases to include rules or regulations in the rate basis books, such rules must not duplicate or conflict with rules contained in the base rate tariff or made a part thereof by reference to other publications.

§ 1300.16 Classification; exceptions tariff.

(a) *Classification.* (1) A classification as the term is used in this part has reference to a tariff in which all of the commodities which the carriers parties thereto may be called upon to transport, so far as can reasonably be foreseen, are listed either by specific or generic names and are assigned to ratings or classes with reference to which the carriers' class rates are applied. The classification must contain an alphabetical index of all of the articles so listed.

(2) Appropriate rules should be provided in a classification, not only to govern the application of the classification itself, but also the application of other tariffs which are made subject to the classification. Each rule should be so expressed as to make it clear whether it applies only in connection with the classification proper, or in connection also with classification exceptions and commodity tariffs governed by the classification. The rules must be separately numbered, and thoroughly and accurately indexed.

(3) Among others, each classification must contain the following rules:

(i) Except when provision is made in exceptions tariffs for alternation of the exceptions with this classification, the establishment of a classification exception removes the application of the corresponding provisions of this classification on traffic covered by such exception.

(ii) Unless otherwise provided in applicable tariffs, if there is an effective commodity rate on a given shipment, that rate and not the class rate must be applied, except that rates (either class or commodity) specifically designated as applicable only on import, export, coastwise or intercoastal shipments must be applied on such shipments to the exclusion of all other rates not so designated.

(4) When a tariff is governed by a classification each carrier for which the tariff so governed applies must also be a party to the classification.

(5) Each classification should state on its title page:

This tariff is applicable only in connection with tariffs specifically made subject hereto.

(b) *Exceptions tariff.* (1) An exceptions tariff as the term is used in this part is a tariff which contains exceptions to the ratings and/or rules in a classification. Except as provided in subparagraph (9) of this paragraph, classification exceptions may be published only in exceptions tariffs.

(2) If it is desired to establish rates differing from the classification basis between a limited number of points, the method of publication must be by commodity rate tariffs and not by classification exceptions.

(3) Each exceptions tariff must state on its title page that it contains exceptions to a designated classification, and that:

This tariff is applicable only in connection with tariffs specifically made subject hereto.

(4) When a tariff is governed by an exceptions tariff each carrier for which the tariff so governed applies must also be a party to the exceptions tariff.

(5) A rate tariff may not be made subject to more than one exceptions tariff unless the rate tariff is subject to more than one classification, in which case the rate tariff may be made subject to not more than one exceptions tariff for each classification.

(6) Commodities for which ratings are provided in an exceptions tariff shall be listed and indexed therein in a manner corresponding with that in the classification. Commodity descriptions in the exceptions tariff should, so far as possible, conform to those in the classification. Exceptions to rules must be numbered and completely indexed, and each rule in the exceptions tariff must specify the rule in the classification to which it is in fact an exception. Each rule must likewise indicate clearly, as in the classification, whether it applies only in connection with traffic for which ratings are provided in the exceptions tariff or whether it has broader application, and if so, precisely how much broader.

(7) Alternation of certain ratings in an exceptions tariff with corresponding ratings in the classification (general alternation is not permitted) may be accomplished by publishing the following provision in the rules of the exceptions tariff and making specific reference to it in each item as to which alternation is desired, or by publishing it, appropriately modified, immediately in conjunction with each such item:

If on a given shipment the charge accruing under the provisions of (here identify the classification) is lower than that accruing under an item of this tariff which makes specific reference hereto, the lower charge under the classification will apply.

For alternation purposes, there may be published in the same item of an exceptions tariff an exceptions rating and a rating on the same article reproduced from the classification.

(8) Rules which are not classification exceptions, as covered by § 1300.4(h) may be included in exceptions tariffs. In such cases the exceptions tariff will be counted in applying the provisions of § 1300.4(h). Commodity lists as authorized by § 1300.6 (a) may also be published in exceptions tariffs, in which case the carriers parties thereto may not publish other general

[1] Except as to carriers in official territory the date was postponed until July 20, 1938, by amendment No. 13 to Special Permission No. 101515.

commodity-list tariffs. When classification exceptions are thus published in the same tariff with other rules and/or commodity lists, the tariff shall be divided into sections, the first containing the rules (all rules), the second containing the exceptions(ratings only), and the third containing commodity lists. The several sections must be separately indexed.

(9) Classification exceptions, either ratings or rules, which apply only in connection with the class rates published in a particular tariff may be published in that tariff.

§ 1300.17 Tariffs issued through an agent.

(a) If a carrier desires to issue a tariff or tariffs through an agent it may do so by filing with the Commission an appropriate power of attorney to the designated agent. Agents may be either natural persons, corporations, or unincorporated associations whose articles of association (or other form of agreement) have been approved by the Commission in a proceeding pursuant to the provisions of section 5a, part I, of the Interstate Commerce Act. An officer or employee of an incorporated tariff-publishing agent may not act as an agent in his individual capacity for the publication of tariffs.

(b) When an association or corporation has been appointed an issuing agent the executive head thereof shall at once notify the Commission of the name of the individual who is to be responsible for the actual compilation and filing of each I. C. C. series of tariffs issued by the agent. There may be only one issuing officer for each such series of tariffs, and the same individual may not act as issuing officer for more than one series without the special permission of the Commission. When an issuing officer is replaced the Commission shall be immediately notified in like manner of his successor.

(c) When a natural person is authorized by power of attorney to act as a tariff-publishing agent, such instrument shall designate another natural person to act as alternate agent in the event of the death or disability of the principal agent. On or before the date of filing of the first tariff or supplement by the alternate agent under the authority granted in the instrument, such alternate agent shall notify the Commission in writing that death or disability of the principal agent has occurred and that he, the alternate agent, will thereafter act until the appointment of a new principal agent. The term "disability" as used in the instrument means resignation, permanent transfer to other duties, or other permanent absence of the principal agent. After an alternate agent has once exercised the authority granted by the instrument, the principal agent may not thereafter act under that instrument.

§ 1300.18 Powers of attorney.

(a) *Publishing agents.* (1) A power of attorney shall be used by a carrier to give to a publishing agent, but not to another carrier, authority to publish and file freight rate tariffs and supplements for it, except that a carrier may give a power of attorney to another carrier in the circumstances and subject to the conditions stated in paragraph (f) of this section. Powers of attorney given to publishing agents may be either unlimited or limited, and in the case of corporations or unincorporated associations comprised of more than one bureau, committee or regional organization, the power of attorney may consist of multiple instruments, such instruments to define separately the authority to be exercised by each component bureau, committee or regional organization.

(2) A carrier may not have in effect at the same time an unlimited power of attorney and a limited power of attorney in favor of the same agent for use by the same bureau, committee, or regional organization.

(b) *Unlimited power of attorney form.* (1) An unlimited power of attorney, when given to a publishing agent, authorizes the agent to file any freight tariff in which the carrier giving the power is a participating carrier. Form FA1 confers unlimited authority to publish local rates and charges for the carrier issuing the power and to publish joint rates and charges for such carrier and such other carriers as have issued the necessary authority.

(2) The following form of power of attorney, FA1, shall be used to give such unlimited powers:

POWER OF ATTORNEY

FA1 No. --
Cancels ---- No. --

(Name of carrier)

(Mail address)

(Date)

Know all Men by These Presents:

That the [full and correct name of carrier] has made, constituted, and appointed, and by these presents does make, constitute, and appoint [name of principal agent] its true and lawful attorney and agent, to file in its name, place, and stead, (1) for it alone, and (2) for it jointly with other carriers [through its (name of bureau, committee, or regional organization, if any)], freight tariffs and supplements thereto, as required of common carriers by existing laws and regulations established thereunder. And does hereby give and grant unto its said attorney and agent full and unlimited power and authority to do and perform all and every act and thing above specified as fully, to all intents and purposes, as if the same were done and performed by the undersigned carrier itself, and does hereby assume full responsibility for the acts and failures to act of said attorney and agent.

And, further, that the undersigned carrier does hereby make and appoint [name of alternate agent] alternate attorney and agent to do and perform the same acts and exercise the same authority herein granted to the principal agent in the event and only in the event of the death or disability of the above-named principal agent.

(Name of carrier)
By ---
Its ---
(Title)

Duplicate mailed to:
(Name of Agent)
(Address)

(c) *Limited power of attorney form.* (1) A power of attorney may be limited in any appropriate manner provided the limitations are specifically and unambiguously expressed in the instrument. For example, the agent may be authorized to publish only local rates, only joint rates, only rates and charges on specified commodities or in a specified territory, or only specified tariffs or types of tariffs.

(2) The following power of attorney, Form FA2, shall be used to give such limited authority:

POWER OF ATTORNEY

FA2 No. --
Cancels -- No. --

(Name of carrier)

(Mail address)

(Date)

Know All Men by These Presents:

That the [full and correct name of carrier] has made, constituted, and appointed, and by these presents does make, constitute and appoint [name of principal agent] its true and lawful attorney and agent, to file in its name, place, and stead, (1) for it alone, and (2) for it jointly with other carriers [through its (name of bureau, committee, or regional organization, if any)], freight tariffs and supplements thereto and successive reissues thereof, as required of common carriers by existing laws and regulations established thereunder, but only as hereinafter specified:

(Here specify affirmatively the precise authority given to the agent)

And does hereby give and grant unto its said attorney and agent full power and authority to do and perform all and every act and thing above specified as fully, to all intents and purposes, as if the same were done and performed by the undersigned carrier itself, and does hereby assume full responsibility for the acts and failures to act of said attorney and agent.

And, further, that the undersigned carrier does hereby make and appoint [name of alternate agent] alternate attorney and agent to do and perform the same acts and exercise the same authority herein granted to the principal agent in the event and only in the event of the death or disability of the above-named principal agent.

(Name of carrier)
By ---
Its ---
(Title)

Duplicate mailed to:
(Name of Agent)
(Address)

(d) *Manner of execution.* (1) In the blank space for the name of the carrier in Forms FA1, FA2, and FA3, there must be shown, if the carrier is an individual, the individual name followed by the trade name, if any. If the carrier is a partnership, the correct names of all

partners must be given, followed by the trade name, if any. If the carrier is a corporation, the correct corporate name must be used.

(2) If the carrier is an individual, the power of attorney must be signed by the individual; if a partnership, the power of attorney must be signed individually by each partner. If the carrier is a corporation, the power of attorney must be signed by the president, a vice-president or any other authorized official of the carrier. However, before the signature of an employee other than the president or a vice-president on a power of attorney will be recognized by the Commission, the carrier must file with the Commission, over the signature of the president or a vice-president, a statement reciting that the individual is authorized to sign powers of attorney. The statement must include a specimen signature of the individual or individuals so designated. The authority to sign powers of attorney may be conferred in the manner described, on more than one official of the carriers. If the carrier is being operated by trustees or receivers the power of attorney must be signed by each trustee or receiver individually or by his or their designee. Trustees or receivers may invest others with the authority to sign in the same manner as the president or vice-president of a corporation may confer the authority on subordinate officials.

(3) If the agent appointed by either FA1 or FA2 is a corporation or an unincorporated association the last full paragraph of the form shall be omitted.

(e) *Joint agents.* If an agent does not hold the requisite authority to publish a particular tariff the authority to do so may be obtained by pooling the authority held by him with that held by one or more other agents, and the tariff may be published jointly by both or all such agents in the I. C. C. series of each. For example, if one agent has authority to publish rates only from territory A to territory B, and another agent has authority to publish rates only from territory B to territory A, the rates may be published in a single tariff on a "between" basis and filed with the Commission as a joint tariff of both agents under the I. C. C. series of each.

(f) *Carrier acting for another carrier.* (1) A power of attorney may be given by small carriers to large carriers with which they connect, or by subsidiary to parent carriers, authorizing the large or parent carriers to publish tariffs, to give and receive concurrences, and to give powers of attorney to agents, all in behalf of the small or subsidiary carrier. The authority granted may be unlimited, as in the form which follows (Form FA3), or it may be limited in any appropriate manner, provided the limitations are specifically and unambiguously expressed in the instrument. When an FA3 form of power of attorney has been given, the granting carrier may not thereafter do in its own behalf anything which it has authorized the grantee carrier to do in its stead. Concurrences and powers of attorney given by the grantee carrier will, however, be deemed to be given on its own behalf only, unless the instrument expressly recites that it is given or is also given, in behalf of the granting carrier. An FA3 form of power of attorney will be construed as authorizing the grantee carrier to give a concurrence to itself in behalf of the granting carrier.

(2) The following form of power of attorney, Form FA3, shall be used by a carrier to give authority to another carrier. When the authority is to be limited in any way, the form should be altered to the extent necessary.

POWER OF ATTORNEY

FA3 No. --
Cancels -- No. --

(Name of carrier)

(Mail address)

(Date)

Know All Men by These Presents:

That the [name of granting carrier] has made, constituted, and appointed, and by these presents does make, constitute, and appoint [name of grantee carrier] its true and lawful attorney and agent (1) to issue in its name, place and stead powers of attorney to tariff-publishing agents, (2) to give and receive in its name, place and stead concurrences in tariffs of other carriers, and (3) to publish and file, or cause to be published and filed, freight tariffs and supplements thereto and successive reissues thereof, in which the undersigned carrier is a participant, all as required of common carriers by existing laws and regulations established thereunder. And the undersigned carrier does hereby give and grant unto its said attorney and agent, full, sole and exclusive power and authority to do and perform all and every act and thing above specified for and on behalf of the undersigned carrier as fully, to all intents and purposes, as if the same were done and performed by the undersigned carrier itself, and does hereby assume full responsibility for the acts and failures to act of its attorney and agent.

(Name of carrier)
By ---
Its ---
(Title)

Duplicate mailed to:
(Name and Title of Officer)
(Name of Carrier)
(Address)

§ 1300.19 Concurrences.

(a) A carrier desiring to become a participant in a tariff or tariffs issued by another carrier (not by an agent) may do so by filing with the Commission a limited or unlimited concurrence (except as provided in § 1300.18(f)) in one of the four following forms. In Forms FC2 and FC4 the limitations must be specifically and unambiguously expressed.

(1) Form FC1 which follows is unlimited and covers all freight tariffs applying on traffic moving from, to, via or at points on the line of the carrier giving the concurrence:

CONCURRENCE

FC1 No. --
Cancels -- No. --

(Name of carrier)

(Mail address)

(Date)

TO THE INTERSTATE COMMERCE COMMISSION,
WASHINGTON, D.C., 20423.

This is to certify that [name of carrier issuing concurrence] assents to and concurs in all freight tariffs and supplements thereto, filed by [name of carrier to which concurrence is given] in which the undersigned carrier is shown as a participant, and the undersigned carrier hereby makes itself a party thereto and bound thereby insofar as such tariffs apply from, to, via or at points on its lines, until this authority is revoked by formal notice of revocation filed with the Interstate Commerce Commission and sent to the carrier to which this concurrence is given.

(Name of carrier)
By ---
Its ---
(Title)

Duplicate mailed to:
(Name and Title of Officer)
(Name of Carrier)
(Address)

(2) Form FC2 covers freight tariffs applying on limited but affirmatively specified traffic moving from, to, via or at points on the line of the carrier giving the concurrence. The form follows:

CONCURRENCE

FC2 No. --
Cancels -- No. --

(Name of carrier)

(Mail address)

(Date)

To the INTERSTATE COMMERCE COMMISSION,
Washington, D. C. 20423.

This is to certify that [name of carrier issuing concurrence] assents to and concurs in all freight tariffs and supplements thereto, filed by [name of carrier to which concurrence is given] in which the undersigned carrier is shown as a participant, but only to the extent that such tariffs apply:

(Here affirmatively state the limitations, such as designating the commodities to which, the points to and/or from and/or at which, the limited territory within which, or the specific publication(s) or series of tariffs to which, the concurrence shall be applicable.)

And the undersigned carrier hereby makes itself a party thereto and bound thereby insofar as such tariffs apply from, to, via or at points on its lines, until this authority is revoked by formal notice of revocation filed with the Interstate Commerce Commission and sent to the carrier to which this concurrence is given.

(Name of carrier)
By ---
Its ---
(Title)

Duplicate mailed to:
(Name and Title of Officer)
(Name of Carrier)
(Address)

(3) Form FC3 is restricted to freight tariffs applying on traffic moving to points on or via the line of the carrier giving the concurrence but is not otherwise limited. The form follows:

CONCURRENCE

FC3 No. --
Cancels -- No. --

(Name of carrier)

(Mail address)

(Date)

To THE INTERSTATE COMMERCE COMMISSION,
Washington, D. C. 20423.

This is to certify that [name of carrier issuing concurrence] assents to and concurs in all freight tariffs or supplements thereto filed by the [name of carrier to which concurrence is given] in which the undersigned carrier is shown as a participant, and hereby makes itself a party thereto and bound thereby, insofar as such tariffs or supplements contain rates or other provisions applying via its lines and to, but not from or at, points thereon, until this authority is revoked by formal notice of revocation filed with the Interstate Commerce Commission and sent to the carrier to which this concurrence is given.

(Name of carrier)

By ---
Its ---
(Title)

Duplicate mailed to:
(Name and Title of Officer)
(Name of Carrier)
(Address)

(4) Form FC4 which follows covers freight tariffs applying on limited but affirmatively specified traffic moving to points on or via the line of the carrier giving the concurrence.

CONCURRENCE

FC4 No. --
Cancels ---- No. --

(Name of carrier)

(Mail address)

(Date)

To the INTERSTATE COMMERCE COMMISSION,
Washington, D. C. 20423.

This is to certify that [name of carrier issuing concurrence] assents to and concurs in all freight tariffs or supplements thereto filed by [name of carrier to which concurrence is given] in which the undersigned carrier is shown as a participant, but only to the extent that such tariffs apply:

(Here affirmatively state the limitations, such as designating the commodities to which, the points to or the lines over which the limited territory within which, or the specific publication(s) or series of tariffs to which, the concurrence shall be applicable.)

And the undersigned carrier hereby makes itself a party to such tariffs and bound thereby insofar as such tariffs or supplements contain rates or other provisions applying via its lines and to, but not from or at, points thereon, until this authority is revoked by formal notice of revocation filed with the Interstate Commerce Commission and sent to the carrier to which this concurrence is given.

(Name of carrier)

By ---
Its ---
(Title)

Duplicate mailed to:
(Name and Title of Officer)
(Name of Carrier)
(Address)

(b) Concurrences shall be personally signed by any official of the issuing carrier.

(c) If a carrier has been authorized by power of attorney to issue concurrences in behalf of one or more small or subsidiary carriers (see § 1300.18(f)), the carrier holding such authority may by a single instrument issue a concurrence in its own behalf and in behalf of any or all of such small or subsidiary carriers.

§ 1300.20 Filing of powers of attorney and concurrences.

(a) If a power of attorney or concurrence is issued subsequent to the date of the filing of the tariff with the Commission the original instrument shall be forwarded directly to the Commission with a copy to the issuing agent or carrier, but if it is issued prior to or concurrently with the issuance of the tariff, the original instrument may either be forwarded directly to the Commission, or it may be sent to the carrier or agent issuing the tariff and be transmitted by it or him to the Commission with the tariff. (For exceptions see §§ 1300.22 and 1300.23(a).)

(b) Powers of attorney, concurrences, amendments thereto and revocation notices shall be printed or typed on paper of good quality, 8 x 10½ inches, and must show the date on which they are issued. Each power of attorney and concurrence shall bear a form and serial number, the serial numbers to run consecutively for each form of instrument. Concurrences issued by a carrier jointly in its own behalf and in behalf of one or more other carriers (see § 1300.18(f)) may, if desired, be issued under a separate series of numbers. The form and serial numbers shall be shown on the upper right-hand corner and immediately thereunder shall be shown the form and number of the power of attorney or concurrence, if any, which is canceled thereby. If the instrument to be canceled contains more authority or is broader in scope than the new instrument, such new instrument must in addition to the date of issue, bear an effective date at least 60 days after the date on which it is received by the Commission. When the new instrument is the same or broader in scope than the instrument which it cancels, it becomes effective when filed with the Commission. The instrument shall also show, in the lower left-hand corner, the name, title and address of the person to whom the duplicate is sent.

§ 1300.21 Certificate stating correct name of carrier to be filed.

When a corporate or partnership carrier files its first tariff, power of attorney or concurrence, it shall also file a certificate stating the precisely correct name of the carrier as it appears in the charter or articles of incorporation, or in the articles of co-partnership, as the case may be. If, for example, the article "The" is a part of the carrier's name, if the conjunction "and" appears therein as "&", or if the word "Company" is abbreviated to "Co.", the certificate must so indicate.

§ 1300.22 Transfer of authority from one agent to another agent.

(a) When it is desired to transfer authority from one agent to another agent superseding the former agent as to all such agent's effective tariffs, the transfer shall be accomplished by filing a new power of attorney naming the agent (and alternate when the new agent is a natural person) thereafter to serve, which shall specifically cancel the previous instrument or instruments, by including the following in the power of attorney to the new agent:

This power of attorney cancels the following power(s) of attorney:

Power of attorney form and number	In favor of
(Insert power of attorney forms and numbers)	(Insert name of agent and alternate)

(b) Under all other conditions the power of attorney must be revoked in accordance with § 1300.26(b).

(c) The originals of such powers of attorney shall not be sent immediately to the Commission, but shall be forwarded to the new agent, who, after all the necessary instruments shall have been secured, shall file all of the originals with the Commission at one time. The new agent may file no tariffs with the Commission until the powers of attorney from all of the carriers shown therein as participants have been so filed.

§ 1300.23 Procedure when one publishing agent succeeds another.

(a) When powers of attorney have been issued to a natural person and his alternate, and death or disability of either the principal agent or the alternate occurs, new powers of attorney shall be filed with the Commission within 180 days, canceling the previous instruments and designating the new agent (and also his alternate if the new agent is a natural person) thereafter to serve. If the filing of the new instruments is occasioned by the death or disability of the former alternate, the new instruments may, if desired, continue the former principal agent and designate a new alternate only. Likewise if death or disability of the principal agent has occurred it is permissible to continue the former alternate agent in the new instruments and designate a new principal agent only. As soon as the instruments appointing the new agent are filed the alternate agent who in the interim has acted may no longer do so. The new powers of attorney shall not be forwarded directly to the Commission, but shall be collected by the new agent and forwarded to the Commission together, as provided in § 1300.22. The new agent may not file a tariff for any carrier until that carrier's power of attorney to him is on file with the Commission.

(b) In the first amendment to each tariff issued by the alternate agent after the death or disability of the principal agent, there shall be shown a statement reading substantially as follows: "On and after (show here the date on which the principal agent ceased to act) this publication shall be considered as the issue of ---, Alternate Agent."

(c) A new agent, on or after the filing of his or its authorities, shall include in the next supplement to each of the effective tariffs previously taken over by the alternate agent a statement reading substantially as follows: "On and after (show here the date on which the new

authorities are filed with this Commission) this publication shall be considered as the issue of _____, Agent."

§ 1300.24 I.C.C. numbers of tariffs issued by a new agent or alternate agent.

Tariffs issued by a new agent may be, and those issued by an alternate agent must be, numbered in the I. C. C. series of the former agent. If it is desired to number the tariffs of a new agent in a different I. C. C. series, this may be done as to new or reissued tariffs, but amendments (supplements or revised pages) to tariffs issued by the former agent must be continued in the original series.

§ 1300.25 Powers of attorney and concurrences in special situations.

(a) *Joint concurrences.* If joint concurrences are issued in behalf of two or more carriers by the same traffic officer, all concurrences in each series must be issued on behalf of all such carriers, except as to concurrences interchanged between those carriers. If concurrences in a single series are issued separately for different carriers, separate files in that series must be maintained for each carrier, and concurrences of each carrier must be issued in consecutive numerical order as required by § 1300.20(b).

(b) *When operation discontinued or taken over by another carrier.* Powers of attorney and concurrences issued in favor of a carrier which has discontinued operations should be revoked within 120 days after such discontinuance. If its operations have been taken over by another carrier all effective powers of attorney and concurrences should be canceled within 120 days either by new issues or revocation notices.

NOTE: § 1300.25(b) applies, among other situations, when an incorporated carrier is placed in the hands of trustees or receivers and is thereafter reorganized. When trustees or receivers are appointed they normally assume, and the corporation discontinues, operations; and thereafter, following reorganization, operations again pass from the receivers or trustees to the reorganized corporation.

(c) *Forms for joint rail-motor tariffs.* Powers of attorney and concurrences authorizing the publication of joint rail-motor tariffs and supplements shall be issued on the standard FA and FC Forms described in §§ 1300.18 and 1300.19. Such powers of attorney and concurrences must bear the following notation in the upper portion of the document: "Joint Rail-Motor Power of Attorney" or "Joint Rail-Motor Concurrence."

§ 1300.26 Amendment and revocation of powers of attorney and concurrences.

(a) *Amendments.* (1) A power of attorney on Forms FA2 or FA3 or a concurrence on Forms FC2 or FC4 may be amended by issuing an "Amendment to Power of Attorney," or "Amendment to Concurrence," respectively. However, only four amendments to any one power of attorney or concurrence will be permitted. The amendment must specify with particularity the exact change in the scope of the powers or the authority conferred, by appropriate reference by number to the power of attorney or concurrence affected, by identification by I. C. C. and agent's or carrier's number of the tariff or tariffs affected, and by a detailed description of the traffic or territory affected.

(2) If an amendment to a power of attorney or to a concurrence reduces the scope of the original instrument, such amendment must bear in addition to the date of issue, an "effective" date at least 60 days after the date on which it is received by the Commission. If the amendment adds to or increases the scope of the original power of attorney or concurrence, no notice is required, and it becomes effective when filed with the Commission. (See paragraph (e) of this section.)

(3) The form of an "Amendment to Power of Attorney" is as follows:

AMENDMENT TO POWER OF ATTORNEY

Amendment No. --
To FA -- No. --

(Name of carrier)

(Mail address)

(Date)

Know All Men by These Presents:

Effective _____, the undersigned
(Date)
hereby amends the above-numbered power of attorney, in the following respects:

(Name of carrier)

By ---
Its ---
(Title)

Duplicate mailed to:
(Name of Agent or Carrier)
(Address)

(4) The form of an "Amendment to Concurrence" is as follows:

AMENDMENT TO CONCURRENCE

Amendment No. --
To FC -- No. --

(Name of carrier)

(Mail address)

(Date)

To the INTERSTATE COMMERCE COMMISSION,
Washington, D. C. 20423.

The undersigned hereby amends FC ---- No. ---- in the following respects:

(Name of carrier)

By ---
Its ---
(Title)

Duplicate mailed to:
(Name of Carrier)
(Address)

(b) *Revocations.* A power of attorney or a concurrence may be revoked upon not less than 60 days' notice by filing a Notice of Revocation with the Commission and serving at the same time a copy thereof on the agent, in the case of powers of attorney on Forms FA1 and FA2, or on the carrier, in the case of concurrences or powers of attorney on FA3, in whose favor the instrument was executed. Such notice shall not bear a separate serial number, but shall specify the form and number of the power of attorney, or the form and number of the concurrence, to be revoked, shall name the agent, and alternate agent, if any, or the carrier in whose favor the instrument was executed, and shall specify a date upon which revocation is to become effective. (See paragraph (e) of this section.)

(c) *Corresponding revision of tariff.* When a power of attorney or concurrence is revoked corresponding revision of the tariff or tariffs must be made not later than the effective date stated in the notice of revocation. If the tariff or tariffs are not so amended the rates and other provisions therein remain effective and must be protected by the carrier or carriers responsible for their continued maintenance.

(d) *Form for revocations.* Revocation notices shall be in one of the following forms, as appropriate:

REVOCATION NOTICE

(Power of Attorney)

(Name of carrier)

(Mail address)

(Date)

Know All Men by These Presents:

Effective _____, power of attorney
(Date)
FA _____ No. _____, issued by

(Name of carrier issuing power of attorney)
in favor of ---

(Name of carrier, or agent (an alternate), if any)
is hereby canceled and revoked.

(Name of carrier)

By ---
Its ---
(Title)

Duplicate mailed to:
(Name of Agent or Carrier)
(Address)

REVOCATION NOTICE

(Concurrence)

(Name of carrier)

(Mail address)

(Date)

To the INTERSTATE COMMERCE COMMISSION,
Washington, D. C. 20423.

Effective _____ concurrence FC
(Date)
_____ No. _____, issued by

(Name of carrier issuing concurrence)
in favor of ---
(Name of carrier)
is hereby canceled and revoked.

(Name of carrier)

By ---
Its ---
(Title)

Duplicate mailed to:
(Name of Carrier)
(Address)

(e) *Manner of execution.* (1) An amendment to, or a revocation of a power of attorney shall be executed in the same manner as powers of attorney, and a

statement of the kind specified in § 1300.18(d) shall be filed with the Commission to designate persons authorized to sign such amendments or revocations. The statement filed in accordance with § 1300.18(d) may include in the one instrument designations and specimen signatures of persons authorized to sign powers of attorney, amendments to powers of attorney, and revocations of powers of attorney.

(2) An amendment to, or a revocation of a concurrence shall be executed in the same manner as concurrences. (See § 1300.19(b).)

§ 1300.27 Intermediate application of rates.

Tariffs may provide for the application of class or commodity rates from or to intermediate points (except for account of irregular-route motor carriers) by incorporating in such tariffs the appropriate one or more of the rules set forth below, subject to the limitations of this section.

(a) *Intermediate rules to be used only where routing is provided.* Effective on and after June 10, 1959, an intermediate point rule may not be published so as to result in establishing from (or to, as the case may be) an intermediate point, a rate from (or to) a more distant point unless the tariff contains specific routing instructions showing definitely in accordance with the plan listed in subdivision (i) of § 1300.4(k) the routes through the intermediate point over which the rate from (or to) the more distant point applies.

(b) *Intermediate point commodity rate rules—(1) From intermediate points.* Subject to the provisions of notes 1, 2, 3, and 4 in this subparagraph from any point of origin from which a commodity rate on a given article to a given destination and via a given route is not named in this tariff, which point is intermediate to a point from which a commodity rate on said article is published in this tariff via a route through the intermediate point over which such commodity rate applies to the same destination, apply from such intermediate point to such destination and via such route the commodity rate in this tariff on said article from the next point beyond from which a commodity rate is published herein on that article to the same destination via the same route.

NOTE 1: When by reason of branch or diverging lines there are two or more "next beyond" points, apply the rate from the next point beyond (in this tariff) which on that article to the same destination via the same route results in the lowest charge.

NOTE 2: If the intermediate point is located between two points from which commodity rates on the same article via the same route are published in this tariff, apply via that route from the intermediate point the rate from the next point in either direction which results in the higher charge. In applying this note, if there are two or more next beyond points due to branch or diverging lines, eliminate all such next beyond points except the point from which the lowest charge is applicable.

NOTE 3: If the class rate on the same article via the same route from the intermediate point produces a lower charge than would result from applying the commodity rate under this rule, such commodity rate will not apply.

NOTE 4: If there is in any other tariff a commodity rate on the same article from the intermediate origin point applicable over the same route to the same destination, the provisions of this rule are not applicable from such intermediate origin point.

(2) *To intermediate points.* Subject to the provisions of notes 1, 2, 3, and 4 in this subparagraph, to any point of destination to which a commodity rate on a given article from a given point of origin and via a given route is not named in this tariff, which point is intermediate to a point to which a commodity rate on said article is published in this tariff via a route through the intermediate point over which such commodity rate applies from the same point of origin, apply to such intermediate point from such point of origin and via such route the commodity rate in this tariff on said article to the next point beyond to which a commodity rate is published herein on that article from the same point of origin via the same route.

NOTE 1: When by reason of branch or diverging lines, there are two or more "next beyond" points, apply the rate to the next point beyond (in this tariff) which on that article from the same point of origin via the same route results in the lowest charge.

NOTE 2: If the intermediate point is located between two points to which commodity rates on the same article via the same route are published in this tariff, apply via that route to the intermediate point the rate to the next point in either direction which results in the higher charge. In applying this note, if there are two or more next beyond points due to branch or diverging lines, eliminate all such next beyond points except the point to which the lowest charge is applicable.

NOTE 3: If the class rate on the same article via the same route to the intermediate point produces a lower charge than would result from applying the commodity rate under this rule, such commodity rate will not apply.

NOTE 4: If there is in any other tariff a commodity rate on the same article to the intermediate destination point applicable over the same route from the same point of origin the provisions of this rule are not applicable to such intermediate destination point.

(c) *Intermediate point class-rate rules.* Class rates should be provided between practically all points and there appears little occasion for the employment of intermediate point rules in connection with class rates except for the purpose of establishing rates from and to newly established stations. For this purpose only the following clause may be shown in tariffs for use in connection with class rates: "From (or to) any point not named in this tariff which is intermediate to a point from (or to) which class rates are published herein through such unnamed point, apply from (or to) such unnamed point the class rate published herein from (or to) the next more distant point."

(d) *"From" and "to" rules may apply in connection with same rate.* When the rules providing application from and to intermediate points are both shown in connection with any class (or commodity) rate, they establish class (or commodity) rates from intermediate points of origin to intermediate points of destination on such classes (or commodities). Concurrences are not posted at stations and their provisions are not published in tariffs. Unless otherwise provided in the tariff intermediate application rules establish rates from (or to) intermediate points on the lines of carriers parties to the tariff without regard to the concurrence forms and numbers under authority of which carriers are shown as participating carriers.

(e) *Application of rules may be restricted.* Tariffs may by appropriate application published in connection with one or more of such rules, provide that they apply only in connection with the rates or routes making reference thereto, or may provide for the nonapplication of such rule or rules to particular rates or routes.

(f) *Wording of rules not to vary.* The wording of the above rules may not be varied, except that (1) in tariffs containing alternative sections the rules may be modified by substituting the words "in this section" for the words "in this tariff" wherever they appear. If this is done such rules must be published in each section of tariff in which they are to apply and may not be published elsewhere in the tariff; or (2) when it is desired to alternate the rates in any section of a tariff with the rates made only by use of an intermediate point rule applicable in connection with rates in another section, such intermediate rule must be published in a separate section and must be modified by changing the words "this tariff" to read "Section No. ------" (here insert number of the section which contains the points and rates in connection with which the intermediate rule is to be used). The provisions of this paragraph do not waive the requirements of § 1300.7(b).

§ 1300.28 Tariff notations in connection with fourth section orders.

(a) *When relief from long-and-short haul provision is granted.* (1) When the Commission has issued an order granting to a carrier authority to depart from the provisions of the amended fourth section of the act and to charge higher rates for shorter than for longer distances over the same line or route, the title page of each tariff or supplement issued and filed under such authority must bear the following notation:

This tariff (or supplement) contains rates that are higher for shorter than longer distances over the same route. Such departure from the terms of the amended fourth section of the Interstate Commerce Act is permitted by authority of Interstate Commerce Commission fourth section order (or orders), as indicated in individual items herein.

(2) In connection with the item or items containing the rates as to which such authority has been granted, specific reference to the Commission's fourth section order number and date must be given, except that in instances where all of the rates in the tariff or supplement are covered by one fourth section order

reference to the number and date thereof may be shown on the title page. When a general fourth section order is referred to, the particular section thereof granting such authority must be shown in addition to the order number.

(b) *When relief from aggregate of intermediate provision is granted.* (1) When the Commission has issued an order granting to a carrier authority to depart from the provisions of the amended fourth section of the Act and to charge rates higher than the aggregate of the intermediate rates subject to the act, the title page of each tariff or supplement issued and filed under such authority must bear the following notation:

This tariff (or supplement), contains rates that exceed the aggregates of the intermediate rates subject to the Interstate Commerce Act. Such departure from the terms of the amended fourth section of the Act is permitted by authority of Interstate Commerce Commission fourth section order (or orders), as indicated in individual items herein.

(2) In connection with the item or items containing the rates as to which such authority has been granted, specific reference to the Commission's fourth section order number and date must be given, except that in instances where all of the rates in the tariff or supplement are covered by one fourth section order, reference to the number and date thereof may be shown on the title page. When a general fourth section order is referred to, the particular section thereof granting such authority must be shown in addition to the order number.

(c) *When relief is denied.* When the Commission has denied authority to carriers to continue existing departures from the provisions of the amended fourth section of the act, but has not prescribed specific rates in lieu of those existing, and it becomes necessary for carriers to publish and file rates in full conformity with the provisions of that section, the rates so filed have not been approved by the Commission. Tariffs or supplements in which they are published should not indicate that they are prescribed by, or are in compliance with an order of the Commission. If desired, however, a clause reading substantially as follows may be shown:

Issued to bring rates into conformity with the provisions of the fourth section of the Interstate Commerce Act following the issuance by the Interstate Commerce Commission of its fourth section order No. ---------- of ---------- (date), denying carriers' application.

(d) *Fourth section not waived.* Nothing in this section may be construed as waiving any of the provisions of the amended fourth section of the Interstate Commerce Act.

§ 1300.29 Letter of transmittal.

(a) All tariffs and supplements filed with the Commission shall be accompanied by a letter of transmittal of one sheet 8 by 10½ inches in size, in form substantially as follows:

[Corporate name of carrier in full]
GENERAL FREIGHT DEPARTMENT,
[Post-office address]
----------, 19--.

Transmittal No. -------.
To the INTERSTATE COMMERCE COMMISSION,
Washington, D.C., 20423.

Accompanying schedule is sent you for filing in compliance with the requirements of the Interstate Commerce Act, issued by ---- and bearing ICC No. ----; Supp. No. ---- to ICC No. ----; revised page to ICC No. ----; effective ----------, 19----; and is concurred in by all carriers named therein as participants under continuing concurrences or authorizations now on file with the Interstate Commerce Commission, except the following-named carriers, whose concurrences are attached hereto:

---------- [Sig.]
---------- [Title.]

(b) A separate letter may accompany each schedule, or the form may be modified to provide for filing under one letter as many schedules as can be conveniently entered. Separate letters must be used for freight and passenger schedules.

NOTE: If receipt for accompanying schedule is desired the letter of transmittal must be sent in duplicate, and one copy showing the date of receipt by the Commission will be returned to the sender.

§ 1300.51 Movement of shipments refused by consignees.

(a) Subject to the limitations in this section, rules (1) providing that shipments which are refused by consignee may be reconsigned and forwarded to a new destination under application of the through rate from point of origin to final destination, either with or without the exaction of a reconsignment charge, or (2) providing for the return of shipments (or portions of shipments) refused by consignee to point of origin at free or reduced rates, are permissible.

(b) For the purposes of this section shipments (or portions of shipments) in closed packages that have been accepted without examination by the consignee may be considered as refused if delivered to the carrier with 10 days for return to point of origin because of damage in transit that could not be determined before acceptance of the shipment.

(c) Such rules must provide that if reconsignment or forwarding to a new destination is permitted, the through rate to be applied shall be that in effect from point of origin to final destination through the point of reconsignment or reforwarding, and if return to point of origin is permitted such return must be made over the route over which the shipment moved to the original destination. Such rules must be published in tariffs and must be so worded and applied as to be free from unjust discrimination and to avoid abuse or improper practices thereunder. The practice of forwarding to a new destination or returning at reduced rates articles that have been delivered into the possession of consignees and have become shopworn or have gotten into a state of disrepair through use is neither proper nor free from unjust discrimination.

(d) Where a shipment is refused and is left on the hands of the carrier, it is believed that the carrier, when it recognizes its responsibility for the value of the shipment and the transportation charges on same, may haul it for itself to such point on its own lines as offers the best opportunities or facilities for disposing of it to advantage, just as it may haul property of its own.

§ 1300.52 Responsibilities of carriers under tariffs.

(a) The Commission's tariff regulations require that the carrier or agent that issues a joint tariff shall, before issuing same, have secured definite and affirmative authority from every carrier shown therein as a participant, and shall show in connection with the name of each participating carrier the form and number of the instrument by authority of which that carrier is made a party to the tariff.

A carrier has no means of preventing another carrier from naming it as a party to a joint tariff without proper authority so to do, or of preventing another carrier from exceeding the authority conferred by a limited concurrence. It can not, however, be bound by such unauthorized act and it is its obvious duty to refuse to recognize or apply any such unlawful issue. It should also at once call the attention of the Commission and of the one that issued the tariff to such erroneous action.

(b) If one or more carriers are, without proper authority, so shown as participating in any tariff and other carriers are lawfully shown as parties thereto, the use of the publication is unlawful as to the carriers that are named as parties thereto without proper authority and lawful as to those that are parties to it under proper authority. The carrier over whose line shipments are sent under a joint tariff is bound by the terms of that tariff if it has lawfully concurred therein, and, if it has not lawfully concurred therein, may not accept earnings in accordance therewith, but must demand for the service performed its lawful earnings according to its lawful tariffs.

(c) Responsibility and liability for the unlawful incorporation of any carrier in a tariff, or for exceeding the authority conferred by a limited concurrence, will rest wholly upon the carrier that issued the tariff.

§ 1300.53 Withdrawal of filed tariffs not permitted.

Not infrequently the Commission is requested to return to carriers tariff publications which have been forwarded to the Commission for filing or which have been received by the Commission in the ordinary course of business. Such requests are usually based on the desire to substitute some corrected or changed publication for the one that has been filed. To surrender publications duly filed and permit the substitution of others would involve falsification of the

records, which cannot be permitted. Tariff publications received for filing will not be returned unless rejected because of failure to give lawful notice of changes.

§ 1300.54 Changes in rates.

Section 6(3) of the act, as amended, provides that:

No change shall be made in the rates, fares, and charges or joint rates, fares, and charges which have been filed and published by any common carrier in compliance with the requirements of this section, except after 30 days' notice to the Commission and to the public published as aforesaid, which shall plainly state the changes proposed to be made in the schedule then in force and the time when the changed rates, fares, or charges will go into effect; and the proposed changes shall be shown by printing new schedules, or shall be plainly indicated upon the schedules in force at the time and kept open to public inspection.

(a) *Effectiveness: notice of change.* This provision plainly refers to rates which have already become effective, and also applies the term "proposed changes" to rates which have not become effective. It follows that after notice of a change in rates has been published and filed the new rates must be allowed to go into effect, and cannot be changed, withdrawn, or canceled for at least 30 days after the date when the rates have become effective except as otherwise specifically authorized by rule, decision, or order of the Commission. A tariff may provide that it will expire with a date specified therein and which is at least 30 days subsequent to the date upon which it becomes effective, or a tariff may contain a notation that certain rates therein stated will expire with a date specified which is at least 30 days subsequent to the date upon which such rates become effective, and this will be legal notice of the cancellation or withdrawal of such tariff or of such rates. A provision in a tariff or supplement that the same or any part thereof will expire with a given date is not a guaranty that the tariff, or supplement, or such part thereof, will remain effective until and including that date. Such provision must be understood to mean that the tariff, or supplement, or specified part thereof, will expire with the date named unless sooner canceled, changed, or extended in lawful way. (See § 1300.3(g).)

(b) *Commission may allow exception.* Carriers must comply fully with the requirements of the law respecting the publication, filing, and taking effect of proposed rates, unless upon application and for good cause shown, the Commission, in the exercise of authority conferred upon it, shall allow rates to be changed or withdrawn upon less than 30 days' notice, or by formal order otherwise modify such requirements. No rule, decision, or order of the Commission is authority to change rates or issue tariffs on less than statutory notice unless so specifically provided in the rule, decision, or order. (See § 1300.14(f).)

§ 1300.55 Legal rate.

(a) *Rate named from origin to destination only legal rate.* When a rate, whether local or joint, from point of origin to destination, has been established via a route, it becomes the only legal rate for through transportation via that route, whether it is greater or less than the aggregate of intermediate rates.

(b) *Combination rate.* (1) If no rate is named from point of origin to destination of a shipment via the route of movement, the lowest combination of rates applicable via the route of movement is the legal rate.

(2) A combination rate for a through shipment must be treated as a unit from point of origin to final destination, and the rate applied must be the combination of the factors in effect on the date the shipment was accepted for transportation at point of origin. All of the conditions applicable to each factor in such combination rate for through shipment in effect on the date the shipment was accepted for transportation at point of origin must be observed and can not be varied as to that shipment during the period of its transportation to final destination.

(c) *Back-haul unnecessary.* If, in applying combination rates on a through shipment, the shipment moves from a point of origin (or to a point of destination) intermediate to a base point upon which the lowest combination makes, or moves via a junction point which the lowest combination makes, or moves via a junction point with connecting or branch line intermediate to the base point upon which the lowest combination makes, such combination must be applied; and it is not necessary to haul the shipment to such base point and back again through (or to) such intermediate point of origin (or destination), or such intermediate junction point: *Provided,* (1) That the rates use din such combination are applicable over the route the shipment would have moved had it been hauled to the base point and back again over the same route; and (2) That compliance with routing instructions will permit movement to the base point and back again over the same route.

NOTE: This section does not authorize equalizing via one route or gateway the combination of rates applicable over another route or via a different gateway, and does not confer any authority to depart from the provisions of the fourth section of the act, which prohibits higher charges for shorter than for longer distances over the same route and higher charges than the aggregate of the intermediate rates over the same route. It must also be understood that in a case where the lowest combination of rates makes on a base point as to which the point of origin or of destination is directly intermediate, a specific rate to or from such point that is higher than such combination is included in the Commission's ruling that a through rate that is higher than the combination of intermediate rates between the same points is prima facie unreasonable. It must be further understood that in applying the lowest combination authorized in this section the Commission expresses no opinion as to the reasonableness of a rate so constructed.

§ 1300.56 Reduction of rate to equal the aggregate of the intermediate rates.

(a) Section 4 of the act, as amended, prohibits the charging of any greater compensation as a through rate than the aggregate of the intermediate rates that are subject to the act. The Commission has frequently held that through rates which are in excess of the sum of the intermediate rates between the same points via the same route are prima facie unreasonable. Many informal complaints are received in connection with regularly established through rates which are in excess of the sum of the intermediate rates between the same points. The Commission has no authority to change or fix a rate except after full hearing. It is believed to be proper for the Commission to say that if called upon to formally pass upon a case of this nature it would be its policy to consider a rate which is higher than the aggregate of the intermediate rates between the same points via the same route as prima facie unreasonable and that the burden of proof would be upon the carrier to defend such unreasonable rate.

(b) Where a rate is in effect by a given route from point of origin to destination which is higher than the aggregate of intermediate rates from and to the same points, by the same or another route, such higher rate may, on not less than 1 day's notice to the public and the Commission, be reduced to the actual aggregate of such intermediate rates. Such reduced rate must be published in a supplement to or a reissue of the tariff in which the rate so reduced appears; except that if the rate to be reduced is published in a tariff containing class rates only and the reduced rate is to be published as a commodity rate the reduced rate must be published in a commodity tariff or supplement thereto. Any tariff or supplement containing a rate reduced under authority of this section must bear on its title page, or in connection with such item, the notation "Issued on 1 day's notice under authority of rule 56 Interstate Commerce Commission Tariff Circular 20 (§ 1300.56). The rate (or rates) hereby reduced appears in _____ Tariff ICC ____, item (or page) __, and the factors to and from _____ (here insert point or points on which combination makes) used in making the new rate (or rates) are found in _____, Tariff ICC No. ____, item (or page) __, and _____ Tariff ICC No. ____, item (or page) __."

(c) (1) In order to facilitate the publication of rates which will be in accord with the aggregate of intermediates provision of the fourth section of the act the following rule may be incorporated in tariffs:

Carriers have endeavored to publish herein rates which do not exceed the aggregate of the intermediate rates between points between which there is an actual movement of traffic, but if there should be in this tariff any rate which is in excess of the aggregate of intermediates, or if through subsequent change in an intermediate factor any rate in this tariff becomes higher than the aggregate of intermediates in violation of the provisions of the fourth section of the Act, carriers will reduce such rates to the aggregate of the intermediate rates on 1 day's notice under authority of rule 56 of Interstate Commerce Commission Tariff Circular

20, on any commodity between points between which there is a movement or a prospective movement of that commodity. The publication of such reduced rate will be made within 30 days after such unlawful rate comes to carriers' notice.

Carriers, parties to this tariff, whose rate over the route of movement is higher than the aggregate of the intermediates over that route, further agree that on any shipment on which the higher rate named in this tariff for that route has been charged, application will be made promptly to the Interstate Commerce Commission for authority to award reparation on the basis of the aggregate of intermediates in effect on date of shipment. (See note.)

NOTE: Carriers or shippers who discover combinations which result in lower charges than the rates named herein, should promptly report such cases to the publishing agent of his tariff, showing the through rate and the item or page where it is found together with the separate factors which make up the combination, giving tariff reference by item or page, where possible, for each.

(2) In placing this rule in tariffs carriers must strictly adhere to the wording of the rule as no modification thereof will be permitted.

(3) The failure to publish and file reduced rates as provided in this part, within 30 days from the date that said rates are brought to the attention of the carriers parties thereto, or any of them, or their agents, will be considered by the Commission as sufficient ground for the issuance of an order prohibiting its use in connection with such carrier or carriers. A promise to publish certain rates, when published in a tariff, becomes the rule of the carriers parties to the tariff and therefore when a carrier or agent has been called upon to reduce rates under authority of the above rule it will not be necessary for such carrier or agent to secure any additional authority from the carriers parties to the tariff for the publication of the reduced rates and any delay on that account may cause carriers, to incur the penalties provided for violations of the fourth and sixth sections of the act in addition to losing the right to use the rule in tariffs.

§ 1300.57 Newly constructed lines of road and pipe lines and newly established service via water carriers.

(a) *Rates from, to, or via newly constructed lines.* Charges applicable at, and rates, charges, classifications, rules or regulations applicable from, to, or via points on newly constructed lines of road, including spur and industrial tracks and branches and extensions of existing roads, may be established in the first instance on not less than 10 days' notice. Such rates when established may be changed only in accordance with the act, except that where, by reason of the establishment of local rates between points on a newly constructed line as defined in this section, combination through rates have become effective between points on said line and points on other lines of the same or other carriers, such combination through rates may, within 60 days after the effective date of the local rates between points on said newly constructed line, be displaced on not less than 10 days' notice by other rates, through or combination, which produce lower charges than such combination rates.

(b) *Tariff notation when rates established in first instance.* A tariff or supplement establishing rates, charges, classifications, rules, or regulations in the first instance under authority of this section must contain the following notation on its title page, except that if only a portion of the rates, charges, classifications, rules, or regulations in such publications are established under authority of the rule the notation must be shown in connection with such rates, charges classifications, rules, or regulations:

Issued on 10 days' notice, authority rule 57, Tariff Circular 20. Rates established in the first instance (from, to, between, via, or at, as case may be) stations on railroads (or pipe line or reached by water carrier, as case may be).

(c) *Tariff notation for subsequent publications.* A tariff or supplement which changes combination rates from, to, or via points on a newly constructed line as provided in paragraph (a) of this section must contain the following notation on its title page, except that if only a portion of the rates, charges, classifications, rules, or regulations in such publication are established under authority of the rule, the notation must be shown in connection with such rates, charges, classifications, rules, or regulations:

Issued on 10 days' notice, authority rule 57, Tariff Circular 20. Rates established (from, to, between, via, or at, as case may be) stations on railroad (or pipe line or reached by water carrier, as case may be). Local rates first established (from, to, between, via, or at, as the case may be) such stations in -------- ICC No. ---- effective ---------- (date).

(d) *Rates established may not be reduced by similar rates.* When class rates have been established from, to, or between points on a newly constructed line, different class rates from, to, via, or between the same points may not be established at a later date under authority of this section; and when a commodity rate has been established from, to, via, or between points on a newly constructed line, a different commodity rate from, to, via, or between the same points may not be established at a later date under authority of this section; but commodity rates may be established under authority of this section within the 60-day period prescribed herein notwithstanding class rates may have been established between the same points. Interested carriers and publishing agents should be notified as much in advance of the opening of a newly constructed line as is possible in order that rates may be established which will give carriers and shippers fullest possible use of such newly constructed lines.

(e) *Rates from, to, or via points reached by pipe line or water carrier.* Rates from, to, via, or at points reached via newly laid pipe lines and from, to, via, or at ports reached by water carriers when new water service has been inaugurated may be established or changed in like manner and upon like notice to that provided for newly constructed lines of railroad in paragraphs (a) to (d) of this section.

§ 1300.58 Applications under section 6 for authority to make changes in tariffs.

(a) *Rates changed on less than statutory notice.* Section 6 of the act authorizes the Commission in its discretion and for good cause shown, to permit changes in rates on less than statutory notice. The Commission will exercise this authority only in cases where actual emergency and real merit are shown. Desire to meet the rates of a competing carrier which has given the full statutory notice of change in rates will not of itself be regarded as good cause for allowing changes in rates on a notice of less than 30 days. Clerical or typographical errors in tariffs constitute good cause for the exercise of this authority, but every application based thereon must plainly specify the omissions or mistakes together with a full statement of the circumstances attending such omission or error and must be presented with reasonable promptness after issuance of the defective tariff.

(b) *Authority necessary to make applications.* Applications for permission to establish rates, rules, or regulations on less than statutory notice, or for waiver of the provisions of Tariff Circular 20 (this part) must be made by the agent or carrier that holds authority to file the proposed changes. If the application requests permission to make changes in joint tariffs it must state that it is filed for and on behalf of all carriers parties to the proposed change.

(c) *Permission will not issue to modify formal orders.* Frequently carriers file sixth section applications requesting authority to make changes on short notice when a formal order of the Commission required publication on 30 days' notice. Such requests in effect are requests for modification of the formal order and should be filed as petitions on the formal docket for modification of the order and not as applications under the sixth section.

(d) *Partial use of permission prohibited.* Instances have occurred where carriers or their agents have not used the full authority extended by special permissions. When passing upon sixth-section applications the Commission gives consideration to all of the facts and circumstances set forth in the application and if approved the special permission is issued with the understanding that all of its terms are to be complied with and that all the authority dealing with the same subject matter will be used. Therefore, if all related matter authorized by special permissions will not be established and more limited authority is desired a new application complying with the provisions of this section in all respects and making reference to the previous authority must be filed.

(e) *Applications in duplicate.* Applications (including amendments thereto and exhibits made a part thereof) for permission to change rates, rules, or regulations, on less than statutory notice or

for waiver of the provisions of Tariff Circular 20, (this part) shall be made in duplicate, shall be addressed to the Interstate Commerce Commission, and shall be sent to the Secretary, Interstate Commerce Commission, Washington, D.C. 20423. Such applications shall be made on paper 8 by 10½ inches, shall be in the following form, shall give the information required by that form, shall be numbered consecutively and must bear the signature of the president, vice president, traffic manager, assistant traffic manager, general freight agent, or a duly authorized attorney and agent, specifying title.

FORM OF APPLICATION

(Name of carrier in full)

---, 19--
(Place and date)

To the INTERSTATE COMMERCE COMMISSION,
Washington, D.C. 20423:

The ---, by ---
(Name of carrier) (Name of officer)
its --- does hereby respect-
(Title of officer)
fully petition the Interstate Commerce Commission that it be permitted, under section 6 of the Interstate Commerce Act, as amended, to put in force the following rates (or rules or regulations) to become effective ------ days after the filing thereof with the Interstate Commerce Commission ---

---

(State fully, either specifically or by reference to an accompanying exhibit, the rates (or rules or regulations) which it is desired to put into effect, the articles upon which they are to apply and the points of origin and destination. If permission is sought to establish a rule or regulation the exact wording of the proposed rule or regulations must be shown)

Your petitioner further representa that the said rates (or rules or regulations) above mentioned will be published in Tariff ICC No. ---- (or in a consecutively numbered supplement to ICC No. ----), and will supersede and take the place of the rates (or rules or regulations) on like traffic from and to the points above named which are set forth in Tariff ICC No. ---- (or supplement) on file with the commission.

(Here state, either specifically or by reference to an accompanying exhibit, the present rates (state whether class, commodity or combination), rules, or regulations, together with the I. C. C. numbers in which published and the effect of the proposed change)

(State names of all carriers publishing rates on the commodity or commodities covered by the application between the same or related points and the I. C. C. numbers of tariffs containing such rates)

(State whether or not the proposed rates or rules or regulations, including the request to establish on less than statutory notice have been called to the attention of such carriers and their views thereon)

(State the basis on which the proposed rates are constructed, if the application seeks less than statutory notice)

(State the relationship existing between points of origin and destination covered by the application, and any point or points of origin or destination not covered by said application, if the application seeks less than statutory notice)

(State what relationship, if any, the rates on the commodity or commodities covered by the application bear to rates on other commodities if the application seeks less than statutory notice)

And your petitioner further bases such request upon the following facts, which present certain special circumstances and conditions justifying the request herein made:

(State fully all other circumstances and conditions which are relied upon as justifying the application and which may aid the commission in determining the question presented. If short notice is requested, state why the change was not established upon statutory notice)

(Corporate name of carrier)
By ---
(Name and title of officer)
Subscribed and sworn to before me this ------ day of ---, 19--
(Only the original need be executed)

Notary Public.

When an application is made by an agent, appropriate change should be made in the introductory and closing paragraphs of the form.

§ 1300.59 Diversion or reconsignment privileges and rules.

(a) (1) Frequently a shipper desires to forward a shipment to a certain point and have the privilege of changing the destination or consignee while shipment is in transit or after it arrives at destination to which orginally consigned, and to forward it under the through rate from point of origin to final destination which generally is lower than the combination of intermediate rates.

(2) Such services are of value to the shipper. If they are granted, carriers' tariffs shall so state in terms that are not open to misconstruction, and shall also state clearly the conditions under which they may be used and the charges that will be made therefor.

(b) Some carriers do not consider a change of consignee which does not involve a change of destination as a reconsignment, while others do consider it a reconsignment and charge for it as such. The Commission holds the view that when not specifically qualified in tariffs, the terms "reconsignment" or "diversion" include changes in destination, routing, consignor or consignee. If carrier wishes to distinguish between such changes in its privileges or charges it must so specify in its tariff rules.

§ 1300.60 Free transportatior of caretakers in connection with shipments of property.

(a) Section 1(7) of the Interstate Commerce Act provides that free transportation may be furnished "to necessary caretakers of livestock, poultry, milk, and fruit." This provision in the statute is construed to mean necessary caretakers of livestock, poultry, milk, or fruit that is loaded and ready for movement, or the movement of which is actually contracted for or that is actually in transit, and may include free or reduced-fare transportation for the return of such necessary caretakers. This transportation may be in the form of free pass or reduced-fare transportation, but in any event it must be the same for all under like circumstances. Authority for such free or reduced transportation must be published in the tariff governing the transportation of the commodity, which must also contain such policing regulations as will prevent the misuse of this provision. Tariffs may provide that caretaker sent out to return with shipment that is arranged for or that is in transit will be required to pay fare going and that such fare will be refunded if person so sent does return as actual caretaker of shipment for which he is sent. But a tariff rule which provides that if a person goes out over the line with the intention of purchasing livestock and returns within a certain time with a certain number of cars of livestock, the carrier will refund to him the fare paid on outgoing trip is improper and unlawful.

(b) The Commission is of the opinion that the term "fruit" as used in this section includes perishable vegetables, and that bees in hives and live fish may be included in the term "livestock" when shipped under conditions that make caretakers "necessary."

(c) When an express company provides in its tariff for free transportation for caretakers in charge of livestock, poultry, milk, or fruit, and the railroad company over whose lines such express company operates provides in its tariff that such caretakers may be permitted to ride in passenger car, the tariff of the express company and that of the railroad company must give reference to each other.

§ 1300.61 Demurrage on interstate shipments.

(a) The act requires that carriers shall publish, post and file tariffs containing terminal or other charges and all rules or regulations which in any wise change, affect, or determine the value of the service rendered to the shipper or consignee. Such terminal charges include demurrage charges.

(b) Demurrage rules and charges applicable to interstate shipments are governed by the act and therefore are within the jurisdiction of the Interstate Commerce Commission and not within the jurisdiction of State authorities.

(c) Demurrage rules and charges published and filed must be observed as strictly as transportation rules and charges. Such charges are controlled by the tariffs in effect contemporaneously with the accrual of the service, and therefore are subject to such changes as may be made in the applicable tariffs during the period of accrual.

CROSS REFERENCE: For regulations concerning posting tariffs at stations, see Part 1305 of this chapter.

§ 1300.62 Notice for changes in rates within Alaska and the Hawaiian Islands.

(a) Rates on freight traffic from a point in the Territory of Alaska to another point in the Territory of Alaska and from a point in the Territory of Hawaii to another point in the Territory of Hawaii may be changed upon notice of 10 days as to reductions in rates given to the Commission and to the public in manner required by law. As to increases in rates, full statutory notice of changes must be given unless shorter time is allowed in special cases by special permission of the Commission. (See § 1300.58.)

(b) Each supplement to a tariff, or each tariff publication in which reductions in rates are made on less than statutory notice under authority of this section, shall bear on its title page the notation "Issued on 10 days' notice under authority of rule 62, Interstate Commerce Commission Tariff Circular 20."

§ 1300.63 Transportation of circus outfits.

Rates for specified movements of circuses and other show outfits may be established on not less than 1 day's notice to the Commission. Such tariffs must bear reference to this rule and must publish the charges specifically, showing the number and kind of cars moved, or may consist of a proper title page reading "as per copy of contract attached," and to it may be attached a copy of the contract under which the circus is moved. Tariffs containing such rates need not be posted at stations. As far as practicable, general rules or regulations governing the fixing of such rates should be regularly published, posted, and filed upon statutory notice.

§ 1300.64 In absence of routes, rates apply via lines parties to tariffs.

If a tariff contains no routing direction the joint rates shown therein are applicable between the points specified via the lines of any and all carriers that are parties to the tariff; and shipper must not be required to pay higher charges than those stated in the tariff because the carriers have not agreed divisions of the rates via the junction through which the shipment moves. If agent of carrier bills or sends shipment via a route or junction point that is covered by the tariff but via which no division of the rate applies, it is for the carriers to agree between themselves upon the division of the rate.

§ 1300.65 Fourth-section departures resulting from changes in official, southern, western, and Illinois classifications.

(a) The attention of the Commission was called to the fourth-section difficulties that confronted carriers in making classification changes. The Commission is impressed with the desirability of having proper classification changes promptly made. In order to facilitate the publication of such changes, carriers will be permitted to publish the rule set forth next below in the official, southern, western, and Illinois classifications, respectively, subject to the conditions hereinafter stated:

The classification changes made herein may create fourth-section departures not authorized by amended fourth-section Order No. 144. (See note.) If any such departures are brought to the attention of carriers parties to this publication in connection with rates applicable on traffic of which there is a present or prospective movement, such departures, under the authority of rule 65, Tariff Circular No. 20 or reissues thereof, will be corrected on 1 day's notice to the Commission and the public by reducing any higher rate or charge on like property that may be applicable for a shorter than for a longer haul as a result of such change to the amount of the rate or charge applicable on like traffic for the longer haul, or by reducing any through rate or charge which is higher than the aggregate of the intermediate rates or charges subject to the Interstate Commerce Act to the amount of such aggregate of intermediate rates or charges.

Publication of such reduced rate or charge will be made within 60 days after such rate or charge comes to the carrier's attention. Carriers parties hereto further agree that on all shipments on which rates or charges are collected which are higher for shorter hauls than those applicable on like traffic for longer hauls over the same line or route in the same direction, the shorter being included within the longer, or which are higher than the aggregate-of-intermediate rates or charges, in situations not authorized by amended fourth-section Order No. 144, application will be made promptly to the Interstate Commerce Commission for authority to make reparation to the basis of the rate or charge applicable for the longer haul or to the basis of the aggregate of intermediate rates or charges, as the case may be, in effect on the date of shipment.

NOTE: Fourth-section Order No. 144 authorizes carriers to make changes in official, southern, western, and Illinois classification ratings, rules, or regulations without observing the long-and-short-haul clause of the Interstate Commerce Act in instances where class rates are protected by applications filed on or before February 17, 1911, or by outstanding fourth-section orders.

(1) The foregoing notice may be incorporated in the official, southern, western, and Illinois classifications only, as a separately numbered rule, and reference to such rule must be made on the title page of each supplement to the current issues of those classifications which contain changes and on the title page of succeeding issues of those classifications, by the following notation in bold-face type:

Concerning the correction of fourth-section departures resulting from changes in this classification (or "these classifications") see rule _____.

(2) The wording specified above, both for the notice to be incorporated as a classification rule and the supplementary notation to be shown on the title page, must be strictly adhered to, and no modifications thereof will be permitted.

(b) The failure of any carrier availing itself of the use of this rule to publish and file reduced rates and thereafter to apply for authority to make reparation as herein provided will be considered as sufficient ground for the issuance of an amendment to the rule prohibiting its use by or on behalf of such carrier.

§ 1300.66 Minimum carloads.

(a) *Weights for cars of varying dimensions.* (1) Carriers provide cars of varying dimensions and capacities, and they provide minimum weights for the several kinds of cars based upon those dimensions and capacities. At times when transportation facilities are inadequate to supply the demand upon them it frequently is difficult or impossible for the carrier to furnish a shipper with a car of the dimensions or capacity desired by him, although the carrier has in its tariffs provisions for the use of such car. Manifestly it is not equitable or proper to require the would-be shipper to pay additional transportation charges for the privilege of using a car of different dimensions or capacity from that which would suit his shipment or forego entirely his desire to ship.

(2) Some carriers provide elastic rules which properly permit the use of cars of different dimensions or capacities when they are furnished by the carrier in lieu of those ordered by the shipper, while other carriers do not so provide, and as a result instances arise in which the initial carrier under such provision furnishes the shipper with car at its convenience, and connecting carriers that have not adopted similar provisions assess higher charges in accordance with their tariffs, thus imposing upon the shipper a wholly unexpected and, in the view of the Commission, unreasonable charge.

(3) The Commission believes that when tariffs provide minimum weights which vary with the size of capacity of the car, it is the duty of the carrier to incorporate in such tariffs a rule to the effect that when a car of the dimensions or capacity ordered by the shipper cannot be promptly furnished, and when the carrier for its own convenience does provide a car of greater dimensions or capacity than that ordered, such car may be used on the basis of the minimum carload fixed in the tariffs for cars of the dimensions or capacity ordered by the shipper, provided the shipment could have been loaded into or upon car of the capacity or size ordered; and that if a car of smaller capacity than that ordered by the shipper is furnished, it may be used on the basis of actual weight when loaded to its capacity, or that that portion of the shipment which cannot be loaded into the smaller car will be taken in another car and the shipment treated as a whole on the basis of the minimum fixed for the car ordered by the shipper; and that if the carrier is unable to furnish a car of large dimensions, ordered by shipper, it may furnish two smaller cars which may be used on the basis of the minimum fixed for the car ordered; it being understood that shipper may not order a car of dimensions or capacity for which a minimum is not provided in the carrier's tariffs.

(4) In all such cases the capacity of the car ordered, the date of such order, the number, initials, and capacity of the car furnished should be stated on the bill of lading and the carrier's waybill.

(5) In case of controversy between shippers and carriers caused by the absence of such rule from tariffs which provide graduated minima for cars of different sizes the Commission will regard such tariffs as prima facie unreasonable.

(6) It is the duty of carriers to provide reasonable facilities for transportation, and if they cannot furnish equipment to move the carloads provided for in their regulations it is clearly their duty to provide some other method of transporting as one shipment, and at the rate named therefor, such carload weight when tendered by shipper.

(b) *Minimum carload weight is part of rate; through carload minimum; new cars.* (1) The minimum weight upon which carload rate is based is a part of the rate, because the charges on a shipment of a weight less than the minimum, are determined by such minimum weight. The publication, posting, and filing of the rate and of the minimum weight are therefore equally necessary.

(2) Where two or more carriers publish a joint through rate they must publish in connection therewith one carload minimum weight for the through movement under that rate, except that joint through rates made up in combination on a specific base point may be published, subject to one minimum weight in connection with the specified portion of the rate up to the base point and to a different minimum weight in connection with the specified portion of the rate beyond the base point. (See § 1300.4(i).)

(3) Carriers' mechanical departments have rules providing that a new car shall not be loaded to its full capacity on its first trip. Such rules generally provide that a car on its first trip shall not be loaded to more than 75 percent of its capacity, or of the minimum weight fixed in the tariff and that charges shall be based on such lower minimum. The lawful charges are those published in tariffs filed with the Commission. Therefore if such a rule is used it must be published in carriers' tariffs.

§ 1300.67 Export and import traffic-ocean carriers.

Ocean carriers between ports of the United States and foreign countries are not subject to the terms of the Interstate Commerce Act or to the jurisdiction of the Commission.

(a) *Export and import tariffs.* (1) The inland carriers of property exported to or imported from a foreign country by water must file their rates to the ports and from the ports, and such rates must be the same for all, regardless of what ocean carrier may be designated by the shipper except as otherwise provided by section 28 of the Merchant Marine Act (41 Stat. 999; 46 U. S. C. 884).

(2) When rates are published to apply on export or import traffic, but not on traffic destined to or originating at the port, the traiffs containing such rates shall specify by inclusion or exclusion the countries to or from which traffic subject to such rates shall move, whether such countries are, or are not, adjacent to the United States.

(3) In the interest of clearness the tariffs should also specify whether or not property destined to or coming from Cuba, the Philippine Islands, Porto Rico, the Hawaiian Islands, or the Canal Zone are included. For convenience, and without regard to the political status and relation of the Philippines, Porto Rico, the Hawaiian Islands, and the Canal Zone to the United States, they, together with Cuba, are for these purposes to be classed with foreign countries, and in the absence of statement in tariffs limiting the application of export and import rates, export and import rates will apply on traffic destined to or coming from the above-named territories.

(b) *Steamship charges may be shown.* As a matter of convenience to the public, said inland carriers may also publish as information in their tariffs in connection with the inland rate as above provided the steamship charges to or from foreign destinations. When this is done, such steamship charges may be changed without notice, but the rates of inland carriers to (or from) ports are subject to all provisions of section 6 of the Interstate Commerce Act and of the Commission's rules with respect to notice and form of publication. Tariffs containing such steamship charges must not be concurred in by the ocean carriers.

(c) *Through export and import billing.* Export and import shipments may be forwarded under through billing, but through bills of lading must clearly separate the liability of the inland carrier or carriers and of the ocean carrier, and must show the tariff rate of the inland carrier or carriers.

CROSS REFERENCE: For regulations governing the posting of freight tariffs of common carriers by rail, water, and pipe line, including tariffs containing joint motor-rail, motor-water, and/or motor-rail-water rates, see Subpart A of Part 1305 of this chapter.

§ 1300.200 Alternation of through rates with aggregate of intermediate rates.

(a) In order to facilitate the application of rates which will be in accord with the aggregate-of-intermediates provision of the fourth section of the act, common carriers by railroad and their duly appointed tariff publishing agents may depart from the terms of §§ 1300.4 (h) and (i) and 1300.7(b) (Rules 4(h), 4(i), and 7(b) of Tariff Circular No. 20) for the purpose of incorporating in tariffs naming rates and charges for the transportation of property the following rule in lieu of the rule authorized in § 1300.56 (Rule 56 of Tariff Circular No. 20):

> If on any shipment an aggregate-of-intermediate local, joint and/or proportional interstate rates constructed via a route over which the through rate published in this tariff is applicable produces a lower charge than the through rate, such aggregate of rates will apply via all routes authorized in this tariff and the through rate has no application to any such shipment via any of those routes.

Common carriers by railroad and their duly appointed tariff publishing agents when publishing the foregoing rule may provide for its nonapplication to rates on particular descriptions of traffic, in which event, as to such rates, the rule authorized in § 1300.56 may be used.

(b) Publications issued hereunder shall make specific reference hereto as authority for tariff circular departure by using the following notation:

> Rules 4(h), 4(i), and 7(b) of Tariff Circular No. 20 waived; I.C.C. Permission No. 16500.

(c) This permission does not modify any outstanding formal orders of the Commission nor waive, except as herein authorized, any of the requirements of its rules relative to the construction and filing of tariff publications. This permission shall continue in force and effect until otherwise ordered by the Commission.

PART 1301—LONG-AND-SHORT-HAUL AND AGGREGATE-OF-INTERMEDIATES RATES—RAILROADS

Sec.

1301.11 Continuation or establishment of rules for absorption of switching charges is authorized by publication, filing and posting of schedules.
1301.21 Disposition of fractions.
1301.31 Authorization for changes in classification ratings, rules and regulations.
1301.61 Relief for departures in rates on transit shipments.
1301.65 Filing schedules simultaneously with applications.
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AUTHORITY: The provisions of this Part 1301 issued under secs. 3, 4, 12, 24 Stat. 380; 49 U.S.C. 3, 4, 12.

§ 1301.11 Continuation or establishment of rules for absorption of switching charges is authorized by publication, filing and posting of schedules.

(a) All carriers that may desire to contine or to establish rules for the absorption of switching charges are hereby authorized to continue the practice of absorbing switching charges from competitive and not from noncompetitive stations for the present by the publication, filing, and posting of schedules in the manner and form as prescribed by law and by the Commission's regulations.

(b) Tariffs containing the rules in this part need contain no reference to this order. The Commission does not hereby approve any rules that may be filed under this permission, all such rules being subject to complaint, investigation, and cor-

rection if they conflict with any other provision of the act.

§ 1301.21 Disposition of fractions.

(a) Applying the rule de minimis, all carriers are hereby authorized, in the making up of through fares or rates on the aggregate of the intermediate fares or rates, to disregard fractions of a cent less than .5, retaining the half cent in the rate when it is even .5, and making the rate in even cents when the fraction is more than .5.

(b) Tariffs need contain no reference to this order. The Commission does not hereby approve any fares or rates that may be filed under this authority, all such fares and rates being subject to complaint, investigation, and correction if in conflict with any other provision of the act.

§ 1301.31 Authorization for changes in classification ratings, rules and regulations.

(a) As to, and confined to, class rates authorized by fourth-section order or orders of this Commission or covered by applications filed on or before February 17, 1911, that have not been passed on, carriers are hereby authorized to make changes in classification ratings, rules, and regulations affecting traffic covered by the said class rates without observing the long-and-short-haul clause of the Interstate Commerce Act but subject to the succeeding paragraphs of this section.

(b) The relief granted in this section shall apply only to changes in classification ratings, rules, and regulations made by amendment to the official, southern, western, or Illinois classifications.

(c) Classification changes made by authority of Fourth-Section Order No. 144 and supplements thereto or amendments thereof prior to the date of this order shall not be required to be changed by reason of the provisions hereof until further order of the Commission.

(d) Until the effective date of the rates prescribed in Southern Class Rate Investigation, Docket No. 13494, carries parties to Southern Classification No. 47, E. H. Dulaney's I. C. C. No. 19, are hereby authorized to make changes in ratings, rules, and regulations in the said classification occurring in the ordinary course of business without observing the long-and-short-haul provision of the fourth section of the Interstate Commerce Act. The Commission does not hereby approve any changes in classification filed under this authority, all such changes being subject to complaint, investigation, and correction if in conflict with any provision of the act.

§ 1301.61 Relief for departures in rates on transit shipments.

In those instances in which fourth-section orders have been or may be entered granting carriers relief from the provisions of section 4 of the act to maintain lower rates for the transportation of like kind of property for longer than for shorter distances the same relief shall also apply when the said rates, with or without the addition of lawfully established charges to cover the cost of transit, are applied on transit shipments. This section shall not be construed as authorizing fourth-section departures which might result from the establishment of transit privileges at some points and not at other points on the route of movement, nor as approving any transit arrangements that may be established under this permission, all such arrangements being subject to complaint, investigation, and correction if in conflict with any other provision of the act.

§ 1301.65 Filing schedules simultaneously with applications.

(a) Section 4 (1) of the Interstate Commerce Act (49 U.S.C. 4 (1) has been amended by the Transportation Act of 1940, now effective, so as to eliminate the so-called equidistant clause and to provide:

That tariffs proposing rates subject to the provisions of this paragraph may be filed when application is made to the Commission under the provisions hereof, and in the event such application is approved, the Commission shall permit such tariffs to become effective upon one day's notice.

(b) Heretofore, the practice of carriers has been to file applications for, and to obtain, fourth-section relief of either a temporary or continuing character before publishing and filing rates which would without relief contravene the fourth section. The new proviso is construed as intended to shorten the period intervening between carriers' determination to publish rates and their effective date so that if relief is granted, the time now intervening between the filing of the application and its granting will be eliminated, but is not intended to set aside the 30 days' notice requirement of section 6 or to abridge the rights of interested persons to seek suspension under section 15 (7). To facilitate administration of the new proviso and at the same time to avoid interference with other sections of the act, the following procedure has been adopted:

(1) Insofar as possible, fourth section applications filed under the proviso will be acted upon before the effective date of the tariffs.

(2) In cases where it is found possible to pass upon applications before the effective date of the tariffs, if relief is granted, such relief will be made effective not with issuance of the order but on the same date as the effective date of the tariffs.

(3) In cases where action upon the application has not been taken prior to the effective date of the schedules, or where the relief sought has been denied in whole or in part, the present intention is to suspend the tariffs in order to avoid the unauthorized fourth-section departures which otherwise would result.

(4) Where rates were suspended solely because of failure to act upon the fourth-section application and where the necessary relief is subsequently granted, the present intention is promptly to vacate the order of suspension, the vacating order to be effective with issuance.

(c) Pending modification of the Commission's Rules of Practice and applicable tariff circulars, carriers that file applications for relief from the provisions of section 4 with respect to rates, fares or charges included in schedules filed concurrently with such applications, should include in the applications a complete statement of the tariffs and supplements containing such rates, fares or charges in substantially the following form:

The rates (fares) (charges) as to which relief is prayed herein have been published and filed to become effective _____
(Date)
in _____
(Name of agent or carriers)
Tariff, I. C. C. _____ (supplement number to
(No.)
tariff should be shown if published therein).

(d) Tariffs and supplements filed under the above provision should show on the title page thereof a statement that they contain rates, fares, or charges, as the case may be, that contravene the long-and-short-haul (or aggregate-of-intermediates) provision of section 4, and should give specific reference to an item or page of the tariff or supplement on which shall be prominently displayed a complete and specific list of items and pages on which such rates are found, with specific number and date reference to the application for relief with respect to such rates, fares or charges.

(e) When appropriate fourth section relief has been granted before the effective date of tariffs or supplements, and such tariffs or supplements become effective, number reference to the order granting such relief need be given only when the next supplement or reissue is filed.

(f) Many outstanding orders granting relief from the long-and-short-haul provision of section 4 contain conditions designed to give effect to the equidistant clause. The present intention is not to eliminate such conditions in the absence of petitions for reopening of proceedings in which such orders were entered as it is believed that in some cases retention of such conditions may be warranted notwithstanding the repeal of the equidistant clause and in others some substitute limitation may be necessary.

NOTE: See previous notice in this matter, 5 F. R. 3758, Sept. 25, 1940.

§ 1301.75 Applications, preparation and filing, conformity with rules.

Any common carrier subject to the act may apply to this Commission, under section 4(1) of the act, for such authorization as it is empowered to grant thereunder. Such application must conform to the requirements hereinafter provided.

§ 1301.76 Freight and passenger applications separate.

Separate applications shall be filed for relief with respect to freight rates and passenger fares.

§ 1301.77 Long-and-short-haul and aggregate of intermediate applications separate.

Separate applications shall be filed for relief from the long-and-short-haul provision, and for relief from the aggregate-

of-intermediates provision of section 4 of the act.

§ 1301.78 Number of copies, form, general specifications and requirements, signatures, and verification.

(a) Applications shall be substantially in the form shown below, and five copies of each, including all exhibits and maps, must be furnished.

FORM OF APPLICATION FOR RELIEF UNDER SECTION 4(1) OF THE ACT

FOURTH SECTION APPLICATION

Commission's No. ------
Carrier's No. ------

The ---------- Company, by ------ ------, its ---------- (Official title), hereby petitions the Interstate Commerce Commission for authority to establish rates (or fares, or charges or classifications) hereinafter set forth without observing the long-and-short-haul (or aggregate-of-intermediates) provision of section 4(1) of the Interstate Commerce Act. (If rates, etc., are to apply over the lines of more than one carrier, the application should show that it is made for and on behalf of all such carriers, naming them, or if made for or on behalf of all carriers parties to a particular tariff, reference may be made by I.C.C. No. to such tariff for the names of such carriers.)

I. (State fully the rates, fares, charges, etc., which it is desired to establish, with complete reference to the tariffs in which published and the effective date thereof, the routes over, and the articles or classes upon which they are to apply, and name or descriptions of the points of origin and destination. See Note A following.)

II. (State fully names or description of intermediate points at which it is desired to maintain higher rates etc., and rates etc., at such points or a sufficient number of such points to illustrate the situation, including the first and last higher-rated and the highest-rated intermediate points. Distances between all points shown should be included in this statement. In applications for relief from the aggregate-of-intermediates provision, set forth typical examples of the higher through rates, fares, or charges, and the intermediate rates, fares, or charges that in the aggregate are less than the through rates, etc. See Note A, following. Also show I.C.C. Nos. of tariffs, and supplements thereto, containing the rates and distances stated.)

III. This application is based upon the following facts which present all of the circumstances and conditions relied upon by your applicant in justification of the relief herein prayed: (Make a complete and accurate statement as to the necessity for the proposed changes, and all of the circumstances and conditions relied upon as justifying the relief prayed. See Note A, following.)

IV. (Give specific reference to any proceeding pending before or determined by the Commission, by docket number, and report citation, if any, which may have any bearing upon, or be in any way related to the rates, etc., sought to be established or maintained. If none, state that fact.)

---------- Company
(Corporate title of applicant)
By ----------
(Personal signature of officer)

(Title of officer)

NOTE A. When more convenient this information may be given in an exhibit or exhibits, and here referred to: "As stated in exhibit ------ attached to and made a part hereof." Information required under each numbered section, as above, should be shown in a separate exhibit.

Exhibits should conform to the following requirements:

Generally. Exhibits of a documentary character may have a maximum width of 22 inches by 12½ inches in height. Whenever practicable the sheets of each exhibit and the lines of each sheet should be numbered. If the exhibit consists of five or more sheets the first sheet or title-page should be confined to a brief statement of what the exhibit purports to show, with reference by sheet and line to illustrative or typical examples contained therein. The exhibit should bear an identifying number, letter, or short title which will readily distinguish it from other exhibits offered. It is desirable that, whenever practicable, rate comparisons and other evidence should be condensed into tables. Exhibits should not be argumentative, should be limited to statements of fact, and be relevant and material to the issue.

Reference to tariff authority, routes, and distances. All exhibits showing rates, fares, charges, or other tariff or schedule provision must, by appropriate Interstate Commerce Commission number reference, indicate the tariff or schedule authority therefor, and if distances are shown must also show the authority therefor and, by lines, highways, or waterways, and junction points, the routes over which the distances are computed; except that the routes over which the distances are computed need not be shown when such or schedule lawfully on file with the Comdistances are specifically published in a tariff mission, or definitely ascertainable from a tariff or schedule on file with the Commission showing rates prescribed by the Commission and based on short-line distances, or short-highway distances, provided the exhibit makes specific reference to such tariff or schedule as provided by this rule.

(b) Applications shall be on opaque, unglazed, durable paper not exceeding 8½ by 11 inches. To permit of binding in covers of uniform size, margins of at least 1½ and 1 inch, respectively, shall be allowed on the left and right margins. Binding shall be on the left margin. Reproduction may be by printing, multilithing, mimeographing, or any other process, provided the copies are clear and permanently legible. Whiteline blue prints which cannot be reproduced by photography are not desirable. If directly typewritten, or if in facsimile reproduction of typewriting, the impression must be on one side of the paper and must be double spaced, except that long quotations shall be single spaced and indented. If printed, nothing less than 10-point type shall be used, except that 8-point type may be used in footnotes.

(c) The original copy of the application must be over the personal signature of an executive officer, a responsible traffic officer, or a duly authorized attorney or agent, specifying his title, and sworn to before a notary public or other officer authorized by law to administer oaths. Verification shall be in the manner shown below:

VERIFICATION

State of ----------
County of ---------- } ss:

---------- (Name of affiant), being duly sworn, deposes and says: That he is the ---------- (Title of affiant) of the ---------- (Name of applicant); that he is authorized by said applicant to sign and file with the Interstate Commerce Commission this application and exhibits attached hereto, and to verify the facts and statements contained in said application and exhibits; that he has carefully examined all of such statements contained in said application and exhibits; and that the same are true and correct to the best of his knowledge, information, and belief.

Subscribed and sworn to before me, a ---------- in and for the State and County above, this ------ day of ----------, 19--.

(SEAL) My commission expires ----------

§ 1301.79 Matters to be shown in the application.

(a) The information required in this section and in §§ 1301.80, 1301.81, and 1301.82, according to the grounds upon which relief is sought, shall be shown in the application when Commission action is desired on the presentation made therein, without hearing. When a hearing is desired and applicants propose to justify at the hearing the relief desired, the information specified in this section shall be included in the application, and the information required in §§ 1301.80, 1301.81, and 1301.82 may, instead, be introduced at the hearing. It should be understood, however, that where the information included in the application does not fully justify the relief sought, or for other good cause, the application may be assigned for hearing at the Commission's discretion. The application shall show:

(b) The names of the carrier or carriers for, or on behalf of which it is made, or, if made on behalf of all carriers parties to a particular tariff, the application may refer to such tariff by Interstate Commerce Commission number (hereinafter abbreviated I.C.C. No.).

(c) The I.C.C. No. of all tariffs in which rates, fares, or charges referred to in the application or exhibits are published.

(d) The rates, fares, or charges proposed to be established; the basis or bases therefor; the articles or classes on which they are to apply; the points of origin and destination; and the routes between such points over which the rates, fares, or charges will apply. (Direct routes only with respect to applications for long-and-short-haul relief). When relief is desired from or to "related" points or "group" points, the points or groups shall be indicated in the map hereafter required to be furnished, or defined by reference to tariff publications providing the grouping.

(e) If long-and-short-haul relief is sought, the intermediate points at which it is proposed to maintain rates, fares, or charges higher than those proposed from or to more distant points, and the rates, fares, or charges at such points. If relief from the aggregate-of-intermediate provision of section 4 is sought, the intermediate rates, fares, or charges that, in the aggregate, are less than the through rates, fares, or charges.

(f) A complete and accurate statement of the grounds relied upon as justification for the relief prayed.

(g) Applications for relief from the provisions of section 4 with respect to rates, fares, or charges included in schedules filed before the necessary relief has been obtained shall include in the opening or second paragraph a complete statement of the tariffs and supplements containing such rates, fares, or charges in substantially the following form:

The rates (fares) (charges) as to which relief is prayed herein have been published and filed to become effective _____ (Date) in _____ (Name of agent or carriers) tariff I.C.C. _____ (Number). (Supplement number should be shown if published in a supplement).

§ 1301.80 Additional information required.

(a) *Long-and-short-haul relief.* Applications should show:

(1) That, where proposed rates are depressed to meet competition, the competitive rates they are being established to meet are not within the control of applicant carriers, and any other facts tending to show that such rates should not be observed as maxima at intermediate points.

(2) That the lower rates for longer than for shorter hauls over the same line or route are reasonably compensatory.

The following information is considered pertinent in a showing as to the reasonably compensatory nature of rates:

(i) Statement of ton-mile, car-mile, and per-car earnings under the competitive rates. When a general adjustment is involved covering rates between numerous competitive points and applicable or to be applied by numerous routes, it will be sufficient, ordinarily, to give representative examples of rates throughout the territory yielding the lowest earnings for the longest and shortest hauls involved.

(ii) Statement of ton-mile and car-mile expenses of petitioning carriers on the traffic involved, or other evidence showing that the proposed rates will be reasonably compensatory.

(3) A statement of rates at representative intermediate points at which rates exceed or would exceed the rates at more distant points under the proposed adjustment, including rates at the first and last higher-rated intermediate points and the distances from and to such intermediate points. This information need not be shown where the rates at the more distant points are constructed on the basis of a mileage scale and the rates at the intermediate points reflect the same mileage scale.

(4) That the higher rates for the shorter than for the longer hauls over the same line or route are reasonable. (The usual facts tending to show the reasonableness of rates should be presented).

(5) Whether there is a complaint pending as to the reasonableness of the rates at the intermediate points on the applicant line or route.

(6) In the event the rates proposed to be superseded by subsequent revisions are maintained under authority of outstanding fourth-section orders, reference to such orders shall be furnished.

(7) Where the proposed adjustment is in any way related to a prior adjustment as to which relief has been authorized, that is, the addition of origins, destinations, commodities, etc., or involves rates for the return movement of commodities as to which relief for initial hauls has been authorized, reference to orders authorizing such relief shall be furnished.

(b) *Aggregate-of-intermediates relief.* Applications should show:

(1) The origins and destinations from and to which it is proposed to continue, or to establish and maintain through rates, fares, or charges which exceed the aggregate-of-intermediate rates, fares, or charges, together with the intermediate rates, fares, or charges that, in the aggregate, are less than the through rates, fares, or charges.

(2) That the intermediate rates, fares, or charges which, in the aggregate, are lower than the through rates, fares, or charges, are depressed by competitive conditions that do not affect the through rates, fares, or charges; and the same information with respect to the conditions alleged as affecting the intermediate rates as that required in applications for long-and-short-haul relief with respect to similar conditions when alleged as grounds for maintaining lower rates for longer than for shorter distances.

(3) That the through rates, fares, or charges that would exceed the aggregate-of-intermediate rates, fares, or charges are reasonable. (The usual facts tending to show the reasonableness of rates should be presented).

§ 1301.81 Additional matters to be shown.

(a) *Applications based on water competitions.* (1) The name of the competing water line or lines actually in operation between the water points and whether said water line or lines, in the transportation of the traffic involved, are subject to the Interstate Commerce Act.

(2) A detailed statement of the charges over the water line or lines, including marine insurance, wharfage, handling, shrinkage, and all other applicable incidental charges. Where such charges are named in tariffs on file with this Commission, reference should be made to such tariffs by I.C.C. number.

(3) Whether facilities for loading into and unloading from barges or ships are available.

(4) The minimum tender that may be made to the water carrier or carriers, and whether shippers and receivers are equipped to handle such amounts.

(5) If the season of navigation is restricted, and, if so, that available storage will permit the handling by water of receivers' needs during the season of navigation.

(6) The cost of installation, maintenance, etc., of loading, unloading, and storage facilities which must be constructed or installed before water transportation is feasible.

(7) Evidence supporting water costs and accessorial charges which are not published in tariffs on file with the Commission.

(8) Certification that a copy of the application has been served upon the competing water line or lines named in paragraph 1 hereof. The service and certification shall conform with the requirements of Rule 22 of the General Rules of Practice (§ 1100.22 of this chapter).

(b) *Applications based on motor carrier competition.* The charges over the competing motor line or lines, including all incidental charges, and if interstate common or contract carrier or carriers, reference to the applicable tariffs by I.C.C. numbers.

(c) *Applications based on market competition.* (1) The names of the producing or receiving points whose competition is to be met.

(2) The short line or route and distances, or the class rate distances if the latter are normally used for rate making purposes, from the various producing points to the common market and tariff authority for the distances.

(3) The rates from the competitive producing points with reference by I.C.C. No. to the tariffs naming the rates and whether they conform to the provisions of section 4 of the act. If relief has been granted or application is pending as to such rates, give reference to the I.C.C. No. of the application or order.

(4) Whether similar competition is to be met at intermediate points.

(d) *Applications based on weak financial condition or high operating costs of the applicant line.* Financial statistics and operating conditions.

§ 1301.82 Miscellaneous provisions.

(a) In addition to the above, applications should show any other conditions or circumstances relied upon as constituting a special case within the meaning of section 4(1) of the act.

(b) Applications should contain a map, made a part thereof, showing the relative location of lines or routes, the competitive points, and representative intermediate points at which higher rates are to be charged, or representative points from or to which it is proposed to maintain through rates, fares, or charges which exceed the aggregate of intermediates. This map need not be furnished where departures are due only to use of class rate distances and grouping, or to the use of relief line arbitraries.

§ 1301.83 Acceptance of applications.

In any case when, upon inspection, the Commission is of the opinion that an application does not sufficiently set forth required material or is otherwise deficient, the Commission may decline to accept the application for filing and may return it unfiled, or the Commission may accept it for filing and advise the person tendering it of the deficiencies and require that such deficiencies be corrected.

§ 1301.84 Applications for relief previously denied.

If the Commission denies an application, and the carrier presents a new application based upon new or additional

facts in justification of the proposed rates, fares, or charges, such facts should be clearly indicated as such, and the modified application must refer specifically to the previous application and the number of the order by which it was denied.

§ 1301.85 Changes and additions.

Copies of any amendment to the application, or any additional information furnished to the Commission in connection therewith, including notices of any changes in the effective date of the rates, fares, or charges as set forth in compliance with § 1301.79(g), shall be served by applicant upon all parties served with a copy of the application and upon all parties protesting the application. The service and certification thereof shall conform with the requirements of Rule 22 of the General Rules of Practice (§ 1100.22 of this chapter).

PART 1302—EXPORT AND IMPORT SHIPMENTS; RAILROADS

CHARGES FOR RAIL TRANSPORTATION WHEN WATER TRANSPORTATION PERFORMED IN VESSELS NOT DOCUMENTED UNDER LAWS OF THE UNITED STATES

Sec.
1302.41 Suspension of statute.
1302.42 Further suspension of statute.
1302.43 Applicable rates on shipments in transit when statute becomes effective.

AUTHORITY: The provisions of this Part 1302 issued under sec. 28, 41 Stat. 999, as amended; 46 U.S.C. 484.

CROSS REFERENCES: For Bureau of Customs, Department of Treasury; see Customs Duties, 19 CFR Chapter I. For Foreign-Trade Zones Board; see Commerce, 15 CFR Chapter IV. For Regulations of Bureau of International Commerce concerning foreign trade statistics; see Commerce, 15 CFR Chapter III.

§ 1302.41 Suspension of statute.

The provisions of section 28 of the Merchant Marine Act, 1920, are hereby further suspended from and including the first day of January, 1921, until further order of this Commission.

§ 1302.42 Further suspension of statute.

(a) Order of March 11, 1924, as modified, which terminated order of June 14, 1920, as modified, suspending provisions of sec. 28 of the Merchant Marine Act, 1920, until further order of the Commission, is hereby vacated and set aside.

(b) The provisions of said order of June 14, 1920, as modified by the supplemental orders of July 27, 1920, December 11, 1920, and February 7, 1921, specified in the paragraph (a), shall continue in force until further order of the Commission.

§ 1302.43 Applicable rates on shipments in transit when statute becomes effective.

The following conditions are hereby prescribed as supplemental to the orders aforesaid suspending the provisions of section 28 of the Merchant Marine Act, that is to say, that notwithstanding the provisions of the aforesaid section 28 may become effective during the time when export or import shipments are in transit to or from the ports of export or import the following conditions shall be observed.

(a) With respect to all export shipments delivered to and receipted for by common carriers subject to the provisions of section 6 of the Interstate Commerce Act (Sec. 6, 24 Stat. 380, as amended; 49 U.S.C. 6(13)) the rates to the ports in force and applicable upon said shipments via the lines of said carriers upon the date of delivery to and receipt by such carriers shall be applied to said shipments; and,

(b) With respect to all import shipments delivered to and receipted for by common carriers subject to the provisions of section 6 of the Interstate Commerce Act (49 U.S.C. 6 (13)) the rates from the ports in force and applicable to said shipments over the lines of said carriers upon the date of delivery to and receipt by such carriers shall be applied to said shipments.

PART 1303—PASSENGER SERVICE SCHEDULES; RAIL AND WATER CARRIERS

PASSENGER FARE SCHEDULES

Sec.
1303.0 General provisions; definitions.
1303.1 Form, size, and printing.
1303.2 Indicating changes in tariff or amendment.
1303.3 Title page arrangement.
1303.4 Content of tariffs.
1303.5 Fares maintained for emergency or basing purposes.
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1303.11 Filing Tariffs; rejections.
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1303.13 Powers of attorney.
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1303.15 Filing of powers of attorney and concurrences.
1303.16 Certificate stating correct name of carrier to be filed.
1303.17 Transfer of authority from one agent to another agent.
1303.18 Procedure when one publishing agent succeeds another.
1303.19 I.C.C. numbers of tariffs issued by a new agent or alternate agent.
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1303.21 Amendment and revocation of powers of attorney and concurrences.
1303.22 Round-trip excursion fares.
1303.23 Fares in special car or train service.
1303.24 Newly inaugurated regular sleeping-car or parlor-car service.
1303.25 Temporary rates for sleeping cars or parlor cars.
1303.26 Newly constructed lines of railroad and newly established service by water carriers.
1303.27 Transportation of circus and show outfits.
1303.28 Party-fare tickets.
1303.29 Round-trip tickets on certificate plan.
1303.30 Validation of round-trip passenger tickets.
1303.31 Emergency extension of time limit of tickets and granting stopovers.
1303.32 Free transportation of caretakers in connection with shipments of property.
1303.33 Ocean carriers' fares to or from foreign countries.
1303.34 Posting of tariffs.
1303.35 Applications for authority to make changes in tariffs.

AUTHORITY: The provisions of this Part 1303 issued under secs. 5, 6, 12, 24 Stat. 380, 49 Stat. 546, 560; secs. 304, 306, 54 Stat. 933; 49 U.S.C. 5, 6, 12, 304, 317, 906.

NOTE: This part is applicable to the construction, filing, and posting of passenger tariffs of common carriers by railroad (including sleeping car companies) and by water, and passenger tariffs containing joint fares or charges between motor common carriers and common carriers by railroad or by water.

§ 1303.0 General provisions; definitions.

(a) *Confirmation to rules; reissue.* All tariffs filed on or after May 1, 1958, shall conform to the regulations in this part. The Commission may direct the reissue of any tariff, power of attorney or concurrence at any time.

(b) *Definitions*—(1) *Local fare.* The term "local fare" as used in this part, means a fare for service by one carrier only. A local tariff is one which contains fares or charges for service by one carrier only.

(2) *Joint fare or joint charge.* The terms "joint fare" or "joint charge", as used in this part, mean a fare or charge for service by two or more carriers that is made by agreement between or among such carriers.

(3) *Joint tariff.* Joint tariffs are those which contain joint fares or charges.

(4) The term "suburban service" as used herein means the transportation of passengers between places or communities the limits of which are not more than 75 miles apart as measured by air line distances.

(5) The term "commutation fare" as used herein means the amount charged for a ticket good for travel for a limited number of trips (not for a single round trip) or for an unlimited number of trips within a certain period of time, the amount charged being less than would be paid in the aggregate at the normal one-way fare for the maximum number of separate trips possible.

(c) *Tariff includes amendments.* Except where the context indicates the contrary, the word "tariff" as used in this part also includes supplements and other amendments to tariffs.

(d) *Reference to section designations, shortcut method.* For convenience, that portion of a section designation appearing to the right of the decimal point in this part may be used in referring to such section in correspondence with the Commission; for example, § 1303.4(f)(1) may be referred to as section 4 (f) (1).

§ 1303.1 Form, size, and printing.

(a) *Form and size.* All tariffs must be in book, pamphlet, single-sheet or loose-leaf form, of size 8 by 11 inches, except that tariffs and supplements also in-

tended for use in collecting passenger fares and charges on trains may be in book or pamphlet form smaller in size than 8 by 11 inches.

(b) *Paper; size of type.* Tariffs must be plainly printed on paper of durable quality and in type not less than 6-point bold or full face, except as provided in § 1303.8(1) as to vacation notice, and except, further, that not less than 4-point full face type may be used for reference marks. Explanation of reference marks must be in type not less than 6-point bold or full face.

(c) *Method of printing.* Stereotype, planograph, mimeograph or other similar durable process may be used, provided the copies posted and filed are clear and legible in every respect. Reproduction by hectograph or similar process, typewritten sheets or proof sheets must not be used for posting or filing.

(d) *Alterations.* Erasures or alterations must not be made in tariffs filed with the Commission or posted at stations.

(e) *Margin.* A margin of not less than five-eighths of an inch with no printing thereon must be allowed at the binding edge of each tariff.

(f) *Tables, ruling of.* When tables of numerals are used, the page shall be vertically ruled in columns of sufficient width to accommodate the matter to be shown therein (including reference marks) without crowding.

(g) *Pages, numbering.* Except as provided in § 1303.6(e), the pages of a tariff shall be consecutively numbered. The title page shall be considered as page 1, but shall not be numbered; and the interior pages shall be numbered beginning with 2, except that in looseleaf tariffs the title page shall be designated as "Title Page" and the next page as page 1.

§ 1303.2 Indicating changes in tariff or amendment.

(a) *Reference marks.* All tariffs, supplements, and loose-leaf pages must indicate any change in existing fares, rates, or charges, and in rules, regulations, or practices except when a change in wording results in neither increase nor reduction, by use of uniform reference marks in connection with the change. The reference marks used shall be those specified for the purpose in § 1303.4(d).

(b) *General changes indicated at top of page.* (1) When a change of the same character is made in all or in substantially all of the fares or rates in a tariff or supplement, or a page thereof, the fact and the nature of such change may be indicated in distinctive type at the top of the title page of such issue, or at the top of each page, respectively, in substantially the following manner:

All fares in this issue are increases
or
All fares on this page are reductions, except as otherwise provided in connection with the fares.

(2) Fares which are not changed or changes not consistent with the notation shall be appropriately symbolized.

§ 1303.3 Title page arrangement.

The title page of every tariff and of every supplement shall show:

(a) *I. C. C. number and cancellations.* On the upper right-hand corner, the I. C. C. number of the tariff and immediately thereunder the I. C. C. number or numbers of tariffs or supplements canceled thereby. If the number of publications canceled is so large as to make it impracticable to enter them on the title page, the cancellation notice must be shown on page 2 and specific reference thereto shown on the title page directly under the I. C. C. number. Separate series of I. C. C. numbers must be used for freight and passenger tariffs.

(b) *Name of carrier or agent.* The name of the issuing carrier or the name of the agent issuing under power of attorney. See § 1303.4(b)(1).

(c) *Kind of tariff.* Whether tariff or supplement contains local or joint, or local and joint fares, rates, or charges; whether it applies for passengers, baggage, milk, or other kind of service; whether fares are one-way, round-trip, proportional, or basing; and whether it contains all-rail, rail-motor, all-water, or rail-water, motor-water, etc., fares or charges, or any combination of such types of fares or charges.

(d) *Territory.* The territory or points from and to which the tariff applies, briefly stated.

(e) *Effective date.* (1) Date of issue and effective date. Every publication which contains fares or other provisions effective upon a date different from the general effective date of such publication must show on its title page the following notation: "Effective _____, 19__ (except as otherwise provided herein)" or "(except as provided in Item ____)" or "(except as provided on page ____)."

(2) A provision in a tariff or supplement that it or any part of it will expire with a given date is not a guaranty that the tariff or supplement or such part thereof will remain effective until and including that date. Such provision, if used, will be held to mean that the tariff or supplement or specified part of it will expire with the date named, unless the date is changed on statutory notice, or under special permission. Where used, the expiration notice must read: "Expires with _____ (Date), unless sooner canceled, changed or extended."

(f) *Issuing officer or agent.* At the bottom of the title page, the name, title, and mail address of the individual actually responsible for compiling and filing the schedule. If the tariff is issued by a natural person as agent, his name must be shown with the title of "Agent." If issued by a corporation or association as agent, the name and title of the person responsible for the actual compilation and filing must be shown.

§ 1303.4 Content of tariffs.

Tariffs shall contain:

(a) *Table of contents.* A full and complete statement, alphabetically arranged, of general subject headings and the exact location where they will be found. If a tariff contains so small a volume of matter that its title page or interior arrangement clearly discloses its contents, the table of contents may be omitted.

(b) *Names of participating carriers.* (1) A list of the correct names of all carriers participating therein, subdivided according to (i) initial carriers, and (ii) intermediate and terminating carriers, each subdivision alphabetically arranged, together with the form and number of power of attorney or certificate of concurrence, except as provided in paragraph (b) (2), (3) and (4) of this section. If there be not more than 10 participating carriers, their names and power of attorney and concurrence forms and numbers may be shown on the title page. Reference to the forms and numbers of powers of attorney and concurrences may be omitted, provided this information is furnished to the Commission in an acceptable form.

(2) A tariff containing only regulations and charges for the transportation of baggage or dangerous articles may omit the list of intermediate and terminating carriers, provided there is included therein under the caption "Participating Carriers" a statement reading as follows:

Carriers parties to this tariff other than those specifically named herein, are the carriers named as participating carriers in fare tariffs which specifically refer to this tariff for regulations and charges.

(3) Where a tariff of round-trip excursion fares makes reference by I. C. C. number to a tariff of one-way fares for fares on which such round-trip fares are based, as provided in paragraph (f)(7) of this section, the tariff of round-trip excursion fares may state under the caption "Participating Carriers" that the carriers parties to the tariff of round-trip excursion fares are those which are parties to the tariff of one-way fares referred to, identifying the latter tariff by issuing carrier or agent and I. C. C. number.

(4) Where all-rail fares also are applicable as joint rail-motor fares under arrangements referred to in paragraph (g)(3) of this section, it will not be necessary in the tariff providing the fares to list the names of the motor carriers which participate in the fares only by arrangements published in the joint rail-motor routing and honoring tariff, but the tariff making reference to the joint rail-motor routing and honoring tariff, under the caption "Participating Carriers," shall contain the following statement:

Motor carriers participating in this tariff are those shown as parties to (name of joint rail-motor routing and honoring tariff) No. ____, Agent _____ I. C. C. No. _____ over whose routes, as shown therein, fares in this tariff are applicable under the provisions of Rule _____ (Here refer to rule in which provision authorized in paragraph (g)(3) of this section is published.)

(c) *Index of stations.* (1) Except as indicated in subparagraph (2) of this paragraph, an alphabetical index of

points from which fares, rates, or charges apply, and a separate alphabetical index of points to which fares, rates, or charges apply, with reference to the location in the tariff of the fares, rates, or charges from or to such points. When fares, rates, or charges apply in both directions, the points of origin and destination may be shown in one index.

(2) If throughout the tariff, points of origin or destination are shown alphabetically by states or by carriers and such states or carriers are alphabetically arranged, or if throughout the tariff, points of origin or destination are shown in continuous alphabetical order, no index of such alphabetically arranged points of origin or destination will be required, but the table of contents must refer to the pages on which points are shown. If there be not more than twelve points of origin and twelve points of destination, they may be shown on the title page of the tariff, and the index omitted.

(d) *Explanation of reference marks and abbreviations.* (1) Explanation of reference marks and abbreviations used in the tariff or supplement, except that commonly used abbreviations of State names may be omitted, and except further that abbreviations of the names of participating carriers may be explained in the list of such carriers, provided a statement to that effect is included under the "Explanation of Abbreviations." If the explanation of a reference mark does not appear on the page on which the reference mark is used, that page shall show where the explanation is given. A supplement shall contain an explanation of all reference marks appearing in the supplement, but need contain the explanation only of those abbreviations appearing in the supplement which are not explained in the original tariff (if explained in a prior supplement, the explanation must be repeated).

(2) The following reference marks shall be used, and shall be used only, for the purposes indicated:

↓ or r to denote reductions.
◆ or a to denote increases.
• or n to denote no change in fare or rate.
+ or X to denote intrastate application only.
□ or ◇ to denote reissued matter. (See § 1303.8(d).)
b to indicate basing fare only.

(e) *Rules and regulations.* (1) Rules and other governing provisions, with the title or subject of each to be shown in distinctive type. Under this heading, all of the rules, regulations, explanatory statements, or other conditions which in any way affect the application of the fares, rates, or charges shall be clearly and explicitly stated, except that a special rule affecting a particular fare, rate, or charge shall be shown in connection with and on the same page with such fare, rate or charge.

(2) Except as provided in paragraph (f) (3) of this section, no rule or regulation shall be included which authorizes substituting for any fare, rate, charge, or route named in the tariff, a fare, rate, charge, or route provided in any other tariff.

(3) Where it is not desirable to include general governing rules and regulations in a passenger fare tariff, such rules and regulations may be separately published in a tariff filed by an individual carrier or by an agent. When rules or regulations are thus separately published, a fare tariff may be made subject thereto only by specific reference thereto by I. C. C. number.

(4) When tariffs of joint fares make reference to separate publications for governing rules and regulations, such separate publications must be concurred in by all of the carriers parties to such joint fares.

(5) A "Miscellaneous Regulations" rule may be included in a joint tariff for the purpose of applying in connection therewith specific rules of one or more participating carriers when such rules are not generally applicable to all of the carriers. The rule should read substantially as follows:

Except as otherwise specifically provided herein, the fares authorized in this tariff are subject to the rules and regulations shown in other tariffs of the issuing and participating carriers to this tariff, lawfully on file with the Interstate Commerce Commission, which in any way affect the measure of the service or charges shown in this tariff.

(6) For the purpose of providing through fares from and to all stations on the lines of the carriers within the territory covered by the application of the tariff, a tariff may contain a rule reading substantially as follows:

A fare to a destination or from a point of origin not shown in this tariff will be made by adding the fare shown in this tariff to or from an intermediate point on the route of travel to a fare of like class from or to the intermediate point shown in another tariff lawfully on file with the Interstate Commerce Commission, but if the fare so made exceeds the fare of like class to or from a point beyond on the same through line, as shown in this tariff, the latter fare will apply.

(f) *Fares, rates, or charges.* (1) An explicit statement of the fares, rates, or charges for transportation, in cents or in dollars and cents per passenger or other unit, all arranged in simple and systematic manner, as outlined in subparagraphs (2) to (9), inclusive, of this paragraph. Complicated plans or ambiguous terms must not be used.

(2) A tariff, in providing one-way adult fares, must show the exact fares, in one sum, for at least one class of service from and to the points from and to which it applies, or the exact fares, in one sum, for at least one class of service between the principal points, together with explicit rules and bases from which to determine the fares from and to other points.

(3) A station located on the border of two territories covered by two joint tariffs may be included in one or the other of such tariffs and the basis for fares from or to such point stated as:

(i) A specific amount added to the fare to or from an intermediate station shown in the same tariff, but not to exceed the corresponding fare to or from a station beyond on the same through route as published in the other tariff (see note); or

(ii) A specific amount added to the fare to or from an intermediate point, as shown in the other tariff (see note), but not to exceed the corresponding fare to or from a point beyond on the same through route as shown in the same tariff.

NOTE: When reference is made in the published basis to a fare published in another tariff, such reference must show the I. C. C. number of the tariff in which the fare is published, together with the name of the issuing agent or carrier.

(4) Children's fares may be stated in terms specifically related to adult fares.

(5) Except an otherwise provided in this paragraph, a tariff containing other types of fares (including round-trip fares), or excess-baggage rates and charges may show the exact fare, rate, or charge, or publish them by means of appropriate tables based on the one-way fares. Tariffs of fares, rates, or charges, other than excess baggage rates, based upon the one-way fares must give reference to the I. C. C. number or numbers of tariffs containing the one-way fares.

(6) A tariff of commutation fares may provide fares by means of a table based upon the distance in miles between stations, and include in the tariff a table showing the distances between stations or make reference by I. C. C. number to the tariff containing such distances.

(7) Tariffs naming temporary round-trip fares, which tariff is to be effective for a period not exceeding one year, may state such fares in terms specifically related to the one-way fares. Such tariffs must refer specifically by I.C.C. number to the tariffs of one-way fares on which the round-trip fares are based.

(8) Tariffs for sleeping car accommodations must contain specific rates for at least one class of accommodation. Rates for other sleeping car accommodations may be stated in terms specifically related to such specific rates. Rates for parlor car accommodations must be published in such manner that they can be readily ascertained.

(9) All other fares, rates, or charges for the transportation of passengers or property not specified in subparagraphs (2) to (8), inclusive, of this paragraph must be published in such manner that they can be readily ascertained, and the service for which they apply must be definitely stated.

(10) Except as provided in § 1303.5(b)(1), the publication of fares, rates, or charges which duplicate or conflict with those published in the same or some other tariff for application over the same route is not permissible.

(g) *Routes.* (1) The routes over which fares or rates apply, showing the names of the carriers and junction points; except that the routes may be shown directly in connection with the fares or rates, or in lieu of publication in the tariff naming fares or rates, such routes may be published in a separate tariff or tariffs which must be specifically referred to by I. C. C. number in the tariff naming the fares or rates.

(2) A tariff providing temporary round-trip fares, which tariff is to be effective for a period not exceeding one year, wherein such fares are provided by means of an appropriate table based on one-way fares or are stated in terms specifically related to one-way fares, may authorize the application of the temporary round-trip fares over routes, including reverse of routes, applicable in connection with the one-way fares on which based, and also over additional routes specifically provided in the tariff of temporary round-trip fares.

(3) A tariff containing all-rail fares which also are applicable as joint rail-motor fares from and to, or between, the same points, may refer to a joint agency tariff for routing and regulations governing the honoring of tickets over joint rail-motor routes by a statement in the rules governing the application of fares (see paragraph (e) of this section), reading substantially as follows:

Fares published in this tariff apply over routes shown in connection therewith and also are applicable as joint fares for transportation over routes composed of rail and motor carriers shown as parties to this tariff between points of origin and destination shown herein via the several junction points of such rail and motor carriers, to the extent and under conditions provided in _____
_____
(Name of joint rail-motor routing and honoring tariff)
No. ___, Agent _____ I. C. C. No. ___.

§ 1303.5 Fares maintained for emergency or basing purposes.

(a) *Fares where no regular service.* When fares are published from and to points where passenger service is not regularly operated, such fares shall be symbolized to indicate that no regular service is operated but fares are maintained for emergency purposes.

(b) *Basing fares.* (1) Where desired, fares published in one tariff may be reproduced as basing fares only, for the construction of through fares.

(2) A tariff containing basing fares must specify clearly the extent and manner of their use. In making up a combination fare, all limitations which a tariff places upon the use of the basing, proportional or arbitrary fare must be fully observed.

§ 1303.6 Loose-leaf tariffs.

(a) *Title page.* The title page of a loose-leaf tariff shall be designated in the upper left-hand corner thereof as "Original Title Page," and shall be printed on one side of the leaf only. The pages following the title page shall be consecutively numbered as "Original Page 1," "Original Page 2," etc. Such pages may be printed on both sides but if so printed, the entire leaf must be reissued in accordance with paragraph (c) of this section whenever a change is made on either side.

(b) *Pages following title page.* Each page of a loose-leaf tariff following the title page must show at the top of the page the name of the issuing carrier, or of the issuing agent (identified as "Agent"). If the issuing agent is a corporation or association, there also shall be shown the full name of the bureau, committees or regional association, if any, under whose auspices the schedule is compiled and filed. At the top of the page also shall be shown the page number and I. C. C. number of the tariff. Each page also shall show the date of issue, the effective date, the name, title, and mail address of the individual actually responsible for compiling and filing the schedule. If the tariff is issued by an individual agent, his name must be shown with the title of "Agent". If issued by a corporation or association as agent, the name and title of the person responsible for the actual compilation and filing must be shown.

(c) *Amendments, by revised pages.* Changes in and additions to loose-leaf tariffs shall be made by reprinting the page upon which change or addition is made, and such changed page shall be designated as a revised page and shall direct the cancellation of the page which it replaces; for example, "1st Revised Page 1 cancels Original Page 1" or "4th Revised Page 3 cancels 3rd Revised Page 3." If the leaf is printed on both sides, both pages must be reissued and each designated as a revised page whenever a change is made on either side. Changes shall be indicated as required by § 1303.2, and if a page is reissued without change, the notation "No change on this page" shall appear at the top of the page. When a revised title page is issued, the following notation shall be shown in connection with the effective date, "Original tariff effective _____." (Date)

(d) *Matter brought forward without change.* (1) Matter in a loose-leaf tariff that has been in effect for thirty days or more need not be indicated as reissued matter, but may be republished as effective on thirty days' notice. Matter that has not been in effect for thirty days when brought forward must be shown as "Reissue: Effective _____ (Date) on Revised Page _____."

(2) When a revised page is issued which omits matter heretofore published on the page which it cancels, and such matter is published on another page, the revised page must make specific reference to the page on which the matter will be found, and the page to which reference is made must contain the following notation in connection with such matter:

For _____
(Here insert fares, rates, rules, regulations, etc., as the case may be)
in effect prior to the effective date hereof see page _____.

Subsequently revised pages of the same number must omit this notation insofar as this particular matter is concerned.

(e) *Pages to accommodate expanded matter.* If, in a loose-leaf tariff, it becomes necessary to add an intervening page in order to accommodate expanded matter, such page shall be given the same number with a letter suffix; for example, "Original Page 4–A," "Original Page 4–B," etc. Change in matter on such revised pages may be made by issuing revised pages bearing the same number and letter suffix; for example, "1st Revised Page 4–A cancels Original Page 4–A."

(f) *Additional pages at end of tariff.* If, after a loose-leaf tariff has been filed with the Commission, it is desired to file additional pages thereto, such pages may be filed, and numbered beginning with the next successive page number. For example, if a tariff contains 150 pages, page 151 must not be designated as an additional page but as Original Page 151.

(g) *No supplement, except as indicated.* No supplement shall be issued to a loose-leaf tariff except for the purposes authorized in §§ 1303.7(a)(2), 1303.8(g), 1303.8(h), and 1303.8(i).

(h) *Check sheets.* (1) A check sheet shall be included in each loose-leaf tariff and shall be designated as "Original Check Sheet." This check sheet shall contain a numerical list of all effective pages, and must be kept current; that is, a revised check sheet listing the added or revised pages must accompany such pages when they are filed with the Commission; however, if each revised page of the tariff bears a consecutive "correction number" beginning with the number 1, the check sheet may omit the numerical list of effective pages and, instead, list correction numbers numerically so that each revised page, as received, may be checked by its "correction number."

(2) Fares, rules, or other tariff matter may not appear on the reverse side of a check sheet.

(3) When all changes made by a supplement to a loose-leaf tariff have been incorporated in the tariff proper by revision of the appropriate pages, the supplement shall be canceled. Such cancelation must be made by reissue of the check sheet and by adding in the upper right-hand corner immediately following the words "cancels ____ Revised Check Sheet" the words "also cancels Supplement No. ____."

§ 1303.7 Cancellation of transfer of fares or other provisions.

(a) *Cancellation of entire tariff.* (1) When a tariff is canceled by a new tariff, the cancellation notice must not be given by supplement but by notice in the new tariff as provided in § 1303.3(a).

(2) For the purpose of canceling entirely the fares and arrangements named in a tariff (including a loose-leaf tariff) not reissued, or when a later issue failed to cancel the previous issue and such issue is canceled for the purpose of perfecting the records, the tariff must be canceled by a supplement thereto, without regard to the provisions of § 1303.8(e). Such supplement must show specific reference to the I.C.C. number of the tariff where fares or other provisions will be found thereafter or shall state that no such fares or other provisions will be in effect.

(b) *Transfer of portion of contents from one tariff to another.* If a tariff or supplement or loose-leaf page is issued which is to displace a part of another tariff which is in effect at the time, and which tariff is not thereby canceled in full, it shall specifically state the portion

of such other tariff which is thereby canceled, and such other tariff shall at the same time be correspondingly amended, effective on the same date, in the regular way, and shall indicate where fares or other provisions canceled therein thereafter will be found.

(c) *Notice to specify where fares can be found.* When a tariff is canceled in whole or in part by a supplement thereto, the supplement must show where the fares or other matter thereafter will be found or what fares thereafter will apply. When a tariff is to be canceled by another tariff or by a supplement to another tariff which does not contain all of the fares shown in the tariff to be canceled, i. e., omits points of origin or destination, or fares, rates, charges, rules, regulations, or routes, contained in such previous issue, the canceling (new) tariff or supplement shall explain the omission and must state where the fares not shown therein thereafter will be found, or what fares thereafter will apply.

(d) *Reestablish canceled matter by republication.* When a tariff, a supplement, or a loose-leaf page, or any part thereof, is canceled or expires and such cancelation or expiration has become effective, such tariff matter may not be reinstated except by republication with a new effective date.

(e) *Procedure in canceling portion of tariff.* When withdrawing an item, rule or other tariff matter, the canceled matter need not be reproduced except to the extent necessary to identify the matter that is thereby canceled. Such cancelation must be brought forward in successive supplements as reissued matter.

(f) *Transfer of fares from carrier's to agent's tariff and from agent's to carrier's tariff.* (1) If a tariff issued by an agent is intended to displace a tariff issued by one of his (or its) principals, the tariff to be displaced may be canceled by supplement thereto, with reference to the agent's tariff for fares in the future, or the agent's tariff may cancel the principal's tariff in accordance with paragraph (a) of this section. If, however, matter in an agent's tariff is intended to displace similar matter in a principal's tariff, but not to displace such tariff completely, cancelation shall be made in the manner shown in paragraph (b) of this section, and the carrier must issue a supplement to its tariff to cancel such matter. Such supplement must refer to the agent's tariff for future fares or other provisions.

(2) A carrier must not publish in its individual tariff fares or other matter intended to displace the fares or other matter published in a tariff of a duly authorized agent, unless the tariff is accompanied by a supplement issued by the agent canceling the fares or other matter in his (or its) tariff effective on the same date, as required by paragraph (b) of this section.

(g) *Concurrence does not confer authority to cancel.* A concurrence does not confer authority upon a carrier to cancel tariffs of the concurring carrier, and tariffs issued under concurrences must not assume to do so. Such cancelations must be made by the carrier which issued the tariff that is to be canceled.

§ 1303.8 Amendment procedure.

(a) *Definition and form.* (1) A change in, or addition to, a tariff shall be known as an amendment, and, excepting amendments to tariffs of less than two pages and amendments to tariffs in loose-leaf form, shall be published in a supplement to the tariff.

(2) Supplements to a tariff shall be numbered consecutively as issued, beginning with number 1. Each supplement shall specify on its title page the supplement or supplements, tariff or tariffs that it cancels, and shall state which supplements contain all changes. Supplements filed under authority of paragraphs (g), (h) or (i), of this section and blanket or special supplements that do not change fares, rates, charges, rules, or regulations must be shown separately and the nature of each such supplement must be clearly indicated.

(3) The matter contained in each supplement shall be arranged in the same general manner and order as in the tariff which it amends, and when stations are given index numbers the same index number must be assigned to the same station in all supplements to the tariff.

(4) When an amendment is made in a numbered item or other unit, such item or other unit must be published in a supplement in its entirety as amended. Supplements effecting change in, or cancelation of, matter published in numbered units must specifically provide for cancelation of previously effective matter by reference to the number of the unit it cancels, and if the unit to be canceled is in a supplement, the new supplement must also give reference by number to the previous supplement. Where matter is not published in numbered units, the changed provision must be published in the supplement in its entirety, and reference must be made to the page or pages of the tariff or supplement on which the matter to be canceled is shown.

(b) *Amendment canceling fares on abandoned lines.* When amending tariffs for the purpose of canceling fares to or from points on, or fares via, abandoned lines under authority of certificates and orders issued in the Commission's finance dockets or when canceling fares to and from points on lines over which passenger service has been discontinued, such cancelation may be accomplished by a general-term statement specifically naming the points from and to which such fares are canceled without showing in detail and in its entirety as amended, each item or other provision that is affected thereby. Such amendment may be published in a special supplement without observing the provisions of paragraph (e) of this section: *Provided,* That the matter in the special supplement is brought forward into a regular supplement when it again becomes necessary to supplement the tariff for purposes other than as provided for in this paragraph.

(c) *Cancelation of fares when participating carrier eliminated.* (1) When a participating carrier is eliminated by supplement or by revised page of a loose-leaf tariff, the tariff must be amended on the same effective date to provide for the cancelation of fares and other provisions in connection with that carrier. This may be done either by appropriate amendment of the individual items or other provisions, or by a notation immediately following the statement that the carrier has been eliminated, reading:

This has the effect of canceling all fares and other provisions published in connection with this carrier in this tariff.

(2) When this notation is used in a supplement, the notation must be brought forward as reissued matter, together with reference to the supplement in which the change first appeared.

(3) When the notation method is used in a loose-leaf tariff, subsequent revised pages containing the list of participating carriers must bear reference to such elimination so long as the name of the eliminated carrier appears elsewhere in the tariff, the reference to be shown in the following manner:

---------- (Show name of carrier here) eliminated as a participating carrier in this tariff and all fares and other provisions published in connection with that carrier canceled effective ---------- See ---- Revised Page -----

(d) *Reissued matter, how designated.* Except as provided in § 1303.6, when matter that has not been in effect for thirty days is brought forward without change from a previous tariff, also when matter is brought forward without change from one supplement to another, such matter must be designated "Reissued" in distinctive type and must show the original effective date of the supplement or tariff from which reissued; or must be uniformly indicated by a rectangle, in which is shown the letter T if reissued from a previous tariff or from a supplement to a previous tariff, or a numeral representing the number of the supplement in which the matter was originally established when reissued from a prior supplement to the same tariff.

Examples. [T] Reissue, effective ------ (Date) in I. C. C. No. --; or [3] Reissue, effective ------ (Date) in Supplement 3. Reissues of items or other matter which became effective in a prior tariff or supplements on dates other than the general effective date shown on the title page thereof may be indicated by showing a letter suffix or other symbol in connection with, and as a part of, the letter T or numeral in rectangles herein authorized. When the reissued matter became effective in a supplement to another tariff, the I. C. C. number of that tariff also must be given.

(e) *Amount of supplemental matter permitted.* Except as authorized in § 1303.7(a), paragraphs (b), (f), (g), (h), and (i) of this section, §§ 1303.10 and 1303.22, the following shall govern the number of supplements and the volume of supplemental matter permitted to be effective at any one time:

Number of pages in tariff (including title page)	Number of effective supplements	Number of pages in supplements (including title page)
1 page	None	None.
2 pages and not more than 4 pages.	1	2.
5 pages and not more than 12 pages.	1	Not more than 4 pages.
13 pages or more	2, one of which may not exceed 4 pages.	33⅓ percent of the number of pages in the tariff (see note).

NOTE.—If the number of pages in the supplement which brings the volume of matter up to 33⅓ percent of the number of pages in the tariff is not evenly divisible by 4, it may exceed the volume authorized to the extent necessary to bring the number of pages of such supplement to the next multiple of 4.

(f) *Supplement to tariff not yet effective.* (1) If a tariff is filed on statutory notice canceling another tariff and, after such filing, a supplement to the tariff to be so canceled should be issued prior to the general effective date of the new tariff, fares in that supplement would not remain in effect for thirty days as required by law, because the cancelation of the tariff also cancels the supplements to it. In such case, and confined to changes or additions necessary to be made in both the old and the new tariff, a supplement making the same changes in or additions to both tariffs may be issued as a supplement to both tariffs, bearing both I. C. C. numbers. The required number of copies of this supplement must be posted and filed for each tariff as though the supplement to each tariff was a separate publication. In issuing a supplement in accordance with this paragraph the requirements of paragraph (e) of this section, as to number of supplements and volume of supplemental matter, need not be observed with respect to the tariff to be canceled.

(2) Fares or provisions which have been established in a previous tariff and reproduced or reissued without change in a new tariff may be changed upon lawful notice, after they have been in effect for thirty days, by a supplement to the new tariff, effective not earlier than the general effective date of the new tariff, by indicating in the supplement effecting the change that the matter which is to be amended was brought forward without change from I. C. C. No. ____ (previous tariff), and showing the date such matter became effective therein.

(g) *Complete adoption notice.* (1) When the name of a carrier is changed, or when its operating control is transferred to another carrier, the carrier which will thereafter operate the properties shall file (see § 1303.11) and post (see § 1303.34) an adoption notice, numbered in its I. C. C. series, reading substantially as follows:

The _____
(Correct name of adopting carrier)
hereby adopts, ratifies and makes its own, in every respect as if the same had been originally filed and posted by it, all passenger tariffs, rules, notices, concurrences, traffic agreements, divisions, authorities, powers of attorney, or other instruments whatsoever, including supplements or amendments thereto, filed with the Interstate Commerce Commission by or heretofore adopted by the _____ prior to
(Correct name of old carrier)
_____
(Date)

(2) In addition to the above adoption notice, the adopting carrier shall file immediately a consecutively numbered supplement (individual or blanket) to each of the tariffs in the I. C. C. series of its predecessor, including any tariffs to which the predecessor has issued, or before the effective date of the adoption notice may issue, a supplement in accordance with this paragraph, reading as follows:

Effective _____
(Here insert date shown in the adoption notice)
this tariff, or as amended, became the tariff of the _____
(Correct name of new carrier)
as per its adoption notice I. C. C. No. _____.

Such supplements must contain no other matter, must bear reference to this section, and may be issued without observing the provisions of paragraph (e) of this section.

(3) Succeeding supplements to adopted tariffs filed by the adopting carrier must be numbered consecutively following the number of the supplement announcing adoption, and also shall show in connection with the I. C. C. number that the number is in the series of the carrier that issued the original tariff. New tariffs reissuing or succeeding such tariffs shall be numbered in the I. C. C. series of the adopting carrier, and in directing the cancelation of an adopted tariff, shall identify it by using the name or initials of the carrier in whose I. C. C. series it was issued.

(4) Tariffs issued by other carriers or agents in which the carrier absorbed, taken over, operated by another carrier, or whose name is changed, is named as a participating carrier, shall be amended on statutory notice to eliminate the name of the old carrier and to show the name of the new carrier by the first subsequent supplement. Such supplement also shall contain the following provision:

The _____
(Correct name of adopting carrier)
by its adoption notice I. C. C. No. ____ having taken over tariffs, etc., of the _____
_____
(Correct name of adopted carrier)
the _____
(Correct name of adopting carrier)
is hereby substituted for the _____
_____
(Correct name of adopted carrier)
wherever it appears in this tariff.

(5) Similar adoption notice numbered consecutively in the I. C. C. series of the adopted carrier must be filed immediately by a receiver or trustee when he assumes possession and control of a carrier's lines, and such person's name shall be shown on the title page as a part of the carrier's correct name. When such possession and operating control is terminated the carrier taking over the properties shall file an adoption notice and also shall file supplements announcing adoption as prescribed in the foregoing subparagraphs of this paragraph.

(6) Notices of adoption should be filed with the Commission immediately, and, if possible, on or before the date shown therein. Copies must be sent immediately to each agent or carrier to which power of attorney or concurrence has been given by the old carrier and to each carrier from which a concurrence has been received by the old carrier. The notice must refer to this section, and its effective date must be the date (as shown in the body of the notice) on which the change in name or operation occurs. If prior approval of such change is necessary, reference also must be made to the order of the Commission.

(7) Concurrences and powers of attorney adopted by a carrier, a receiver, or a trustee must be replaced and superseded within 120 days by new concurrences and powers of attorney issued by and numbered in the series of the new carrier, except that if desired the receiver or trustee may number concurrences and powers of attorney in the old series. The cancelation reference to the former concurrence or power of attorney must include name or initials of the former issuing carrier. Concurrences and powers of attorney which will not be replaced by new issues must be regularly revoked on the notice and in the manner prescribed in § 1303.21(b).

(8) If a carrier ceases operation without having a successor, its tariffs, concurrences, and powers of attorney must be regularly canceled on statutory notice, unless otherwise specifically provided by order of the Commission; and when canceled on less than statutory notice, the cancelation notice must show that cancelation is made on account of discontinuance of operation, and must refer to the authority of the Commission permitting such discontinuance.

(h) *Partial adoption notice.* (1) When the operating control of only a part of a carrier's properties is transferred to another carrier, the carrier which will thereafter operate the properties shall file (see § 1303.11) and post (see § 1303.34) an adoption notice, numbered in its I.C.C. series, reading substantially as follows:

The _____
(Correct name of old carrier)
hereby adopts, ratifies, and makes its own, in every respect as if the same had been originally filed and posted by it, all passenger tariffs, rules, notices, concurrences, traffic agreements, divisions, authorities, powers of attorney, or other instruments whatsoever, including supplements or amendments thereto, filed with the Interstate Commerce Commission by or heretofore adopted by the _____
(Correct name of old carrier)
prior to _____
(Date)
insofar as said instruments apply from, to, at, or via the following stations _____
_____
(Naming them)

(2) If on the transferred portion, there is a junction point which will remain a station of the old carrier as well as being established as a station of the new carrier, a notation may be provided

in connection with the name of such point in the adoption notice and the supplements required by subparagraph (3) of this paragraph, reading substantially as follows:

This does not have the effect of eliminating _____ as a station on _____
(Correct name of old carrier)
but has the effect of establishing said station also as a station on _____
(Correct name of adopting carrier)

(See also subparagraphs (3) and (5) of this paragraph.)

(3) In addition to the above adoption notice, the old carrier shall immediately file, under proper concurrence from the adopting carrier, a supplement (individual or blanket) to each of its tariffs covered by the adoption notice containing a provision reading as follows:

Effective _____
(Here insert effective date of adoption as shown in the adoption notice)
this tariff or as amended insofar as it contains fares, rules, and/or regulations applying from, to, at, or via the following stations _____
(Naming them)
became the tariff of the _____
(Correct name of adopting carrier)
as stated in its adoption notice I. C. C. No. _____

Such supplement must contain no other matter, must bear reference to this section, and may be issued without observing the provisions of paragraph (e) of this section. When the circumstances covered by subparagraph (2) of this paragraph are present, the notation directed in that subparagraph shall be added to the above notice.

(4) Fares and other provisions published by the old carrier applying between points on the transferred portion shall as quickly as possible be published in tariffs of the adopting carrier; and, effective on the same date, the old carrier shall cancel the corresponding fares and other provisions from its tariffs, with reference to the I. C. C. number of the adopting carrier for fares and other provisions applying thereafter.

(5) Tariffs issued by other carriers or agents, in which the carrier absorbed, taken over, or operated in part by another carrier is named as a participating carrier, shall be amended on statutory notice to add the new carrier as a participating carrier by the first subsequent supplement. Such supplement also shall contain the following provision:

The _____
(Correct name of adopting carrier)
by its adoption notice, I. C. C. No. _____, having taken over tariffs, etc., of the _____
(Correct name of old carrier)
insofar as they contain fares, charges, rules, or regulations applying from, to, at, or via the following stations _____,
(Naming them)
the _____
(Correct name of adopting carrier)
is hereby substituted for the _____
(Correct name of old carrier)
wherever the latter appears in this tariff in connection with said stations and provisions. When the circumstances covered by subparagraph (2) of this paragraph are present, the notation directed in that subparagraph shall be added to the above notice.

(6) Similar adoption notice numbered in the I. C. C. series of the carrier must be filed immediately by a receiver or trustee when he assumes possession and control of part of a carrier's lines. When the receivership or trusteeship is terminated, the carrier taking over the properties shall file an adoption notice, and, if a change is also made in the name of the carrier, supplements announcing adoption as prescribed in the foregoing subparagraphs of this paragraph.

(7) Notices of adoption should be filed with the Commission immediately, and if possible, on or before the date shown therein. Copies must be sent immediately to each agent or carrier to which power of attorney or concurrence has been given by the adopted carrier. The notice must refer to this section, and its effective date must be the date (as shown in the body of the notice) on which the change in name or operation occurs. If prior approval of such change is necessary, reference also must be made to the order of the Commission.

(i) *Suspension of tariff schedules.* (1) Upon receipt of an order suspending any tariff or portion thereof, the carrier or agent who filed such tariff shall immediately file with the Commission a supplement, not bearing any effective date, which shall contain a reproduction of the pertinent portions of the Commission's order of suspension (including the paragraph prohibiting changes in the suspended matter), followed by a statement that by reason of the Commission's order (i) the use and application of the suspended publication or portion thereof (which must be identified with certainty) is either indefinitely deferred or deferred for the period prescribed in the Commission's suspension order and (ii) the schedules which were to be changed by the suspended publication (which schedules also must be identified with certainty) will remain in effect and will not be changed so long as effectiveness of the suspended matter is deferred (if deferred only for the term of the Commission's order the date must be specified), except by order or special permission of the Commission.

(2) If the responsible carrier or publishing agent has elected to file a supplement deferring the suspended matter only for the period prescribed by the Commission's order, and if prior to the expiration of that order the Commission notifies the carrier or publishing agent that the report in the proceeding cannot be issued within the suspension period, the carrier or publishing agent may, under the authority of this section, issue a supplement effecting such further deferment. Where suspended matter has previously been deferred under the authority of this section, the carrier or publishing agent when notified by the Commission that the report in the proceeding cannot be issued prior to the date to which the schedules have been deferred, may, prior to the date to which the matter is postponed, issue a supplement under the authority of this section further postponing the effective date of the matter originally suspended. Supplements issued should be filed on statutory notice if practicable and otherwise on shorter notice, but the notice shall be as long as time will reasonably permit and in no event less than one day. Where the effectiveness of matter originally suspended by the Commission has been voluntarily postponed beyond the term of the Commission's order, no change may be made during the period of such voluntary postponement in the tariff matter which was originally held in force by the Commission's suspension order, except by order or special permission of the Commission.

(3) Where, following the entry of a report and order in an investigation and suspension proceeding, a further order is entered in such proceeding postponing the effective date or requirement of the original order, the carrier or publishing agent, under authority of this section, may issue a supplement effecting such further deferment of the suspended schedule, and may also issue supplements to announce postponement of effective date of canceling supplements or cancelation notices filed following the entry of a report and order in an investigation and suspension proceeding to and including a date immediately preceding the effective date fixed in the postponing order. Further, where, pursuant to the provisions of section 17 (8) of the Interstate Commerce Act, the filing of an application for rehearing, reargument, or reconsideration, stays the order fixing the effective date of a requirement or other action in an investigation and suspension proceeding, as evidenced by notice of the Commission to the parties, the carrier or publishing agent, under authority of this section, may issue a supplement effecting further deferment of the schedule under suspension or under voluntary postponement, and also may issue a supplement to announce postponement of the effective date of a cancelation supplement or notice that was filed following the entry of the report and order in such investigation and suspension proceeding. (Postponement should be to, and including, the last day of the suspension period prescribed in the suspension order, except where the responsible carrier or publishing agent elects to defer the use of the suspended schedules beyond the statutory period of suspension, in which event postponement should be until the date upon which the supplement announcing such postponement is canceled.) Supplements issued should be filed on statutory notice if practicable, and otherwise on shorter notice, but the notice shall be as long as time will reasonably permit and in no event less than one day.

(4) When the Commission has suspended a supplement in whole or in part, it sometimes occurs that prior to the filing of the supplement announcing suspension, a later supplement is filed which purports to reissue the suspended matter. In such instances the suspension sup-

plement required by subparagraph (1) of this paragraph shall also (i) specifically cancel from the later supplement such reissued matter, and (ii) amend the cancelation notice on the title page of said supplement so as to except the suspended matter from the cancelation. Tardiness in filing supplements announcing suspension may result in the rejection by the Commission of the supplement which cancels the suspended matter.

(5) When the Commission suspends an entire tariff, the previous tariff and effective supplements are continued in effect and will remain in force during the period of suspension or until lawfully canceled or reissued. Except as to loose-leaf tariffs and tariffs of less than two pages, supplements containing additions to and/or changes in fares or other provisions which were not sought to be changed by the suspended tariff may be filed to the previous tariff without regard to the volume of supplemental matter which the effective supplements in the aggregate may contain. If the volume of supplemental matter permitted by paragraph (e) of this section has been exceeded under authority of this paragraph and the Commission orders the cancelation of the suspended tariff, the volume of supplemental matter must be brought within the requirements of paragraph (e) of this section by schedule filed within ninety days, or such tariff must be reissued in accordance with the following: If consisting of less than 100 pages, by schedule filed within ninety days, and if consisting of 100 or more pages, by schedule filed within one hundred and twenty days, from date upon which the suspended tariff is canceled.

(6) When the Commission suspends an entire supplement, the supplement will not be counted in the number of supplements nor in the volume of supplemental matter permitted by paragraph (e) of this section; nor in the event of suspension of a portion of a supplement will that supplement be so counted after all matter therein except the suspended portions has been reissued in or canceled by a subsequent supplement. Such subsequent supplement shall cancel the supplement containing the suspended matter "except portions under suspension in I. & S. Docket No. ____, viz (identifying the suspended portion by item and page number)."

(7) When a tariff (not a supplement), any portion of which is under suspension, is canceled, the new tariff may either: (i) Cancel the previous tariff "except portions under suspension in I. & S. Docket No. ____, viz (identifying the suspended matter and the matter held in force by the suspension order by item and page number)," or (ii) cancel the previous tariff entirely and bring forward without change the matter held in force by the order of suspension, followed immediately by the matter under suspension. The matter held in force by the order of suspension must be identified as such and shown as expiring with the date to which the suspended matter has been postponed. The suspended matter immediately following must likewise be identified as such and shown as effective on the day following the expiration of the matter held in force by the order of suspension.

(8) When an order of suspension relates to a portion of a new tariff or a supplement thereto, intended to supersede completely a readily identifiable prior tariff item (or other unit), such matter as is continued in effect by the order of suspension may be published (see note following subparagraph (9) of this paragraph) in the supplement announcing suspension. When so published the following notation must be provided in connection therewith, either as a note or as the explanation of a reference mark:

The matter subject to this [note or reference mark as the case may be] is reissued from tariff I. C. C. No. ____ and is continued in effect by the terms of the order of suspension in I. & S. Docket No. ____, and, unless it is sooner canceled, changed or extended, will expire with _____. (The date to be shown will be the date to which the suspended matter has been postponed.)

(9) When an order suspends a particular fare or fares or a portion of matter in an item (or other unit) in a new tariff and the matter remaining in effect in a prior tariff thereby becomes an integral part of such item (or other unit) of the new tariff, the entire item (or other unit) of the new tariff may be republished in the supplement announcing the suspension, provided there is shown in such item (or other unit) (i) the matter continued in effect by reason of the order of suspension, (ii) the suspended matter, and (iii) all other provisions of the item (or other unit) without change and appropriately indicated as reissued from the new tariff (see note following this subparagraph). The matter held in force by the order of suspension must be identified as such and shown as expiring with the date to which the suspended matter has been postponed. The suspended matter immediately following likewise must be identified as such and shown as effective on the day following the expiration of the matter held in force by the order of suspension. When the effective date of suspended matter has been indefinitely postponed, that fact must be stated by appropriate language.

NOTE: The form of publication permitted by the immediately preceding subparagraphs (8) and (9) may be used only when it permits complete cancelation of the tariff containing the matter continued in effect by the order of suspension. It may not be used in loose-leaf tariffs nor where the application of matter continued in effect depends in whole or in part upon other provisions, such as station grouping, rules or regulations, which differ from those in the new tariff and which cannot be brought forward in the supplement announcing suspension.

(10) When a revised (not an original) loose-leaf page, a portion of which is under suspension, is reissued, the new revised page shall (i) include the matter continued in effect by reason of the order of suspension, (ii) cancel the page previously containing such matter, and (iii) cancel the loose-leaf page containing the suspended matter "except portions under suspension in I. & S. Docket No. ____, viz. (identifying the suspended portion by item and page number)."

(11) Neither a suspended tariff provision nor a provision held in force by reason of an order of suspension may be changed or canceled except by order or permission of the Commission.

(12) When the Commission vacates an order of suspension, or when suspended matter has been voluntarily postponed beyond the term of the Commission's order, and the Commission finds the suspended matter justified, a supplement may be filed making the suspended or postponed matter effective on one day's notice unless the Commission directs otherwise.

(13) When an order which suspended a tariff in its entirety is vacated or the Commission formally finds that the suspended tariff is justified, the vacating supplement filed under authority of this section also may include as reissues, any changes or additions which in the interim have been made in the tariff which was held in force by the order of suspension. If by special permission a new tariff has been filed during the period of suspension, canceling the tariff proposed to be canceled by the suspended tariff, any changes or additions published in the new tariff which are not included in the suspended tariff likewise may be included in the vacating supplement as reissued items, but in such cases the vacating supplement also must cancel the new tariff. No other matter may be included in vacating supplements. When reissued matter is published in a vacating supplement, the vacation notice must be printed in not less than 8-point type, either on the title page or immediately preceding the particular tariff matter to which the notice applies.

(14) When a tariff has been canceled, except portions under suspension, by a new tariff, and the Commission vacates its suspension order and/or formally finds the suspended matter justified, after the new tariff has become effective, a supplement may be filed to the new tariff on not less than one day's notice (unless the Commission directs otherwise), republishing and establishing the suspended matter and canceling the matter which was effective during the period of suspension, together with the matter under suspension in the former issue. When the Commission vacates its suspension order and/or formally finds the suspended matter justified before the new tariff becomes effective, a vacating supplement as provided in this section should be filed to the old tariff, and a supplement also should be filed to the new tariff on not less than one day's notice (unless the Commission directs otherwise), establishing therein the matter which was under suspension in the old tariff. A supplement common to both tariffs as authorized by paragraph (f) of this section may be issued for this purpose.

(15) When the Commission suspends matter in a tariff or supplement thereto and thereafter orders its cancelation, the cancelation shall become effective upon

not less than one day's notice (unless the Commission directs otherwise), by supplement to or reissue of the tariff. When the Commission orders suspended matter canceled and the final date for compliance is subsequent to the date to which the matter has been postponed, carriers should endeavor to make the cancelation in time to prevent the fares or other provisions which have been found not justified from becoming effective. If this is not done and the suspended matter becomes temporarily effective, it is necessary, when cancelation is effected, to republish and reestablish the matter which was continued in force by reason of the order of suspension.

(16) Every suspension, vacating, and cancelation supplement issued under authority of this section must bear on its title page the following notation:

Issued under authority of § 1303.8(1) of Tariff Circular 24 and in compliance with decision of the Interstate Commerce Commission in I. & S. Docket No. ____ of (date).

Postponement supplements issued under authority of this section must show on the title page:

Issued upon ____ days' notice under authority of § 1303.8(1) of Tariff Circular 24.

(17) Supplements issued under authority of this paragraph will not be counted against number of effective supplements or the volume of supplemental matter permitted under paragraph (e) of this section, but must be listed among the effective supplements as required by paragraph (a) (2) of this section.

(18) The provisions of the foregoing subparagraphs of this paragraph relating to suspension, postponement, vacating, and cancelation supplements also will govern in connection with tariffs issued in loose-leaf form, except that such supplements must not contain any other matter. All changes made in loose-leaf tariffs must be published on revised pages (see § 1303.6).

§ 1303.9 [Reserved]

§ 1303.10 Index of tariffs.

(a) *Tariffs to be included.* (1) Each carrier, except as otherwise provided, shall publish under proper I.C.C. number, post and file, a complete index of all tariffs issued by it or to which it is a party as an initial carrier which are in effect on the date of issue of the index or which have been filed with the Commission to become effective at a later date; except that a carrier which issues not more than five tariffs in its own I.C.C. series need not file an index if such tariffs contain only local fares, rates, and charges, and the rules and regulations applicable in connection therewith.

(2) Tariffs which remain in effect for a period less than thirty days may be omitted from the index.

(3) If the carrier so desires, lists of its intrastate tariffs, division sheets, official circulars, and the numbers of its tariffs or division sheets may be shown in the index.

(b) *Contents.* (1) The index shall show: I. C. C. number; full or abbreviated name of issuing carrier, tariff-publishing bureau or agent; a brief description of the character of the tariff; a concise statement of the territory from and to which the tariff applies.

(2) The index also shall contain a complete list of the effective tariffs of the carrier's own I. C. C. series arranged in numerical order, except that if the total number of effective tariffs is less than 20, such list may be omitted.

(c) *Joint index.* A carrier may issue for itself and its family lines under proper form of concurrence a joint index. In similar manner, an agent, acting under power of attorney for each of a group of carriers, may issue a joint or consolidated index of tariffs of such carriers. The joint or consolidated index must contain all information for each participating carrier that is required to be shown in a separate index of the carrier's issue.

(d) *Revisions and supplements.* The index shall be revised to reflect changes, either by reissue each three months, or by supplement which need not be issued oftener than every three months and reissue of the index at least every twenty-four months. Supplements must show additions, changes, and cancelations made in the index itself or in prior supplements by reference to the pages, or index number, if used, where the entry is to be added or where the changed or canceled entry appears. Supplements may be issued without regard to volume of supplemental matter permitted by § 1303.8(e), and not more than three supplements may be in effect at any time.

(e) *Notation on title page; no effective date.* The title page of an index (or a supplement thereto) must bear the notation: "This index (or as amended by this supplement) contains list of tariff publications in effect _____ _____ (Date, the same as date of issue) _____ or which have been filed to become effective at a later date as shown within." The title page shall bear date of issue but no effective date. Section 1303.11(b) requiring thirty days filing notice does not apply to indexes or supplements thereto.

(f) *Consolidated passenger and freight index.* One index containing both passenger and freight tariffs may be filed; in which event, the information required by the regulations governing each type of index must be shown in separate sections, the index must be given an I. C. C. number in both the freight and passenger series, and four copies must be filed with the Commission. The regulations governing the issuing of supplements and reissue of the index applying to the freight tariff index will govern the supplementing and reissue of a passenger and freight tariff index.

§ 1303.11 Filing Tariffs; rejections.

(a) *Who may file.* Tariffs shall be published and filed by carriers either directly or through duly authorized tariff-publishing agents. When filed directly by a carrier, the concurrence (or power of attorney as authorized in § 1303.13 (f)), and when filed by an agent, the power of attorney, of every carrier participating therein must be filed or on file with the Commission. (See §§ 1303.12 to 1303.15 inclusive.)

(b) *Agent shall file under own I. C. C. number.* A tariff publishing agent must file tariffs under his (or its) own single series of I. C. C. numbers and not in the series of any of his (or its) principals. If the agent is a corporation or an unincorporated association (see § 1303.12 (a)), having jurisdiction over two or more tariff-publishing organizations, bureaus, or committees, the tariffs issued through each such tariff-publishing organization may bear a separate series of I. C. C. numbers.

(c) *Tariffs to bear consecutive I. C. C. numbers.* I. C. C. numbers shall be assigned to tariffs in consecutive numerical order and, insofar as possible, tariffs should be filed with the Commission in that order. If for any reason a tariff is filed with the Commission, the I. C. C. number of which is not consecutive with the last tariff filed, such tariff should be accompanied by a memorandum explaining as to the missing number or numbers.

(d) *One filing for all participating carriers.* Tariffs must be filed with the Commission by the issuing carrier or agent, and such filing will constitute filing for all of the carriers parties thereto. The agent or carrier that issues a joint tariff shall at once send copies thereof to each carrier that is named as a party thereto. (See § 1303.34 relating to posting requirements.)

(e) *Conflict between tariffs, avoidance.* A carrier that grants authority to an agent or to another carrier to publish and file certain of its fares or other provisions must not in tariffs of its own issue publish fares or other provisions which conflict with or duplicate those published by such agent or carrier. (See § 1303.4(f)(10).)

(f) *Period of notice.* (1) The act requires that all changes in fares, rates, or charges, or in rules that affect fares, rates, or charges, shall be filed with the Commission at least thirty days before the date they are to become effective unless otherwise authorized by the Commission. Manifestly it is impossible for the Commission to check the contents of tariffs to determine whether statutory notice has been given. Therefore, except as otherwise authorized by the Commission, thirty days' notice to the public and to the Commission must be given as to every tariff publication filed with the Commission, regardless of whether or not changes are effected thereby.

(2) A supplement in which all changes are made on less than statutory notice under authority of this part, special permission or other order of the Commission, and which supplement also contains provisions reissued without change may show on its title page the short-notice effective date so authorized for issued matter shows the original effective date. The notation required by the changed matter, provided all re-

§ 1303.3(e)(1) must be shown in connection with the effective date on the title page of the supplement.

(g) *Changes, 30 days' effectiveness required; expiration dates.* (1) After notice of a change in fares, rates or other tariff provisions has been published and filed, the new fares, rates or other provisions, unless they can be changed or canceled on or before their published effective date on thirty days' notice, must be allowed to go into effect, and fares, rates, or other provisions which have become effective cannot be changed or canceled for at least thirty days after their effective date, except as otherwise authorized by rule, decision or order of the Commission.

(2) A tariff or a part thereof may provide that it will expire with a date specified therein and which is at least thirty days subsequent to the date upon which it becomes effective, and this will be legal notice of the cancelation of such tariff or part of a tariff, except that the expiration date of a tariff or a part thereof issued under authority of §§ 1303.22 and 1303.25 may be less than thirty days subsequent to the date upon which it becomes effective.

(3) A tariff or a part thereof which provides that it will expire upon a specified date may be amended in the regular way and upon lawful notice, even though such amendment will not remain in effect for thirty days prior to the date of expiration.

(h) *Liability of carrier not relieved by filing of tariffs.* The law affirmatively imposes upon each carrier the duty of filing with the Commission and posting for public inspection all of its tariffs and amendments thereto in the manner prescribed in the act or in any rule which may be promulgated by the Commission. A penalty is provided for failure to do so or for using any fare or charge which is not contained in its lawfully filed tariffs. The receipt and filing of a tariff or supplement does not relieve the carrier from liability for violation of the act or of regulations issued thereunder.

(i) *Promulgation of fares prescribed by Commission.* (1) Fares, rates, charges, rules or regulations prescribed by the Commission in its decisions and orders in formal cases shall be promulgated by the carriers against which such orders are entered, in duly published and posted tariffs, loose-leaf pages, or supplements, and notice shall be sent to the Commission that its decision (or order) in Docket No. ____, has been complied with in item ____, page ____, of _____ tariff, I. C. C. No. ____ or supplement No. ____ to ____ tariff, I. C. C. No. ____.

(2) Unless otherwise specified in the decision or order in the case, such tariff, loose-leaf page, or supplement must be made effective upon statutory notice to the Commission and to the public. Whether made effective on less than statutory notice under special permission authority granted in the decision or order in the case, or upon statutory notice, when an entire tariff or supplement is issued in compliance with a decision or order, such tariff or supplement shall bear on its title page the notation "In compliance with decision (or order) of Interstate Commerce Commission in Docket No. ____." Whenever possible, the notation should include reference to the volume and page number of the report of the Interstate Commerce Commission. If the decision or order of the Commission affects only portions of the tariff or supplements, the notation shall be shown in connection with each portion so affected.

(j) *Number of copies; address.* (1) Two copies of each tariff shall be filed with the Commission, both copies to be filed together under one letter of transmittal. They must be addressed to the Interstate Commerce Commission, Washington, D.C. 20423, with the envelope marked as containing "Tariffs."

(2) No tariff will be received by the Commission unless it is delivered to it free of all charges, including claims for postage.

(k) *Letter of transmittal.* (1) All tariff publications filed with the Commission shall be accompanied by a letter of transmittal 8 x 10½ inches in size, in form substantially as follows:

[Correct name of carrier]

[Post Office Address]

(Date)

Transmittal No. ----------

To the Interstate Commerce Commission, Washington, D.C. 20423.

Accompanying schedule is sent you for filing in compliance with the requirements of the Interstate Commerce Act, issued by ----------, and bearing tariff ____, I. C. C. ____; Supp. ____ to I. C. C. ____; ____ Revised Page ____ to I. C. C. ____; effective ----------, 19__; and is concurred in by all carriers named therein as participants under continuing concurrences or authorizations now on file with the Interstate Commerce Commission, except the following-named carriers, whose concurrences are attached hereto:

(Signed) ----------

(Title) ----------

(2) A separate letter may accompany each schedule, or the form may be modified to provide for filing under one letter as many schedules as can be conveniently entered. In filing blanket supplements a copy of the blanket supplement may be attached to the letter of transmittal as a part thereof in lieu of listing in the body of the letter of transmittal each supplement and tariff supplemented. When this is done, the statement "(See exhibit attached)" should be inserted in the body of the letter of transmittal where supplement numbers usually are listed. Separate letters must be used for freight and passenger schedules. If receipt for accompanying schedule is desired, the letter of transmittal must be sent in duplicate, and one copy showing the date of receipt by the Commission will be returned to the sender.

(l) [Reserved]

(m) *Rejection of tariffs or notices of revocation.* (1) Any tariff or schedule tendered for filing, which fails to give lawful notice of changes in fares, rates, charges, or other provisions which it proposes to establish, or which fails to meet the requirements of the regulations, contained in this part, or violates any order of the Commission or of a court, is subject to rejection by the Commission. When a tariff or schedule is rejected, the Commission, acting through a designated administrative officer, will inform the carrier or the agent who tendered it for filing, in writing, of the reasons for rejection, and will return the rejected tariff or schedule to such carrier or agent.

(2) The number assigned to the tariff or schedule that has been rejected may not again be used. The rejected tariff or schedule may not be referred to in any subsequent tariff or schedule as having been canceled, amended or withdrawn, but the tariff or schedule that is published in its stead must bear the following notation: "Issued in lieu of (here identify the rejected schedule or tariff), rejected by the Commission."

(3) A notice of the revocation, complete or partial, of a concurrence or power of attorney which, if it were to become effective, would require the establishment of fares, rates, or charges in violation of an order of the Commission or of a court, or of the regulations contained in this part, may be rejected in the same manner as a tariff or schedule, and any such notice of revocation which would require the establishment of fares, rates or charges of doubtful lawfulness may be suspended.

(n) *Tariffs filed not returned, unless rejected.* Tariff publications received for filing will not be returned unless rejected in accordance with paragraph (m) of this section.

§ 1303.12 **Tariffs issued through an agent.**

(a) *Agents: natural persons, corporations, or associations.* If a carrier desires to issue a tariff or tariffs through an agent, it may do so by filing with the Commission an appropriate power of attorney to the designated agent. Agents may be either natural persons, corporations, or unincorporated associations whose articles of association (or other form of agreement) have been approved by the Commission in a proceeding pursuant to the provisions of section 5a, Part I, of the Interstate Commerce Act. An officer or employee of an incorporated tariff-publishing agent may not act as an agent in his individual capacity for the publication of tariffs.

(b) *Designation of issuing officer.* When an association or corporation has been appointed an issuing agent, the executive head thereof shall at once notify the Commission of the name of the individual who is to be responsible for the actual compilation and filing of each I. C. C. series of tariffs issued by the agent. There may be only one issuing officer for each such series of tariffs, and the same individual may not act as issuing officer for more than one series without the special permission of the Commission. When an issuing officer is replaced, the Commission shall be immediately notified in like manner of his successor.

(c) *Alternate agent.* When a natural person is authorized by power of attorney to act as a tariff-publishing agent, such instrument shall designate another natural person to act as alternate agent in the event of the death or disability of the principal agent. On or before the date of filing of the first tariff or supplement by the alternate agent under the authority granted in the instrument, such alternate agent shall notify the Commission in writing that death or disability of the principal agent has occurred and that he, the alternate agent, will thereafter act until the appointment of a new principal agent. The term "disability" as used in the instrument means resignation, permanent transfer to other duties, or other permanent absence of the principal agent. After an alternate agent has once exercised the authority granted by the instrument, the principal agent may not thereafter act under that instrument.

§ 1303.13 Powers of attorney.

(a) *Publishing agent.* (1) A power of attorney shall be used by a carrier to give to a publishing agent, but not to another carrier, authority to publish and file passenger tariffs and supplements for it, except that a carrier may give a power of attorney to another carrier in the circumstances and subject to the conditions stated in paragraph (f) of this section. Powers of attorney given to publishing agents may be either unlimited or limited, and in the case of corporations or unincorporated associations comprised of more than one bureau, committee or regional organization, the power of attorney may consist of multiple instruments, such instruments to define separately the authority to be exercised by each component bureau, committee or regional organization.

(2) A carrier may not have in effect at the same time an unlimited power of attorney and a limited power of attorney in favor of the same agent for use by the same bureau, committee, or regional organization.

(b) *Unlimited power of attorney form.* (1) An unlimited power of attorney, when given to a publishing agent, authorizes the agent to file any passenger tariff in which the carrier giving the power is a participating carrier. Form PA1 confers unlimited authority to publish local fares and charges for the carrier issuing the power and to publish joint fares and charges for such carrier and such other carriers as have issued the necessary authority.

(2) The following form of power of attorney, PA1, shall be used to give such unlimited powers:

POWER OF ATTORNEY

PA1 No. --
Cancels ---- No. --

(Name of Carrier)

(Mail Address)

(Date)

Know All Men by These Presents:

That the [full and correct name of carrier] has made, constituted, and appointed, and by these presents does make, constitute, and appoint [name of principal agent] its true and lawful attorney and agent, to file in its name, place, and stead, (1) for it alone, and (2) for it jointly with other carriers [through its (name of bureau, committee, or regional organization, if any)], passenger tariffs and supplements thereto, as required of common carriers by existing laws and regulations established thereunder. And does hereby give and grant unto its said attorney and agent full and unlimited power and authority to do and perform all and every act and thing above specified as fully, to all intents and purposes, as if the same were done and performed by the undersigned carrier itself, and does hereby assume full responsibility for the acts and failures to act of said attorney and agent.

And, further, that the undersigned carrier does hereby make and appoint [name of alternate agent] alternate attorney and agent to do and perform the same acts and exercise the same authority herein granted to the principal agent in the event and only in the event of the death or disability of the above-named principal agent.

(Name of Carrier)

By ---
Its ---
(Title)

Duplicate mailed to:
(Name of Agent)
(Address)

(c) *Limited power of attorney form.* (1) A power of attorney may be limited in any appropriate manner provided the limitations are specifically and unambiguously expressed in the instrument. For example, the agent may be authorized to publish only local fares, only joint fares, only specified rates and charges, or fares and charges in a specified territory, or only specified tariffs or types of tariffs.

(2) The following power of attorney, Form PA2, shall be used to give such limited authority:

POWER OF ATTORNEY

PA2 No. --
Cancels ---- No. --

(Name of Carrier)

(Mail Address)

(Date)

Know All Men by These Presents:

That the [full and correct name of carrier] has made, constituted, and appointed and by these presents does make, constitute and appoint [name of principal agent] its true and lawful attorney and agent, to file in its name, place, and stead, (1) for it alone, and (2) for it jointly with other carriers [through its (name of bureau, committee, or regional organization, if any)], passenger tariffs and supplements thereto and successive reissues thereof, as required of common carriers by existing laws and regulations established thereunder, but only as hereinafter specified:

(Here specify affirmatively the precise authority given to the agent)

And does hereby give and grant unto its said attorney and agent full power and authority to do and perform all and every act and thing above specified as fully, to all intents and purposes, as if the same were done and performed by the undersigned carrier itself, and does hereby assume full responsibility for the acts and failures to act of said attorney and agent.

And, further, that the undersigned carrier does hereby make and appoint [name of alternate agent] alternate attorney and agent to do and perform the same acts and exercise the same authority herein granted to the principal agent in the event and only in the event of the death or disability of the above-named principal agent.

(Name of Carrier)

By ---
Its ---
(Title)

Duplicate mailed to:
(Name of Agent)
(Address)

(d) *Manner of execution.* (1) In the blank space for the name of the carrier in Forms PA1, PA2, and PA3, there must be shown, if the carrier is an individual, the individual name followed by the trade name, if any. If the carrier is a partnership, the correct names of all partners must be given, followed by the trade name, if any. If the carrier is a corporation, the correct corporate name must be used.

(2) If the carrier is an individual, the power of attorney must be signed by the individual. If a partnership, the power of attorney must be signed individually by each partner. If the carrier is a corporation, the power of attorney must be signed by the president, a vice president, or any other authorized official of the carrier. However, before the signature of an employee other than the president or a vice president on a power of attorney will be recognized by the Commission, the carrier must file with the Commission, over the signature of the president or a vice president, a statement reciting that the individual is authorized to sign powers of attorney. The statement must include a specimen signature of the individual or individuals so designated. The authority to sign powers of attorney may be conferred, in the manner described, on more than one official of the carriers. If the carrier is being operated by trustees or receivers, the power of attorney must be signed by each trustee or receiver individually or by his or their designee. Trustees or receivers may invest others with the authority to sign in the same manner as the president or vice president of a corporation may confer the authority on subordinate officials.

(3) If the agent appointed by either PA1 or PA2 is a corporation or an unincorporated association, the last full paragraph of the form shall be omitted.

(e) *Joint agents.* If an agent does not hold the requisite authority to publish a particular tariff, the authority to do so may be obtained by pooling the authority held by him with that held by one or more other agents, and the tariff may be published jointly by both or all such agents in the I. C. C. series of each. For example, if one agent has authority to publish fares only from territory A to territory B, and another agent has authority to publish fares only from territory B to territory A, the fares may be published in a single tariff on a "between" basis and filed with the Commission as a joint tariff of both agents under the I. C. C. series of each.

(f) *Carrier acting for another carrier.* (1) A power of attorney may be given by small carriers to large carriers with

which they connect, or by subsidiary to parent carriers, authorizing the large or parent carriers to publish tariffs, to give and receive concurrences, and to give powers of attorney to agents, all in behalf of the small or subsidiary carrier. The authority granted may be unlimited, as in the form which follows (Form PA-3), or it may be limited in any appropriate manner, provided the limitations are specifically and unambiguously expressed in the instrument. When a PA3 form of power of attorney has been given, the granting carrier may not thereafter do in its own behalf anything which it has authorized the grantee carrier to do in its stead. Concurrences and powers of attorney given by the grantee carrier, however, will be deemed to be given on its own behalf only, unless the instrument expressly recites that it is given or is also given, in behalf of the carrier for which it holds power of attorney. When a PA3 form of power of attorney authorizes the grantee carrier to publish and file tariffs in which the granting carrier is a participant, the grantee carrier need not give a concurrence to itself in behalf of the granting carrier.

(2) The following form of power of attorney, Form PA3, shall be used by a carrier to give authority to another carrier. When the authority is to be limited in any way, the form should be altered to the extent necessary.

POWER OF ATTORNEY

PA3 No. --
Cancels ---- No. --

(Name of Carrier)

(Mail Address)

(Date)

Know All Men by These Presents:

That the [name of granting carrier] has made, constituted, and appointed, and by these presents does make, constitute, and appoint [name of grantee carrier] its true and lawful attorney and agent (1) to issue in its name, place and stead powers of attorney to tariff-publishing agents, (2) to give and receive in its name, place and stead concurrences in tariffs of other carriers, and (3) to publish and file, or cause to be published and filed, passenger tariffs and supplements thereto and successive reissues thereof, in which the undersigned carrier is a participant, all as required of common carriers by existing laws and regulations established thereunder. And the undersigned carrier does hereby give and grant unto its said attorney and agent, full, sole and exclusive power and authority to do and perform all and every act and thing above specified for and on behalf of the undersigned carrier as fully, to all intents and purposes, as if the same were done and performed by the undersigned carrier itself, and does hereby assume full responsibility for the acts and failures to act of its attorney and agent.

(Name of Carrier)
By ---
Its ---
(Title)

Duplicate mailed to:
(Name and Title of Officer)
(Name of Carrier)
(Address)

§ 1303.14 Concurrences.

(a) A carrier desiring to become a participant in a tariff or tariffs issued by another carrier (not by an agent) may do so by filing with the Commission a limited or unlimited concurrence (except as provided in § 1303.13(f)) in one of the four following forms. In forms PC2 and PC4 the limitations must be specifically and unambiguously expressed.

(1) Form PC1, which follows, is unlimited and covers all passenger tariffs applying on traffic moving from, to, via or at points on the line of the carrier giving the concurrence:

CONCURRENCE

PC1 No. --
Cancels ---- No. --

(Name of Carrier)

(Mail Address)

(Date)

To the Interstate Commerce Commission, Washington, D.C. 20423.

This is to certify that [name of carrier issuing concurrence] assents to and concurs in all passenger tariffs and supplements thereto, filed by [name of carrier to which concurrence is given] in which the undersigned carrier is shown as a participant, and the undersigned carrier hereby makes itself a party thereto and bound thereby insofar as such tariffs apply from, to, via or at points on its lines, until this authority is revoked by formal notice of revocation filed with the Interstate Commerce Commission and sent to the carrier to which this concurrence is given.

(Name of Carrier)
By ---
Its ---
(Title)

Duplicate mailed to:
(Name and Title of Officer)
(Name of Carrier)
(Address)

(2) Form PC2 covers passenger tariffs applying on limited but affirmatively specified traffic moving from, to, via, or at points on the line of the carrier giving the concurrence. The form follows:

CONCURRENCE

PC2 No. --
Cancels ---- No. --

(Name of Carrier)

(Mail Address)

(Date)

To the Interstate Commerce Commission, Washington, D.C. 20423.

This is to certify that [name of carrier issuing concurrence] assents to and concurs in all passenger tariffs and supplements thereto, filed by [name of carrier to which concurrence is given] in which the undersigned carrier is shown as a participant, but only to the extent that such tariffs apply:

(Here affirmatively state the limitations, such as designating the points to and/or from and/or at which, the limited territory within which, or the specific publication(s) or series of tariffs to which, the concurrence shall be applicable)

And the undersigned carrier hereby makes itself a party thereto and bound thereby insofar as such tariffs apply from, to, via or at points on its lines, until this authority is revoked by formal notice of revocation filed with the Interstate Commerce Commission and sent to the carrier to which this concurrence is given.

(Name of Carrier)
By ---
Its ---
(Title)

Duplicate mailed to:
(Name and Title of Officer)
(Name of Carrier)
(Address)

(3) Form PC3 is restricted to passenger tariffs applying on traffic moving to points on or via the line of the carrier giving the concurrence but is not otherwise limited. The form follows:

CONCURRENCE

PC3 No. --
Cancels ---- No. --

(Name of Carrier)

(Mail Address)

(Date)

To the Interstate Commerce Commission, Washington, D.C. 20423.

This is to certify that [name of carrier issuing concurrence] assents to and concurs in all passenger tariffs or supplements thereto filed by the [name of carrier to which concurrence is given] in which the undersigned carrier is shown as a participant, and hereby makes itself a party thereto and bound thereby, insofar as such tariffs or supplements contain rates or other provisions applying via its lines and to, but not from or at, points thereon, until this authority is revoked by formal notice of revocation filed with the Interstate Commerce Commission and sent to the carrier to which this concurrence is given.

(Name of Carrier)
By ---
Its ---
(Title)

Duplicate mailed to:
(Name and Title of Officer)
(Name of Carrier)
(Address)

(4) Form PC4, which follows, covers passenger tariffs applying on limited but affirmatively specified traffic moving to points on or via the line of the carrier giving the concurrence.

CONCURRENCE

PC4 No. --
Cancels ---- No. --

(Name of Carrier)

(Mail Address)

(Date)

To the Interstate Commerce Commission, Washington, D.C. 20423.

This is to certify that [name of carrier issuing concurrence] assents to and concurs in all passenger tariffs or supplements thereto filed by [name of carrier to which concurrence is given] in which the undersigned carrier is shown as a participant, but only to the extent that such tariffs apply:

(Here affirmatively state the limitations, such as designating the points to or the lines over which, the limited territory within which, or the specific publication(s) or series of tariffs to which, the concurrence shall be applicable)

And the undersigned carrier hereby makes itself a party to such tariffs and bound

thereby insofar as such tariffs or supplements contain fares or other provisions applying via its lines and to, but not from or at, points thereon, until this authority is revoked by formal notice of revocation filed with the Interstate Commerce Commission and sent to the carrier to which this concurrence is given.

(Name of Carrier)

By ---

Its ---
(Title)

Duplicate mailed to:
(Name and Title of Officer)
(Name of Carrier)
(Address)

(b) Concurrences shall be personally signed by any official of the issuing carrier.

(c) If a carrier has been authorized by power of attorney to issue concurrences in behalf of one or more small or subsidiary carriers (see § 1303.13(f)), the carrier holding such authority may by a single instrument issue a concurrence in its own behalf and in behalf of any or all of such small or subsidiary carriers.

§ 1303.15 Filing of powers of attorney and concurrences.

(a) If a power of attorney or concurrence is issued subsequent to the date of the filing of the tariff with the Commission, the original instrument shall be forwarded directly to the Commission with a copy to the issuing agent or carrier, but if it is issued prior to or concurrently with the issuance of the tariff, the original instrument may either be forwarded directly to the Commission, or it may be sent to the carrier or agent issuing the tariff and be transmitted by it or him to the Commission with the tariff. (For exceptions see §§ 1303.17 and 1303.18.)

(b) Powers of attorney, concurrences, amendments thereto and revocation notices shall be printed or typed on paper of good quality, 8 x 10½ inches, and must show the date on which they are issued. Each power of attorney and concurrence shall bear a form and serial number, the serial numbers to run consecutively for each form of instrument. Concurrences issued by a carrier jointly in its own behalf and in behalf of one or more other carriers (see § 1303.13(f)) may, if desired, be issued under a separate series of numbers. The form and serial numbers shall be shown on the upper right-hand corner, and immediately thereunder shall be shown the form and number of the power of attorney or concurrence, if any, which is canceled thereby. If the instrument to be canceled contains more authority or is broader in scope than the new instrument, such new instrument must in addition to the date of issue, bear an effective date at least 60 days after the date on which it is received by the Commission. When the new instrument is the same or broader in scope than the instrument which it cancels, it becomes effective when filed with the Commission. The instrument also shall show, in the lower left-hand corner, the name, title and address of the person to whom the duplicate is sent.

§ 1303.16 Certificate stating correct name of carrier to be filed.

When a corporate or partnership carrier files its first tariff, power of attorney or concurrence, it also shall file a certificate stating the precisely correct name of the carrier as it appears in the charter or articles of incorporation, or in the articles of co-partnership, as the case may be. If, for example, the article "The" is a part of the carrier's name, if the conjunction "and" appears therein as "&", or if the word "Company" is abbreviated to "Co.", the certificate must so indicate.

§ 1303.17 Transfer of authority from one agent to another agent.

(a) When it is desired to transfer authority from one agent to another agent superseding the former agent as to all such agent's effective tariffs, the transfer shall be accomplished by filing a new power of attorney naming the agent (and alternate when the new agent is a natural person) thereafter to serve, which shall specifically cancel the previous instrument or instruments, by including the following in the power of attorney to the new agent:

This power of attorney cancels the following power(s) of attorney:

Power of attorney form and number	In favor of
(Insert power of attorney forms and numbers)	(Insert name of agent and alternate)

(b) Under all other conditions the power of attorney must be revoked in accordance with § 1303.21(b).

(c) The originals of such powers of attorney shall not be sent immediately to the Commission, but shall be forwarded to the new agent, who, after all the necessary instruments shall have been secured, shall file all of the originals with the Commission at one time. The new agent may file no tariffs with the Commission until the powers of attorney from all of the carriers shown therein as participants have been so filed.

§ 1303.18 Procedure when one publishing agent succeeds another.

(a) When powers of attorney have been issued to a natural person and his alternate, and death or disability of either the principal agent or the alternate occurs, new powers of attorney shall be filed with the Commission within 180 days, canceling the previous instruments and designating the new agent (and also his alternate if the new agent is a natural person) thereafter to serve. If the filing of the new instruments is occasioned by the death or disability of the former alternate, the new instruments may, if desired, continue the former principal agent and designate a new alternate only. Likewise if death or disability of the principal agent has occurred it is permissible to continue the former alternate agent in the new instruments and designate a new principal agent only. As soon as the instruments appointing the new agent are filed the alternate agent who in the interim has acted may no longer do so. The new powers of attorney shall not be forwarded directly to the Commission, but shall be collected by the new agent and forwarded to the Commission together, as provided in § 1303.17. The new agent may not file a tariff for any carrier until that carrier's power of attorney to him is on file with the Commission.

(b) In the first amendment to each tariff issued by the alternate agent after the death or disability of the principal agent, there shall be shown a statement reading substantially as follows: "On and after (show here the date on which the principal agent ceased to act) this publication shall be considered as the issue of ---, Alternate Agent".

(c) A new agent, on or after the filing of his or its authorities, shall include in the next supplement to each of the effective tariffs previously taken over by the alternate agent a statement reading substantially as follows: "On and after (show here the date on which the new authorities are filed with this Commission), this publication shall be considered as the issue of ---, Agent".

§ 1303.19 I.C.C. numbers of tariffs issued by a new agent or alternate agent.

Tariffs issued by a new agent may be, and those issued by an alternate agent must be, numbered in the I. C. C. series of the former agent. If it is desired to number the tariffs of a new agent in a different I. C. C. series, this may be done as to new or reissued tariffs, but amendments (supplements or revised pages) to tariffs issued by the former agent must be continued in the original series.

§ 1303.20 Powers of attorney and concurrences in special situations.

(a) *Joint concurrences.* If joint concurrences are issued in behalf of two or more carriers by the same tariff officer, all concurrences in each series must be issued on behalf of all such carriers, except as to concurrences interchanged between those carriers. If concurrences in a single series are issued separately for different carriers, separate files in favor of a carrier which has discontinued that series must be maintained for each carrier, and concurrences of each carrier must be issued in consecutive numerical order as required by § 1303.15(b).

(b) *When operation discontinued or taken over by another carrier.* Powers of attorney and concurrences issued in operations should be revoked within 120 days after such discontinuance. If its operations have been taken over by another carrier, all effective powers of attorney and concurrences should be canceled within 120 days either by new issues or revocation notices.

NOTE: This rule applies, among other situations, when an incorporated carrier is placed in the hands of trustees or receivers and is thereafter reorganized. When trustees or receivers are appointed they normally assume, and the corporation discontinues, operations; and thereafter, following reorganization, operations again pass from the

receivers or trustees to the reorganized corporation.

(c) *Forms for tariffs joint with motors.* Powers of attorney and concurrences authorizing the publication of joint rail-motor or water-motor tariffs and supplements shall be issued on the standard PA and PC forms described in §§ 1303.13 and 1303.14.

§ 1303.21 Amendment and revocation of powers of attorney and concurrences.

(a) *Amendments.* (1) A power of attorney on Forms PA2 or PA3 or a concurrence on Forms PC2 or PC4 may be amended by issuing an "Amendment to Power of Attorney," or "Amendment to Concurrence," respectively. However, only four amendments to any one power of attorney or concurrence will be permitted. The amendment must specify with particularity the exact change in the scope of the powers or the authority conferred, by appropriate reference by number to the power of attorney or concurrence affected, by identification by I.C.C. and agent's or carrier's number of the tariff or tariffs affected, and by a detailed description of the traffic or territory affected.

(2) If an amendment to a power of attorney or to a concurrence reduces the scope of the original instrument, such amendment must bear in addition to the date of issue, an "effective" date at least 60 days after the date on which it is received by the Commission. If the amendment adds to or increases the scope of the original power of attorney or concurrence, no notice is required and it becomes effective when filed with the Commission. (See paragraph (e) of this section.)

(i) The form of an "Amendment to Power of Attorney" is as follows:

AMENDMENT TO POWER OF ATTORNEY

Amendment No. --
To PA ---- No. --

(Name of Carrier)

(Mail Address)

(Date)

Know All Men by These Presents:

Effective ----------, the undersigned
(Date)
hereby amends the above-numbered power of attorney, in the following respects:

(Name of Carrier)

By ---
Its ---
(Title)

Duplicate mailed to:
(Name of Agent or Carrier)
(Address)

(ii) The form of an "Amendment to Concurrence" is as follows:

Amendment No. --
To PC ---- No. --

(Name of Carrier)

(Mail Address)

(Date)

To the Interstate Commerce Commission, Washington, D.C. 20423.

The undersigned hereby amends PC -- No. -- in the following respects:

(Name of Carrier)

By ---
Its ---
(Title)

Duplicate mailed to:
(Name of Carrier)
(Address)

(b) *Revocations.* A power of attorney or a concurrence may be revoked upon not less than 60 days' notice by filing a Notice of Revocation with the Commission and serving at the same time a copy thereof on the agent, in the case of powers of attorney on Forms PA1 and PA2, or on the carrier in whose favor the instrument was executed, in the case of concurrences or powers of attorney on PA3. Such notice shall not bear a separate serial number, but shall specify the form and number of the power of attorney, or the form and number of the concurrence, to be revoked, shall name the agent, and alternate agent, if any, or the carrier, in whose favor the instrument was executed, and shall specify a date upon which revocation is to become effective. (See paragraph (e) of this section.)

(c) *Corresponding revision of tariff.* When a power of attorney or concurrence is revoked, corresponding revision of the tariff or tariffs must be made not later than the effective date stated in the notice of revocation. If the tariff or tariffs are not so amended, the fares, rates, and other provisions therein remain effective and must be protected by the carrier or carriers responsible for their continued maintenance.

(d) *Forms for revocations.* Revocation notices shall be in one of the following forms, as appropriate:

REVOCATION NOTICE
(Power of Attorney)

(Name of Carrier)

(Name of Carrier)

(Date)

Know All Men by These Presents:

Effective ----------, power of attorney
(Date)
PA -- No. --, issued by ---
(Name of carrier is-
---------- in favor of ------
suing power of attorney)

(Name of carrier, or agent (and alternate) if any)
is hereby canceled and revoked.

(Name of Carrier)

By ---
Its ---
(Title)

Duplicate mailed to:
(Name of Agent or Carrier)
(Address)

REVOCATION NOTICE
(Concurrence)

(Name of Carrier)

(Mail Address)

(Date)

To the Interstate Commerce Commission, Washington, D.C. 20423.

Effective ----------, concurrence PC --
(Date)
No. --, issued by ---
(Name of carrier issuing
---------- in favor of ---,
concurrence) (Name of carrier)
is hereby canceled and revoked.

(Name of Carrier)

By ---
Its ---
(Title)

Duplicate mailed to:
(Name of Carrier)
(Address)

(e) *Amendment or revocation, manner of execution.* (1) An amendment to, or a revocation of, a power of attorney shall be executed in the same manner as powers of attorney, and a statement of the kind specified in § 1303.13(d) shall be filed with the Commission to designate persons authorized to sign such amendments or revocations. The statement filed in accordance with § 1303.13(d) may include in the one instrument designations and specimen signatures of persons authorized to sign powers of attorney, amendments to powers of attorney, and revocations of powers of attorney.

(2) An amendment to, or a revocation of, a concurrence shall be executed in the same manner as concurrences. (See § 1303.14(b).)

§ 1303.22 Round-trip excursion fares.

(a) *10-day limit or less.* Round-trip excursion fares limited to a designated period of not more than 10 days may be established upon posting a tariff one day in advance of the effective date at the stations where tickets for such excursion will be sold and mailing two copies thereof to the Commission.

(b) *Over 10- but not over 30-day limit.* Round-trip fares for an excursion limited to a designated period of more than 10 days and not more than thirty days may be established upon posting a tariff three days in advance of the effective date at the stations where tickets for such excursion will be sold and mailing two copies to the Commission.

(c) *"Designated period" defined.* The term "designated period" used in this section means the period beginning with the first day on which the transportation can be used and ending with, and including, the day upon which the return trip must be completed.

(d) *Series of excursion fares in one tariff.* A series of temporary round-trip excursion fares limited for designated periods as set forth in paragraphs (a) and (b) of this section, the effectiveness of which extends over a period exceeding thirty days but not more than one year, may be published in the same tariff and established as provided in paragraph (b) of this section as to certain of the fares and accompanying provisions, and on statutory notice as to the remainder. For example, tariff is filed with the Commission, March 2, to be effective March 7, 14, 21, 28, April 4, 11, 18, and 25, with final return limit of eight days in addition to date of sale. From March 7 to final return limit of

ticket sold April 25 is 58 days. In connection with the sale dates of March 7, 14, 21, and 28, the tariff must indicate by appropriate symbol that insofar as it is effective on those dates it is issued under authority of this section. The tariff insofar as it is effective on the dates of April 4, 11, 18 and 25, is filed on statutory notice, and no notation to that effect is necessary.

(e) *Supplement permitted; changes in tariff.* (1) No supplement may be issued to a tariff filed under authority of paragraph (a) of this section except for the purpose of canceling the tariff, and the title page must so state.

(2) A tariff issued under authority of paragraphs (b) and (d) of this section may have only one supplement in effect at one time.

(3) Changes in tariffs of two or more pages issued under authority of paragraphs (b) and (d) of this section may be made in the manner provided in subparagraphs (4) and (5) of this paragraph for the following purposes:

(i) Change or add dates of sale; but the effectiveness of a tariff, as amended, issued under authority of paragraph (d) of this section shall not extend over a period exceeding one year.

(ii) Extend return limit.

(iii) Add selling stations or destinations, routes, or privileges.

(iv) Reduce fares.

(4) Changes specified in subparagraph (3) of this paragraph in a tariff issued under authority of paragraph (b) of this section may be established by supplement to the tariff in the same manner as authorized in said paragraph (b) for the tariff.

(5) Changes specified in subparagraph (3) of this paragraph in tariffs issued under authority of paragraph (d) of this section may be made by supplement, or reissue of the tariff, by filing and posting such changes not later than three days before they are to become effective.

(f) *Title page notation.* Each tariff or supplement issued under authority of this section must bear the notation on its title page, "Issued under authority of § 1303.22 of Tariff Circular 24."

§ 1303.23 Fares in special car or train service.

(a) *Between competitive points.* In order to avoid maintenance of fares between rail-competitive points for application over routes infrequently used because of limited, or absence of, passenger train service, tariffs of one-way fares, subject to a three-day period of sales in each case and applicable only to movements of passengers by special car or special train service, may be filed and posted on one day's notice: *Provided,* That each such fare is the same as a fare on file with the Commission and in effect over another rail route: *And provided further,* That the fares filed under authority of this paragraph may not apply over any route which exceeds 135 percent of the short-line passenger mileage from origin to destination.

(b) *From and to local points.* From and to points on one railroad, when origin or destination is a local point, or when both origin and destination are local points, on that railroad, from and to which no regular passenger train service is operated and no fares are published, tariffs of one-way fares, subject to a three-day period of sales and restricted only to movements of passengers by special car or special train service, may be filed and posted on one day's notice, provided that each such fare is on the same basis as the carrier's one-way fares of the same class regularly maintained from and to other points on its line in the same territory.

(c) *Title page notation.* Publications issued under authority of this section shall bear on the title page the following notation, "Issued on one day's notice under authority of § 1303.23 of Tariff Circular 24."

§ 1303.24 Newly inaugurated regular sleeping-car or parlor-car service.

Rates and charges, including those for additional occupancy at termini or at stations en route for newly inaugurated regular service in sleeping cars or parlor cars, to and from points to and from which no rates and charges are in effect, may be filed and posted on one day's notice, provided such rates and charges are on the same basis as those of the carrier for the same type accommodations regularly maintained from and to other points in the same territory. Provisions published under authority of this section must contain a notation in connection therewith reading as follows: "Issued on one day's notice under authority of § 1303.24 of Tariff Circular 24."

§ 1303.25 Temporary rates for sleeping cars or parlor cars.

(a) A tariff containing temporary rates and charges for sleeping car and/or parlor car accommodations effective for a period not exceeding four months may be made effective upon posting one day in advance of the effective date at the stations where tickets for such accommodations will be sold and mailing two copies thereof to the Commission, subject to the following conditions:

(1) Rates and charges in such tariff shall apply only to transportation in (i) a through car in special service (see note, subparagraph (2) of this paragraph) from and to points between which, or over routes over which, no through service is maintained and no through rates are in effect, or (ii) a through car in special service (see note) in which the privilege of stopover, side trip, or additional occupancy at termini or at stations en route is permitted and the charges therefor are explicitly shown.

(2) Rates in such tariff shall be (i) the same as on file with the Commission and in effect from and to the same points over another rail route, (ii) either the lowest sum of intermediate rates from origin to destination over the route of movement or over another rail route, or (iii) on the same basis as rates of the carrier from and to other points in the same territory.

NOTE: As used in this section, "through car" means a car which moves through from origin to destination from and to which the fares and/or charges apply; and "special service" means sleeping-car or parlor-car service other than that ordinarily offered in regularly scheduled trains.

(b) Tariffs issued under authority of this section may be in a separate series of I. C. C. numbers, and each tariff must bear on its title page the notation, "Issued under authority of § 1303.25 of Tariff Circular 24."

§ 1303.26 Newly constructed lines of railroad and newly established service by water carriers.

(a) *Notice.* Charges applicable at, and fares, rates, charges, rules and regulations applicable from and to points on newly constructed lines of railroad, including branches and extensions of existing railroads, or ports reached by water carrier when new water-carrier service has been inaugurated, may be established in the first instance on not less than one day's notice. Such fares, rates, charges, rules or regulations, when established, may be changed only in accordance with the act.

(b) *Limitation.* No fare or other provisions may be filed under authority of this section, the effective date of which is more than sixty days after the effective date of the first fare or other provision established from, to, or at any point on the same line of newly constructed railroad or embraced in the same grant of authority for new service by water carrier, as the case may be.

(c) *Tariff notation.* Provisions published under authority of this section must contain a notation in connection therewith reading as follows:

Issued on one day's notice under authority of § 1303.26 of Tariff Circular 24. Fares (or other provisions) established in the first instance (from, to, between, or at, as the case may be), stations on railroad (or reached by water carrier, as the case may be).

Where all of the provisions in a tariff or supplement are issued under authority of this section, the above notation may be shown on the title page.

§ 1303.27 Transportation of circus and show outfits.

Rates for specified movements of circuses and other show outfits may be established on not less than one day's notice to the Commission. Such tariffs must bear reference to this section and must publish the charges specifically, showing the number and kind of cars moved, or may consist of a proper title page reading "as per copy of contract attached," and to it may be attached a copy of the contract under which the circus is moved. Tariffs containing such rates need not be posted at stations. As far as practicable, general rules or regulations governing the fixing of such rates should be regularly published, posted, and filed upon statutory notice.

§ 1303.28 Party-fare tickets.

(a) Party fares must not be restricted in their application to use by any class or classes of persons, but their use must be open to all; and no statement such as

"account High School" (or any organization) shall appear on the title page of, or elsewhere in, a tariff providing for such fares.

(b) A party-fare tariff that provides per capita fares which decrease as the minimum number in the party increases, must contain a provision that the maximum charge for any party shall not exceed the total minimum charge for a larger party.

(c) Party fares are primarily for a group traveling together; however, in connection with round-trip party fares, in lieu of one-round-trip ticket, there may be issued one ticket for the going trip and individual tickets for the return trip, if desired.

§ 1303.29 Round-trip tickets on certificate plan.

Round-trip tickets on the certificate plan may be issued at reduced fares and their use confined to the delegates to a particular convention or to the members of a particular association or society, upon the condition that a certain number of such tickets shall be presented for validation for return trip before the reduced fare for return trip will be granted to any ticket holder. The Commission suggests that the requirement be that not less than one hundred tickets shall be presented for validation for return trip before reduced fare will be granted to any ticket holder. Validation need not be required when it is obvious that the convention or meeting will be attended by a large number and there will be no question that the number using railroad service will exceed the minimum number which might be required. Tariffs of fares and regulations governing issuance and use of round-trip tickets on certificate plan must be filed and posted.

§ 1303.30 Validation of round-trip passenger tickets.

(a) *Validation for original purchaser.* A requirement that a round-trip passenger-fare ticket shall be validated for the original purchaser by carrier's agent at a given point is a condition affecting the value of the service, and must be published in the tariff under which the ticket is sold, and when published, must be observed. The tariff may provide for validation at numerous points, and it may provide for validation at any point intermediate to the original destination named in the ticket.

(b) *Avoid conflicting conditions in ticket and tariff.* The conditions stated upon the ticket should not conflict with the tariff provisions, but, if in any case there should be conflict between the tariff provisions and the conditions stated on the ticket, the tariff provisions must govern.

(c) *When illness or death occurs.* A carrier may provide in its tariff a rule that in case of illness or death of passenger, a specified officer of the carrier may validate round-trip ticket or tickets held by such passenger or members of his family travelling with him at a point short of that at which the tickets otherwise would be validated.

(d) *Failure to validate ticket.* A carrier may incorporate in its tariff a rule that when a passenger is compelled to pay the regular return fare because of his failure to have his round-trip ticket validated at the designated point, the carrier will refund the extra fare upon the filing with it of an affidavit by the holder of the round-trip ticket, certifying that the ticket has been used in accordance with all of the conditions of the tariff, except as to the matter of validation.

§ 1303.31 Emergency extension of time limit of tickets and granting stopovers.

(a) *Because of illness or quarantine.* (1) Carriers may provide in their tariffs that the time limit for the use of a passenger ticket may be extended in case of illness of the passenger holding such ticket. The tariff must give the title of the person who shall have authority to give such extension, and such person shall be required by the carrier to keep a memorandum of each instance in which such extension is given, and the data upon which it is allowed. Such information shall be made available to the Commission when requested. Only such illness as makes travel dangerous to the health of the traveler will justify the extension herein provided for.

(2) The extension also may be granted to one or more members of the family of the ill passenger when they are traveling with him, and to persons who are subject to an established quarantine.

(3) Stopover privileges for a limited time may be granted for the same causes and under the same conditions and restrictions as justify extension of time limit of tickets.

(b) *Because of washout, wreck, etc.* A carrier also may provide in its tariffs that whenever, because of washout, wreck, or other obstruction to its tracks, public calamity, the act of God or of the public enemy, a passenger is delayed on its lines so that the limit of such passenger's ticket has expired or has elapsed to such an extent as to curtail his stopover privileges, the conductor or other specified agent will give, by endorsement on ticket or otherwise, certificate of such detention, and that such certificate will operate to extend the limit of such ticket to the extent of detention so certified, and that such extension will be honored by succeeding conductors on its lines. It also may provide that like certificates of detention and extension given by other carriers will be honored on its lines; but no carrier may so extend any part of a ticket reading over lines other than its own, except when provision therefor is contained in a joint tariff to which it and each other carrier affected is a party.

§ 1303.32 Free transportation of caretakers in connection with shipments of property.

(a) Section 1(7) of the act provides that free transportation may be furnished "to necessary caretakers of livestock, poultry, milk, and fruit." This provision in the statute is construed to mean necessary caretakers of livestock, poultry, milk, or fruit that is loaded and ready for movement, or the movement of which is actually contracted for or that is actually in transit, and may include free or reduced-fare transportation for the return of such necessary caretakers. This transportation may be in the form of free pass or reduced-fare transportation, but in any event it must be the same for all under like circumstances. Authority for such free or reduced transportation must be published in the tariff governing the transportation of the commodity, which also must contain such policing regulations as will prevent the misuse of this provision. Tariffs may provide that caretaker sent out to return with shipment that is arranged for or that is in transit will be required to pay fare going and that such fare will be refunded if person so sent does return as actual caretaker of shipment for which he is sent. But a tariff rule which provides that if a person goes out over the line with the intention of purchasing livestock and returns within a certain time with a certain number of cars of livestock, the carrier will refund to him the fare paid on outgoing trip is improper and unlawful.

(b) The Commission has expressed the opinion that the term "fruit" as used in section 1(7) of the act includes perishable vegetables, and that bees in hives and live fish may be included in the term "livestock" when shipped under conditions that make caretakers "necessary."

(c) When an express company provides in its tariff for free transportation for caretakers in charge of livestock, poultry, milk, or fruit, and the railroad company over whose lines such express company operates provides in its tariff that such caretakers may be permitted to ride in passenger car, the tariff of the express company and that of the railroad company must give reference to each other.

§ 1303.33 Ocean carriers' fares to or from foreign countries.

Carriers subject to the regulations contained in this part may not join with ocean carriers in publishing joint fares, rates, or charges to or from nonadjacent foreign countries. As a matter of convenience to the public, however, carriers subject to the regulations contained in this part may publish as information in their tariffs in connection with the fare, rate, or charge to or from the port, the steamship charge to or from points in a foreign country. When this is done, such steamship charges may be changed without notice, but the fares, rates, or charges of the carriers subject to the regulations contained in this part to or from the port are subject to all of the provisions of the Interstate Commerce Act and the Commission's tariff-publishing rules. Tariffs containing such steamship charges must not be concurred in by the ocean carriers.

§ 1303.34 Posting of tariffs.

(a) *Posting defined.* The term "post" as used in this section means the main-

tenance of a file of tariffs in the custody of an agent of the carrier in a complete, accessible, and usable form, and keeping such file of tariffs available to the public upon request during ordinary business hours. The term "tariff" as used in this section includes tariff supplements or amendments.

(b) *Carriers required to post tariffs at stations.* (1) Each railroad, sleeping car company, and each common carrier by water shall post at each station at which passengers are received for transportation and at which an agent is employed all tariffs (including those filed for it by tariff-publishing agents or by other carriers with its concurrence) which contain fares applying from that station or which contain terminal or other charges applicable at that station, together with all other tariffs needed to determine the application of such fares or charges. There shall also be posted at each such station an index of the carrier's passenger tariffs in form as provided in § 1303.10.

(2) Each common carrier by motor vehicle shall post at each station or office at which passengers are received for transportation and at which an agent is employed all tariffs containing joint motor-rail, motor-water, and/or motor-rail-water fares applying from or at such station or office.

(c) *Relief from requirements.* If any tariff so posted (other than a tariff index) has not been used for a substantial length of time, the posting of that tariff, including reissues thereof, may be discontinued until such time as a request is made to the carrier's agent to have it reposted. It shall then be reposted within 20 days and thereafter kept posted.

(d) *Location of complete public files of tariffs.* (1) Each railroad, sleeping car company, and each common carrier by water shall post at its principal office a complete set of all tariffs which it issues or to which it is a party, together with an index thereto, and each rail carrier with 5,000 miles or more of first main track (including branch lines but excluding yard, terminal and industrial tracks) shall also post at not less than one additional point, a complete set of tariffs which it issues or to which it is a party. In determining the number of miles of first main track operated, family lines may be considered as a unit and subsidiary carriers as a part of the controlling carrier. A small carrier which has authorized its principal connecting carrier to file tariffs on its behalf may have its tariffs included in the complete public tariff file of such connecting carrier without such small carrier maintaining a separate complete public file.

(2) Each common carrier by motor vehicle shall post at its principal office a complete set of tariffs containing joint motor-rail, motor-water, and/or motor-rail-water fares which it issues or to which it is a party.

(e) *Selection of posting places.* When posting places in addition to the principal office are required, railroads will select posting places which, in their judgment, will best serve and promote the convenience of the public in using the tariffs. The places selected shall be cities directly served by the railroad. Each railroad will advise the Commission by letter of the posting places selected and of any changes thereafter made. The Commission may, after reasonable investigation and without formal hearing, designate posting places in addition to or in substitution of those selected by the carrier.

(f) *Time of posting.* Each tariff must be posted at least 30 days before its effective date, excepting those as to which the Commission has authorized a shorter period of notice to the public. Each carrier shall require the agent at every station or office at which tariffs are posted to write or stamp on each tariff the date on which it was posted.

(g) *Tariff files to be accessible to the public.* Each file of tariffs shall be in charge of an agent of the carrier. Each carrier shall require and instruct such agent to afford inquirers an opportunity to examine any of such tariffs without asking the inquirer to assign any reason therefor, and, upon request, to lend assistance to seekers of information therefrom with all promptness possible and consistent with proper performance of other duties.

(h) *Notice required to be posted.* Each carrier shall also cause to be displayed continuously in a conspicuous public place at each station or office at which tariffs are required to be posted, a notice printed in large type reading as follows:

With only such exceptions as have been authorized by the Interstate Commerce Commission, all tariffs which contain fares and charges applying from or at this station are on file at this office, together with an index of all of this company's passenger tariffs. The tariffs and index may be inspected by any person upon application and without the assignment of any reason for such inspection. The agent on duty in this office will lend any assistance desired in securing information therefrom.

If request is made for a tariff naming fares from this station, the posting of which has been discontinued because of nonuse, the agent will arrange to have it reposted within 20 days and thereafter keep it posted.

In addition a complete file of all of this company's tariffs, with indexes thereof, is maintained and kept available for public inspection at:

(Here indicate the place or places where complete tariff files are maintained, including the street address and, where appropriate, the room number)

(i) *Check-up on files of tariffs.* Each carrier shall place in effect a system of supervision that will insure the continued maintenance in proper and readily accessible form of tariff files required at each station and also at each office where complete files are maintained. Such stations and offices must be furnished at least once a year with a list of all of the tariffs which should be in their files. Upon receipt of the list the agent or employee in charge will immediately check the tariffs on hand against the list and report any deficiencies. Evidence of improper maintenance of files at any station or office may incur the prescription of detailed instructions to the carrier by the Commission necessary to insure compliance with these regulations.

(j) *Notice of proposed increases in fares for suburban service.* (1) Each carrier of passengers whose passenger operations are confined solely to suburban service also shall notify the public of any proposal to increase its local fares by means of a notice posted in a conspicuous place in each station where tickets are sold, and in a conspicuous place in each rail passenger car or motor bus used; and each other carrier of passengers likewise shall notify the public of any proposal to increase its commutation fares for suburban service by means of a notice posted in a conspicuous place in each station where commutation tickets for which an increase is proposed are sold, and in a conspicuous place in each rail passenger car or motor bus in which such commutation tickets are good for passage.

(2) The notice required by subparagraph (1) of this paragraph shall be not less than 120 square inches in size, printed in type sufficiently large to permit of its being read under ordinary conditions by passengers seated in the conveyance, and, except as provided in subparagraph (3) of this paragraph, shall contain substantially the following legend:

NOTICE OF INCREASED FARES

(Name of carrier)

This carrier has filed with the Interstate Commerce Commission tariffs proposing increases in fares, effective _____ for _____
(Date)

(Here describe briefly and generally the kind of transportation, points or localities affected, and the increases proposed)

Further information as to the proposed increases may be obtained from any of this carrier's offices where such transportation is sold or at its general office.

(Here give street address, city, and telephone number)

Under the law, any interested person may protest to the Commission and request suspension of the increased fares. The Commission's rules require that seven (7) copies of the protest shall be filed at its office in Washington, D. C., at least twelve* (12) days before the effective date of the increased fares and should indicate in what respect the increased fares are considered to be unlawful. The rules also require that a copy of the protest be simultaneously mailed to

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(Here name the carrier proposing the increased fares)

*In the event the increased fares are published on less than thirty (30) days' notice, the words "at least twelve (12) days" should read "as promptly as possible".

(3) If proposal to increase fares for suburban service, for which posting of notice is required by subparagraph (1) of this paragraph, is made by petition to the Commissioner prior to filing tariffs, a notice of the size and legibility required by subparagraph (2) of this paragraph shall be posted as required by subparagraph (1) of this paragraph, describing briefly the increases sought, the transportation service for which they are sought, and the points affected. The notice also shall state that interested

persons may object to the carrier's petition by filing with the Commission a reply thereto in accordance with the Commission's general rules of practice, and that information regarding the Commission's rules may be obtained by writing to the Secretary of the Commission.

(4) All notices shall be posted as prescribed in subparagraph (1) of this paragraph contemporaneously with the filing with the Commission of any tariff containing the proposed increased fares, and also contemporaneously with the filing of any petition with the Commission for authority to increase fares or in file a tariff containing proposed increased fares. Notices with respect to the filing of a tariff shall remain posted until the increased fares become effective, or until suspended by the Commission or withdrawn by the carrier prior to its effective date. Notices with respect to the filing of a petition shall remain posted until action on the petition is taken by the Commission.

§ 1303.35 Applications for authority to make changes in tariffs.

(a) *Fares changed on less than statutory notice.* (1) Sections 6, 217, and 306 of the act authorize the Commission in its discretion and for good cause shown, to permit changes in fares on less than statutory notice. The Commission will exercise this authority only in cases where actual emergency and real merit are shown. Desire to meet the fares or charges of a competing carrier which has given the full statutory notice of change in fares or charges will not of itself be regarded as good cause for allowing changes in fares or charges on a notice of less than thirty days. Clerical or typographical errors in tariffs constitute good cause for the exercise of this authority, but every application based thereon must plainly specify the omissions or mistakes, together with a full statement of the circumstances attending such omission or error, and must be presented with reasonable promptness after issuance of the defective tariff.

(2) Frequently carriers file applications requesting authority to make changes on short notice when an outstanding order of the Commission in a proceeding requires publication on thirty days' notice. Such requests in effect are requests for modification of the order and should be filed as petitions in the proceeding to which the order relates, and not as applications under sections 6, 217 or 306 of the Interstate Commerce Act.

(b) *Authority necessary to make applications.* Applications for permission to make tariff changes on less than statutory notice or waiver of any provision of this part (Tariff Circular 24) must be made by the agent or carrier that holds authority to file the proposed changes. If the application requests permission to make changes in joint tariffs, it must state that it is filed for and on behalf of all carriers parties to the schedules in which the change is proposed.

(c) *Partial use of permission prohibited.* It sometimes occurs that carriers or their agents do not use the full authority extended by special permissions. When passing upon special permission applications, the Commission gives consideration to all of the facts and circumstances set forth in the application and, if approved, the special permission is issued with the understanding that all of its terms will be complied with and all of the authority dealing with the same subject matter will be used. Therefore, if all related matter authorized by a special permission will not be published, and more limited authority is desired, a new application complying with the provisions of this section and making reference to the previous authority, must be filed.

(d) *Preparation of application.* Applications (including amendments thereto and exhibits made a part thereof) for permission to make tariff changes on less than statutory notice or under waiver of any provision of this part (Tariff Circular 24), shall be made in duplicate on paper 8 by 10½ inches, and addressed to the Secretary of the Interstate Commerce Commission, Washington, D.C. 20423. (Motor carriers also are required to send one copy to the Regional Director.) Such applications shall be in substantially the following form, shall be numbered consecutively, and must bear the signature of the president, vice president, traffic manager, assistant traffic manager, general passenger agent (or their equivalents, if the carrier does not designate its officials by those titles), or a duly authorized attorney and agent, specifying title.

FORM OF APPLICATION

(Place and date)

To the Interstate Commerce Commission,
Washington, D.C. 20423.

----------, Agent, for and on behalf of all carriers parties to his (or its) tariff bearing I. C. C. No. -- (or the ----------,
(Name of carrier)
by ----------, its ----------)
(Name of officer) (Title of officer)
does hereby make application to the Interstate Commerce Commission for permission under section 6 (other sections to be cited if involved) of the Interstate Commerce Act, to put in force the following fares (or rates, charges, rules or regulations), to become effective ---------- days after filing thereof with the Commission:

(State fully, either specifically or by reference to an accompanying exhibit, the fares and/or other tariff provisions which it is desired to put into effect, (if rates or charges, the articles or service to which they apply) and the points of origin and destination. If permission is sought to establish a rule or regulation, the exact wording must be shown.)

And to depart from the provisions of the following sections of Tariff Circular 24 when making such publication, viz: ----------

Applicant further represents that the said fares (or rates, charges, rules or regulations) will be published in (a designated tariff) and will supersede the fares (or rates, charges, rules or regulations) on like traffic from and to the points above named which are set forth in (a designated tariff provision).

(Here state specifically or by reference to an accompanying exhibit, the present fares or other provisions which it is desired to change, together with the I. C. C. numbers in which published and the effect of the proposed change.)

(State the basis on which the proposed fares, rates and/or charges are constructed. If the application seeks less than statutory notice. If it is proposed to change a rule or regulation, state fully the nature and purpose of the change.)

(State the relation existing between points of origin and destination covered by the application and any point of origin or destination not covered by the application, if the application seeks less than statutory notice.)

And your petitioner further bases such request upon the following facts, which present certain special circumstances and conditions justifying the request herein made:

(State fully all other circumstances and conditions which are relied upon as justifying the application and which may aid the Commission in determining the question presented. If authority is sought to make publication under waiver of the provisions of Tariff Circular 24 (this part), state why it is believed that those provisions cannot or should not be fully complied with. If short notice is requested, state why the change was not published upon statutory notice.)

(Correct name of carrier, if filed by a carrier)

(Signature of agent, or of officer if filed by a carrier)

(Title)

Subscribed and sworn to before me this ---------- day of ----------, 19--.

[SEAL]

Notary Public

(Only the original need be notarized)

PART 1304—EXPRESS COMPANY SCHEDULES AND CLASSIFICATIONS

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1304.112 Publication and filing of a directory by express companies.

AUTHORITY: The provisions of this Part 1304 issued under sec. 12, 24 Stat. 383, as amended, 49 Stat. 546, as amended; 49 U.S.C. 12, 304, and sec. 5, 6, 24 Stat. 380, as amended, 49 Stat. 560, as amended; 49 U.S.C. 5, 6, 317.

§ 1304.0 General provisions; definitions.

(a) *Conformation to rules; reissue.* When provision for rejection of publications that do not conform to the regulations in this part have been omitted, it is to avoid conflict with the penalties provided in section 6 of the act for failure to comply with rules and orders of the Commission, issued under that section.

Tariffs that were lawfully on file with the Commission on August 1, 1908, and that have not since that time been superseded or canceled, will be considered as continued in force until they can be properly reissued. All tariffs filed on or after May 1, 1911, must, except as otherwise specified herein, conform to all of the rules in this part. The Commission may direct the reissue of any tariff at any time.

(b) *Definitions.* (1) The term "joint rate," as used in this part, is construed to mean a rate that extends over the lines of two or more carriers and that is made by agreement between such carriers.

(2) "Joint tariffs" are those which contain or are made up from such "joint rates."

(3) Wherever used in the regulations in this part the term "joint express-motor rates" shall be understood to mean rates, rules or charges applicable to joint transportation between express companies listed in subparagraph (4) of this paragraph, on the one hand, and common carriers of property by motor vehicle other than such express companies, including transportation where such common carriers by motor vehicle participate only as intermediate carriers, on the other hand.

(4) Wherever used in the regulations in this part the term "local express-motor rates" shall be understood to mean rates, rules or charges applicable wholly over the lines of one or more of the following companies, viz: Railway Express Agency, Incorporated, Canadian National Railways (Express Department), Canadian Pacific Express Company, for transportation wholly by motor vehicle owned or leased by such express companies or partly by rail or water and partly by such motor vehicle.

(5) Wherever used in this part the term "express rates" shall be understood to mean rates, rules or charges applicable to all-rail or rail-water transportation by express companies subject to part I of the Interstate Commerce Act.

(6) Wherever used in this part the term "all-motor rates" shall be understood to mean rates, rules or charges applicable to all-motor transportation by common carriers or property by motor vehicle other than express companies named in subparagraph (4). Similarly the terms "all-motor tariff" or "all-motor transportation" shall be understood to mean tariffs or transportation (as the case may be) of such motor carriers.

CROSS REFERENCES: For filing of tariffs, see § 1304.13. For general provisions in connection with filing, see § 1304.14. For publishing and filing tariffs under amended fourth section of the act, see § 1304.39. For publication and filing of local and joint express-motor rates, see § 1304.102.

§ 1304.1 Form, size, and arrangement.

All tariffs must be printed on hard calendered paper of good quality from type of size not less than 6-point full face. Stereotype, planograph, or other printing-press process may be used. Alterations in writing or erasures must not be made in tariffs before filing. Reproductions by hectograph or similar process, typewritten sheets, or proof sheets must not be used for posting or filing.

All tariffs must be in book, sheet, or pamphlet form, and of size 9½ by 11½ inches. Loose-leaf plan may be used so that changes can be made by reprinting and inserting a single leaf.

§ 1304.2 Indication of changes.

(a) All tariff publications or supplements thereto must indicate increases thereby made in existing rates or charges, rules or regulations, or classifications by the use of black-faced type or by the use of a uniform symbol throughout the schedule. All tariff publications or supplements thereto which are filed with the Commission on or after May 1, 1911, must also indicate reductions thereby made in existing rates of charges, rules or regulations, or classifications by the use of italic type or by the use of a uniform symbol throughout the schedule. Clear explanation of the use of distinctive type or symbols must be made in the tariff.

(b) When a new tariff canceling a previous tariff omits offices of origin or destination or rates which were contained in such previous tariff, the new tariff shall show, in the manner prescribed in § 1304.8(e), where the rate or rates will thereafter be found, and if such omissions effect increases or decreases in charges that fact shall be shown by the use of proper symbols.

§ 1304.3 Content of tariff title page.

The title page of every tariff shall show:

(a) Name of issuing express company, express companies, or agent.

(b) ICC number of tariff in bold type on upper right-hand corner, and immediately thereunder, in smaller type, the ICC number or numbers of tariffs and supplements canceled thereby. If, however, the number of canceled tariffs is so large as to render it impracticable to thus enter them on title page, they must be shown on following page, and specific reference to such list must be entered on title page immediately under the number of the tariff. Serial numbers of express companies may, if desired, be entered below the upper marginal line of title page.

(c) Whether tariff is local, joint, proportional, or a combination of same, and whether merchandise, commodity, or a combination of both.

(d) The territory or points from and to which the tariff applies, briefly stated.

(e) Reference by name and ICC number to the classification and exception sheets governing the tariff. Following form will be used: "Governed, except as otherwise provided herein, by the _____ classification, _____, ICC No. ____, supplements thereto and reissues thereof; and by exceptions to said classification, _____ ICC No. ____, supplements thereto and reissues thereof." A tariff is governed by a classification or exceptions thereto when and only to the extent stated on the tariff.

(f) Date of issue and date effective. Any tariff may be changed upon statutory notice of 30 days, or, under special permission from the Commission, upon shorter notice. Therefore, a provision in a tariff that the same, or any part thereof, will expire upon a given date, is not a guaranty that the tariff, or such part of it, will remain effective until that date. The Commission considers ex-

piration notices undesirable, as many complications have arisen through their being overlooked. Such provision, if used, must be understood to mean that the tariff, or specified part of it, will expire upon the date named unless sooner canceled, changed, or extended in lawful way. On such tariffs the term "Expires _____, unless sooner canceled, changed, or extended," must be used.

(g) Name, title, and address of officer by whom tariff is issued.

(h) [Reserved]

(i) On every tariff or supplement that is issued on less than 30 days' notice by permission or orders or regulation of the Commission, notation that it is issued under special permission or order of the Interstate Commerce Commission, No. ___, of [date] _____, or by authority of Rule ____, Tariff Circular 19–A, or by authority of decision of the Commission in case No. _____.

§ 1304.4 Content of tariffs in book or pamphlet form.

Tariffs in book or pamphlet form shall contain in the order named:

(a) *Table of contents.* A full and complete statement in alphabetical order, of the exact location where information under general headings, by subjects, will be found, specifying page or item numbers. If a tariff contains so small a volume of matter that its title-page or its interior arrangement plainly discloses its contents, the table of contents may be omitted.

(b) *Participating carriers.* Names of issuing express companies, including those for which joint agent issues under power of attorney and names of express companies listed in § 1304.0(b)(4) that participate under concurrence, alphabetically arranged. The form and number of power of attorney or concurrence by which each such carrier is made party to the tariffs must be shown.

(c) *Commodity rates.* A tariff on a single commodity, or a few commodities, shall contain all of that express company's commodity rates on such commodity or commodities applying from any point of origin named in the tariff to any point of destination named in the tariff.

(d) *Index of offices.* An alphabetical index of offices from which rates apply, and an alphabetical index of offices to which rates apply, together with names of States in which located. When practicable, the index of offices and pages upon which rates will be found, or item numbers in which rates from or to such offices appear, should be shown. If there be not more than 12 points of origin or 12 points of destination, the name of each may, if practicable, be specified on title-page of tariff.

If a tariff is arranged by groups of origin or destination, by bases, or by bases numbers, the indices must show for each office the proper group, basis, or basis number.

If offices of origin or of destination are shown throughout the rate tables in continuous alphabetical order, or are shown alphabetically by States and such States are alphabetically arranged, or are shown by groups alphabetically arranged, no index of offices of origin or destination will be required. But when such alphabetical arrangement in rate tables is used the table of contents shall indicate the pages upon which points are so shown, and when arranged by States or groups, shall give specific reference to the pages on which rates to or from offices in each State or group will be found.

Geographical description of application of tariff may be used only when the tariff applies to or from all offices in one or more States or Territories or when it applies to or from all offices in a State or Territory except those specified. But such list of exceptions for a single State or Territory may not exceed one-third of the number of offices in that State or Territory to or from which (as the case may be) the tariff will apply. For example, a tariff may state that it applies from all offices of an express company in New York, Pennsylvania, and New Jersey, and from all offices in Delaware, except [here give alphabetical list of excepted offices], and from the following offices in Ohio [here give alphabetical list of Ohio offices].

Traffic territorial or group descriptions may be used to designate points to or from which rates named in the tariff apply, provided a complete list of such points arranged by traffic territories or groups is printed in the tariff or specific reference is given to the ICC number of the issue that contains such list. In this list the offices in each traffic territorial or group description shall be arranged alphabetically, or all of the offices in traffic territories or groups named in the tariff may be included in one alphabetical index: *Provided*, That points of origin and points of destination be shown separately, alphabetically, and the traffic territorial or group description in which they belong be shown opposite the several offices.

(e) *Reference marks and abbreviations.* Explanation of reference marks and technical abbreviations used in the tariff, except that a special rule or provision applying to a particular rate will be shown in connection with and on same page with such rate.

(f) *List of exceptions.* List of exceptions, if any, to the classification governing the tariff which are not contained in exception sheets referred to on title page.

(g) *Explanatory statements.* Such explanatory statement in clear and explicit terms regarding the rates and rules contained in the tariff as may be necessary to remove all doubt as to their proper application.

(h) *Rules governing the tariff.* Rules and regulations which govern the tariff, the title of each rule or regulation to be shown in bold type. Under this head all of the rules, regulations, or conditions which in any way affect the rates named in the tariff shall be entered, except that a special rule applying to a particular rate shall be shown in connection with and on the same page with such rate.

Except as provided in § 1304.7(b), no rule or regulation shall be included which in any way or in any terms authorizes substituting for any rate named in the tariff a rate found in any other tariff; but a scale of rates or a table of distance rates may be included in the tariff together with the provision, "If the use of the scale rate (or the distance rate) on page ____ of this tariff makes a less charge on any shipment than rates named herein, such lower charge will apply."

An express company or an agent may publish, under ICC number, post, and file a tariff publication containing the rules and regulations which are to govern certain rate schedules, and such publication may be made a part of such rate schedules by the specific reference "Governed by rules and regulations shown in _____ ICC No. _____."

A rate schedule may in like manner refer to another schedule for the governing rules and regulations.

A schedule or a publication so referred to must be on file with the Commission and be posted at every place where a schedule that refers to it is posted.

(i) *Rate tables.* An explicit statement of the rates, in cents or in dollars and cents, per 100 pounds, per barrel or other package, per ton or per car, together with the names or designation of the offices from and to which they apply, all arranged in a simple and systematic manner. Minimum carload weights must be specifically stated. Tariffs containing rates per ton must specify what constitutes a ton thereunder. A ton of 2,000 pounds must be specified as "net ton" or "ton of 2,000 pounds." A ton of 2,240 pounds must be specified a "gross ton," "long ton," or a "ton of 2,240 pounds." Complicated or ambiguous plans or terms must be avoided.

(j) *Routes under tariff.* The different routes via which tariff applies may be shown, togther with appropriate reference to application of rates. When a tariff specifies routing, the rates may not be applied via routes not specified. A tariff may shown the routing ordinarily and customarily to be used and may provide that, if from any cause shipments are sent via other junction points, but over the lines of parties to the tariff, the rates will apply.

If a tariff contains no routing directions, the joint rates shown therein are applicable between the points specified via the lines of any and all parties to the tariff; and shipper must not be required to pay higher charges than those stated in the tariff because the express companies have not agreed divisions of the rates via the junction through which the shipment moves. If agent of express company bills or sends shipment via a route or junction point that is covered by the tariff, but via which no division of the rate applies, it is for the express companies to agree between themselves upon the division of the rates, and for the intermediate or delivering companies may demand from the company whose agents so missends shipment their

full local rates for the services which they perform.

CROSS REFERENCES: For commodity rates, see § 1304.7. For indexing of tariffs, see §§ 1304.11, 1304.108. For tariffs containing express-motor rates general, and express-motor rates for the transportation of explosives, see §§ 1304.103, 1304.110.

§ 1304.5 Basing tariffs.

(a) *Construction in sections.* A basing rate tariff to be used in computing through rates between points between which no specific through rate applies may be constructed in sections, each section containing an alphabetical list of the offices and the basing rates for an individual State.

(b) *Joint basing transfer tariffs.* Express companies shall print, post, and file alphabetical lists of the offices reached by connecting concurring express companies, arranged by States, and designating the transfer points at which through business may be transferred, together with the rates from such transfer points to the destination offices via the lines of such connecting concurring companies. These lists shall be known as "Joint Basing Transfer Tariffs" and shall include the transfer points by which through rates may be figured, and shall provide that the lowest charge that can be computed therefrom via any transfer point named therein shall be the through charge from point of origin to destination applicable via any transfer point named therein.

(c) *Amendment.* Contemporaneous with issuance of supplement to such basing tariffs and effective on the same date, any section applying to an individual State may be reissued. Such reissue must bear the ICC number of the tariff of which it is a part; the name of the State to which it applies; the cancellation of superseded section, specifying its date and the effective date of the new section; but supplement issued contemporaneously with such reissued section may not contain any changes affecting the State to which the reissued section applies. Reissued sections under this section will not be counted as supplements under the section limiting the number of supplements to any tariff. Such tariff shall contain an index of the effective dates of its several sections, and such index must be kept up to date either by reissue or in supplement to the tariff.

(d) *May specify basing points or factors for combination rate.* An express company may provide in its tariffs that, in the absence of a specific rate from point of origin to destination of a through shipment, combination rate to or via certain points will be made upon specified basing point or points, or by using certain specified tariffs or rates, and the combination rate so specified will be the lawful rate for that shipment.

An express company may incorporate in a tariff the following rule:

Rates to destinations or from points of origin not shown in this tariff will, in the absence of specific rate from point of origin to destination, be made by adding to the rates shown in this tariff the rates shown in other tariffs lawfully on file with the Interstate Commerce Commission, but if the rate so made exceeds the rate to or from a point beyond on the same direct line or route as shown in this tariff, the latter rate will apply.

NOTE: If a rate applies to or from a group or zone or blanket of points of origin or of destination, such rate will be considered as "named" or "shown" from each point within such properly described group, zone, or blanket.

When desired the following may be added:

Rates so made will apply via all routes authorized under this tariff to or from contiguous points of origin or of destination.

If shipment moves to or from a point of origin or of destination or via a transfer point with connecting or branch line at which interchange is made directly intermediate to the base point upon which the lowest combination makes, such combination must be applied; and it is not necessary to haul the shipment to such base point and back again to or through point of origin or destination or such transfer point.

NOTE: Neither this section nor any portion thereof is to be construed as conferring any authority to depart from the prohibitions of the fourth section of the act against higher charges for shorter distances, and higher charges as a through route than the aggregate of the intermediate rate, or as modifying or authorizing departure from the Commission's ruling that a specific merchandise or commodity rate between two points is the lawful rate between those points regardless of any combination rate. It must also be understood that in a case where the lowest combination of rates makes on a base point as to which the point of origin or of destination is directly intermediate, a specific rate to or from such point that is higher than such combination is included in the Commission's ruling that a through rate that is higher than the combination of intermediate rates between the same points is prima facie unreasonable. It must be further understood that in applying the lowest combination when it makes upon a base point as to which the point of origin or of destination is directly intermediate, the Commission expresses no opinion as to the reasonableness of a rate so constructed.

(e) *Lowest combination lawful rate.* If no specific rate from point of origin to destination of a through shipment is provided, and no specific manner of constructing combination rate for it is prescribed, the lowest combination of rates applicable via the route over which the shipment moves is the lawful rate for that shipment.

Such combination through rate must be treated as a unit from the date of original shipment to the date of its arrival at destination, and the rate applied must be the combination of the rates which exists upon the date of original shipment. All of the conditions, regulations, and privileges obtaining as to any factor in such combination rate for through shipment at the time of original shipment upon such combination through rate must be adhered to and cannot be varied as to that shipment during the period of transportation of such shipment to its final destination. A local or proportional rate "in" cannot be absorbed, diminished, or affected by any "out" rate not in effect at the time when the traffic moved upon such local or proportional rate.

§ 1304.6 Limiting use of terms.

(a) *Terms "Missouri River points," "general specials," etc.* The terms "Missouri River points," "Puget Sound points," or similar terms shall not be used in any tariff for the purpose of indicating the points from or to which rates named therein apply unless a full list of such points is printed in the tariff or specific reference is given to the ICC number of the issue that contains such list.

The term "general specials," or similar term must not be used in any tariff for the purpose of indicating the articles to which the rates apply, unless a full list of the articles included in and covered by such term is printed in the tariff or specific reference is given to ICC number of issue that contains such list.

(b) *Commodity rates must be specific.* Commodity rates must be specific and must not be applied to analogous articles.

§ 1304.7 Commodity rates.

(a) Except as provided in paragraph (b) of this section, in every instance where a commodity rate is named in a tariff upon a commodity and between specified points such commodity rate is the lawful rate and the only rate that can be used by the companies parties thereto, with relation to that traffic between those points, even though a merchandise rate or some combination may make lower. The naming of a commodity rate on any article or character of traffic takes such article or traffic entirely out of the classification and out of the classification rating between the points to which such commodity rate applies, and the commodity rate so named is not modified by the provisions in the classification for extra valuation charges, limitation of liability, icing charges, or any variation of the commodity rate, except when the commodity tariff so provides either specifically or by reference to a governing classification.

Classifications and merchandise rate tariffs shall contai.. the provision that wherever commodity rates are named they remove the application of the classification scale or rating on the same commodity and between the same points.

Rates may be made for specified mixed shipments and will be the lawful rates for such mixtures, even though certain parts of the mixtures are covered by merchandise or commodity rates when shipped separately.

(b) When the application of commodity rates, either distance or specific, results in charges higher than those accruing under class rates, provision may be made for alteration of class and commodity rates either by the use of subparagraph (1) below in the commodity tariff or by use of subparagraph (2) below in a tariff containing rules by which the commodity tariff is governed.

(1) Except as otherwise provided herein, if the charges accruing under class rates, published in tariffs lawfully

on file with the Interstate Commerce Commission, are lower than the charges provided herein, from and to the same points, such lower charges accruing under class rates will apply.

(2) Except as otherwise provided, if the charges accruing under class rates, published in tariffs lawfully on file with the Interstate Commerce Commission, are lower than the charges provided in commodity tariffs governed by and making reference to this tariff, such lower charges accruing under class rates will apply.

§ 1304.8 Cancellations.

(a) *Tariff or supplement to tariff shall specify cancellations.* If a tariff or supplement to a tariff is issued which conflicts with a part of another tariff or supplement to the same or another tariff which is in force at the time, and which is not thereby canceled in full, it shall specifically state the portion of such other tariff or such other supplement which is thereby canceled, and such other tariff shall at the same time be correspondingly amended, effective on the same date, in the regular way. Such amendment must state where rates will thereafter be found, and must be filed at the same time and in connection with the tariff which contains the new rates. It will not be necessary to give on commodity tariff or supplement reference to merchandise tariffs that may be affected, nor to give on merchandise tariffs or supplements reference to commodity tariffs, except as provided in § 1304.28.

(b) *Cancellation must be by authorized agent or by express company that issued the tariff canceled.* An agent who acts under power of attorney is fully authorized to act for the express companies that have named him their agent and attorney, and, therefore, it is permissible for him to cancel by his tariffs issues of such principals.

An express company may not by its individual tariff cancel, amend, or modify a tariff filed by a duly authorized agent, except when corresponding amendment to such agent's tariff is filed at the same time and as per paragraph (a) of this section.

(c) *Concurrence does not confer authority to cancel.* A concurrence does not confer authority upon either express company or agent to cancel tariffs of concurring express company, and, therefore, tariffs issued under concurrences may not assume to cancel, or carry notation of cancellation of tariffs of and issued by concurring express companies. Such cancellations must be made by the express company that issued the tariff that is to be canceled.

(d) *Cancellation notice must be by supplement.* If a tariff is canceled with the purpose of canceling entirely the rates named therein, or when, through error or omission, a later issue failed to cancel the previous issue and a tariff is canceled for the purpose of perfecting the records, the cancellation notice must not be given a new ICC number, but must be issued as a supplement to the tariff which it cancels, even though such tariff may at the time have the full number of supplements permitted by § 1304.9(m).

(e) *Cancellation notice shall specify where rates will thereafter be found.* When a tariff or a rate is canceled by supplement, the cancellation notice must show where rates or rate will thereafter be found or what rates or rate will thereafter apply. For example: "Rate in _____, ICC No. _____, will apply," or "Classification ratings will apply," or "Combination rate will apply," or "No. rates in effect."

If a tariff is canceled with the purpose of applying in lieu thereof the rates shown in some other tariff, the cancellation notice shall make specific reference to the ICC number of tariff in which such rates will thereafter be found. Cancellation of a tariff also cancels supplements to such tariff, if any in effect. If a tariff is canceled by the issuance of a similar tariff to take its place, cancellation notice must not be given by supplement, but by notice printed in new tariff, as provided in § 1304.3(b).

(f) *Cancellation of an item must be under the same item number.* Where the items in a tariff or a supplement are designated by item numbers the cancellation of an item must be under the same item number; for example, item 41–A cancels, item 41. If a canceled item or any part thereof is taken up and thereafter carried in another item of different number, the cancellation must be carried under the original item number and must show in what item or items the effective rates are to be found, and the cancellation of the item in the original tariff or supplement must be brought forward in successive supplements as a reissued item as long as the cancellation is in force.

CROSS REFERENCES: For general provisions relating to concurrences and powers of attorney, see § 1304.24. For provisions governing powers of attorney and concurrences applicable to express-motor rates, see § 1304.109.

§ 1304.9 Amendments and supplements.

(a) *Definition; form.* A change in or addition to a tariff shall be known as an amendment, and, excepting as provided in §§ 1304.1, 1304.5, shall be issued in a supplement to the tariff and shall refer to the page or pages or item or items of the tariff, or of previous supplement which it amends.

An amended item must always be printed in supplement in its entirety as amended.

A supplement shall contain either a list of carriers participating therein, or shall state that the list of participating carriers is "as shown in tariff."

(b) *Numbering of supplements; cancellations.* Supplements to a tariff shall be numbered consecutively as supplements to that tariff, and must not be given separate or new ICC numbers. Each supplement shall specify the supplement or supplements which it cancels, and shall also show on title-page what supplements contain all changes from original tariff that are in effect. For example: "Supplement No. _____ to ICC _____." "Cancels Supplements Nos. ____ and _____." "Supplements Nos. ____ and ____ contain all changes from original tariff that are in effect on date hereof." The term "cancels conflicting portions" must not be used.

(c) *Show effective date of reissued items and ICC reference.* A tariff which contains reissued items brought forward from a previous issue which has not been in effect 30 days, or a supplement which brings forward reissued items without change from a former supplement or tariff, must bear the notation: "Effective _____ except as noted in individual items." Example: "Issued _____, 19__, Effective _____, 19__, except as noted in individual items." Reissued items brought forward without change must show in conspicuous form and convenient manner the following: "Reissue (in black-face type); effective [date upon which item became effective] in ICC No. ___" or "in Supplement No. ___ to ICC No. ____." When the reissued item became effective in a former supplement to the same tariff the ICC number of the tariff may be omitted, but the supplement number must be given.

Items reissued from publications that were on file prior to August 1, 1908, may show last date and reference prior to August 1, 1908.

(d) *Amendments to loose-leaf tariffs; no supplement.* All changes in and additions to tariffs issued in loose-leaf form must be made by reprinting both pages of the leaf upon which change is made. Changes or additions made must be indicated as provided in § 1304.2 and when no change or addition is made in one of the pages reprinted it must bear notation "No change in this page." Such pages must not be given supplement numbers, but must be designated "First revised page ____," "Second revised page ____," etc., must show the ICC number of the tariff, the issued and effective dates, and the name, title, and address of officer by whom issued.

(e) *Supplement to periodical tariffs.* If a tariff provides that it will be reissued periodically at specified times, not more than 6 months apart, and the life of the tariff does not exceed 6 months, and such provision is strictly observed, supplements to such tariff may contain all amendments thereto between such specified dates for reissue, without limit as to size. Such tariff must bear on upper left-hand corner of title-page notation "This tariff will be reissued effective on or before _____, 19___."

(f) *Index to supplement.* A supplement of five or more pages must have an index of the matter which it contains, and a supplement of more than 23 pages must also contain a table of contents.

(g) *Supplement to tariff that is filed and not yet effective.* If a tariff is filed on statutory notice canceling another tariff and after such filing and prior to the effective date of such new tariff a supplement to the tariff to be so canceled should be lawfully issued, rates in that supplement could not continue in effect for the 30 days required by law because the cancellation of the tariff also

cancels supplements to it. In such a case supplements containing changes not included in the tariff that is to become effective may be issued as supplements both to the tariff in effect and to the tariff on file that will effect such cancellation, and be given both ICC numbers. In other words, such issue must be a supplement to each of the tariffs, and copies must be filed accordingly. A supplement issued under this section containing reissued items shall note in connection with each of such items, in addition to the date effective as required by the section, that the reissued items expire on the date at which the new tariff becomes effective, and that the new tariff will apply in lieu thereof; and such reissued items must not be brought forward in subsequent supplements to the new tariff. Such supplement may not contain any changes except those lawfully made by supplement to the tariff which is to be canceled by the tariff that has been filed and that is also so supplemented; and no other kind of supplement to a tariff that is on file and not yet effective may be made effective within 30 days from the effective date of the tariff without special permission.

The provisions of paragraph (m) of this section as to the number of supplements to a tariff that may be in effect at any time, and the volume of supplemental matter they may contain must be observed in connection with supplement issued under this paragraph.

(h) Action when express company is absorbed. In case of change of ownership or control of an express company, the express company whose line is absorbed, taken over, or purchased by another company shall unite with that other express company in common supplements to the tariffs on file with the Commission, on the one hand withdrawing and on the other hand accepting and establishing such tariffs and all effective supplements thereto. Such common supplements shall be executed jointly by the traffic officers of both the old and the new express companies, shall be numbered consecutively as supplements to the tariffs to which they are directed, and may be made effective on 5 days' notice to the public and the Commission by noting thereon reference to this section. Such common supplements will not be counted against the number of supplements permitted to such tariff under paragraph (m) of this section. Amendments to such tariffs must thereafter be filed in consecutively numbered supplements thereto until the tariffs are reissued. New tariffs reissuing or superseding these shall be numbered in the ICC series of the new express company.

When an express route or a part of an express route is transferred from the operating control of one company to that of another, or when its name is changed, the existing tariffs issued by the express company that surrenders control must be withdrawn by it and adopted by the express company assuming control, as provided in paragraph (g) of this section.

(i) *Adoption of tariffs issued by other express companies or joint agents, and of concurrences, power of attorney.* As to tariffs issued by other express companies or joint agents under concurrences or powers of attorney granted by the old express company, the new express company shall, if it intends to use such tariff publications and rates, issue, file, and post, with ICC number, an adoption notice, substantially as follows:

> The [name of express company] hereby adopts, ratifies, and makes its own, in every respect as if the same had been originally filed and posted by it, all tariffs, rules, notices, concurrences, traffic agreements, divisions, authorities, powers of attorney, or other instruments whatsoever, filed with the Interstate Commerce Commission by the [name of old express company] prior to [date] the beginning of its possession. By this tariff it also adopts and ratifies all supplements or amendments to any of the above tariffs, etc., which it has heretofore filed with said Commission.

This notice may be made effective and be filed on immediate notice.

Similar adoption notice must be filed by a receiver when assuming possession and control of an express company.

Concurrences and powers of attorney so adopted by an express company must, as soon as possible, be replaced and superseded by new concurrences and powers of attorney issued by and in the name of the new express company, and in each instance canceling the concurrence or power of attorney superseded.

The express company surrendering control of the express route has no lawful right to abandon its tariffs except on lawful notice, and when it surrenders control of the said route it surrenders all right to publish rates applicable thereover except under proper authority from the express company to whose control the route passes. The public has a right to available and lawfully applicable rates over that route.

(j) *Suspension of tariff publications containing increased rates.* When the Commission, under authority of section 15 of the Interstate Commerce Act, as amended, suspends the operation and defers the use of a tariff or classification, rate, charge, regulation, or practice, the following course shall be pursued by express companies:

Upon receipt of order of suspension of any publication in its entirety the express company or agent publishing and filing such schedule shall immediately file with the Commission a supplement stating that such schedule is under suspension and may not be used until further and proper notice, or until such specified date as the suspension order of the Commission may name, and that rates theretofore in effect and which were to be changed by the suspended publication will remain in effect. Such supplement shall state by ICC number or numbers the tariff or tariffs in which rates, classifications, charges, or regulations so restored will be found.

Upon receipt of order of suspension of parts of a publication which, except as to such parts, is allowed to become effective, the express company or agent publishing and filing such schedule shall immediately file with the Commission a supplement containing a copy of the Commission's order of suspension and stating that the part or parts of such schedule specified in the order are under suspension and may not be applied or charged until further notice, or until such specified date as the suspension order of the Commission may name. Such supplement shall also give reference by ICC number or numbers to the tariff or tariffs in which the rates, classifications, charges, or regulations applicable during the period of suspension will be found.

The title page of every suspension supplement issued under authority of this section must bear date of issue, but no effective date, inasmuch as the suspension is effective from the date of filing and serving the Commission's suspension order.

When the Commission vacates an order of suspension made by it under authority of section 15 of the act, as amended, the express company or agent who published and filed such suspended tariff or supplement shall immediately file with the Commission a supplement stating the date upon which, under the terms of the vacating order, the rate, classification, charge, regulation, or practice becomes effective.

Every suspension or vacating supplement issued under authority of this section must bear on title page the following notation:

> Issued under authority of rule 9 (j) Tariff Circular 19–A and in compliance with Investigation and Suspension Order No. ____ of the Interstate Commerce Commission of [date] 19____.

Such supplements will not be counted against the number of supplements permitted to such tariff under paragraph (m) of this section.

Every supplement issued under this section must be forthwith posted in every depot, station, office, or other place where the schedule affected by the order of suspension or vacation is posted, and should be given the same general distribution.

As an assistance in taking care of the ordinary changes in rates which may be necessary during the period of suspension of an entire tariff, the tariff remaining in effect as a result of such postponement may be further amended without regard to the Commission's rule as to the volume of supplemental matter which the effective supplements in the aggregate may contain.

A new or changed rate, rule, or regulation made effective during the period of suspension shall remain in force for the statutory period of 30 days.

No change may be made in a tariff or supplement which has been suspended in its entirety except by special permission of the Commission.

When a 6 months' tariff or a supplement to a 6 months' tariff is suspended in its entirety by the Commission, the previous tariff and effective supplements will remain in force until lawfully changed or reissued, and the fixed period for the reissue of such 6 months' tariff may be deferred for the period of suspension of the increases in the tariff or supplements thereto.

The title page of the 6 months' tariffs referred to above should be corrected by

supplement to announce that the tariff will not be reissued prior to [date to which suspended] 19____.

(k) *Authority to make effective reduced items appearing in suspended schedules.* When the Commission, under authority of section 15 of the Interstate Commerce Act, as amended, suspends the operation and defers the use of a schedule which contains both increases and reductions in rates, charges, classifications, or regulations, the reduced rates, charges, classifications, or regulations therein named may be made effective on 1 day's notice to the Commission and to the public, prior to and effective upon the date the new schedule was intended to take effect, by the publication and filing of a supplement to the tariff continued in force by reason of such suspension, or in a new tariff. A supplement or tariff issued under authority of this section shall bear upon its title page the following notation:

Issued by authority of rule 9 (k), Interstate Commerce Commission Tariff Circular 19–A.

CROSS REFERENCES: For amendments, as provided in Rule 20 of the General Rules of Practice (§ 1100.22 of this chapter). For general provisions relating to concurrences and powers of attorney, see § 1304.24. For requests for permission to amend tariffs on less than statutory notice, see § 1304.31. For powers of attorney and concurrences applicable to express-motor rates, see § 1304.109.

(m) *Number of supplements effective at any time; amount of matter supplements may contain.* Except as authorized in § 1304.8(d), and paragraphs (h) and (j) of this section, a tariff containing the number of pages indicated under Column 1 may have in effect at any time not more than the number of supplements and the volume of supplemental matter shown opposite thereto in Columns 2 and 3, respectively.

Column 1, pages	Column 2, supplements	Column 3, volume (No. of pages)
1 but not more than 4	1	4.
5 but not more than 12	1	2.
13 but not more than 16	1	33⅓ percent of the number of pages in the tariff.
87 but not more than 80	2	
11 but not more than 200	3	
Over 200	4	

Tariffs of 13 or more pages: When the number of pages in the supplement which brings the volume of matter up to that authorized in Column 3 is not evenly divisible by four, that supplement may exceed the volume authorized to the extent of using additional pages within the next multiple of four. The smallest of three effective supplements to a tariff of more than 80 but not more than 200 pages shall contain not more than eight pages, and the smallest of four effective supplements to a tariff of more than 200 pages shall contain not more than 16 pages.

§ 1304.10 Charges to be shown; distance tariffs.

(a) In all cases where a charge in addition to tariff rate is made for icing, lighterage, or switching, the express company shall either specify such charge in the tariff or refer to ICC number of the tariff wherein such additional charge will be found.

(b) It is permissible for an express company, or for two or more express companies, to issue a tariff containing distance or mileage merchandise or scale rates or commodity rates for use in determining rates on its, or their, own lines; but in such cases the distance or mileage merchandise or scale rates may be used only when no other rates of like class are provided, and the distance or mileage commodity rates may be used only when no other commodity rates are provided.

Each tariff that contains distance or mileage merchandise or scale rates only must bear on its title page the following rule:

Merchandise or scale rates shown herein may be used only when no specific merchandise or scale rates have been provided. They may not be used either by themselves or in combination in preference to any specific merchandise or scale rate.

Each tariff that contains distance or mileage commodity rates only must bear on its title page the following rule:

Commodity rates shown herein may be used only when no specific commodity rates have been provided. They may not be used either by themselves or in combination in preference to any specific commodity rate.

(c) Every express company that uses a distance tariff, which is or may be used in connection with rates on interstate shipments, must incorporate therein an official list of all the offices in connection with which the tariff may apply, showing in proper arrangement the distances between them; or must give therein reference by ICC number to its issue that contains such list.

§ 1304.11 Index of tariffs.

Each express company shall publish under proper ICC number, post, and file a complete index of tariffs which are in effect and to which it is a party. Such index shall be prepared in sections as follows and shall show: (a) ICC number; (b) express company's own number; (c) index number; (d) initials of issuing express company or agent; (e) issuing express company or agent's number; (f) character of tariff or description of the articles upon which it applies; (g) where tariff applies from; (h) where tariff applies to.

NOTE: Items (b), (c), and (e) may be omitted. Items (f), (g), and (h) will be stated in concise general terms.

First section: A list of all the tariffs as to which the express company is an initial carrier. Commodity tariffs to be entered alphabetically under names of commodities or principal commodities. Tariffs applying to different groups of the same commodity must be grouped together; e. g., "Fruits," etc.

Following the specific commodity tariffs will be entered the general commodity tariffs and the merchandise tariffs. Under each of these heads the application of the tariffs will be described by alphabetical arrangement of the offices or territory from or to which they apply in either the "From" or "To" column. Tariffs applying between a certain office and other offices will be listed in alphabetical order of offices for which constructed and index must indicate which tariffs apply "between."

Second section: List of all tariffs under which the express company is an intermediate or terminal carrier, arranged under commodities or merchandise as prescribed in the first section. Tariffs under which the express company is a delivering carrier or an intermediate carrier, or both, must be so indicated.

Third section: A complete list of the numbers of tariffs of its own ICC series arranged in numerical order.

If express company so desires, lists of its intrastate tariffs, division sheets, official circulars, etc., may appear in this publication. In connection with intrastate tariffs a reference mark must be used with explanation: "Rates in this tariff do not apply to interstate shipments." Supplements to tariffs need not be included in indexes.

If any changes are made, the index must be revised to date, either by reissue each month or by supplement each month and reissue every 12 months. If supplements are used, they must be constructed in accordance with specifications as to construction of index and shall show, under the respective headings, "additions, changes, and cancellations" made in index or canceled supplement thereto.

Each index must bear on its title-page notations, as follows: "This index contains lists of tariff publications in effect on [date of issue of index];" to which may be added "or which have been filed to become effective at a later date as shown within." If supplements to index will not be used, "No supplement to this index will be issued;" if supplements will be used, "This index will be reissued on or before _____, 19__, and supplements will be issued each month in which change is made.

Each supplement to index must bear on title-page the notation "Supplements Nos. ____ and ____ contain corrections to and as in effect on date of issue of supplement];" to which may be added, "or which have been filed to become effective at a later date as shown within."

NOTE: As to indexes now on file which bear notation as to the number of supplements that may be issued thereto and which do not bear notation that they will be reissued on or before a specified date, the rule heretofore in effect as to supplements must be continued. Such indexes may be brought within the provisions of the above rule as to supplements by reissue.

A specified date for reissue stated on an index now on file must be observed.

The title page of index or of supplement must show the date of issue thereof, which must correspond to date shown in notations above and must not bear an effective date. The section requiring 30 days' notice does not apply to these indexes and their supplements.

§ 1304.12 Tariffs to or from season or summer offices.

Tariffs of rates applying to or from offices at which business is transacted only during certain portions of the year, or tariffs applying over water routes during season of navigation only, shall remain in force until changed in the manner provided by the regulations in this part, and it will not be necessary to refile with the Commission the rates in force to or from such office or over such route, temporarily closed, when it is reopened. Three days' previous notice of the opening and closing of any summer or season office or water route must be filed with the Commission and duly posted, in supplement to the tariff. All offices where rates are temporarily in effect shall be designated in tariffs as "summer" or "season" offices.

§ 1304.13 Filing of tariffs.

(a) *Authority to file.* Tariffs, classifications, and exception sheets and supplements thereto shall be filed with the Commission by proper officer of the express company or by an agent designated to perform that duty, and concurrence of every carrier amenable to the Interstate Commerce Act participating therein must be on file with the Commission or accompany the tariff or supplement. If an express company authorizes an agent to file its tariffs or classifications and exception sheets and supplements thereto, or certain of them, official notice of such authorization and of acceptance of responsibility by the express company for his acts, in form as hereinafter specified, must be filed with the Commission.

Such notice may be revoked by an express company upon 30 days' official notice to the Commission, or at any time be transferred to another agent by filing with the Commission notice of such transfer, accompanied by full-form authorization for the newly named agent.

(b) *Authorizations for agent and concurrences in his tariffs must be on file.* If two or more express companies appoint the same person as agent for the filing of tariffs or classifications and supplements thereto, each of them will be required to file with the Commission power of attorney in form prescribed appointing him their agent; and the concurrence of every other carrier amenable to the Interstate Commerce Act, participating in any tariff or classification or supplement thereto which is filed by him must be on file with the Commission or accompany the tariff.

(c) *Use his own ICC serial number.* Such joint agent duly authorized to act for several express companies must file joint tariffs or classifications or exception sheets under ICC serial numbers of his own.

(d) *Tariffs issued by an express company under concurrences will be filed.* Tariffs issued by an express company under its ICC numbers may include, under proper concurrences, shown therein, rates via, and to and from points on other express companies' lines and concurring express companies may use such tariffs for posting at their offices. Such tariff must be filed by the issuing express company and such filing will constitute filing for all lawfully concurring carriers.

(e) *Send copies of joint publication to every participant.* The agent or the express company that issues a joint tariff publication shall at once send copies thereof to each and every carrier that is named as party thereto.

(f) *Must not publish rates conflicting or duplicating.* An express company that grants authority to an agent or to another express company to publish and file certain of its rates must not in its own publications publish rates that duplicate or conflict with those which are published by such authorized agent or other express company.

(g) *All State or other rates used for interstate shipments must be posted and filed.* Rates for through shipments are often made by adding together two or more rates. All State or other rates used in combination for interstate shipments must be posted at offices and filed with the Commission, and can only be changed as to such traffic in accordance with the terms of the act.

CROSS REFERENCE: For general provisions relating to powers of attorney and concurrences, see § 1304.24.

§ 1304.14 General provisions in connection with filing.

(a) The act requires that all changes in rates, or in rules that affect rates, shall be filed with the Commission at least 30 days before the date upon which they are to become effective. Manifestly it is impossible for the Commission to check the items in tariffs to determine whether or not the statutory notice has been given. The title page of every tariff must show full 30 days' notice, or must bear a plain notation of the number and date of the permission, or the rule, or the decision of the Commission under which it is effective on less than statutory notice.

(b) The law affirmatively imposes upon each express company the duty of filing with the Commission all of its tariffs and amendments thereto, as prescribed in the law or in any rule relative thereto which may be announced by the Commission, under penalty for failure so to do, or for using any rate which is not contained in its lawfully published and filed tariffs. The Commission will give such consistent assistance as it can in this respect, but the fact that receipt of a tariff, or supplement to a tariff, is acknowledged by the Commission, or the fact that a tariff, or supplement to a tariff, is in the files of the Commission, will not serve or operate to excuse the express company from responsibility or liability for any violation of the law, or of any ruling lawfully made thereunder, which may have occurred in connection with the construction or filing of such tariff or supplement.

(c) Thirty days' notice to the public and to the Commission is required as to every publication which it is necessary for an express company to file with the Commission regardless of what changes may or may not be effected thereby.

(d) No tariff or supplement will be accepted for filing unless it is delivered to the Commission, free from all charges or claims for postage, the full 30 days required by law before the date upon which such tariff or supplement is stated to be effective. No consideration will be given to or for the time during which a tariff or supplement may be held by an express company for charges, or by the Post Office Department because of insufficient postage. A tariff or a supplement that is received by the Commission too late to give the Commission the full 30 days' notice required by law will be returned to sender, and correction of the neglect or omission cannot be made which takes into account any time elapsing between the date upon which such tariff or supplement was received and the date of attempted correction. In other words, when a tariff or a supplement is issued, and as to which the Commission is not given the statutory notice, it is as if it had not been issued, and full statutory notice must be given of any reissue thereof. No consideration will be given to telegraphic notices in computing the 30 days' notice required. For tariffs and supplements issued on short notice under special permission of the Commission full 30 days' notice is not required, but literal compliance with the requirements for notice named in any permission granted by the Commission will be exacted and in accord with the policy and practice above outlined.

(e) Any tariff or schedule, tendered for filing, which fails to give lawful notice of changes in rates, charges or other provisions which it proposes to establish, or which fails to meet the requirements of the regulations contained in this chapter, or violates any order of the Commission or of a court, is subject to rejection by the Commission. When a tariff or schedule is rejected, the Commission, acting through a designated administrative officer, will inform the carrier or the agent who tendered it for filing, in writing, of the reasons for rejection, and will return the rejected tariff or schedule to such carrier or agent.

The number assigned to a tariff or schedule which has been rejected may not again be used. The rejected tariff or schedule may not be referred to in any subsequent tariff or schedule as having been canceled, amended or withdrawn, but the tariff or schedule which is published in its stead must bear the following notation: "Issued in lieu of (here identify the rejected schedule or tariff), rejected by the Commission."

A notice of the revocation, complete or partial, of a concurrence or power of attorney which, if it were to become effective, would require the establishment of rates, fares, or charges in viola-

tion of an order of the Commission or of a court, or of the regulations in this chapter, may be rejected in the same manner as a tariff or schedule, and any such notice of revocation which would require the establishment of rates, fares, or charges of doubtful lawfulness may be suspended.

(f) Rates prescribed by the Commission in its decisions and orders after hearings upon formal complaints shall, in every instance, be promulgated by the carriers against which such orders are entered in duly published, filed, and posted tariffs, or supplements to tariffs, and notice shall be sent to the Commission that its order in case No. ____ has been complied within item _____, page ____ of _____ tariff, ICC No. ____, or supplement ____ to _____ tariff, ICC No. _____.

In establishing rates or regulations under an order of the Commission in a formal case, carrier or carriers that are actually and on the record parties to the case, or that are lawful parties to a joint tariff in which the rate or regulation that is prescribed is published by some carrier that is party to the case, may include in the change or changes made in compliance with the Commission's order commodity or commodities that are grouped with that or those which are specified in the order; and may also include adjustment at other points in order to preserve established grouping or relation of points, and may also include adjustment of rates to same points on other commodities for the purpose of maintaining established relation of rates between commodities: *Provided*, All such changes made by authority of this section shall be effected by reductions in rates or charges.

If carrier that is not so party to the case or to the joint tariff desires to make on less than statutory notice the same changes that are made under the order by carrier that is party to the same, it must secure special permission so to do.

Unless otherwise specified in the order in the case, such tariff or supplement may be made effective upon 5 days' notice to the Commission and to the public, and if made effective on less than statutory notice, either under this section or under special authority granted in the order in the case, shall bear on its title-page notation "In compliance with order of Interstate Commerce Commission in case No. _____."

If the order of the Commission affects any individual item or items in a tariff, above notation shall be shown in connection with said item or items and shall be repeated in each reissue thereof during the period of effectiveness of the Commission's order.

(g) Circulars announcing or explaining the attitude and course of express companies under injunction of a court, relating to tariff rates or regulations, must not be issued as supplements to tariffs nor given ICC numbers unless they are issued on statutory notice or under special permission from the Commission for shorter time. The Commission will, however, be pleased to have copies of such circulars and the information therein contained.

(h) Each express company files tariffs under ICC numbers, which are presumed to be used consecutively. Occasionally a tariff or supplement is received which does not bear ICC number next in numerical order to that borne by the one last filed. This is sometimes occasioned by the missing number having been assigned to a tariff that is in course of preparation. Request is made that insofar as is possible express companies will file tariffs and supplements in consecutive numerical order of ICC numbers. If from any cause this is not done in any instance, the tariff or supplement that is filed with an ICC number that is not consecutive with the last number filed must be accompanied by a memorandum explaining as to the missing number or numbers.

(i) Express companies and their agents are directed, in filing schedules in compliance with the statute, to transmit two copies of each tariff, supplement, classification, or other schedule of rates or regulations, for the use of the Commission, both copies to be included in one package and under one letter of transmittal.

Tariffs sent for filing must be addressed "Interstate Commerce Commission, Section of Tariffs, Washington, D.C. 20423."

CROSS REFERENCES: For letter of transmittal, see § 1304.25. For filing of tariffs under amended fourth section of the act, see § 1304.39. For filing of local and joint express-motor rates, see § 1304.102.

§ 1304.15 Issuance of classification by joint agent.

(a) An express company may grant to a joint agent authority to publish and file for it classification and supplements thereto and exceptions to the classification; or, such exceptions may be published by the express company in its own issues, either as parts of individual tariffs or in a publication that is given an ICC number that is filed and posted as required, and that is devoted to such exceptions. (See § 1304.3(e).) Such exceptions and changes therein may be made only on statutory notice or under special permission for shorter time.

Insofar as is reasonably practicable exceptions should be included in the tariff which they affect.

A joint agent to whom express companies have extended authority under power of attorney to publish and file classification and supplements thereto must issue them under his own ICC numbers; must show in the classification a list of the express companies for which he acts under power of attorney, giving as to each the EX1 number of such authority, and must file the classification and supplements thereto on behalf of all the express companies that have so authorized him to act for them; and such express companies will not file for themselves the classification or supplements thereto. The provisions of the law as to statutory notice must be observed in the issuance of supplements or reissue of the classification.

(b) If an express company fails to authorize an agent to file the classification for it and undertakes to file it for itself it is bound by the terms of the law as to notice of change and date of filing, both as to the classification and each supplement thereto.

A full list of participating express companies shall be shown in supplements.

(c) In giving power of attorney for this purpose the form shown in § 1304.16 may be modified by striking out from line 5 the word "tariffs," and, if desired, from line 6 the words "and exception sheets."

If an express company has given another express company concurrence EX4, under which it concurs in classification which that other express company or its agent may make and file, the express company to which that concurrence is given may exercise the authority by its lawfully appointed agent, and the express company which gave the authority be shown in the publication as participant under the form and number of its concurrence.

§ 1304.16 Form of appointment of agent.

The following form, on paper 8 by 10½ inches in size, will be used in giving authority to an agent to file for the express company giving the authority, tariffs and supplements thereto. Such authority must not be given to an association or bureau, and it may not contain authority to delegate to another power thereby conferred.

This form may be modified so as to confer the authority desired by omitting the words "(1) for it alone, and (2)," or by omitting the words "and (2) for it jointly with other express companies."

If two or more express companies execute this form containing the words "for it jointly with other express companies" in favor of a joint agent it will not be necessary for those express companies to exchange concurrences with each other as to the joint tariffs issued by that joint agent under that authority.

TO BE FILED WITH THE INTERSTATE COMMERCE COMMISSION

[Name of express company in full]

[Date] _____, _____

Form EX1—No. ___

Know all men by these presents:

That the [name of express company] has made, constituted, and appointed, and by these presents does make, constitute, and appoint [name of person appointed] its true and lawful attorney and agent for the said company and in its name, place, and stead, (1) for it alone, and (2) for it jointly with other express companies, to file tariffs, classifications, and exception sheets and supplements thereto, as required of common carriers by the act to regulate commerce and by regulations established by the Interstate Commerce Commission thereunder for the period of time the traffic and the territory now herein named:

_____

_____

And the said [name of express company] does hereby give and grant unto its said attorney and agent full power and authority to do and perform all and every act and thing above specified as fully to all intents

and purposes as if the same were done and performed by the said company, hereby ratifying and confirming all that its said agent and attorney may lawfully do by virtue hereof, and assuming full responsibility for the acts and neglects of its said attorney and agent hereunder.

In witness whereof the said company has caused these presents to be signed in its name by its _____ president and to be duly attested under its corporate seal by its secretary, at _____, in the State of _____, on this _____ day of _____, in the year of our Lord nineteen hundred and _____.

THE [name of express company],

By _____,
Its _____ President.

Attest:

_____,
Secretary.

[CORPORATE SEAL]

The express company issuing this form will file the original with the Commission and will furnish duplicate to the agent to whom power of attorney is given.

For concurrence in tariffs issued and filed by another express company or its agent forms prescribed in §§ 1304.17 to 1304.23 will be used.

§ 1304.17 Form of concurrence, EX2.

The following form will be used in giving concurrence in a tariff that is issued and filed by another express company or its agent and to which the express company giving concurrence is a party. If given to continue until revoked, it will serve as continuing concurrence in the tariff described in the concurrence and all supplements to and reissues thereof. If provision for concurrence to continue until revoked is stricken out, a new concurrence will be required with each supplement or reissue.

TO BE FILED WITH THE INTERSTATE COMMERCE COMMISSION

[Name of express company in full]
[Date] _____, _____

Form E-2—No. _____.

TO THE INTERSTATE COMMERCE COMMISSION, WASHINGTON, D.C. 20423:

This is to certify that the [name of express company] assents to and concurs in the publication and filing of the rate schedule described below, together with supplements thereto and reissues thereof which the named issuing express company or its agent may make and file, and hereby makes itself a party thereto and bound thereby, until this authority is revoked by formal and official notices or revocation placed in the hands of the Interstate Commerce Commission and of the express company to which this concurrence is given.

Title and number: [Here give exact description of title of schedule, including number and name of series.]

Date of issue: _____, _____

Date effective: _____, _____

Issued by [Official. / Company.]

[Name of express company.]

By [Name of officer.]

[Title of officer.]

This form will be filed with the Commission by the express company or agent who files the tariff and will accompany the tariff.

§ 1304.18 Form of concurrence, EX3.

Concurrence may be given by any express company to embrace all tariffs issued by another express company or its agent in which the concurring express company is shown as a participating intermediate or delivering line, after the following form:

TO BE FILED WITH THE INTERSTATE COMMERCE COMMISSION

[Name of express company in full]
[Date] _____, _____

Form EX3—No. _____.

TO THE INTERSTATE COMMERCE COMMISSION, WASHINGTON, D.C. 20423:

This is to certify that the [name of express company] assents to and concurs in the publication and filing of any rate schedule or supplement thereto which the [name of express company] or its agent may make and file, in which it is shown as a participating express company, and hereby makes itself a party to and bound thereby in so far as such schedule contains rates applying via its line and to, but not from, points thereon, until this authority is revoked by formal and official notices of revocation placed in the hands of the Interstate Commerce Commission and of the express company to which this concurrence is given.

[Name of express company.]
By [Name of officer.]
[Title of officer.]

The express company issuing this form will file the original with the Commission and will furnish duplicate to the express company to which concurrence is given. This form must not be qualified in any way except to show what agents have been given power of attorney and to provide that tariffs shall not be issued under the concurrence covering traffic provided for in tariffs issued by such agents.

§ 1304.19 Form of concurrence, EX4.

Concurrence may be given by an express company in tariffs issued by another express company or its agent applying rates to or from its offices or via its lines, on certain described traffic or between certain described points or territories, after the following form, modified as may be necessary to confer exactly the authority intended to be granted. For granting authority to publish and file rates to and from and via its lines, and not otherwise qualified, express company will use concurrence form EX5 or EX7, as per §§ 1304.20 and 1304.22.

TO BE FILED WITH THE INTERSTATE COMMERCE COMMISSION

[Name of express company in full]

[Date] _____, _____

For EX4—No. ___.

To the INTERSTATE COMMERCE COMMISSION, WASHINGTON, D.C. 20423:

This is to certify that the [name of express company] assents to and concurs in the publication and filing of any rate schedule or supplement thereto which the [name of express company] or its agent may make and file and in which this company is shown as a participating express company, and hereby makes itself a party to and bound thereby in so far as such schedule contains rates applying upon _____; or between _____ and _____; or from _____ to _____; or via _____; until this authority is revoked by formal and official notices of revocation placed in the hands of the Interstate Commerce Commission and of the express company to which this concurrence is given.

[Name of express company.]
By [Name of officer.]
[Title of officer.]

The express company issuing this form will file the original with the Commission and will furnish duplicate to the express company to which concurrence is given.

§ 1304.20 Form of concurrence, EX5.

Concurrence may be given by an express company in tariffs issued by another express company or its agent applying rates to and from its offices and via its liens and after the following form:

TO BE FILED WITH THE INTERSTATE COMMERCE COMMISSION

[Name of express company in full]

[Date] _____

Form EX5—No. _____.

To the INTERSTATE COMMERCE COMMISSION, WASHINGTON, D.C. 20423:

This is to certify that the [name of express company] assents to and concurs in the publication and filing of any rate schedule or supplement thereto which the [name of express company] or its agent may make and file, and in which this company is shown as a participating express company, and hereby makes itself a party to and bound thereby in so far as such schedule contains rates applying to and from offices on its lines, and via its lines, until this authority is revoked by formal and official notices of revocation placed in the hands of the Interstate Commerce Commission and of the express company to which this concurrence is given.

[Name of express company.]
By [Name of officer.]
[Title of officer.]

The express company issuing this form will file the original with the Commission and will furnish duplicate to the express company to which concurrence is given. This form must not be qualified in any way, unless to show what agents have been given powers of attorney and to provide that tariffs shall not be issued under the concurrence covering traffic provided for in tariffs issued by such agents.

§ 1304.21 Form of concurrence, EX6.

If two or more express companies appoint the same person as agent for the publication and filing of tariffs and supplements thereto under powers of attorney form EX1, concurrence in tariffs issued by him under such authority may be in the following form:

TO BE FILED WITH THE INTERSTATE COMMERCE COMMISSION

[Name of express company in full]
[Date] _____, _____

Form EX6—No._____.

To the INTERSTATE COMMERCE COMMISSION, WASHINGTON, D.C. 20423:

This is to certify that the [name of express company] assents to and concurs in the

publication and filing of any rate schedule or supplement thereto which the [here give list of all express companies for which the agent has powers of attorney], or either or any of them, may make and file through their agent and attorney [name of agent], and in which it is shown as a participating express company, and hereby makes itself a party to and bound thereby in so far as such schedule contains rates applying via its line, and to but not from points thereon, until this authority is revoked by formal and official notices of revocation placed in the hands of the Interstate Commerce Commission and of the express companies to which this concurrence is given, or of their agent and attorney herein named.

[Name of express company.]
By [Name of officer.]
[Title of officer.]

The express company issuing this form will file the original with the Commission and will furnish duplicate to each of the express companies named in the concurrence, or, if each of those express companies has given said agent power of attorney to receive for it concurrences, original will be filed with the Commission and one duplicate may be filed with such agent instead of furnishing duplicates to each and every express company represented by him.

§ 1304.22 Form of concurrence, EX7.

If two or more express companies appoint the same person as agent for the publication and filing of tariffs and supplements thereto, under powers of attorney form EX1, concurrence in tariffs issued by him under such authority may be in the following form:

TO BE FILED WITH THE INTERSTATE COMMERCE COMMISSION

[Name of express company in full]
[Date] ----------, -----

Form EX7—No.-----.

TO THE INTERSTATE COMMERCE COMMISSION, WASHINGTON, D.C. 20423:

This is to certify that the [name of express company] assents to and concurs in the publication and filing of any rate schedule or supplement thereto which the [here give list of all express companies for which the agent has powers of attorney], or either or any of them may make and file through their agent and attorney [name of agent], and in which it is shown as a participating express company, and hereby makes itself a party to and bound thereby insofar as such schedule contains rates applying via its line, and to and from points thereon, until this authority is revoked by formal and official notices of revocation placed in the hands of the Interstate Commerce Commission and of the express companies to which the concurrence is given, or of their agent and attorney herein named.

[Name of express company.]
By [Name of officer.]
[Title of officer.]

The express company issuing this form will file the original with the Commission and will furnish duplicate to each of the express companies named in the concurrence, or, if each of those express companies has given said agent power of attorney to receive for it concurrences, original will be filed with the Commission and one duplicate may be filed with such agent instead of furnishing duplicates to each and every express company represented by him.

§ 1304.23 Form of concurrence, EX8.

If two or more express companies appoint the same person as agent for the publication and filing of tariffs and supplements thereto under powers of attorney form EX1, concurrence in tariffs issued by him under such authority applying to or from certain points or territory may be issued in the following form, modified as may be necessary to confer exactly the authority intended to be granted:

TO BE FILED WITH THE INTERSTATE COMMERCE COMMISSION

[Name of express company in full]
[Date] ----------, -----

Form EX8—No.-----.

TO THE INTERSTATE COMMERCE COMMISSION, WASHINGTON, D.C. 20423:

This is to certify that the [name of express company] assents to and concurs in the publication and filing of any rate schedule or supplement thereto which the [here give list of all express companies for which the agent has powers of attorney], or either or any of them, may make and file through their agent and attorney [name of agent], and in which it is shown as a participating express company, and hereby makes itself a party to and bound thereby insofar as such schedule contains rates applying upon ----------; or between---------- and----------; or from ---------- to ----------; or from ---------- to points on or reached via its line; or from points on or via its line to ---------- until this authority is revoked by formal and official notices of revocation placed in the hands of the Interstate Commerce Commission and of the express companies to which this concurrence is given, or of their agent and attorney herein named.

[Name of express company.]
By [Name of officer.]
[Title of officer.]

The express company issuing this form will file the original with the Commission and will furnish duplicate to each of the express companies named in the concurrence, or, if each of those express companies has given said agent power of attorney to receive for it concurrences, original will be filed with the Commission and one duplicate may be filed with such agent instead of furnishing duplicate to each and every express company represented by him.

NOTE: Concurrence, form EX2, applies to individual publication named therein. Concurrence, form EX3 or EX6, confers authority to publish and file rates to, but not from, offices on line of concurring express company, and via its lines. Concurrence, form EX5 or EX7, confers authority to publish and file rates to and from offices on line of concurring express company, and via its lines. Forms EX3, EX5, EX6, and EX7 are not to be modified except as specified in the rules. The use of these several forms as provided will therefore show by the form number just what authority has been given, except when form EX4 or EX8 is used, these forms being provided for instances which the other forms do not exactly fit.

§ 1304.24 Concurrences and powers of attorney; general provisions.

(a) Each express company will give authorizations and concurrences serial numbers, beginning with No. 1 in each series, as indicated by forms, and continuing in consecutive numbers as to each series, and keeping these numbers separate and apart from the ICC numbers of tariffs. (See paragraph (d) of this section.) Concurrences must be given to express companies named therein, and authority so granted to an express company may be by it delegated to its lawfully appointed agent.

(b) A concurrence may be revoked by filing notice of such revocation with the Commission and serving same upon the express company to which such concurrence was given. Such notice must specify the date upon which revocation is to be made effective and must give at least 60 days' notice to the Commission and to the express company to which concurrence was given. Corresponding revision of tariff or tariffs shall be made in the next supplement to or reissue thereof, and if necessary, supplement or reissue shall be made for the sole purpose of making such change lawfully effective on statutory notice upon the effective date stated in the notice of revocation.

Change in a tariff is effective when and only when the tariff as filed and posted is changed. Change effected by revocation of concurence cannot be known to the public or to the agents of express companies until it appears in the regular way in the tariff. An express company that has duly revoked a concurrence as herein provided has the right to be free from the unsatisfactory rate or regulation on the date upon which revocation becomes effective. The public have the right to use the rates shown in a lawfully filed and published tariff. The rule provides ample time within which to change a tariff. If, therefore, when a concurrence is revoked, the express company that publishes the tariff neglects to make change therein as provided in this section, shippers are entitled to have shipments moved as provided in the tariff, and the express company that so neglects to correct its tariff will be held liable to other express companies for the difference in charges under the tariff as it is and as it would be if it had been corrected in accordance with revocation of concurrence. If the tariff is published by a joint agent, the provisions hereof will apply to each of his principals, as traffic is tendered to them as initial express companies.

In giving concurrences care must be taken to avoid probability of two or more agents or express companies naming conflicting rates or rules.

(c) The granting of authority to issue tariffs under power of attorney, or concurrence, does not relieve the express company conferring the authority from the necessity of complying with the law with regard to posting tariffs. It is proper to use tariffs issued under its authority for that purpose.

(d) All powers of attorney and certificates of concurrence must be printed or typewritten on hard calendered paper, 8 by 10½ inches in size.

The series to which each power of attorney or certificate of concurrence belongs must be indicated, and the serial

number of each must be shown, in upper right-hand corner of first page. Immediately under the serial number shall be shown the number, or numbers, of powers of attorney or certificates of concurrence, as the case may be, to be canceled.

Each power of attorney or certificate of concurrence filed must show the post-office address of the issuing officer in the date line preceding body of form.

When a series of joint concurrences, issued on behalf of two or more express companies by the same traffic officer, is maintained, each concurrence filed in that series must be issued on behalf of all the express companies for whom the common traffic officer acts. Otherwise separate files of concurrences must be maintained, one for each express company, certificates in each series of such individual files to be filed in consecutive numerical order as required by paragraph (a) of this section.

CROSS REFERENCE: For powers of attorney and concurrences applicable to express-motor rates, see § 1304.109.

§ 1304.25 Letter of transmittal.

All tariffs that are filed with the Commission shall be accompanied by a letter of transmittal, on paper 8 by 10½ inches in size, and to the following effect:

[Name of express company in full]

[Date] _____, _____

Advice No. _____

To the INTERSTATE COMMERCE COMMISSION, WASHINGTON, D.C. 20423:

Accompanying schedule is sent you for filing, in compliance with the requirements of the Act to regulate commerce, issued by _____ Express Company, and bearing
ICC No. _____.
Supp. No. _____, to ICC No. _____.
Effective _____, 19____;
and is concurred in by all express companies named therein as participants, under continuing concurrences or authorizations now on file with the Interstate Commerce Commission, except the following-named express companies, whose concurrences are attached hereto:

_____
_____
_____
(Signature of filing agent)

A separate letter may accompany each schedule, or the form may be modified to provide for filing under one letter as many schedules as can conveniently be entered.

NOTE: If receipt for accompanying schedule is desired, the letter of transmittal must be sent in duplicate, and one copy will be stamped and returned as receipt.

§ 1304.26 Changes in rates.

Section 6 of the act as amended June 18, 1910, provides that:

No change shall be made in the rates, fares, and charges, or joint rates, fares, and charges, which have been filed and published by any common carrier in compliance with the requirements of this section, except after 30 days' notice to the Commission and to the public published as aforesaid, which shall plainly state the changes proposed to be made in the schedule then in force and the time when the changed rates, fares, or charges will go into effect; and the proposed changes shall be shown by printing new schedules, or shall be plainly indicated upon the schedules in force at the time and kept open to public inspection.

(a) *Rate changes filed and published must become effective.* This provision plainly refers to rates which have already become effective, and also applies the term "proposed changes" to rates which have not become effective. It follows that after notice of a change in rates has been filed and published the new rates must be allowed to go into effect, and cannot be withdrawn, canceled, or superseded except upon notice filed and published for at least 30 days after the date when the rates have become effective. A tariff may contain a notation that rates therein stated will expire upon a date therein specified which is at least 30 days subsequent to the date on which such rates become legally effective, and this will be legal notice of the cancellation or withdrawal of such rates. Any tariff may be changed upon statutory notice of 30 days, or, under special permission from the Commission, upon shorter notice. Therefore a provision in a tariff that the tariff or any part of it will expire upon a given date is not a guaranty that the tariff, or such part of it, will remain effective until that date. Such provision must be understood to mean that the tariff, or specified part of it, will expire upon the date named unless sooner canceled, changed, or extended in lawful way.

(b) *For good cause Commission may allow exceptions.* Express companies must comply fully with the requirements of the law respecting the filing, publication, and taking effect of proposed rates, unless upon application and for good cause shown the Commission, in the exercise of authority conferred upon it, shall allow rates to be changed or withdrawn upon less than 30 days' notice, or by formal order otherwise modify such requirements. No regulation or rule of the Commission is authority to change rates or issue tariffs on less than statutory notice unless so specifically provided in the rule or regulation.

§ 1304.27 Joint rate greater or less than sum of intermediate rates.

Two or more connecting express companies may establish a joint rate only upon notice of 30 days or under special permission; *Provided*, That until otherwise ordered by the Commission express companies may establish on 1 day's notice to the Commission and to the public, tariffs or tariff supplements naming joint rates over the lines of two or more express companies between points as to which no joint rates are in effect via their lines, provided that such joint rates, so established, do not in any way, manner or extent, increase the rates or charges demanded from shippers. Tariffs or tariff supplements issued under this rule must bear notation:

"Issued by authority of rule 27, Interstate Commerce Commission Tariff Circular No. 19–A."

A joint rate when duly established and in force becomes the only lawful rate for through transportation.

A through rate from point of origin to destination of a shipment is the lawful rate applicable to that movement, whether the rate be confined to the line of one express company or be a joint rate applying over the lines of two or more express companies.

§ 1304.28 Reduction of rate to equal sum of intermediate rates.

(a) *Rates higher than sum of intermediate rates.* Where a rate is in effect by a given route between any points which is higher than the sum of the intermediate rates between the same points, by the same or another route, and such rate has been in effect 30 days or longer, such higher rate may, until further notice from the Commission, be changed by reducing the same to the sum of such intermediate rates, but not otherwise, upon posting and filing with the Commission one day in advance a supplement to or a reissue of the tariff in which the rate so reduced appears, which supplement or reissue shall show the reduced rate; shall bear notation that it is effective on less than statutory notice "by authority of rule 28, Interstate Commerce Commission Tariff Circular No. 19–A;" shall show on titlepage, or in connection with such item, by identifying references and ICC numbers, the tariffs that contain the factors which make up the new rate; except that, if the rate so reduced is contained in a strictly merchandise rate tariff, the reduced rate will be published in a new commodity tariff or in a supplement to or reissue of a tariff which contains commodity rates and in which all express companies whose lines make up the route over which the rate applies have concurred, and which is issued by the same express company or agent that issued the tariff which contained the rate so reduced. Such tariff, supplement, or reissue must bear on its title-page, or in connection with such item, the notation:

"Issued under authority of rule 28, Interstate Commerce Commission Tariff Circular No. 19–A. The rate (or rates) hereby reduced appears in _____ tariff, ICC No. _____, item (or page) _____, and the factors from which the new rate herein shown as equaling the sum of the intermediate rates are found in _____ Tariff, ICC No. _____, item (or page) _____, and _____ Tariff, ICC No. _____, item (or page) _____."

(b) *Through rate higher than sum of intermediate rates prima facie unreasonable.* Many informal complaints are received in connection with regularly established through rates which are in excess of the sum of the intermediate rates between the same points. The Commission has no authority to change or fix a rate except after full hearing upon formal complaint. It is believed to be proper for the Commission to say that if called upon to formally pass upon a case of this nature it would be its policy to consider the through rate which is higher than the sum of the intermediate rates between the same points as prima facie unreasonable and that the burden of proof would be upon the express company to defend such higher through rate.

NOTE: Attention is called to the fact that section 4 of the act, as amended, prohibits a through rate that exceeds the sum of the intermediate rates that are subject to the act. The term "intermediate rates" as used in said section is interpreted to mean the straight-away or direct-haul rates, and not to include any back-haul charge.

§ 1304.29 Rates to or from new offices.

An express company or a joint agent acting for it under power of attorney EX1, may establish, in the first instance rates to or from newly opened offices of such company upon 1 day's notice to the Commission and the public. Statutory notice will be required as to all changes in, or additions to, the rates so filed in the first instance. Such tariffs must bear notation that they apply to newly opened offices to or from which no rates are in effect, and bear the notation:

"Issued by authority of rule 29, Interstate Commerce Commission Tariff Circular No. 19-A."

Tariffs or supplements to tariffs issued by other express companies establishing rates to or from such newly opened offices may be issued only upon statutory notice or under special permission for shorter time. It will be the Commission's policy to grant such reasonable permissions as are necessary to give express companies and shippers fullest efficiency of such new service.

§ 1304.30 Rates on carload shipments of certain perishable commodities and of livestock between points between which carload rates on such commodities are not in effect.

Express companies may establish upon 10 days' notice to the Commission, and to the public, tariffs or supplements naming commodity rates for carload shipments of the following commodities, viz, fresh fruits, fresh vegetables, fish (fresh or frozen), clams, oysters, shrimp and livestock, between points between which carload rates on such commodities and via the same lines are not in effect. Each tariff or supplement containing rates established under this section must bear the notation:

"Issued on 10 days' notice by authority of Rule 30, Interstate Commerce Commission Tariff Circular No. 19-A."

§ 1304.31 Requests for permission to amend tariffs on less than statutory notice.

(a) *Form of application.* The act authorizes the Commission, in its discretion and for good cause shown, to permit changes in tariff rates on less than the statutory notice. It is believed that this authority should be exercised only in instances where special or peculiar circumstances or conditions fully justify it. Confusion and complication must follow indiscriminate exercise of this authority. Applications for permission to change tariffs on less than statutory notice shall be addressed to the Interstate Commerce Commission, and in form herein specified on paper 8 by 10½ inches. Such applications must be over signature of the president, vice president, traffic manager, assistant traffic manager, superintendent of traffic, or a duly authorized attorney and agent, specifying title.

(Name of express company)

---, 19----
(Place and date)

To the INTERSTATE COMMERCE COMMISSION,
WASHINGTON, D.C. 20423:

The ---, by
(Name of express company)
---, its ---, does
(Name of officer) (Title of officer)
hereby respectfully petition the Interstate Commerce Commission that it be permitted, under section 6 of the act to regulate commerce as amended June 18, 1910, to put in force the following rates, to become effective ------ days after the filing thereof with the Interstate Commerce Commission:

(State fully the rates which it is desired to put into effect, the articles upon which they are to apply, and the points of origin and destination)

Your petitioner further represents that the said rates above mentioned will be published in (Supp. No. --- to) Tariff ICC No. ---, and will supersede and take the place of the rates on like traffic from and to the points above named which are set forth in Tariff ICC No. --- (or supplement) on file with the Commission.

And your petitioner further bases such request upon the following facts, which present certain special circumstances and conditions justifying the request herein made:

(State fully all the circumstances and conditions which are relied upon as justifying the application, and if based upon rates in effect via other lines, specific reference shall be given to the ICC numbers of the tariffs of such other line or lines)

[Name of express company]
By ---
(Name and title of officer)

Subscribed and sworn to before me this ------ day of ---, 19---.

Notary Public.

The Commission requests that as far as possible these applications be sent by mail and not by telegraph. Action will be taken only on receipt of the verified application.

(b) *Permission to change rates.* This authority will be exercised only in cases where actual emergency and real merit are shown. Clerical or typographical errors in tariffs constitute good cause for the exercise of this authority, but every application based thereon must plainly specify the omissions or mistakes together with a full statement of the circumstances attending such omission or error and be presented with reasonable promptness after issuance of the defective tariff.

(c) *Where full notice was given by competing express company.* Desire to meet the rates of a competing express company which has given the full statutory notice of change in rates will not of itself be regarded as good cause for allowing changes in rates on a notice of less than 30 days.

(d) *Amendment of joint tariffs on less than statutory notice.* A request from one party to a joint tariff for permission to amend such tariff on less than statutory notice necessarily raises some question of doubt as to the wishes or concurrence of other interested parties to the tariff. It is desirable and proper that any such permission given by the Commission should affect alike all parties to the tariff that is to be amended under it. The Commission therefore decides:

(e) *Applications by express company or agent authorized to file the tariff.* That when an express company gives an agent authority to file tariff or tariffs and supplements thereto in its name, place, and stead, or concurrence in tariff or tariffs and supplements thereto which another express company or its agent may file thereunder, the agent or express company to whom such authority or concurrence is given has, under the terms of the authority or concurrence, the power and the right to request, in the name and on behalf of the express companies participating in such tariff or tariffs, permission to amend same on less than statutory notice.

(f) *Request must come from one who issues the tariff.* Such requests as to joint tariffs must be made by the agent or the express company that is authorized to file the tariff and in making them form same as that prescribed for use of individual carrier shall be used, except that the request must state that it is made in the name and on behalf of all parties to the tariff, and that formal authority to file the tariff, or formal concurrence in the tariff, is on file with the Commission from each of them.

(g) *Concurring express companies bound by act of authorized agent.* Request will be signed and verified by the agent or officer who makes it, and every express company that has, by formal authority or concurrence, made itself a party to such tariff will be held bound by the act of its agent under such authority or by its concurrence. This section will, insofar as is possible, be applied to tariffs now on file, and will be effective in all cases from and after August 1, 1908.

§ 1304.32 Free transportation of passengers in connection with shipments of property.

Section 1 of the act provides that free transportation may be furnished "to necessary caretakers of live stock, poultry, milk, and fruit." This provision in the statute is construed to mean necessary caretakers of live stock, poultry, milk, or fruit that is loaded and ready for movement, or the movement of which is actually contracted for or that is actually in transit. Such free transportation must be the same for all under like circumstances and the tariff governing transportation of the commodity must give notice thereof. Tariff may provide that caretaker sent out to return with shipment that is arranged for or that is in transit will be required to pay fare going and that such fare will be refunded if person so sent does return as actual caretaker of shipment for which he is sent.

(a) The Commission is of the opinion that the term "fruit" in this connection includes perishable vegetables, and that bees in hives and live fish may be included in the term "live stock," when shipped under conditions that render caretakers "necessary."

(b) When an express company provides in its tariff for free transportation for caretakers in charge of live stock, poultry, milk, or fruit, and the railroad company over whose lines such express company operates provides in its tariff that such caretakers may be permitted to ride in passenger car, the tariff of the express company and that of the railroad company must give reference to each other.

§ 1304.33 Maximum rates not specific rates.

Section 1304.4 prohibits including in a tariff any rule or regulation which in any way or in any terms authorizes substituting for any rate named in the tariff a rate found in any other tariff or made up on any combination or plan other than that clearly stated in specific terms in the tariff of which the rule or regulation is a part. This section is intended to bring about entire discontinuance of tariff rules which provide that rates named in tariff will apply to certain points "as maxima," or that if a combination on some gateway or basing point makes less than the rates named in tariff such combination will apply, or for equalizing or protecting any rate via another line or route or gateway, etc. The intent is that as rapidly as tariffs can be reconstructed in accordance with the regulations issued by the Commission they will state in specific, clear, and unambiguous terms the rates and their application.

The Commission decides that, pending the complete elimination of such rules, a rate that is stated in a tariff as applicable to a certain point as a maximum is not a specific through rate to that point, and that a rate made up on combination of lawfully filed tariffs may be used in preference to such maximum rate if there is no applicable rate via the route over which shipment moves, other than the one made by such maximum rule. In every instance where there is a specific joint through rate from point of origin to point of destination it must be applied to through shipments regardless of possible lower combinations. (See § 1304.27.)

Section 1304.4(d) provides that a tariff shall contain a complete alphabetical index of the offices from and to which it prohibiting the incorporation in a tariff of a rule providing for the affirmative and definite application of the rates named in that tariff to or from offices not indexed and which are directly intermediate on the same line or route with offices that are indexed.

§ 1304.34 Movement of shipments refused by consignees or damaged in transit.

(a) *Free carriage or reduced rates or reconsignment at through rate.* In one form or another many express companies provide for the return free or at reduced rates, or the reconsignment under through rate from point of origin, of shipments that are damaged in transit or are refused by consignees. In answer to request for ruling the Commission expresses the opinion that in a nondiscriminatory way and within reasonable limits such rule is not unlawful or improper. Care should be taken to preserve the distinction between shipments in which the express company has no interest except the collection of the transportation charges and which are reconsigned or returned purely out of consideration for the interests of the owner of the shipment, and shipments which, because of injury or damage in transit, are left on the express company's hands and in which it has an interest to the extent of the transportation charges and the value of the shipment.

A rule providing that shipments which are refused by consignee may be reconsigned and forwarded, under application of through rate from point of origin to final destination, either with or without the exaction of a reconsignment charge, is permissible. Where tariff provides for return of shipments at reduced rates the tariff rule must be strictly complied with. Such tariff rule should provide that waybill covering return movement and shipment receipt must show reference to original outbound shipment and waybill.

(b) *Shipments damaged in transit.* A rule providing for the reconsignment or return free or at reduced rates of articles damaged in transit is not improper if it is so framed and applied as to prevent abuses or improper practices under it. The practice of returning at reduced rates articles that have been delivered into the possession of consignees and have become shopworn or have gotten into a state of disrepair through use is neither proper nor free from unjust discrimination. A rule according reduced rates on return shipments is proper only insofar as it applies to the return of shipments that are received by the consignee in bad order or are refused by consignee without examination. As to shipments that are not in closed packages and thus are open to immediate inspection, the rule should provide that in order to secure reduced rates on return movement the goods shall not have left the possession of the express company before such claim is made. As to goods that are in closed packages, the rule should provide that in order to secure reduced rates on return movement such goods must be returned to the express company within 10 days.

§ 1304.35 Responsibilities of carriers under tariffs.

(a) *Concurrences.* In the past no uniform or definite practice or rule has been followed by express companies in regard to concurrence in joint tariffs.

To now undertake to check out and follow down definite and actual concurrence of express companies in tariffs, issued prior to effective date of the regulations in this part, would be a difficult task; and to declare unlawful all tariffs, and participation therein, which were not definitely and actually concurred in, other than by use thereof, would be to overthrow practically all such joint tariffs and leave transportation in chaos.

(b) *Specific notice of nonconcurrence.* The Commission cannot undertake to now excuse express companies from responsibilities placed upon them by tariffs that have been issued, and in which they are named as participants, except in accordance with and subsequent to filing of specific notices of nonconcurrence.

The regulations in this part require that the express company or agent that issues a joint tariff shall, before issuing same, secure the definite and affirmative concurrence of every carrier shown therein as a participant, and shall show in connection with the name of each participating carrier the form and number of the instrument by authority of which that carrier is made a party to the tariff.

(c) *Named as participants in tariff without authority.* An express company has no means of preventing another express company from naming it as party to a joint tariff without proper authority so to do, or of preventing another express company from exceeding the authority conferred by limited concurrence. It cannot, however, be bound by such unauthorized act and it is its obvious duty to refuse to recognize or apply any such unlawful issue. It should also at once call the attention of the Commission and of the one that issued the tariff to such erroneous action.

(d) *Tariffs lawful as to carriers shown as participants under lawful authorizations and unlawful as to others.* If one or more carriers are, without proper authority, so shown as participating in any tariff and other carriers are lawfully shown as parties thereto, the use of the publication is unlawful as to the carriers that are named as parties thereto without proper authority and lawful as to those that are parties to it under proper authority. The carrier over whose line shipments are sent under a joint tariff is bound by the terms of that tariff if it has lawfully concurred therein, and, if it has not lawfully concurred therein, may not accept earnings in accordance therewith, but must demand for the service performed its lawful earnings according to its lawful tariffs.

(e) *Responsibility for unlawful incorporation in a tariff.* Responsibility and liability for the unlawful incorporation of any carrier in a tariff, or for exceeding the authority conferred by a limited concurrence, will rest wholly upon the express company that issued the tariff; or, if a tariff is issued by a joint agent and attorney for two or more express companies, will rest upon each of his principals that accepts and forwards the business under that tariff. Such responsibility and liability will be measured by the difference between the charges under the tariff as it is published, filed, and posted, and as it would have been if no carrier had been improperly named as party thereto, or if the authority conferred by the concurrence of a participating carrier had not been exceeded.

(f) *Policy of Commission on complaints.* In passing upon a complaint of

overcharge, or demand for payment of undercharge, growing out of improper or unlawful inclusion of any carrier in the list of participating carriers, or of exceeding the authority conferred by limited concurrence, in the tariff under which the business was accepted and forwarded, the Commission will apply the principles above stated.

§ 1304.36 Withdrawal of filed tariffs not permitted.

Not infrequently the Commission is requested to return to carriers tariff publications which have been received and filed by the Commission in the ordinary course of business. Such requests are usually based on the desire to substitute some corrected or changed publication for the one that has been filed. Manifestly it would be improper for the Commission to permit such substitutions or to surrender any tariff publication duly and properly received and filed by it, unless such surrender is caused by rejection of such publication by the Commission because of illegality or irregularity in connection therewith. To surrender publications duly filed and permit the substitution of others would involve a species of falsification of the records which could not be permitted.

§ 1304.37 Ocean carriers; export and import tariffs.

Ocean carriers between ports of the United States and foreign countries not adjacent are not subject to the terms of the Interstate Commerce Act; nor to the jurisdiction of the Commission.

(a) *Export and import tariffs.* The inland carriers of traffic exported to or imported from a foreign country not adjacent must publish their rates to the ports and from the ports, and such rates must be the same for all, regardless of what ocean carrier may be designated by the shipper.

(b) *Through rates may be shown.* As a matter of convenience to the public they may publish in their tariffs such through export or import rates to or from foreign points as they may make in connection with ocean carriers. Such tariffs must, however, distinctly state the inland rate as above provided; and need not be concurred in by the ocean carrier, because concurrence can be required from, and is effective against, only carriers subject to the act.

It is permissible for an express company to state its inland rates, which must be open to all alike, regardless of what ocean carrier may be designated by the shipper, and in the same connection to show the additional steamship charges which go to make up through rates to or from foreign destinations.

(c) *Changes on less than statutory notice; through billing.* Whichever plan of publishing these rates is followed, the tariffs must be filed and posted, and may be changed only upon statutory notice or under special permission for shorter time, except that, in consideration of unusual and special circumstances surrounding the movement of traffic exported to or imported from foreign countries not adjacent to the United States and which moves through ports of the United States or Canada on the Pacific Ocean as to said traffic and confined to tariffs which contain only rates applicable thereto, the Commission authorizes express companies to make changes in said rates upon notice to the Commission and to the public in manner prescribed by law of 3 days as to changes which effect reductions in rates or charges and like notice of 10 days as to changes which effect increases in rates or charges. Tariffs issued upon short notice under authority of this section must bear notation:

"Issued under authority of rule 37, Interstate Commerce Commisison Tariff Circular No. 19–A."

Export and import traffic may be forwarded under through billing, but such through billing must clearly separate the liability of the inland carrier or carriers and of the ocean carrier, and must show the tariff rate of the inland carrier or carriers.

CROSS REFERENCES: For export and import shipments as regulated by the Interstate Commerce Commission, see Part 1302 of this chapter. For regulations of the Bureau of Customs, Department of the Treasury, relating to customs districts and ports and the lading and unlading of vessels, see 19 CFR Parts 1, 2. For regulations of the Maritime Administration, Department of Commerce, concerning ocean carriers, see 46 CFR Chapter II. For regulations of the Federal Maritime Commission relating to ocean carriers, see 46 CFR Chapter IV.

§ 1304.38 Tariffs to or from points in adjacent foreign countries.

Through rates from points in the United States to points in foreign countries adjacent thereto and through rates from points in adjacent foreign countries to points in the United States are a great convenience, and the Commission therefore desires to permit and encourage the publication and filing of such through rates under lawful and proper conditions. Therefore, and until further order of the Commission:

(a) (1) A joint tariff naming rates from a point in the United States to a point in Mexico or in Canada; from a point in Mexico or in Canada to a point in the United States; from a point in Mexico through the United States to a point in Canada; from a point in Canada through the United States to a point in Mexico; from a point in Mexico through the United States to a point in Mexico; from a point in Canada through the United States to a point in Canada; from a point in the United States through Mexico or through Canada to a point in the United States, must be concurred in, in form prescribed in the regulations in this part and without reservation by all lines that are parties to the through rates and that participate in transportation thereunder; or, a statement of the divisions of the rates accruing to the express companies in the United States to or from the border must be incorporated in the tariff or be filed with the Commission together with and at the same time the tariff itself is filed.

(2) The purpose of subparagraph (1), requiring the domestic express companies to publish their divisions of rates to and from Canada or Mexico, is to give to this Commission definite information as to their lawful earnings, and is not intended as a means of exercising any jurisdiction over express companies in adjacent foreign countries.

(b) Rates on express traffic from a point in Canada through the United States to a point in Canada may be changed upon a notice of 30 days as to advances in rates and 3 days as to reductions in rates given to the Commission and the public in manner required by law, provided such express traffic moves in bond and that no transit or stop-over privilege is allowed thereon within the United States, and that tariff so states; *And provided further*, That such rates be published in tariffs which contain only rates on express traffic that has neither origin nor destination in the United States.

Each tariff publication in which changes in rates are made under the terms of this section shall bear on its title page the notation:

"Issued under authority of rule 38, Interstate Commerce Commission Tariff Circular 19–A."

§ 1304.39 Publishing and filing tariffs under amended fourth section of the act.

If tariffs containing commodity rates applicable from points of production provide for their application from intermediate points not named, it would be necessary to post those tariffs at every intermediate point, although such shipment may never be made from a point not specifically named. If such tariffs do not provide for application from intermediate points, they would conflict with the amended fourth section of the act whenever the merchandise rate, scale rate, or a combination from an intermediate point exceeds the commodity rate from a more distant point.

Tariffs should not contain volumes of unnecessary rates, and it is undesirable to require the posting of large numbers of tariffs at points from which no shipments are likely to move. Therefore, until further ordered, express companies may file tariffs containing commodity rates applicable from known points of production without making such rates applicable from all intermediate points. Each such tariff shall bear on its title-page the following notation:

By authority of rule 39 of Interstate Commerce Commission Tariff Circular No. 19–A, this tariff (these rates) is not (are not) made applicable from (or to) all intermediate points. Upon reasonable request therefor rates which will not exceed those in effect from (or to) more distant points will, under authority granted by the Interstate Commerce Commission, be established from (or to) any intermediate point hereunder upon one day's notice to the Commission and to the public.

In observance of this section express companies may on 1 day's lawful notice to the Commission and to the public extend the application of the rates shown

in the tariff by establishing such rates from intermediate points which do not exceed the rates from the more distant point on same line or route, provided no advance is thereby made in any existing rate.

Ordinarily rates to intermediate points of detination not named in the tariff can properly and should be provided for by a clause in the tariff authorizing the application of its rates to intermediate points of destination, but in instances where the intermediate application of rates is impracticable or when conflicting rates would result therefrom, commodity rates may in the first instance be established to such intermediate destinations not higher than to more distant points on same line of route on like notice as from points of origin, provided no advance is thereby made in any existing rate.

For the purpose of eliminating from tariffs higher charges for shorter hauls as same are referred to in the amended fourth section of the act, and when same have been in effect 30 days or more, express companies may make such changes effective on 1 day's lawful notice to the Commission and to the public, provided such changes are in each instance reductions in rates or charges. (See §§ 1304.27 and 1304.28.)

A tariff or supplement containing rates issued upon short notice under authority of this section must bear on its title page or in connection with the item containing the rate the following notation:

Issued under authority of rule 39 of Interstate Commerce Commission Tariff Circular No. 19–A. The rate (or rates) hereby reduced appears (or appear) in_____ tariff ICC No. ____, item (or page) ____, and the rate (or rates) from (or to) _____ [name it], the more distant point, appears (or appear) in _____ tariff ICC No. ____, item (or page) ____.

When the Commission has issued an order granting to an express company authority to depart from the provisions of the amended fourth section of the act and to charge higher rates for shorter than for longer distances over the same line or route, the title page of each tariff issued and filed under such authority must bear the following notation:

This tariff contains rates that are higher for shorter distances than for longer distances over the same route. Such departure from the terms of the amended fourth section of the act to regulate commerce is permitted by authority of Interstate Commerce Commission Order F. S. No. ____ of [date] 19____.

When the Commission has issued an order granting to an express company authority to depart from the provisions of the amended fourth section of the act and to charge rates higher than the aggregate of the intermediate rates subject to the act, the title page of each tariff issued and filed under such authority must bear the following notation.

This tariff contains rates that exceed the sums of the intermediate rates subject to the act. Such departure from the terms of the amended fourth section of the act to regulate commerce is permitted by authority of Interstate Commerce Commission Order F. S. No. ____ of [date] 19____.

Nothing in this section may be construed as waiving nay of the provisions of the amended fourth section of the Interstate Commerce Act.

§ 1304.40 Rates, rules or charges applying to all-motor transportation.

Rates, rules or charges applying to all-motor transportation may not be published in any tariff filed pursuant to section 6 of Part I of the Interstate Commerce Act and issued under this part.

§ 1304.41 Arrangements for establishing through express-motor transportation.

The express companies listed in § 1304.0(b)(4) "Definition of Terms," may not file proportional rates to or from junction points with motor carriers for application on traffic to or from points on the lines of such motor carriers. Where it is desired to establish arrangements for through transportation with motor carriers, joint express-motor rates in accordance with the provisions of this part should be established.

§ 1304.100 Express-motor tariffs, with certain exceptions, must conform to provisions of Tariff Circular No. 19–A.

All tariffs except as otherwise provided in this part or unless otherwise authorized by special permission of the Commission, containing any express-motor rate (local or joint), must conform to all the provisions of Tariff Circular No. 19–A (this part) and effective supplements thereto (except §§ 1304.5, 1304.27, 1304.28, 1304.29, 1304.30, 1304.39, and rules which by their own terms apply only to the transportation of property by rail), subject to the exceptions and additions provided in this part.

§ 1304.101 Number of copies; transmittal.

Carriers and publishing agents shall transmit to the Commission five copies of each tariff, supplement, classification or other schedule (including indexes) containing express-motor rates (local or in one package and forwarded under one letter of transmittal and addressed "In-joint), all of such copies to be included terstate Commerce Commission, Section of Tariffs, Washington, D.C., 20423." When local or joint express-motor rates are included in a supplement to a tariff previously on file and containing express rates, such supplement and al. succeeding supplements to that tariff (whether or not they contain any local or joint express-motor rates) shall be subject to this section.

§ 1304.102 Publication and filing of local and joint express-motor rates.

Local and joint express-motor rates must be published and filed not less than 30 days before their effective date.

§ 1304.103 Tariffs containing express-motor rates.

(a) The title page of tariffs and supplements thereto containing express-motor rates (local and joint) sha.: show in the upper right-hand corner immediately under the ICC number (as required by § 1304.3(b)) an additional number to be designated ME–ICC No. __ (progressive series beginning with No. 1). Cancellations in the ME series shall be made in the manner required by § 1304.3(b).

(b) When local or joint express-motor rates are established for the first time in a supplement to a tariff then on file with the Commission containing express rates such supplement must assign an ME–ICC number to the tariff. Such supplement must be designated as supplement 1 to the ME–ICC number, and subsequent supplements (whether or not they contain any local or joint express-motor rates) must be numbered consecutively in the ME–ICC series. It will not be necessary to furnish the Commission with additional copies of the tariff or previous supplements thereto.

(c) Tariffs containing joint express-motor rates shall show on the title-page a statement indicating that such tariffs contain joint rates with common carriers of property by motor vehicle, including also either a brief description of the territory or points from and to which such joint express-motor rates apply, or reference to a separate publication published and filed in compliance with § 1304.112 (b).

§ 1304.104 Joint express-motor rates limited to certain defined carriers.

Joint express-motor rates may be made only between express companies listed in § 1304.0(b)(4) and common carriers of property by motor vehicle holding lawful certificates of public convenience and necessity, and only for operations of such carriers covered by such certificates.

§ 1304.105 Use of intermediate rules.

Joint express-motor rates may not be made applicable to or from points on the lines of participating motor carriers by the use of intermediate rules.

§ 1304.106 Joint rates applicable regardless of lower aggregate.

Tariffs containing joint express-motor rates that have been duly established for application via a route shall contain either (a) a provision that the charges under such rates from point of origin to destination are the applicable charges via that route notwithstanding that they may be higher than the aggregate charges under the separately-established rates of the respective motor carriers and express companies to and from the junction where the freight is received from, or delivered to, the motor carrier; or, (b) reference to a separate governing tariff containing such provision.

§ 1304.107 Separation of all-motor and express-motor rates.

(a) All-motor rates may not be published in any schedule containing local or joint express-motor rates.

(b) (Exceptions to § 1304.10(a)) Rules that govern, and also rates and charges for storage, weighing, diversion, reconsignment, icing, refrigeration, heat, and

other transit, terminal or special services including absorptions and allowances, applicable at points on the lines of motor carriers participating in joint express-motor rates, shall be published either in the tariffs containing the joint express-motor rates, or in a separate tariff filed under an ICC number restricted for application only in connection with joint express-motor rates. Such separate tariff shall be subject to all the provisions of this part and specific reference by ICC number to such separate tariff must be made in the tariffs of joint express-motor rates in connection with which such arrangements apply.

(c) No rule or provision of an all-motor tariff filed with the Bureau of Operations under an MF number may be made applicable to or made to govern any joint express-motor rates.

CROSS REFERENCE: For definitions of "express-motor rates" and "all-motor rates," see § 1304.0(b) (3), (6).

§ 1304.108 Indexing joint express-motor tariffs.

(a) Each express company that becomes a party to a joint express-motor rate or tariff shall thereafter subdivide each of the three sections of the index of tariffs required by § 1304.11 so as to provide separately in each section a list of tariffs containing joint express-motor rates, showing as to each of such tariffs the information now required by the said section.

(b) Each express company that issues any tariff or tariffs containing local or joint express-motor rates shall include in the third section of the index required by § 1304.11 a separate list of all of its effective schedules bearing ME–ICC numbers in numerical order.

(c) If a joint express-motor tariff is added to an index on file with the Commission by a supplement, such supplement shall assign an ME–ICC number to the index and five copies of the supplement and each succeeding supplement shall be sent to the Interstate Commerce Commission, Section of Tariffs.

§ 1304.109 Powers of attorney and concurrences applicable to express-motor rates.

(a) *Carriers required to execute and file; powers of attorney and concurrences.* All common carriers by motor vehicle participating in joint express-motor rates shall execute and file with the Commission concurrences or powers of attorney substantially in accordance with the forms prescribed in §§ 1304.16 to 1304.23.

(b) *Additional number.* Powers of attorney and concurrences applicable to joint express-motor rates shall show, as to powers of attorney issued under § 1304.16, an additional number in a new series entitled "MEXA1–", and as to concurrences issued under §§ 1304.17 to 1304.23, shall show an additional number in a new series entitled "MEXC1–", such numbers to be used consecutively commencing with No. 1, regardless of the EX form used.

(c) *Extra copy required.* In addition to the requirements of §§ 1304.16 to 1304.23, one extra copy duly executed and attested of each power of attorney or concurrence applicable to a joint express-motor rate or tariff shall be transmitted with the original.

(d) *Revocation and transfer notices.* Where powers of attorney and concurrences are revoked or transferred, the revocation or transfer notices shall refer to the MEXA1 or MEXC1 number (as the case may be) as well as to the EX number.

(e) *Carrier's names.* When a motor carrier issuing a power of attorney or concurrence is not a corporation, such motor carrier shall use the correct name which appears in its certificate (or application, if certificate has not yet been issued) and such power of attorney or concurrence must be signed by an officer, or other person duly authorized to execute such instruments for such carrier.

§ 1304.110 Tariffs containing express-motor rates for transportation of explosives.

Tariffs containing local or joint express-motor rates applicable to the transportation of explosives and other dangerous articles must contain the regulations promulgated by the commission governing the transportation thereof by motor vehicle, or must give specific reference to the number of the legally filed publication which contains such regulations, and provide that the portion of the through transportation by motor vehicle shall be subject to such regulations.

§ 1304.111 Posting of tariffs containing express-motor rates.

(a) All tariffs containing local or joint express-motor rates shall be posted at the stations or offices of the express companies named in § 1304.0(b)(4) in the manner required by section 6 of Part I of the Interstate Commerce Act for all-rail or rail-water transportation.

(b) Where the participating motor carrier is other than an intermediate carrier each tariff containing joint express-motor rates must be posted at the stations or offices of the motor carrier from, to, or at which such rates apply and at which station or office an exclusive agent is maintained. A general file of all such tariffs shall also be maintained at the principal place of business of such motor carrier and must be available for public inspection and examination at all reasonable times.

§ 1304.112 Publication and filing of a directory by express companies.

(a) *Directory of stations.* Each of the express companies listed in § 1304.0(b)(4) must publish and file a directory containing a complete list of the stations or offices at which property is received for transportation by express, arranged so as to indicate clearly which of such stations or offices are served by railroad, by water, by motor vehicle, or by two or more of such forms of transportation. All tariffs of rates must make reference to such directory by ICC and ME–ICC number.

(b) *List of participating motor carriers in joint express-motor rates with correct name of carrier and reference to concurrence.* Each of the express companies listed in § 1304.0(b)(4) participating in joint express-motor rates shall include either in the directory specified in paragraph (a) of this section or in a separate publication, a list of all participating common carriers of property by motor vehicle arranged by name in alphabetical order, showing the individual names and firm names or, in the case of a corporation, its correct name, with city and State in which their principal offices are located, together with the number of the certificate or certificates under which each such common carrier by motor vehicle operates, and the number or numbers of the concurrence or concurrences filed by such motor common carriers. If a carrier consists of an individual or individuals operating under a trade name, the trade name shall precede the name of the individual operator or names of partners. The list shall show as to each participating motor carrier the points between which express traffic is transported by it under joint express-motor rates, and the points at which interchange is made between the express company and such motor carrier.

PART 1305—POSTING TARIFFS AT STATIONS

Subpart A—Freight Tariffs of Common Carriers by Rail, Water, or Pipe Line, and Freight Tariffs of Common Carriers by Motor Vehicle Containing Joint Motor-Rail, Motor-Water, and/or Motor-Rail-Water Rates

Sec.
1305.0 Posting of tariffs defined.
1305.1 Carriers required to post tariffs at stations.
1305.2 Relief from requirements.
1305.3 Location of complete public files of tariffs.
1305.4 Selection of posting places.
1305.5 Time of posting.
1305.6 Tariff files to be accessible to the public.
1305.7 Notice required to be posted.
1305.8 Check-up on files of tariffs.

Subpart B—Passenger Tariffs of Common Carriers by Rail or Water and Passenger Tariffs of Common Carriers by Motor Vehicle Containing Joint Motor-Rail, Motor-Water, and/or Motor-Rail-Water Fares, Also Passenger Tariffs of Sleeping Car Companies

Subpart C—Freight Tariffs of Common Carriers by Water

1305.200 Posting of tariffs defined.
1305.201 Carriers required to post tariffs.
1305.202 Location of complete public file of tariffs.
1305.203 Time of posting.
1305.204 Tariff files to be accessible to the public.
1305.205 Check-up on files of tariffs.

Subpart D—Passenger Tariffs of Common Carriers by Water

Subpart A—Freight Tariffs of Common Carriers by Rail, Water, or Pipe Line, and Freight Tariffs of Common Carriers by Motor Vehicle Containing Joint Motor-Rail, Motor-Water, and/or Motor-Rail-Water Rates

AUTHORITY: The provisions of this Subpart A issued under sec. 6, 24 Stat. 380, sec. 12, 24 Stat. 383; 49 U.S.C. 6, 12.

§ 1305.0 Posting of tariffs defined.

The term "post" as used in this part means the maintenance of a file of tariffs

in the custody of an agent of the carrier in a complete, accessible, and usable form, and keeping such file of tariffs available to the public upon request during ordinary business hours. The term "tariff" as used in this part includes tariff supplements or amendments.

§ 1305.1 Carriers required to post tariffs at stations.

(a) Each railroad and each common carrier by water shall post at each station (loading port as to water carriers) at which freight is received for transportation and at which an agent is employed all tariffs (including those filed for it by tariff-publishing agents or by other carriers with its concurrence) which contain rates applying from that station or which contain terminal or other charges applicable at that station, together with all other tariffs needed to determine the application of such rates or charges, excepting tariffs which show only the marked capacities, lengths, dimension and cubical capacities of cars. There shall also be posted at each such station an index of the carrier's freight tariffs in form as provided in § 1300.11 of this subchapter (Rule 11 of Tariff Circular No. 20).

(b) Each common carrier by motor vehicle shall post at each station or office at which freight is received for transportation and at which an agent is employed all tariffs containing joint motor-rail, motor-water, and/or motor-rail-water rates applying from or at such station or office.

§ 1305.2 Relief from requirements.

If any tariff so posted (other than a tariff index) has not been used for a substantial length of time the posting of that tariff, including reissues thereof, may be discontinued at that station until such time as a request is made to the carrier's agent to have it reposted. It shall then be reposted within 20 days and thereafter kept posted.

§ 1305.3 Location of complete public files of tariffs.

(a) Each common carrier by rail, water, and pipeline shall post at its principal office a complete set of all tariffs which it issues or to which it is a party, together with an index thereto, and each rail carrier with 5,000 miles or more of first main track (including branch lines but excluding yard, terminal, and industrial tracks) shall also post at not less than one additional point a complete set of all tariffs (see Note) which it issues or to which it is a party. In determining the number of miles of first main track operated, family lines may be considered as a unit and subsidiary carriers as a part of the controlling carrier.

NOTE: Switching and terminal railroads need maintain at their principal office a complete file of their local tariffs only.

A small carrier which has authorized its principal connecting carrier to file tariffs on its behalf may have its tariffs included in the complete public tariff file of such connecting carrier without such small carrier maintaining a separate complete public file.

(b) Each common carrier by motor vehicle shall post at its principal office a complete set of tariffs containing joint motor-rail, motor-water, and/or motor-rail-water rates or charges which it issues or to which it is a party.

§ 1305.4 Selection of posting places.

When posting places in addition to the principal office are required, railroads shall select posting places which, in their judgment, will best serve and promote the convenience of the public in using the tariffs. The places selected shall be cities directly served by the railroad. Each railroad shall advise the Commission by letter of the posting places selected and of any changes thereafter made. The Commission may, after reasonable investigation and without formal hearing, designate posting places in addition to or in substitution of those selected by the carrier.

§ 1305.5 Time of posting.

Each tariff must be posted at least 30 days before its effective date, excepting those as to which the Commission has authorized a shorter period of notice to the public. Each carrier shall require the agent at every station or office at which tariffs are posted to write or stamp on each tariff the date on which it was posted.

§ 1305.6 Tariff files to be accessible to the public.

Each file of tariffs shall be in charge of an agent of the carrier. Each carrier shall require and instruct such agent to afford inquirers an opportunity to examine any of such tariffs without asking the inquirer to assign any reason therefor, and, upon request, to lend assistance to seekers of information therefrom with all promptness possible and consistent with proper performance of other duties.

§ 1305.7 Notice required to be posted.

Each carrier shall also cause to be displayed continuously in a conspicuous public place at each station or office at which tariffs are required to be posted, a notice printed in large type reading as follows:

With only such exceptions as have been authorized by the Interstate Commerce Commission, all tariffs which contain rates and charges applying from or at this station are on file in this office, together with an index of all of this company's freight tariffs. The tariffs and index may be inspected by any person upon application and without the assignment of any reason for such inspection. The agent on duty in this office will lend any assistance desired in securing information therefrom.

If request is made for a tariff naming rates from this station, the posting of which has been discontinued because of nonuse, the agent will arrange to have it reposted within 20 days and thereafter keep it posted.

In addition a complete file of all of this company's tariffs, with indexes thereof, is maintained and kept available for public inspection at:

(Here indicate the place or places where complete tariff files are maintained, including the street address and, where appropriate, the room number.)

§ 1305.8 Check-up on files of tariffs.

Each carrier shall place in effect a system of supervision that will insure the continued maintenance in proper and readily accessible form of tariff files required at each station and also at each office where complete files are maintained. Such stations and offices must be furnished at least once a year with a list of all of the tariffs which should be in their files. Upon receipt of the list the agent or employee in charge will immediately check the tariffs on hand against the list, and report any deficiencies. Evidence of improper maintenance of files at any station or office may incur the prescription of detailed instructions to the carrier by the Commission necessary to insure compliance with the regulations.

Subpart B—Passenger Tariffs of Common Carriers by Rail or Water and Passenger Tariffs of Common Carriers by Motor Vehicle Containing Joint Motor-Rail, Motor-Water, and/or Motor-Rail-Water Fares, also Passenger Tariffs of Sleeping Car Companies

CROSS REFERENCE: For posting regulations applicable to passenger tariffs of common carriers by rail or water and passenger tariffs of motor common carriers containing joint motor-rail, motor-water, and/or motor-rail-water fares, also passenger tariffs of sleeping car companies, see Part 1303 of this chapter.

Subpart C—Freight Tariffs of Common Carriers by Water

AUTHORITY: The provisions of this Subpart C appear under sec. 304, 54 Stat. 933, sec. 306, 54 Stat. 935; 49 U.S.C. 904, 906.

NOTE: This subpart is applicable to the posting of freight tariffs constructed in conformity with Subpart A of Part 1308 of this chapter covering the transportation of property by common carriers by water which was not subject to the jurisdiction of the Federal Maritime Commission or the Interstate Commerce Commission prior to January 1, 1941.

CROSS REFERENCE: For posting regulations applicable to freight tariffs constructed in conformity with Part 1300 of this chapter see Subpart A of this part.

§ 1305.200 Posting of tariffs defined.

The term "post" as used in this part means the maintenance of a file of tariffs in the custody of an agent of the carrier in a complete, accessible, and usable form, and keeping such file of tariffs available to the public upon request during ordinary business hours. The term "tariff" as used in this part includes tariff supplements or amendments.

§ 1305.201 Carriers required to post tariffs.

Each common carrier by water shall post at each loading port at which freight is received for transportation and at which an agent is employed all tariffs (including those filed for it by tariff-publishing agents) which contain rates applying from that port or other charges applicable at that port, together with all other tariffs needed to determine the application of such rates or charges.

§ 1305.202 Location of complete public file of tariffs.

Each common carrier by water shall post at its principal office a complete set of tariffs which it issues, also tariffs containing joint water rates to which it is a party.

§ 1305.203 Time of posting.

Each tariff must be posted at least 30 days before its effective date, excepting those as to which the Commission has authorized a shorter period of notice. Each carrier shall require the agent at every port or office at which tariffs are posted to write or stamp on each tariff the date on which it was posted.

§ 1305.204 Tariff files to be accessible to the public.

Each file of tariffs shall be in charge of an agent of the carrier. Each carrier shall require and instruct such agent to afford inquirers an opportunity to examine any of such tariffs without asking the inquirer to assign any reason therefor, and, upon request, to lend assistance to seekers of information therefrom with all promptness possible and consistent with proper performance of other duties.

§ 1305.205 Check-up on files of tariffs.

Each carrier shall place in effect a system of supervision that will insure the continued maintenance in proper and readily accessible form of tariff files required at each port and also at its principal office where a complete file is maintained. Evidence of improper maintenance of files at any port or office may incur the prescription of detailed instructions to the carrier by the Commission necessary to insure compliance with these regulations.

Subpart D—Passenger Tariffs of Common Carriers by Water

CROSS REFERENCE: For posting regulations applicable to passenger tariffs of common carriers by water see Part 1303 of this chapter.

PART 1306—PASSENGER AND EXPRESS TARIFFS AND SCHEDULES OF MOTOR CARRIERS

CROSS REFERENCES: For provisions pertaining to suspension supplements affecting all carriers subject to the publishing rules contained in §§ 1306.0–1306.15, see § 1307.90.

For regulations governing the construction, filing, and posting of tariffs containing passenger fares of motor common carriers joint with railroads and/or water carriers see Part 1303 of this chapter.

Sec.

1306.0 Tariffs, schedules, and minimum fares defined.

COMMON CARRIER TARIFFS

1306.1 Construction and filing of tariffs.
1306.2 Title page of every tariff and supplement shall show in the order named.
1306.3 Tariffs shall contain in the order named.
1306.4 Round-trip excursion fares.
1306.5 Tariff changes.
1306.6 Posting regulations.

CONTRACT CARRIER SCHEDULES AND CONTRACTS

1306.7 Construction and filing of schedules.
1306.8 Filing of contracts.

EXPRESS TARIFFS AND SCHEDULES OF COMMON AND CONTRACT CARRIERS OF PASSENGERS

1306.9 Construction, filing, and posting of express tariffs and schedules.
1306.10 Size of tariffs and schedules.
1306.11 Tariffs and schedules shall contain.
1306.12 Commodity rates.
1306.13 Express rates, charges and rules.

MISCELLANEOUS RULES AND FORMS

1306.14 Applications for special permission.
1306.15 Powers of attorney and concurrences.
1306.16 Rejection of tariffs and notice of revocation.

RELEASED RATES

1306.50 Released rates; express service.

AUTHORITY: The provisions of this Part 1306 issued under secs. 204, 217, 218, 49 Stat. 546, as amended, 560, as amended, 561, as amended; 49 U.S.C. 304, 317, 318, unless otherwise noted.

§ 1306.0 Tariffs, schedules, and minimum fares defined.

All tariffs and schedules filed on and after the effective date hereof must conform to the regulations in this part, except as otherwise authorized by the Commission.

(a) The term "tariff" as used in this part means a publication stating the fares and charges of a common carrier, and all rules which it applies in connection therewith.

(b) The term "schedule" as used in this part means a publication stating the minimum fares and charges of a contract carrier, and all rules which it applies in connection therewith.

(c) The term "post" as used in this part means the maintenance of a file of tariffs in the custody of carrier's agent or other representative in a complete, accessible and usable form, which is available during ordinary business hours to the public upon request.

(d) The term "suburban service" as used herein means the transportation of passengers over a regular route between places or communities the limits of which are not more than 75 miles apart as measured by air line distances.

(e) The term "commutation fare" as used herein means the amount charged for a ticket good for travel for a limited number of trips (not for a single round trip) or for an unlimited number of trips within a certain period of time, the amount charged being less than would be paid in the aggregate at the normal one-way fare for the maximum number of separate trips possible.

COMMON CARRIER TARIFFS

§ 1306.1 Construction and filing of tariffs.

(a) *Style and size.* All tariffs and supplements thereto must be in book, pamphlet, or loose-leaf form of size 8 by 11 inches. They must be plainly printed, mimeographed, planographed, stereotyped, or reproduced by other similar durable process on paper of good quality.

(1) No alteration in writing or erasure shall be made in any tariff or supplement thereto.

(2) A margin of not less than five-eighths of an inch without any printing thereon must be allowed at the binding edge of each tariff and supplement.

(b) *Filing and posting.* Except as provided in § 1306.4, and unless otherwise authorized by the Commission, all tariffs and supplements must be filed and posted at least 30 days prior to the effective date thereof.

(c) *Number of copies to be filed.* Issuing carriers or their agents shall transmit to the Commission three copies of each tariff, supplement, or revised page. All copies shall be included in one package accompanied by a letter of transmittal listing all tariffs enclosed and addressed to the Interstate Commerce Commission, Bureau of Traffic, Washington, D.C. 20423. All postage, etc., must be prepaid.

§ 1306.2 Title page of every tariff and supplement shall show in the order named.

(a) *Serial number of tariffs.* (1) On upper right-hand corner each tariff shall be numbered beginning with No. 1. Such number shall be shown as follows:

MP–ICC No. —.

(2) When tariffs are issued canceling a tariff or tariffs previously filed, the MP–ICC number or numbers of the tariff or tariffs canceled must be shown in the upper right-hand corner immediately under the MP–ICC number of the new tariff.

Example:

MP–ICC No. 2
cancels
MP–ICC No. 1

(b) *Serial number of supplements.* supplements to a tariff in addition to showing the MP–ICC number of the tariff amended thereby shall be numbered beginning with the No. 1 and such information shall be shown in the upper right-hand corner. Supplements shall also show in the upper right-hand corner the number of any previous supplement canceled thereby and also the numbers of the supplements containing all changes from the tariff.

Example:

Supplement No. 3
to
MP–ICC No. 1
Cancels Supplement No. 2
Supplements Nos. 1 and 3 contain all changes

(c) *Name of participating carrier.* Name of carrier or name of agent issuing tariff.

(1) Whenever two or more carriers join in a through fare or charge the names of all such carriers must be shown. The name of a carrier must be the same as that appearing in its application for a certificate. In the event of a successor its name must be shown as "Successor to _____" as follows:

Example:

John Doe and William Doe
(Successors to A. B. C. Transportation Co.)

(2) If the carrier is not a corporation, and a trade name is used, the name of the individual or partners must precede the trade name.

Example:

John Doe and William Doe
doing business as
A. B. C. Transportation Co.

(3) Whenever two or more carriers join in a through fare or charge, authority by means of proper power of attorney or concurrence, as provided in § 186.15, must be given the agent or carrier publishing the tariff.

(d) *Territorial application.* A brief description of the territories in which, or points from and to or between which, the tariff applies briefly stated.

(e) *Dates.* Dates of issue and date effective.

(f) *Issuing officer.* Name, title, and street address of officer or agent by whom tariff is issued.

§ 1306.3 Tariffs shall contain in the order named.

(a) *Table of contents.* Table of contents, arranged in alphabetical order showing the number of the page on which each subject may be found. If a tariff contains so small a volume of matter that its title page or interior arrangement plainly discloses its contents, the table of contents may be omitted.

(b) *Abbreviations and symbols.* Explanation of all abbreviations, symbols, and reference marks used in the tariff.

(c) *Table of fares.* (1) An explicit statement of the fares in cents or in dollars and cents, together with the names or description of the points from and to which they apply. The names of the States in which the points are located must be shown.

(2) Tariffs containing tables of fares based on distances from point of origin to destination must show the mileages or indicate a definite method by which such mileages shall be determined.

(d) *Conflicting fares.* Carriers or their agents may not publish fares or charges which duplicate or conflict with fares or charges published by or for account of such carriers.

§ 1306.4 Round-trip excursion fares.

(a) *Sale of tickets.* Fares for round-trip excursions may be established, without further notice, upon posting tariffs in advance in a public and conspicuous place where tickets for such round-trip excursions are to be sold, and filing three copies thereof with the Commission, as follows:

(1) For a round-trip excursion limited to a designated period of not more than 3 days, including the first date any ticket to be sold under the tariff may be used for the going journey and the last date any ticket to be sold under the tariff may be used for the return journey, upon posting notice of 1 day;

(2) For a round-trip excursion limited to a designated period of more than 3 days but not more than 30 days, including the first date any ticket to be going journey and the last date any ticket to be sold under the tariff may be used for the return journey, upon posting notice of 3 days;

(3) For a series of round-trip excursions, such series covering a period not to exceed 30 days, including the first date any ticket to be sold under the tariff may be used for the going journey and the last date any ticket to be sold under the tariff may be used for the return journey, upon posting notice of 3 days as to the entire series.

(b) *Term "round-trip excursion."* The term "round-trip excursion" as used in this section means an excursion between points on the regularly operated route or routes of a common carrier, and is not intended to embrace so-called special or charter operations.

(c) *Supplements.* No supplement may be issued to any tariff which is published under this section except for the purpose of canceling the tariff.

(d) *Title page.* Each tariff issued under this section must bear on its title page the following notation:

Issued under the authority of Rule 4, Interstate Commerce Commission Tariff Circular MP No. 3.

§ 1306.5 Tariff changes.

(a) *Fares and charges.* Except as provided in § 1306.4 and unless otherwise authorized by the Commission, fares and charges which have been filed with the Commission must be allowed to become effective and remain in effect for a period of at least 30 days before being changed, canceled, or withdrawn.

(b) *Symbols to indicate changes.* (1) All tariffs, supplements, and revised pages shall indicate changes from preceding issues by use of the following symbols:

↓ or (R) to denote reductions.
♦ or (A) to denote increases.
▲ or (C) to denote changes, the result of which is neither an increase nor a reduction.

(2) The proper symbol must be shown directly in connection with each change.

§ 1306.6 Posting regulations.

(a) *Posting tariffs and supplements.* Each carrier of passengers or express by motor vehicle subject to the provisions of section 217 of Part II of the Interstate Commerce Act shall post and keep posted, to the extent provided in subparagraphs (1) and (2) of this paragraph, its tariffs, supplements thereto and/or revised pages thereof, including those filed for it by its duly authorized agent, and by other carriers in which it concurs, also publications containing proposed changes in, cancellations of, additions to, or reissues of, such tariffs, such posting to begin in time to give 30 days' notice, or shorter notice when authorized by the Commission, to the pubic before the effective dates;

(1) At the carrier's principal or central office a complete file of all tariffs which apply from or at any of the carrier's stations, offices, agencies or stops; sold under the tariff may be used for the

(2) At each station, office or agency at which passengers or express, respectively, are received for transportation and at which an agent is stationed for the sale of tickets or for the receipt of express shipments, and who is compensated for such services by a stated salary, all of its tariffs applying from or at such station, office or agency.

(b) *Stamping date of receipt by agent.* Each such carrier shall require its agent or other representative at each station, office or agency at which tariffs are required to be posted, upon receipt of a tariff, supplement thereto or revised page thereof, for posting thereat, immediately to indicate by stamping or writing thereon the date upon which such tariff, supplement or revised page thereto was received.

(c) *Tariff file at stations, offices or agencies to be accessible to the public.* (1) Each file of tariffs shall be kept and maintained in a complete and accessible form, shall be in charge of an agent or other representative of the carrier, and shall be kept available upon request to the public during ordinary business hours. Each carrier shall require and instruct such agent or other representative to afford inquirers opportunity to examine any of such tariff publications without requiring the inquirer to assign any reason therefor, and, upon request, to lend assistance to seekers of information therefrom, with all promptness possible and consistent with proper performance of other duties.

(2) Each such carrier of passengers or express shall also cause to be displayed and maintained continuously in a conspicuous public place in each station, office or agency at which tariffs are required to be posted by paragraph (a) (2) of this section, a notice, printed in large black type, reading as follows:

NOTICE

(Name of carrier)

The tariffs naming rates, fares, charges, rules and other provisions applying from or at this station are on file in this office, except as authorized by regulations of the Interstate Commerce Commission, and may be examined by any person upon request or with assigning any reason therefor. The agent or other representative on duty in the office will lend assistance, if requested, in securing information from such tariffs.

A complete file of this company's tariffs is located at _____ in the city
(Street address)
of _____
(Name of city and State)

(d) *Notice of nearest available tariff file.* Each such carrier of passengers or express shall cause to be displayed and maintained continuously in a conspicuous public place in each station, office or agency (other than those stations, offices or agencies at which tariffs are required to be posted in paragraphs (a), (1) and (2) of this section) at which its tickets are sold and passengers or express are received for transportation, a notice

printed in large black type reading as follows:

NOTICE

(Name of carrier)

The tariffs naming rates, fares, or charges applying from or at this station are available for examination in this company's office at _____
(Name of city or town and State)

A complete file of this company's tariffs is located at _____ in the
(Street address)
city of _____
(Name of city and State)

The station, office or agency named in the first paragraph of the above notice shall be the one nearest at which tariffs are required to be posted by paragraph (a), (1) or (2) of this section. The second paragraph of the above notice may be omitted if a complete file of the carrier's tariffs is maintained at the station or office named in the first paragraph of the notice.

(e) *Notice of proposed increases in fares for suburban service.* (1) Each carrier of passengers whose passenger operations over regular routes are confined solely to suburban service also shall notify the public of any proposal to increase its local regular-route fares by means of a notice posted in a conspicuous place in each station, agency, or office where tickets are sold and tariffs containing the proposed increased fares are required to be posted, and in a conspicuous place in each vehicle engaged in suburban service; and each other carrier of passengers likewise shall notify the public of any proposal to increase commutation fares for suburban service by means of a notice posted in a conspicuous place in each station, agency, or office where commutation tickets for which an increase is proposed are sold and tariffs containing the proposed increased fares are required to be posted, and in a conspicuous place in each vehicle engaged in the suburban service for which the increase is proposed.

(2) The notice required by subparagraph (1) of this paragraph shall be not less than 120 square inches in size, printed in type sufficiently large to permit of its being read under ordinary conditions by passengers seated in the conveyance, and, except as provided in subparagraph (3) of this paragraph, shall contain substantially the following legend:

NOTICE OF INCREASED FARES

_____
(Name of carrier)

This carrier has filed with the Interstate Commerce Commission, tariffs proposing increases in fares, effective _____ for ____
(Date)

_____
(Here describe briefly and generally the kind of transportation, points or localities affected, and the increases proposed)

Further information as to the proposed increases may be obtained from any of this carrier's offices where such transportation is sold or at its general office _____

_____
(Here give street address, city, and telephone number)

Under the law, any interested person may protest to the Commission and request suspension of the increased fares. The Commission's rules require that seven (7) copies of the protest shall be filed at its office in Washington, D.C., at least twelve* (12) days before the effective date of the increased fares and should indicate in what respect fares are considered to be unlawful. The rules also require that a copy of the protest be simultaneously mailed to _____

_____
(Here name the carrier proposing the increased fares)

*In the event the increased fares are published on less than thirty (30) days' notice, the words "at least twelve (12) days" should read "as promptly as possible".

(3) If a proposal to increase fares for suburban service, for which the posting of notice is required by subparagraph (1) of this paragraph, is made by petition to the Commission prior to filing tariffs, a notice of the size and legibility required by subparagraph (2) of this paragraph, shall be posted as required by subparagraph (1) of this paragraph, describing briefly the increases sought, the transportation service for which they are sought, and the points affected. The notice also shall state that interested persons may object to the carrier's petition by filing with the Commission a reply thereto in accordance with the Commission's general rules of practice, and that information regarding the Commission's rules may be obtained by writing to the Secretary of the Commission.

(4) All notices shall be posted as prescribed in subparagraph (1) of this paragraph contemporaneously with the filing with the Commission of any tariff containing the proposed increased fares, and also contemporaneously with the filing of any petition with the Commission for authority to increase fares or to file a tariff containing proposed increased fares. Notices with respect to the filing of a tariff shall remain posted until the increased fares become effective, or until suspended by the Commission or withdrawn by the carrier prior to its effective date. Notices with respect to the filing of a petition shall remain posted until action on the petition is taken by the Commission.

CONTRACT CARRIER SCHEDULES AND CONTRACTS

§ 1306.7 Construction and filing of schedules.

All schedules of contract carriers of passengers must conform to the requirements set forth to govern the construction, filing, and posting of common carriers' tariffs and supplements in §§ 1306.1 to 1306.6.

(1) Wherever in such sections the words "tariff" or "tariffs" appear, substitute the words "schedule" or "schedules."

(2) Wherever in such sections the words "fares or charges" appear, substitute the words "minimum fares or charges."

(3) Wherever in such sections there appears reference to "certificate" substitute the word "permit."

§ 1306.8 Filing of contracts.

(1) Section 218(a) of Part II of the Interstate Commerce Act, provides that the filing of copies of contracts containing the minimum charges of contract carriers for the transportation of passengers or property in interstate or foreign commerce is permitted in the discretion of the Commission.

(2) Whenever it is desired to file copies of contracts in lieu of schedules, carriers must first secure authority from the Commission to do so. Applications requesting permission to file contracts in lieu of schedules must state fully the reasons for the carriers' request. Such applications shall be made in duplicate on paper 8 by 10½ inches.

EXPRESS TARIFFS AND SCHEDULES OF COMMON AND CONTRACT CARRIERS OF PASSENGERS

§ 1306.9 Construction, filing, and posting of express tariffs and schedules.

(a) *Conformity.* Tariffs and schedules of common and contract carriers of passengers containing rates and charges for the transportation of express or express classifications must conform to the requirements set forth to govern the construction, filing and posting of common and contract carriers' passenger tariffs and schedules in §§ 1306.1 to 1306.3, 1306.5 to 1306.8, subject to the modifications, exceptions, and additional requirements set forth in the following sections.

(b) *Substitution of "rates and charges."* (1) Wherever in §§ 1306.1 to 1306.8 and in §§ 1306.14, 1306.15, the words "fares or charges" appear, substitute the words "rates or charges."

(2) When express tariffs are published separately, substitute the abbreviation ME–ICC wherever there appears in the above sections and in §§ 1306.14, 1306.15 the abbreviation MP–ICC. (See also § 1306.13.)

§ 1306.10 Size of tariffs and schedules.

The size of tariffs may be either 8 by 11 inches or 9½ by 11½ inches.

§ 1306.11 Tariffs and schedules shall contain.

(a) *Index.* Immediately following the table of contents, a complete index of all the commodities on which specific rates are named therein, together with reference to the page or items in which they are shown. No index need be shown in tariffs of less than five pages or if all the rates to each destination are alphabetically arranged by commodities.

(b) *Classification.* (1) When a tariff names rates by classes, a classification of articles must be published in the tariff or in a separate tariff. When a classification is published in a separate tariff, reference must be made thereto on the title page of the rate tariff as follows:

Governed, except as otherwise provided herein, by the [here name] classification [how issuing agent], ME–ICC No. ____ (or ICC No. ____), supplements to or successive issues thereof.

(2) All carriers shown as originating carriers in a rate tariff which is governed by a separate classification must be

named as participating carriers in such separate classification.

(c) *Table of rates.* (1) All rates must be explicitly stated in cents or in dollars and cents per 100 pounds, per barrel, per package, per bundle, or other definable measure.

(2) Where rates are stated in amounts per package or bundle, definite specifications of the packages or bundles must be shown.

(d) *Conflicting rates.* Carriers or their agents may not publish class or commodity express rates which duplicate or conflict with express rates published by or for account of such carriers.

§ 1306.12 Commodity rates.

Commodity rates may be established on any commodity or commodities.

§ 1306.13 Express rates, charges and rules.

(a) *Express matter.* Carriers of passengers by motor vehicle may publish the rates, charges and rules covering the transportation of express in their tariffs or schedules containing passenger fares and charges, provided such express matter is included in a separate section of such tariff. When this is done it will not be necessary for such passenger carrier to publish a separate tariff covering express. However, both the MP–ICC number and the ME–ICC number must be shown.

(b) *Number of copies.* When passenger tariffs contain express rates, charges, and rules, five copies of such issues shall be transmitted to the Commission.

MISCELLANEOUS RULES AND FORMS

§ 1306.14 Applications for special permission.

(a) *Short notice tariffs.* Part II of the Interstate Commerce Act, authorizes the Commission in its discretion and for good cause shown to permit changes in fares and charges on less than statutory notice, and also to permit departure from the Commission's regulations. The Commission will exercise this authority only in cases where actual emergency and real merit are shown. Desire to meet the fares and charges of a competing carrier that has given statutory notice of change in fares and charges will not of itself be regarded as good cause for permitting changes in fares and charges or other provisions on less than statutory notice. Clerical or typographical errors in tariffs constitute good cause for the exercise of this authority, but every application based thereon must plainly specify the error together with a full statement of the attending circumstances and must be presented with reasonable promptness after issuance of the defective tariff, supplement or revised page.

(b) *Note of effectiveness.* When a formal order of the Commission requires publication on a stated number of days' notice, a request addressed to the Bureau of Traffic for authority to file on less notice will not be granted. In any such instance a petition for modification of the order should be filed on the formal docket.

(c) *Applications to establish fares on short notice.* Applications for permission to establish fares, charges, rules, or other provisions on less than statutory notice, or for waiver of the provisions of this tariff circular must be made by the carrier or agent that holds authority to file the proposed publication. If the application requests permission to make changes in joint tariffs, it must state that it is filed for and on behalf of all carriers parties to the proposed change.

(d) *Number of copies; size; form.* (1) Two copies of applications (including amendments thereto and exhibits made a part thereof) shall be addressed to the Interstate Commerce Commission, Bureau of Traffic, Washington, D.C. 20423. An additional exact copy shall be addressed to the office of the Regional Director, Bureau of Operations, Interstate Commerce Commission, of the Region in which the main office of the applicant carrier or publishing agent is located. The application shall indicate that an exact copy including exhibits has been furnished the district office.

(2) Applications shall be made on paper 8 by 10½ inches, shall be in substantially the form shown in this section,[1] and shall give all the information required by this section together with any other pertinent facts. They shall be numbered consecutively and must bear the signature of the carrier or its agent or officer, specifying title.

(e) *Information to be shown on application.* Applications shall show the following information:

(1) The proposed tariff provisions shall be set forth clearly and completely. An accompanying exhibit may be used if identified by letter, such as Exhibit A, and so referred to in the application. If the proposed provisions consist of fares or charges, all points of origin and destination must be shown or definitely indicated; if permission is sought to establish a rule, the exact wording of the proposed rule must be given.

(2) The application shall show the tariffs in MP–ICC numbers of the publications in which the proposed fares, charges, ratings, rules, or other provisions will be published. If the publication is to be made in supplements to tariffs already referred to, this fact shall be shown.

(3) The application shall set forth the fares, charges, or tariff provisions which it is desired to change. Where the matter to be shown is voluminous or for other reasons difficult of presentation, it may be included in an accompanying exhibit, properly identified and referred to in the application. Reference shall be made by MP–ICC number and supplement number to the tariffs or supplements in which fares, charges, or provisions to be superseded are published. If such provisions are published in numbered items or other units, reference shall be made thereto by number, or, if not so published, the pages of the publication on which the provisions appear shall be shown. The extent to which cancelation will be made must be definitely indicated.

(4) The application shall state the names of carriers known to maintain competitive fares, charges, classification ratings, or rules between the same points or points related thereto, together with the MP–ICC numbers of the tariffs and supplements thereto containing such provisions.

(5) The application shall state whether such carriers have been advised of the proposed fares, charges, classification ratings, or rules and whether they have been advised that it is proposed to establish such provisions on less than statutory notice. If competitive carriers have expressed their views in regard to the proposed provisions, a brief statement of their views shall be given.

(6) The application shall state the special circumstances or unusual conditions which are relied upon as justifying the requested permission together with any related facts or circumstances which may aid the Commission in determining whether the requested permission is justified. If permission to establish provisions on less than statutory notice is sought, the petitioner shall state why the proposed provisions could not have been established upon 30 days' notice.

(f) *Short notice permission.* If the authority granted by special permission is used, it must be used in its entirety and in the manner set forth in the order of special permission. If it is not desired to use all of the authority granted and less or more extensive or different authority is desired, a new application complying with the provisions of this section in all respects and referring to the previous permission must be filed.

§ 1306.15 Powers of attorney and concurrences.

(a) *Agency tariff; size; form.* Whenever a carrier desires to give authority to an attorney and agent to issue and file tariffs and supplements thereto in its stead a power of attorney in the following form shall be used. Size 8 by 10½ inches:

MPXA1 No. _____.
Cancels MPXA1 No. _____.
[Name of carrier],
[Post Office Address],
_____, 19__.

Know all men by these presents:

That the [name of carrier] has made, constituted, and appointed, and by these presents does make, constitute, and appoint [name of principal agent appointed] its true and lawful attorney and agent for the said carrier, and in its name, place, and stead, (1) for it alone and (2) for it jointly with other carriers, to publish and file tariffs naming [here specify whether fares and charges and/or rules applying from, to, or at points on or via route or routes, or express classifications] as required of common carriers of passengers Part II of the Interstate Commerce Act, and by regulations established by the Interstate Commerce Commission thereunder. [If the authority granted runs only to a specific tariff, so state and describe such issue as follows:]

[Here give exact description of title page of tariff, including MP–ICC number and the name of series. When date of issue and/or effective date are determined such date or dates must be shown.]

[1] Form available upon request from the Office of the Secretary Interstate Commerce Commission, Washington, D.C. 20423.

And the said [name of carrier] does hereby give and grant unto its said attorney and agent full power and authority to do and perform all and every act and thing above specified as fully to all intents and purposes, as if the same were done and performed by the said carrier, hereby ratifying and confirming all that its said attorney and agent may lawfully do by virtue hereof, and assuming full responsibility for the acts and neglects of its said attorney and agent hereunder.

And further, that the [name of carrier] has made, constituted, and appointed, and by these presents does make, constitute, and appoint as alternate [name of alternative agent appointed] its true and lawful attorney and agent, for said carrier and in its name, place, and stead, (1) for it alone and (2) for it jointly with other carriers in case and only in case of the death or disability of the said [here insert name of principal agent] to do and perform the same acts and exercise the same authority as hereinabove granted to [here insert name of agent first hereinabove named].

In witness whereof the said carrier has caused these presents to be signed in its name by its [here give title of person signing] at [name of city or town] in [name of county] State of [name of State] on this [date] day of [month], 19--.

(Name of carrier in full)

By ---
(Name and title of person signing)

Attested ---
(Witness)

[Corporate seal if any.]

(b) *Concurrence form.* Whenever a carrier desires to concur in tariffs issued and filed by another carrier or its agent a concurrence in the following form shall be issued in favor of such other carrier. Size 8 by 10½ inches.

MPXC1 No. ----.
Cancels MPXC1 No. ----.
[Name of carrier],
[Post Office Address],
---, 19--.

To the INTERSTATE COMMERCE COMMISSION,
WASHINGTON, D.C. 20423:

This is to certify that the [name of carrier] assents to and concurs in the publication and filing of any tariff or supplement thereto which [name of carrier to whom concurrence is given] or its agent may publish and file and in which this carrier is shown as a participating carrier and hereby makes itself a party thereto and bound thereby, insofar as such tariff or supplement contains [here specify whether fares or charges applying from, to, or at points on or via its route or routes or express classifications], until this authority is revoked by formal notice of revocation filed with the Interstate Commerce Commission and sent to the carrier to which this concurrence is given. [If the authority granted runs only to a specific tariff, so state and describe such issue as follows]:

[Here give exact description of title page of tariff, including MP-ICC number and name of series. When date of issue and/or date effective are determined, such date or dates must be shown.]

(Name of carrier in full)

By ---
(Name and title of person signing)

Attested ---
(Witness)

[Corporate seal if any.]

(c) *Filing.* The original of all powers of attorney and concurrences shall be filed with the Commission and a duplicate of the original sent to the agent or carrier in whose favor such document is issued.

(d) *Cancellation.* Whenever a carrier desires to cancel the authority granted an agent or another carrier by power of attorney or concurrence, this may be done by a letter addressed to the Commission revoking such authority, on 60 days' notice. Copies of such notice must also be mailed to all interested parties.

§ 1306.16 Rejection of tariffs and notices of revolution.

(a) Any tariff or schedule, tendered for filing, which fails to give lawful notice of changes in rates, charges or other provisions which it proposes to establish, or which fails to meet the requirements of the regulations contained in this chapter, or violates any order of the Commission or of a court, is subject to rejection by the Commission. When a tariff or schedule is rejected, the Commission, acting through a designated administrative officer, will inform the carrier or the agent who tendered it for filing, in writing, of the reasons for rejection, and will return the rejected tariff or schedule to such carrier or agent.

(b) The number assigned to a tariff or schedule which has been rejected may not again be used. The rejected tariff or schedule may not be referred to in any subsequent tariff or schedule as having been canceled, amended or withdrawn, but the tariff or schedule which is published in its stead must bear the following notation: "Issued in lieu of (here identify the rejected schedule or tariff), rejected by the Commission."

(c) A notice of the revocation, complete or partial, of a concurrence or power of attorney which, if it were to become effective, would require the establishment of rates, fares, or charges in violation of an order of the Commission or of a court, or of the regulations in this chapter, may be rejected in the same manner as a tariff or schedule, and any such notice of revocation which would require the establishment of rates, fares or charges of doubtful lawfulness may be suspended.

RELEASED RATES

§ 1306.50 Released rates; express service.

(a) *Establishment.* All common carriers of passengers by motor bus who have been, or who may hereafter be, granted authority by the Commission to transport express are hereby authorized to establish and maintain, by filing and posting in the manner prescribed in the Interstate Commerce Act, rates for the transportation of property in express service, by motor bus in interstate commerce, dependent upon the value declared in writing by the shipper or agreed upon in writing as the released value of the property as follows:

Released Valuations and Rate Basis

Released to value not exceeding $50 for any shipment of 100 pounds or less, or not exceeding 50 cents per pound actual weight for any shipment in excess of 100 pounds. Base rate or charge.

Released to value exceeding $50 for any shipment of 100 pounds or less, or exceeding 50 cents per pound actual weight for any shipment in excess of 100 pounds. 10 cents for each $100 or fraction thereof in excess of the valuation to which the base rate or charge applies.

(b) *Changes in rates or released valuations.* Changes may be made in any base rate or charge established under the authority of this section, but the released value to which the base rate or charge applies may not be reduced, nor may the charge for excess released value be increased without specific authority of the Commission.

(c) *Authority for released rates must be shown in tariff.* Tariffs containing released rates and charges filed under authority of this section, as amended, shall show in connection with such rates and charges, the following notation:

Rates and charges herein based on released value have been authorized by the Interstate Commerce Commission in Released Rates Order No. MC-293 of January 14, 1949, as amended March 3, 1949, subject to complaint or suspension.

(c-1) *Notation required on receipts.* The receipt issued for any shipment accepted for transportation at released rates established and maintained under authority of this section shall have stamped, or printed in boldface type, on the face thereof a statement reading substantially as follows:

This carrier will not pay over $50 for any shipment of 100 pounds or less, or over 50 cents per pound actual weight for any shipment in excess of 100 pounds, unless a greater value is declared and charges for such greater value paid.

(d) *Carriers affected.* This section does not constitute authority for the establishment of released rates or charges on any description of traffic or over the line of any carrier other than as herein specifically indicated.

(e) *Lawfulness of rates.* The Commission does not hereby approve the lawfulness, except under sections 20 (11) and 219 of the Interstate Commerce Act of any rates or charges which may be filed under authority of this section.

(Secs. 12, 20, 24 Stat. 383, as amended, 386, as amended, sec. 219, 49 Stat. 563, as amended; 49 U.S.C. 12, 20, 319)

PART 1307—FREIGHT RATE TARIFFS, SCHEDULES, AND CLASSIFICATIONS OF MOTOR CARRIERS

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Subpart D—Released Rates

1307.200 Released rates on certain articles.
1307.201 Released rates on household goods.
1307.202 Released ratings; household goods.

CROSS REFERENCE: For tariff circular governing joint rail-motor tariffs, see Part 1300 of this chapter.

Subpart A—Schedules of Motor Contract Carriers of Property

AUTHORITY: The provisions of Subpart A issued under secs. 204, 218, 49 Stat. 546, as amended, 561, as amended, sec. 210a, 52 Stat. 1238, as amended; 49 U.S.C. 304, 318, 310a, unless otherwise noted.

§ 1307.0 Schedules and supplements filed prior to August 15, 1960.

Schedules and supplements thereto filed prior to August 15, 1960, which are designated as "Minimum Rates and Charges" shall be amended to show that they are actual rates and charges, or as to any contract carrier serving but one shipper having rendered continuous service to such shipper for not less than one year who elects to continue its schedule as a schedule of "Minimum Rates and Charges" shall supplement such schedule to include therein the following statement:

This carrier has been serving but one shipper and has rendered continuous service to such shipper for not less than one year.

§ 1307.1 Conformity required.

Every schedule filed with the Commission shall conform to the regulations set out in Subpart A.

§ 1307.2 Definitions.

Except where the context indicates otherwise:

The term "act" means the Interstate Commerce Act, as amended.

The term "Commission" means the Interstate Commerce Commission.

The term "contract carrier" means a contract carrier of property as defined in section 203(a)(15) of the act.

The term "rates" means actual rates and charges or minimum rates and charges.

The term "schedule" means a publication stating rates of a contract carrier or rules and other provisions applicable in connection with those rates, or a publication containing rates together with such rules and other provisions.

§ 1307.3 Waiver of rules; rejection of schedules.

(a) *Waiver of rules.* In response to an application which has been prepared in the manner outlined in § 1307.6 and which provides adequate justification for that action, the Commission in its discretion may authorize the waiving of any of these regulations, or the notice requirements of the act.

(b) *Rejection of schedules.* Any schedule tendered for filing which fails to give lawful notice of the change in rates, or other provisions which it proposes to establish, or which fails to meet the requirements of these regulations, or which violates any order of the Commission or of a court, is subject to rejection by the Commission. When a schedule is rejected, the Commission, acting through a designated administrative officer, will inform the carrier who tendered it for filing, in writing, of the reasons for rejection and will return the rejected schedule to that carrier.

(c) *Commission may direct reissue.* For good cause the Commission may at any time without formal hearing direct the reissue of any schedule.

§ 1307.4 Publication, filing and posting of schedules.

(a) *Contract carriers must file schedules.* Except as otherwise provided in Subpart A and except to the extent that the Commission grants relief from the requirements of the act for filing schedules every contract carrier shall publish and file in its own name schedules clearly and explicitly stating actual rates and charges (see Notes A and B) covering the services which it performs, together with rules, regulations and practices affecting those rates and charges or the value of the service thereunder, except that a carrier serving but one shipper having rendered continuous service to such shipper for not less than one year may file reasonable minimum rates and charges (see Note A) covering the services which it performs, together with rules, regulations and practices affecting those rates and charges or the value of the service thereunder, unless the Commission requires the filing of actual rates and charges.

NOTE A. Rates shall be stated in cents or in dollars per 100 pounds, per mile, per hour, per ton of 2,000 pounds, per ton of 2,240 pounds, per truckload of specified amount or per other defined unit.

NOTE B. When a contract carrier has more than one contract covering similar but not identical services or contracts covering identical services for which different rates of compensation are provided by the contracts, exceptional care must be exercised to accomplish publication of clear and explicit schedule provisions that reflect actaul rates, charges, rules, or practices. In such a case, the carrier may publish a separate schedule for each contract provided the carrier submits in the same envelope with the schedule, when tendered for filing, a separate statement identifying the contract in connection with which the schedule applies. If rates, charges and other provisions applying in connection with more than one contract are published in a single schedule, the carrier filing the schedule shall submit in the same envelope with the schedule, when tendered for filing, a separate statement indicating as to each rate table, charge, item, rule or regulation, the contract or contracts in connection with which that rate table, charge, item, rule or regulation applies.

(b) *Agency or joint schedules prohibited.* A contract carrier may not participate in a tariff or schedule issued by another carrier or by an agent except that it may participate under power of attorney in an agency publication containing highway distances and in an agency publication containing the Hazardous Materials Regulations promulgated by the Department of Transportation to govern the transportation of explosives or other dangerous articles. See § 1307.5(v).

(c) *Three copies to be filed.* Three copies of every schedule must be filed with the Commission at its office in Washington, D.C. All three copies, together with a true copy of each contract or amendment to a contract filed with that schedule to comply with the requirements of paragraph (f) of this section shall be included in one package marked "Tariffs" and addressed to Interstate Commerce Commission, Washington, D.C. 20423, and shall be accompanied by a letter of transmittal listing the schedules, contracts and amendments to contracts enclosed therewith. All postage or other charges must be prepaid.

(d) *Letters of Transmittal.* (1) Each letter of transmittal shall be on paper 8 x 10½ inches in size and in form substantially as follows:

(Correct name of carrier)

(Permit or Docket No.)

(Complete address)

(Date)

Transmittal No. ------- to Interstate Commerce Commission, Washington, D.C. 20423:

The accompanying contract carrier schedule is sent to you for filing in compliance with the requirements of the Interstate Commerce Act, issued by ---------, and bearing

MF-I.C.C. No. ---------: or Supplement No. --------- to MF-I.C.C. No. --------- effective ----------.

The following contracts or amendments to contracts with shippers for the transportation of property are sent to you for filing in compliance with the Regulations of the Commission.

(Name and address of shipper)	(Effective date of contract)
(Name and address of shipper)	(Effective date of contract)
(Name and address of shipper)	(Effective date of contract)

Signed ----------
Title ----------

(2) Each letter of transmittal shall bear the signature of the person issuing the schedule, except that it may bear the signature of the carrier's representative authorized to file schedules with the Commission, provided that a letter of authorization in the form set forth in this subparagraph accompanies the letter of transmittal or has been previously submitted and is effective in the Commission's files. A carrier may have in effect in the Commission's files at any time one, and only one, such letter of authorization. The Commission may decline to accept for filing any schedule not accompanied by a properly signed letter of transmittal.

LETTER OF AUTHORIZATION

TO FILE SCHEDULES OF CONTRACT CARRIERS

(Complete name of carrier)
Permit or Docket No. MC-----

(Complete address)
Date ----------

TO THE INTERSTATE COMMERCE COMMISSION.
WASHINGTON, D.C. 20423:

This is to certify that

(Name and address of individual authorized to act)
is hereby authorized to sign letters of transmittal and transmit to the Commission thereunder for filing in compliance with the Interstate Commerce Act, as amended, schedules and supplements thereto issued in the name and MF-I.C.C. series of the carrier named herein, and contracts or amendments to contracts.

All such schedules and supplements are to be considered the official filings of the carrier named herein when tendered for filing by the individual named in the first paragraph hereof.

Name of Carrier ----------
By ----------

Verification:

The above statement was subscribed and sworn to before me this ---------- day of ----------, 19--.

(Notary Public)

(3) A separate letter of transmittal may accompany each schedule and each contract or the form may be modified to provide for filing with one letter as many schedules, supplements to schedules and contracts or amendments to contracts as can be conveniently listed. If receipt for the schedules or contracts is desired, letters of transmittal must be sent in duplicate and one copy showing the date of receipt by the Commission will be returned to the sender.

(e) *Notice of filing.* (1) Each new rate or charge and each reduced rate or charge, also each new or changed rule, regulation or practice which effects a reduction in rates or charges or which increases the value of the service shall be published in a schedule which shall be posted and filed with the Commission at its office in Washington, D.C., at least 30 days prior to the effective date of such rate, charge, rule, regulation or practice.

(2) Increased rates or charges and changes in rules, regulations, or practices which effect a decrease in the value of service or increase in a rate or charge, and rates, charges, rules, regulations or practices republished without change, shall be published in a schedule which shall be posted and filed with the Commission at least one day prior to the effective date of such rates, charges, rules, regulations, or practices. See §§ 1307.5(g) and 1307.6.

(f) *Schedules must be supported by a true copy of each related contract.* A schedule shall not be published and filed to apply on any commodity or from or to any point or for any service not covered by contract filed with this Commission, unless it is accompanied and supported by a true copy of a contract or of an amendment to a previously filed contract.

NOTE: The provisions of this paragraph do not apply to the filings of schedules of carriers transporting, only bullion, currency, jewels, or other precious or very valuable articles.

(g) *Posting of schedules.* At its headquarters or general offices every contract carrier shall keep available for public inspection a complete file of all its effective schedules. Upon request assistance shall be furnished to anyone seeking information from those schedules.

§ 1307.5 Form and content of schedules.

(a) *Form of schedule.* A schedule shall be filed in a book, loose-leaf, or pamphlet form. It shall be plainly printed, mimeographed, planographed, stereotyped, or reproduced by other durable process on paper of good quality. Typewritten, photostat, hectograph, or proof sheets will not be accepted for filing. A schedule shall be eight inches in width and eleven inches in length. It shall contain no alteration or erasure. A margin of not less than five-eights of an inch with no printing thereon shall be provided on the binding edge of each page. Schedules filed in loose-leaf form shall comply with all provisions set forth in Tariff Circular MF No. 3 pertaining to the filing of such schedules by motor common carriers.

(b) *Numbering of schedules.* Schedules other than supplements shall bear consecutive MF-I.C.C. numbers beginning with MF-I.C.C. No. 1 or continuing with the next consecutive MF-I.C.C. number in the same series of schedules.

(c) *Number assigned to a rejected schedule.* The number assigned to a schedule which has been rejected may not be used again. The rejected schedule may not be referred to in any subsequent schedule as having been canceled, amended or withdrawn, but the schedule published in its stead shall bear the following notation:

Issued in lieu of (here identify the rejected schedule by MF-I.C.C. number or supplement number) rejected by the Interstate Commerce Commission.

(d) *Title page.* The first (front or top) page of a schedule shall be prepared as a title page showing in the upper right-hand corner its MF-I.C.C. number and immediately thereunder notice of cancellation identifying by number any schedule or schedules being canceled thereby.

(e) *Name of carrier.* On the upper central part of the title page shall appear the exact complete name of the issuing carrier and the number of the permit, or if no permit has been issued, the docket number assigned to the application.

(f) *Application of schedule.* Below the carrier's name and permit or docket number shall be shown, following the words "Contract Carrier Schedule of Actual Rates and Charges Applying On" or "Contract Carrier Schedule of Minimum Rates and Charges Applying On," (see note) whichever is appropriate, a short, specific description of the commodity or commodities covered by the schedule (or the word "Commodities" where the articles covered are too numerous to list); and a brief description of the territories within which or points from, to, or between which the schedule applies.

NOTE: Any contract carrier serving but one shipper, having rendered continuous service to such shipper for not less than one year, who elects to file a schedule of minimum rates and charges shall include on page 2 thereof, immediately preceding the table of contents, if any, the following: "This carrier has been serving but one shipper and has rendered continuous service to such shipper for not less than one year."

(g) *Issue and effective dates.* On the lower left-hand side of the title page shall be shown the date of issue and on the lower right-hand side the date on which the schedule is to become effective. Schedules which contain new or changed rates or other provisions effective on more dates than one shall show a general (title page) effective date not earlier than 30 days subsequent to the date on which the schedule is filed with the Commission, followed by a notation reading substantially as follows: "except as otherwise provided on page (here give reference to the page or pages on which new or changed rates or other provisions are shown as becoming effective on dates other than the general effective date of the schedules)."

(h) *Issuing officer.* At the bottom of the title page below the issued and effective dates shall be shown the name, title and mail address of the owner, partner, representative or officer of the carrier by whom the schedule is issued. The title "agent" may not be used.

(i) *Table of contents.* Immediately after title page shall be published a table of contents arranged in alphabetical order to indicate the page on which each subject is treated. If the schedule contains so small a volume of matter that its title page and interior arrangement plainly disclose its contents, the table of contents may be omitted.

(j) *Index of Commodities.* (1) Next shall be provided a complete alphabetical index of commodities indicating the number of the page on which rates or charges on each commodity will be found.

(2) If all of the commodity rates to each destination in a schedule are arranged in alphabetical order by commodities, the index of commodities may be omitted from that schedule.

(k) *Index of points.* Following the index of commodities a schedule naming rates or charges from, to, or between specific points shall publish an index showing those points, the states in which they are located and the page or pages on which each point is named. If there be not more than 12 points of origin or 12 points of destination, the names of such points may, if practicable, be shown in alphabetical order in the schedule, in which event the index of points of origin or destination, or both, as the case may be, may be omitted.

(l) *Rules.* Rules and other provisions affecting rates and charges shall be published following the index of points. Each rule and other governing provision must be designated as an "item", and given a separate "item" number; portions which can be understandingly read without recourse to the whole and "exceptions" to the general application of a rule or other such provision may be published in separate paragraphs and such paragraphs may be given subnumbers or letters.

(m) *Rate tables.* (1) Rate tables shall show rates and shall name the commodities on which the rates apply or make reference to pages or items listing those commodities. When rate tables refer to lists of commodities such lists of commodities shall be shown immediately preceding the rate tables and following the rules and other provisions required by paragraph (1) of this section. Rate tables shall also show points of origin and points of destination. Insofar as practicable such points shall be shown alphabetically or, if desired, they may be arranged in alphabetical order by States, the points in each State also being arranged in alphabetical order.

(2) Rate tables should be subdivided into small sections called "Items", and each should be given a separate "Item" number.

(n) *Designation of commodity or article.* When a rate is established or modified, the designation of the commodity or articles in connection with which the new or changed provision is to apply must be aptly descriptive; also, it must be sufficiently explicit to preclude conflicting or duplicating applications and to show clearly the articles which it embraces.

(o) *Multiple minimum-quantity rates.* Different rates based on different minimum quantities may be published provided the schedule shows clearly in connection with such provisions whether the lowest charge obtainable under the different rates and minimums applicable thereto (or actual quantities, if greater) will be applied, or whether the provisions will be applied in some different, explicitly stated manned.

(p) *Mixed shipments.* Rates may be established on different articles for mixed quantity shipments. Minimum quantities should be specified together with a statement in connection with the commodity description that the rates apply on mixed quantity shipments. Such rates may also be made applicable upon straight shipments of one or more or all of the articles by a provision to that effect in connection with the commodity description. When more than one article is included in an item or commodity description, the schedule should state whether or not the rates apply on straight or mixed shipments or both.

(q) *Changes must be indicated.* Schedules must indicate any change thereby made in existing rates or rules, regulations, practices or other provisions by use of the reference marks specified for the purpose in paragraph (r) of this section.

(r) *Uniform reference marks.* All schedules shall indicate changes made in existing rates, rules, regulations, practices or other provisions by use of the following uniform symbols in connection with those changes.

†	or (R) to denote reductions.
♦	or (A) to denote increases.
▲	or (C) to denote changes which result in neither reductions nor increases in charges.

(s) *Explanation of abbreviations and reference marks.* At the end of each schedule there shall appear an Explanation of Abbreviations, followed by an Explanation of Reference Marks. Under the Explanation of Abbreviations shall appear an explanation of all abbreviations used in the schedule, except that commonly used abbreviations of state names or parts of names of companies, places or addresses may be omitted. Under the Explanation of Reference Marks shall appear an explanation of all characters, symbols or reference marks used in the schedule, except reference marks, characters or symbols which are explained on the page or pages of the schedule on which they appear.

(t) *Distance rates.* Schedules carrying rates dependent on mileages or distances for their application shall publish those distances between points or provide a definite method for determining them.

(u) *Supplements.* A change in or addition to a schedule shall be known as an amendment, and shall be published in a supplement. Supplements shall be numbered consecutively and shall carry the same MF-I.C.C. number as the schedule amended. Each supplement shall specify on its title page the supplement or supplements or schedule which it cancels, and shall also list by their numbers the supplements containing effective changes from matter published in the originally filed schedule. The matter contained in each supplement shall be arranged in the same general manner and order as the schedule which it amends. The following is the maximum number of effective supplements permitted to any one schedule:

16 pages or less	2 supplements.
17 pages or more	3 supplements.

In addition to the above, schedules of 17 or more pages may have one additional supplement of not exceeding 4 pages. Supplements announcing adoptions or suspension effected by orders of the Commission will not be counted in computing the allowable number of supplements.

(v) *Explosive and dangerous articles.* Schedules which contain rates for the transportation of hazardous materials must also contain the rules and regulations promulgated by the Department of Transportation governing the transportation thereof, or must bear specific reference to the MF-I.C.C. number of a separate publication which contains such rules and regulations.

(w) *Item amendment.* When an amendment (such as a change, cancellation, addition or deletion) is made in a numbered item, such item shall be published in the supplement in its entirety as amended. The revised item showing the amended provision should be given the same item number with a letter suffix; for example: Item 40–A cancels Item 40; Item 40–B cancels Item 40–A; and so on. When any rate or other provision contained in an item designated by an item number is amended, resulting in the cancellation of all or a portion there of, the canceled matter shall not be reproduced in the new item effecting the cancellation except to the extent necessary to identify the item.

§ 1307.6 Applications for special permissions.

(a) *Reductions in rates and charges and establishment of new rates and charges on less than statutory notice; waiver of requirements of these regulations.* The act authorizes the Commission in its discretion and for good cause shown to permit reductions in or the establishment of new rates or charges on less than statutory notice, and also to permit departure from the Commission's regulations. This authority will be exercised only in cases where actual emergency and real merit are shown. Commercial competition or the desire to meet the rates of a competing carrier that has given statutory notice for reduced rates or for the establishment of new rates and charges will not of itself be regarded as cause for permitting changes in rates or other provisions on less than statutory notice. Clerical or typographical errors in schedules constitute good cause for the exercise of this authority, but every application based thereon must plainly specify the error, together with a full statement of the attending circum-

stances and must be presented with reasonable promptness after publication of the defective schedule.

(b) *Form of application.* Applications shall be submitted in duplicate on paper 8 by 11 inches in substantially the form set forth in this paragraph and shall furnish all pertinent information. They should be numbered consecutively and must bear the signature and title of the owner or of an officer or duly authorized representative of the carrier.

Form of application:

(Address)

(Date)

TO THE INTERSTATE COMMERCE COMMISSION,
WASHINGTON, D.C. 20423.

APPLICATION NO.-----

(Name of carrier)

by ---
(Name of officer, specifying title)

does hereby petition the Interstate Commerce Commission that he (it) be permitted, under section 218 of the act, to put in force the following provisions to become effective ------ days after the filing thereof with the Interstate Commerce Commission.

(Here show matter as directed by paragraph (d) of § 1307.6.)

Your petitioner further represents that the said (state whether rates, charges, or other provisions) above mentioned will be published in (here show matter as directed by paragraph (e) of § 1307.6).

1. (Here state matter as directed by paragraph (f) of § 1307.6.)

2. (Here state matter as directed by paragraph (g) of § 1307.6.)

3. (Here show justification as directed by paragraph (h) of § 1307.6.)

(Name of carrier)

By ---
(Name and title)

Verification: [1]

The above statement was subscribed and sworn to before me this ------ day of ----------, 19----.

(Notary Public)

(c) *Partial use of authority prohibited.* The authority granted by special permission, if used, must be used in its entirety and in the manner set forth in the order of special permission. If it is not desired to use all of the authority granted, and less or more extensive or different authority is desired, a new application complying with the provisions of this section in all respects and referring to the previous permission must be filed.

(d) *Proposed provisions.* The proposed provisions shall be set forth clearly and completely in the application. An accompanying exhibit may be used if identified by letter, such as "Exhibit A", and so referred to in the application. If the proposed provisions consist of rates, all points of origin and destination must be shown or definitely indicated; if permission is sought to establish a rule, the exact wording of the proposed rule must be given.

(e) *MF-I.C.C. numbers to be shown.* The application shall show MF-I.C.C. numbers of the schedules in which the proposed rates, rules or other provisions will be published. If publication is to be made in schedules already referred to, that shall be stated.

(f) *Rates desired to be changed.* The application shall set forth the rates or provisions which it is desired to change. Where the matter to be shown is voluminous or for other reasons difficult of presentation, it shall be included in an accompanying exhibit, properly identified and referred to in the application. Reference shall be made by MF-I.C.C. number, supplement number and item or page number to the schedules in which rates or provisions to be superseded are published. The extent to which cancellations will be made must be definitely indicated.

(g) *Carriers, schedule or tariff numbers, notifications, advisements and objections.* Where changes in rates or practices or where new rates or practices are proposed, applications should name the carriers, and specify by I.C.C. or MF-I.C.C. number the schedules or tariffs maintaining corresponding rates or other provisions. Applications should also state whether those carriers have been notified of the applications, including any short-notice features. Applications to establish on less than thirty days' notice schedules to cover temporary operating authority granted under the authority of section 210a of the act should show that common carriers or their tariff publishing agents as well as contract carriers maintaining corresponding rates or other provisions have been advised of the proposals. All applications shall state what objections or other views have been expressed by the carriers so notified The Commission must obtain information of the types mentioned before acting upon requests for tariff-circular relief or short notice; and applications will be handled with materially more speed when the carriers in filing their applications are careful to furnish the facts requested.

(h) *Special circumstances.* Applications shall state the special circumstances or unusual conditions relied upon as justifying the requested permission, together with any related facts or circumstances which may aid the Commission in determining whether the requested permission is justified. If permission to establish provisions on less than statutory notice is sought, the petitioner shall state why the proposed provisions could not have been established upon thirty days' notice.

§ 1307.7 Powers of attorney.

(a) *Forms.* (1) The forms set forth in this section shall be used by a contract carrier of property to give authority to an agent to publish distance tariffs and supplements thereto or tariffs and supplements thereto naming the hazardous materials regulations as promulgated by the Department of Transportation to govern the transportation of explosives and other dangerous articles. See § 1307.4 (b).

(2) Powers of attorney shall be printed or typed on paper of good quality, 8x11 inches in size. Each power of attorney shall be given a serial number which shall run consecutively for each form of instrument.

(b) *Individual acting as agent.* This form shall be used to authorize an individual to act as agent:

POWER OF ATTORNEY

MFA 4 No. ------
cancels
MFA -- No. ------

(Name of carrier)

(Post office address)

---, 19--

Know all men by this instrument:

That [Name of granting carrier—see paragraph (d) of § 1307.7], a contract carrier of property by motor vehicle, does (do) hereby make, constitute and appoint [Name of principal agent] attorney and agent to publish and file for such carrier [Here specify affirmatively the precise authority given to the agent; that is, either distance tariffs and supplements thereto or tariffs and supplements thereto naming rules and regulations as promulgated by the Department of Transportation to govern the transportation of hazardous materials] as permitted or required of contract carriers by motor vehicle under the authority of Part II of the Interstate Commerce Act and the regulations of the Interstate Commerce Commission and Department of Transportation issued pursuant thereto and does (do) hereby ratify and confirm all that said attorney and agent may lawfully do by virtue of the authority herein granted and does (do) hereby assume full responsibility for the acts and failures to act of said attorney and agent.

And, further, that [Name of granting carrier—see paragraph (d) of § 1307.7] does (do) hereby make and appoint [Name of alternate agent] alternate attorney and agent to do and perform the same acts and exercise the same authority herein granted to [Name of principal agent] in the event and only in the event of the death or disability of [Name of principal agent].

(Name of carrier)

By ---
(See paragraph (e), § 1307.7)

Attest (if a corporation):

(Secretary)

[CORPORATE SEAL]

Duplicate mailed to ---, Agent.

(c) *Corporation or association acting as agent.* This form shall be used to authorize a corporation or association (see paragraph (g) of this section) to act as agent:

POWER OF ATTORNEY

MFA 5 No. ------
cancels
MFA -- No. ------

(Name of carrier)

(Post office address)

---, 19--

Know all men by this instrument:

That [Name of granting carrier—see paragraph (d) of § 1307.7], a contract carrier of property by motor vehicle, does (do) hereby make, constitute and appoint [Name of agent] attorney and agent to publish and

[1] Only the original need be executed.

file for such carrier [Here specify affirmatively the precise authority given to the agent; that is, either distance tariffs and supplements thereto or tariffs and supplements thereto naming rules and regulations as promulgated by the Department of Transportation to govern the transportation of hazardous materials] as permitted or required of contract carriers by motor vehicle under the authority of Part II of the Interstate Commerce Act and the regulations of the Interstate Commerce Commission and Department of Transportation issued pursuant thereto and does (do) hereby ratify and confirm all that said attorney and agent may lawfully do by virtue of the authority herein granted and does (do) hereby assume full responsibility for the acts and failures to act of said attorney and agent.

(Name of carrier)

By ---
(See paragraph (e), § 1307.7)

Attest (if a corporation):

(Secretary)

[CORPORATE SEAL]

Duplicate mailed to ---, Agent.

(d) *Full and correct carrier name to be shown.* In the space for the name of the carrier in Forms MFA 4 and MFA 5, there must be shown, if the carrier is an individual, the individual name followed by the trade name, if any. If the carrier is a partnership, the correct names of all partners must be given, followed by the trade name, if any. If the carrier is a corporation, the correct corporate name must be used. (See paragraph (e) of this section.) In all cases, the name of the carrier must be identical with the name as it appears in the permit issued by the Commission.

(e) *Persons who may sign powers of attorney.* If the carrier is an individual, the power of attorney must be signed by the individual. If a partnership, the power of attorney must be signed individually by each partner. If the carrier is a corporation, the power of attorney must be signed by the president or a vice president, attested by the secretary of the corporation, and the corporate seal shall be affixed.

(f) *Type of publication to be specified.* The power of attorney shall specify whether the agent designated therein shall publish a distance tariff or a tariff of rules and regulations governing the transportation of explosives and other dangerous articles, or both.

(g) *Agents, who may be.* Agents may be natural persons, corporations, or unincorporated associations whose articles of association (or other form of agreement) have been approved by the Commission in a proceeding pursuant to the provisions of section 5a, Part I of the Act. An officer or employee of an incorporated tariff publishing agent may not act as agent in his individual capacity for the publication of tariffs.

(h) *Revocation of powers of attorney.* A power of attorney may be revoked upon not less than sixty days' notice to the Commission by filing a notice of revocation with the Commission, serving at the same time a copy thereof on the agent in whose favor such power of attorney was executed. Such notice shall not bear a separate serial number, but shall specify the form and number of the power of attorney to be revoked, shall name the agent and alternate agent, if any, in whose favor the power of attorney was executed, shall specify a date upon which revocation is to become effective, which must not be less than sixty days subsequent to the date of its receipt by the Commission and shall be executed in the following manner on paper of good quality, size 8 by 11 inches:

REVOCATION NOTICE

(Name of carrier)

(Post office address)

---, 19--

Know all men by this instrument:

Effective ---, 19--, power of attorney MFA ------ No. ------ issued by

---
(Name of carrier)

in favor of ---
(Name of agent and of alternate, if any)

is hereby canceled and revoked.

(Name of carrier)

By ---
(See paragraphs (d) and (e) of § 1307.7)

Attest (if a corporation):

(Secretary)

[CORPORATE SEAL]

Duplicate mailed to ---
(Name of agent)

(Address)

(Date)

§ 1307.8 Change of name or transfer of entire operation.

(a) *Adoption notice.* (1) When the name of a contract carrier is changed or when its operating control is transferred to another contract carrier, the carrier which will thereafter operate the properties shall file with the Commision and post an adoption notice, numbered in its MF-I.C.C. series as follows:

MF-I.C.C. No.------

(Show name and doing business as, if any, of the adopting carrier)

ADOPTION NOTICE

The above-named carrier hereby adopts, ratifies, and makes its own in every respect, as if the same had been originally filed and posted by it, all schedules, concurrences, or other instruments whatsoever, including supplements or amendments thereto, filed with the Interstate Commerce Commission by or heretofore adopted by--- prior to the effective date shown below.

Issued ---. Effective ---.

Issued under authority of Section 1307.8 Tariff Circular MF No. 4 and in conformity with Interstate Commerce Commission Docket No. MC---

Issued by ---

(2) Notices of adoption shall be filed with the Commission immediately and, if possible, on or before the effective date shown therein.

(b) *Adoption supplement.* In addition to the adoption notice, the new carrier shall immediately file with the Commission and post a consecutively numbered supplement to each of the effective schedules issued or adopted by its predecessor reading as follows:

Effective --- (here insert date shown in the adoption notice) this schedule, or as amended, became the schedule of --- (name and doing business as, if any, of the new carrier) as per its adoption notice MF-I.C.C. No. ------.

(c) *Supplement number and MF-I.C.C. series.* All supplements to such adopted schedules filed by the adopting carrier shall be numbered consecutively and shall show in connection with the MF-I.C.C. number that the number is in the series of the former carrier.

(d) *Adopted schedule to be republished.* As soon as practicable a schedule adopted in its entirety shall be republished in the series of the adopting carrier. The notice directing its cancelation shall identify it by reference to its MF-I.C.C. number and to the series in which it was issued. Any schedule not so reissued prior to its second adoption shall immediately thereafter be republished in the series of the second adopting carrier.

§ 1307.9 Transfer of part of an operation.

(a) *Old carrier shall issue supplements.* When the operating control of a contract carrier's properties is transferred in part to another contract carrier, the old carrier shall issue a supplement to each of its affected schedules upon 30 days' notice carrying this cancelation notice:

Effective --- (date) the rates, charges, rules and regulations in this schedule are withdrawn and canceled insofar as they apply --- (here describe the operations transferred). For rates, charges, rules and regulations to apply see schedule MF-I.C.C. No. ------, issued by (name and doing business as, if any, of the new carrier). NOTE—whenever necessary the term, "minimum rates" shall be substituted for the term, "rates", in this notice.

(b) *New carrier shall issue and file a schedule or schedules.* The new carrier shall issue and file at the same time, to become effective on the same date, a schedule or schedules establishing on 30 days' notice rates, rules and regulations in lieu of those withdrawn by the old carrier.

§ 1307.10 Assumption of operating control by a receiver.

NOTE: As used in §§ 1307.10 and 1307.11, the term "receiver" means a receiver, trustee, executor, administrator, assignee, or other similar party.

Adoption notices and supplements similar to those prescribed in § 1307.8, but numbered consecutively in the MF-I.C.C. series of the old carrier, must immediately be filed by a receiver when he assumes full possession and operating control of a carrier's lines, and must show the name of the receiver on the title page in connection with the carrier name. When such possession and operating control are terminated, the carrier taking over the properties in their

entirety shall file an adoption notice, and if a change in the name of the carrier has been made, shall also file supplements as prescribed in § 1307.8.

§ 1307.11 Adoptions; general instructions.[1]

(a) *Copies of notices of adoption to agents.* Copies of notices of adoption shall be sent to each agent to which power of attorney has been given by the old carrier. The effective date must be the date on which the change in name or operation occurs, except that if prior approval by the Commission of such change is required, the effective date shown shall not antedate that approval.

(b) *Powers of attorney.* Powers of attorney adopted by a receiver or other carrier shall, within 120 days, be replaced and superseded by new powers of attorney issued by, and numbered in the series of the receiver or other new carrier, except that a receiver may number powers of attorney in the old series (See also paragraph (b) of § 1307.12.) The cancellation reference to the former power of attorney must include the name of the former issuing carrier. Powers of attorney which will not be replaced by new issues shall be regularly revoked on the notice and in the manner prescribed by § 1307.7.

(c) *Adoption notices and supplements to contain no other matter.* Adoption notices and special supplements issued under the authority of §§ 1307.8 to 1307.11 shall contain no other matter.

§ 1307.12 Temporary operation of contract carrier properties.

(a) *New carrier assuming temporary control.* When temporary authority to take over the operating control of all or a portion of the operations of a contract carrier is granted pursuant to the provisions of section 210a(b) of the act, the new carrier that assumes temporary control of the operations of the old carrier shall, except as provided in paragraph (b) of this section, comply with the provisions of §§ 1307.8, 1307.9 and 1307.11.

(b) *New powers of attorney to be in series of old carrier.* The new carrier is not required to reissue the adopted powers of attorney during the period of temporary control of the operations of the old carrier. New powers of attorney relating to the temporarily controlled operations shall be in the series of the old carrier; for example:

MFXA 4 No. 6 (Roe's Trucking Series)
John Doe Transport, Inc.
Operator of
Richard Roe d/b/a Roe's Trucking
(Post Office Address)

(c) *Publications of the new carrier to be in its name as operator of the old carrier.* Changes in schedules of rates, minimum rates, charges or provisions relating thereto, applying from, to, or between points in the temporarily controlled operations shall be published and filed in the name of the new carrier as operator of the old carrier and numbered in the series of the old carrier. For example, if John Doe Transport, Inc., assumes temporary control of the operations of Richard Roe, d/b/a Roe's Trucking, the title page of schedules must show the MF–I.C.C. number and name of the carrier in substantially the following manner:

MF–I.C.C. No. 17 (Roe's Trucking Series)
John Doe Transport, Inc.
Operator of
Richard Roe d/b/a Roe's Trucking

(d) *Adoption notice to be filed when permanent authority is granted to take over temporarily controlled operations.* When permanent authority to take over the temporarily controlled operation is granted pursuant to the provisions of section 5 of the act, the new carrier shall file an adoption notice and otherwise comply with provisions of §§ 1307.8, 1307.9 and 1307.11.

(e) *Adoption notice to be filed when temporary authority ends.* If the temporary authority to assume operating control of the old carrier is discontinued or vacated, the old carrier must file an adoption notice and otherwise comply with §§ 1307.8, 1307.9 and 1307.11. The effective date to be shown in the adoption notice and adoption supplements is the date on which the new carrier's temporary authority to operate the properties of the old carrier expires or is vacated.

§ 1307.13 Suspension of schedules.

Upon receipt of an order suspending a schedule in part or in its entirety, the carrier who filed such schedule shall immediately file with the Commission a consecutively numbered supplement to the schedule which shall not bear an effective date but which shall quote in full the Commission's order of suspension, followed by a statement that by reasons of the Commission's order the use and application of the suspended publication or portions thereof is deferred for the period prescribed in the suspension order. Such supplement shall give specific reference by MF–I.C.C. number or numbers to the schedule or schedules where rates, charges, rules, regulations, or practices continued in effect by the suspension order will be found. The carrier who filed the schedule which has been suspended in part or in its entirety shall also comply with such other instructions as may be furnished it with the order of suspension.

Subpart B—Common Carrier Freight Tariffs and Classifications

AUTHORITY: The provisions of Subpart B issued under secs. 204, 217, 49 Stat. 546, as amended, 560, as amended, sec. 210a, as amended, 52 Stat. 1238, as amended; 49 U.S.C. 304, 317, 310a.

§ 1307.21 General.

Tariffs of common carriers of property by motor vehicle, also joint tariffs of common carriers of property by motor vehicle and common carriers by water, other than railroad owned or controlled water carriers, filed pursuant to section 217 of Part II of the Interstate Commerce Act, and as amended, shall be constructed, published, filed, posted, and kept open for public inspection in accordance with regulations adopted and promulgated in Subpart B.

§ 1307.22 Application of regulations.

(a) The regulations in Subpart B will also apply to tariffs containing joint rates of common carriers of property by motor vehicle and common carriers by water, other than railroad-owned or railroad-controlled water carriers.

(b) The regulations in Subpart B will not apply to tariffs containing joint rates between motor carriers and common carriers by rail or by water when such water carriers are railroad-owned or railroad-controlled and operate under the provisions of section 5 (21) Part I of the Interstate Commerce Act or to tariffs containing joint motor-rail-water rates whether or not the water carrier is railroad-owned or controlled.

§ 1307.23 Conformity required.

(a) Except as otherwise provided herein, all tariffs and supplements thereto filed by common carriers of property by motor vehicle and agents on or after April 1, 1941, unless otherwise authorized by special permission of the Commission, shall conform to the regulations in Subpart B.

(b) Tariffs and supplements thereto filed prior to April 1, 1941, which do not conform to the regulations in Subpart B shall be brought into conformity therewith on or before October 1, 1941.

(c) The Commission may, for reasons deemed sufficient, direct the reissue of any tariff, power of attorney, or concurrence at any time.

§ 1307.24 Definitions.

(a) The term "Tariff" means a publication containing the rates, charges, classification ratings, rules, and regulations (or any of them) published for a common carrier, and it may be in the form of a rate tariff, classification of articles or commodities, or a tariff containing rules and regulations or incidental charges.

(b) The term "Local Rate" means a rate that applies over the lines or routes of one carrier only. "Local Tariffs" are those which contain local rates.

(c) The term "Joint Rate" means a rate that applies over the lines or routes of two or more carriers and that is made by arrangement or agreement between such carriers evidenced by concurrence or power of attorney. "Joint Tariffs" are those which contain joint rates.

(d) The term "Through Rate" means the total rate from point of origin to destination. It may be a local rate, a joint rate, or combination of separately established rates.

(e) The term "Proportional Rate" means a rate published to apply only on traffic originating beyond the point from which such rate applies, destined beyond the point to which such rate applies, or originating and destined beyond the points from and to which such rate applies. "Proportional Tariffs" are those which contain proportional rates.

[1] See note in § 1307.10.

(f) The term "Commodity Rate" means a rate published to apply on a commodity or commodities which are specifically named or described in the tariff in which the rate is published or in a separate commodity list. "Commodity Tariffs" are those which contain commodity rates.

(g) The term "Classification" means a publication containing a list of articles or commodities and the class ratings to which they are assigned for the purpose of applying class rates, together with governing rules and regulations.

(h) The term "Class Rate" means a rate which applies on any one or more of various articles according to the class rating to which they are assigned in a classification or tariff of exceptions thereto or in the class rate tariff. "Class Tariffs" are those which contain class rates.

(i) The term "Regular Route Carrier" means one operating over a specified route between fixed termini, as set forth in the carrier's certificate.

(j) The term "Irregular Route Carrier" means one operating within a specified and defined territory, as set forth in the carrier's certificate, but not over specified route or routes between fixed termini.

§ 1307.25 Form and preparation of tariffs.

(a) *Form and size of tariff.* All tariffs and supplements thereto shall be in book, pamphlet, or loose-leaf form of size 8 by 11 inches, and shall be plainly printed, planographed, stereotyped, or prepared by other similar durable process on paper of good quality. All tariffs and supplements thereto which are filed and posted shall be clearly legible. Typewritten or proof sheets shall not be used for filing or posting.

(b) *Size of type.* The type used shall be of size not less than 8 point bold or full face, except as provided in § 1307.26 (b) and except that 6 point bold or full face type may be used for explanation of reference marks and for column headings. No alteration in writing or erasure shall be made in any tariff or supplement thereto.

(c) *Margin on binding edge.* A margin of not less than five-eighths of an inch, without any printing thereon, shall be allowed at the binding edge of each tariff or supplement thereto.

(d) *Tables of rates to be ruled and spaced.* When rates, rate basis numbers, numerals, or letters for other purposes are shown in tables, the tables shall be ruled from top to bottom. When not more than three figures or letters, including reference characters, are employed, the columns shall be not less than one-fourth of an inch in width with a correspondingly greater width when more than three figures or letters, including reference characters, are employed. Such tables shall not contain more than six horizontal lines without a break in the printed matter by a ruled line or at least one blank space across the page.

(e) *Loose-leaf tariffs.* Pages of loose-leaf tariffs shall be printed on thin paper of strong texture, on one side only, must be consecutively numbered in the upper left-hand corner and designated as "Original Page 1", "Original Page 2", etc. Each page must show at the top of the page the name of the carrier or agent, the page number, and the MF-I.C.C. number of the tariff. At the bottom of the page shall be shown the date of issue, the effective date, and the name, title, and street address of the issuing carrier or agent.

§ 1307.26 Title page.

(a) *Title page shall show.* The top cover of every tariff or supplement shall consist of durable but flexible paper of sufficient weight and strength to withstand hard usage and shall be prepared as a title page containing the following information in the order named:

(1) *MF-I.C.C. numbers and cancelations.* On the upper right-hand corner an MF-I.C.C. number in prominent bold face type, which shall, on printed tariffs, be not less than 12 point. Numbers shall run consecutively beginning with the next consecutive number in the existing series or, if no tariffs shall have been issued previously, beginning with MF-I.C.C. No. 1. Immediately under this number there shall be shown the MF-I.C.C. number or numbers of the tariff or tariffs canceled thereby, except that, when the cancellations are so numerous that it is inconvenient to show a list of the canceled publications on the title page, it may be shown immediately preceding the table of contents, in which event a reference thereto shall be shown under the MF-I.C.C. number on the title page.

(2) *Name of carrier or name of agent.* On the upper central portion of the title page shall be shown the name of the issuing carrier or agent. When an individual carrier or a partnership operates under a trade name, the individual name or names shall precede the trade name. The names of carriers shall each be followed by the carrier's certificate number. On agency publications, when the agent is a corporation, the name of the corporation shall be shown, but, when the agent is an individual, the name of the association (if any) for whom the agent acts may also be shown. If this is done, the name of the agent shall be preceded by the name of the association in substantially the following form:

A.B.C. TARIFF BUREAU
JOHN DOE, AGENT

Only one such agent may be thus shown.

(3) *Kind of tariff.* There shall be shown a statement indicating whether the rates are: (i) local, (ii) joint, (iii) proportional, (iv) export, import, coastwise, or intercoastal, (v) joint motor-water, (vi) distance rates, or (vii) a combination of any such rates, and (viii) whether class or commodity or both. When a tariff contains both distance rates and other rates a concise statement of the extent of the application of each kind of rates shall be given. If the tariff is a classification or if it contains rules or other governing provisions, this fact shall be shown.

(4) *Territory.* A brief but reasonably complete statement of the territory within which or the points from and to or between which the rates or other provisions apply shall be given, and, where the application is indicated by States, the names of all States to or from which rates apply shall be shown.

(5) *Governing tariffs.* Reference to the item and page number of the tariff containing a statement of the publications governing the tariff in substantially the following form (this reference need not be shown on the title pages of supplements):

For reference to governing classification, and other governing publications see Item No. ------, Page ------, or as amended.

(6) *Effective and issued dates.* (i) The date on which the rates or other provisions will become effective shall be shown on the lower right-hand side. (For exceptions, see § 1307.34 and the following paragraph of this section.) The date on which the publication is issued should be on the lower left-hand side.

(ii) Every publication which contains rates, rules, or other provisions effective upon a date different from the general effective date of such publication shall show on its title page a notation in substantially the following form:

Effective ----------, 19-- (except as otherwise provided herein) or (except as provided in Item ------) or (except as provided on Page ------).

(7) *When issued by permission or order of commission on less than statutory notice.* On every tariff or supplement in which all rates, rules or regulations are made effective on less than 30 days' notice under authority of the Commission, a notation in substantially the following form shall be shown:

Issued on ------ days' notice under authority of ---------- of the Inter-
(Show the authority)
state Commerce Commission, ----------, No. ---------, dated ----------

(8) *Name of individual or agent issuing.* (i) The name, title, and address of the person issuing the tariff shall be shown near the bottom of the title page except that when the tariff is issued by a corporation as publishing agent, the name and title of the official of such corporation who has been appointed by the corporation to handle all tariff matters with the Commission shall be shown at the bottom of the title page.

(ii) There may be shown if desired, the name and address of a joint agent (if any) in substantially the following form:

Richard Roe, Agent,
XYZ Freight Tariff Bureau,
40 Central Avenue,
Indianapolis, Indiana.
Issued by:
John Doe, Agent,
101 Fifth Street,
Washington, D.C.

(iii) Tariffs filed in the MF-I. C. C. series of indiivdual carriers shall show in the lower left-hand corner the principal address of the carrier, where such

address is different from that of the individual filing the tariff for such carrier.

(9) *Expiration notice.* (i) A provision in a tariff or supplement that the same, or any part thereof, will expire with a given date, is not a guaranty that the tariff, or supplement, or such part thereof, will remain in effect until and including that date. Such provision, if used, will be held to mean that the tariff or supplement, or specified part thereof, will expire with the date named, unless the date is changed on statutory notice, or under special permission of the Commission. In such tariffs and supplements the following notation shall be used to indicate the date upon which the publication will expire:

Expires with ----------, unless
(Date)
sooner canceled, changed, or extended.

(ii) If the entire publication is to expire with the specified date, the notation shall be placed near the bottom of the title page. If only a portion of the published rates or other provisions will expire with the specified date, the notation shall be shown in connection with the particular item, rate, or other provision which will expire in such a way as to clearly indicate the matter affected thereby.

§ 1307.27 Contents of tariffs.

Tariffs shall contain in the order named:

(a) *Table of contents.* A table of contents containing a full and complete statement, in alphabetical order, of the exact location where information under general headings, by subjects, will be found, specifying page or item numbers. If a tariff contains so small a volume of matter that its title page or its interior arrangement plainly discloses its contents, the table of contents may be omitted.

(b) *Participating carriers.* (1) The individual names and firm names or (in the case of corporations) corporate names of participating carriers, with city and State in which their principal offices are located and certificate numbers, shall be shown alphabetically arranged together with the form and number of power of attorney or concurrence of each. If the carrier consists of an individual or individuals operating under a trade name, the trade name shall precede the name of the individual operator or names of partners (or the name of the individual operator or names of partners may precede the trade name, provided the trade name is shown in alphabetical sequence and in a prominent manner with the individual name or names shown above being indented). When reference to concurrences is shown in agency issues, there shall be included information indicating the carriers to whom such concurrences are given.

(2) Initial, intermediate, and terminal participation may be indicated by any or all of the following reference marks, which must be explained on each page on which they are used: "X" to indicate carriers participating as initial lines; "Y" to indicate intermediate carriers; and "Z" to indicate terminal or delivering line. If there be not more than four participating carriers, they may be shown on the title page.

(c) *Index of commodities.* (1) A complete index, alphabetically arranged, of all articles upon which commodity rates are named therein, together with reference to each item (or page) where a particular article is shown. When nouns are not sufficiently explicit, articles shall be indexed also under the names of descriptive adjectives. All of the entries relating to different kinds or species of the same commodity shall be grouped together. For example, "Paper, building; paper, printing; paper, wrapping."

(2) When articles are grouped together in one list under a generic heading as authorized in § 1307.28(e), such generic name shall be shown in the index and opposite thereto shall be shown reference to each item (or page) where the generic term is used. Each article in the generic list must be shown separately in its proper alphabetical order in the index together with reference to each item (or page) where such article is shown by name, but when such article appears only in a generic list, reference to the items (or pages) containing rates may be omitted, provided reference is given to the generic name as it appears in the index.

(3) If all of the commodity rates to each destination in a general commodity tariff or a combined class and commodity tariff are arranged in alphabetical order by commodities, the index of commodities may be omitted from the tariff.

(d) *Index of points.* (1) Indexes of points of origin and destination. Tariffs of regular route carriers which name specific point to point rates shall provide an alphabetical index of all points from which rates apply and a separate alphabetical index of all points to which rates apply showing the States in which points are located and, when the tariff names rates for account of more than one carrier, the carrier or carriers serving such points. Where desirable the rate tariff may refer to a separate publication (not a rate tariff) for the name or names of carriers serving the points appearing in such rate tariff. When all or substantially all of the rates named in a tariff apply in both directions between the points shown therein, the points of origin and destination may be shown in one index. If there be not more than 12 points of origin or 12 points of destination, the names of such points may, if practicable, be shown in alphabetical order on the title page of the tariff, in which event the index of such points of origin or destination or both, as the case may be, may be omitted.

(2) If rates are shown in a tariff by rate bases or by named or numbered territorial groups, indexes of points or origin, and destination shall show the basis or group to which each point is assigned, except that, when reference is made to a separate publication as provided in § 1307.38 for list of points in such groups, such points may be omitted from the indexes: *Provided*, That (1) there is shown in the table of contents the item or page giving reference by MF-I.C.C. number to the separate publication and (2) there is shown at the beginning of the index of points (if the tariff contains any such index) MF-I.C.C. reference to the separate publication.

(3) If rates in a tariff are so arranged that grouping of points is by geographical arrangement, the alphabetical indexes of points of origin and of destination shall show index numbers corresponding to those assigned to the points in the rate tables and, unless the rate tables themselves indicate that all points shown therein are arranged in geographical order for the carriers shown, there shall be included also a geographical list of points or reference shall be made by MF-I.C.C. number to a separate publication filed in accordance with § 1307.38 containing such a geographical list of points with corresponding index numbers. The index numbers shall follow the names of the points in the alphabetical index of points and shall precede the names of the points in the geographical list where tariffs contain such lists of points.

(4) If rates are published in numbered items, indexes of points shall show the numbers of items in which rates from or to such points appear, except that, if points are arranged in commodity items in alphabetical order or in numerical sequence by index numbers and such commodity items are referred to in the commodity index prescribed in paragraph (c) of this section, such item numbers may be omitted from the indexes of points. When rates are not published in numbered items, indexes shall show the pages on which rates from or to such points will be found, as well as index numbers of the points, except that, when the points are arranged in rate tables in numerical sequence of index numbers, the page numbers may be omitted from the index. If points of origin or of destination are shown in the rate or rate basis tables in groups arranged by States, the points being in alphabetical order in the groups and such groups also being in alphabetical order of States, or if points of origin or destination are shown in rate tables in continuous alphabetical order throughout the tariff, no index of such points of origin or destination, as the case may be, will be required provided that, when the tariff names rates for more than one carrier, information be included showing the carrier or carriers serving the various points. When points are arranged in rate tables in alphabetical order and indexes of points of origin and destination are not included in the tariff, the table of contents shall refer to the pages on which the rate tables showing an alphabetical list of points are to be found, and, when points are grouped in rate tables by States, the table of contents shall give reference to the pages on which rates from or to points in each State will be found.

(5) Tariffs of irregular route carriers are required to define clearly the territory within which such carriers operate or to contain reference to a separate publication (not a rate tariff) on file with

this Commission and bearing an MF–I.C.C. number, similar to publications authorized in § 1307.38, clearly defining such territory.

(e) *Reference marks and abbreviations.* (1) Explanation of symbols, reference marks, and abbreviations of technical terms used in the tariff shall be shown. If the explanation of a reference mark or symbol does not appear on the page on which it is used, the particular page on which the character is used shall show where the explanation is given.

(2) The following sysmbols shall be used for the purposes indicated and shall not be used for any other purpose in any tariff:

↓ or (R) to denote reductions.
↑ or (A) to denote increases.
▲ or (C) to denote changes in wording which result in neither increases nor reductions in charges.
● to denote no change in rate. (See § 1307.31 (b).)
+ to denote intrastate application only.
□ to denote reissued matter. (See § 1307.31 (e).)

(f) *Governing tariffs.* (1) An item containing reference by name of the carrier or publishing agent and MF–I.C.C. number to any separately published classification, tariff of classification exceptions, tariff of rules, or similar publication affecting the provisions of the tariff shall be shown in substantially the following form:

This tariff is governed, except as otherwise provided herein, by ——— Classification MF–I.C.C. No. ——— issued by ———, by exceptions thereto ———MF–I.C.C. No. ———, issued by ———, by Rules Circular, MF–I.C.C. No. ———, and by supplements to or subsequent issues of these publications.

(2) A rate tariff may not refer to another rate tariff for classification ratings, exceptions to the classification, rules, or other governing provisions.

(3) Exceptions to classification ratings or rules which apply only in connection with the rates published in a single tariff shall be included in the tariff to which they apply and shall be shown in a separate section under the heading "Exceptions to the Governing Classification" or "Exceptions to the Governing Classification and Tariffs of Exceptions Thereto." Classification exceptions when published in a rate tariff are subject to the provisions of § 1307.37 (d).

(g) *Explanatory statements.* Such explanatory statements as may be necessary to remove all doubt as to the proper application of the rates and rules contained in the tariff. When rates are published for account of any carrier under authority of a concurrence or of a limited power of attorney, there shall be included in this section of the tariff an explicit statement clearly indicating to what extent the published rates apply for account of such carrier. Only such specific statements as are required to indicate the application with respect to particular carriers should be included in this section. General rules relating to the application of the rates should be published under paragraph (h) of this section.

(h) *Rules governing the tariffs.* (1) Rules and other provisions which govern the tariff. Under this head all of the rules or provisions stating conditions which in any way affect the rates named in the tariff shall be entered, except as otherwise provided in this section or in paragraph (g) of this section. A special rule affecting a particular item or rate must be specifically referred to in such item or in connection with such rate, except that provisions affecting more than one but not all of the rates contained in the tariff or applying to only a protion of the carriers for whom the rates are published may be included in the explanatory statements authorized in paragraph (g) of this section provided that reference is made thereto in such a way as to leave no doubt as to the application of the rates.

(2) Each rule or similar provision should be given a separate number. Such rules or provisions may, if desired, be designated "items" in which event numbers shall be in the same series as those of other items and amendment shall be made as provided in § 1307.33 (e).

(3) Except as provided in §§ 1307.28 (f), (k) and 1307.32, no rule or other provision shall be included which in any way or in any terms authorizes substituting for any rate named in the tariff a rate found in any other tariff, or a rate made up by means of a combination of rates, nor shall any rule be provided to the effect that traffic of any nature will be "Taken only by special agreement," or other provisions of like import.

(4) Where it is not desirable or practicable to include the governing rules and regulations in the rate tariff, such rules and regulations may be separately published in tariffs filed by a carrier or an agent, provided specific reference is made in the rate tariff to such separate publication in the manner set forth in § 1307.37 (f).

(5) Tariffs which contain rates for the transportation of explosives, inflammable or corrosive materials, or other dangerous articles shall also contain the rules and regulations promulgated by the Commission governing the transportation thereof, or must bear specific reference to the MF–I.C.C. number of the separate publication which contains such rules and regulations. (See § 1307.37 (f), (g).)

(i) *Rates.* A statement of rates applicable for transportation of the articles or class of articles on which rates are named therein, arranged as set forth in § 1307.28.

(j) *Routes.* A clear and explicit statement of routes over which the published rates apply prepared in accordance with the provisions of § 1307.29.

§ 1307.28 Statement of rates.

(a) *Explicit statement.* (1) All rates shall be clearly and explicitly stated in cents or in dollars and cents (lawful money of the United States), per 100 pounds, per ton of 2,000 pounds, per ton of 2,240 pounds, per stated truckload, or other defined unit, except unit of time (however, charges for terminal and special services (see § 1307.35(a)) may be published in cents or dollars and cents per unit of time), together with the names or other proper designation of the places from and to which they apply. If all rates in a tariff are stated in the same unit, that fact may be indicated on the title page in connection with the application of the tariff.

(2) It must be clearly shown whether the named rates apply from, to, or between the named points and all rates must be arranged in a simple and systematic manner. Complicated plans or ambiguous terms must not be used. Insofar as possible such rates should be subdivided into small sections (by items, index numbers, or similar method) to each of which should be assigned an identifying number to facilitate reference thereto.

(3) Where rates are stated in amounts per package, definite specifications showing size, capacity, or weight of the packages on which such rates apply must be shown or reference must be made by MF–I.C.C. number to a publication, on file with this Commission, containing such specifications.

(b) *Arbitraries or differentials.* A tariff may provide rates from or to designated points by the addition or deduction of arbitraries or differentials from or to rates shown therein from or to base points, but provision for the addition or deduction of arbitraries or differentials shall be shown either in connection with the base rate or in a separate item which must specifically name the base point and clearly and definitely state the manner in which such arbitraries or differentials shall be applied.

(c) *Percentages of class rates.* When articles are made subject to percentages of class rates (for example, 110 percent of first class, 83⅓ percent of fifth class, etc.), whether in a tariff of rates, a classification, or exceptions thereto, the rates applicable under such provisions must be shown in the class tariffs just as if those percentages were additional numbered or lettered classes, or reference must be made to an appropriate table, published in the tariff containing the class rates or in a governing publication which will show in one column the class rates and in succeeding columns the actual rates representing the various specified percentages of class rates. Unless one of these methods is used, specific commodity rates must be published.

(d) *Minimum quantities.* When truckload or volume commodity rates are published, the minimum quantities on which the rates apply shall be specifically stated in the tariff naming the commodity rates, except as provided in paragraph (e) of this section. When rates on mixed truckload or quantity shipments of two or more articles are published, the tariff shall show the minima on which the rates apply, and if the various articles are not made subject to the same rate, or if different minima are provided for different articles, the tariff shall show how the minimum charge per shipment shall be determined.

(e) *Grouping of articles under generic head.* (1) A commodity item may, by use of a generic term, provide rates on a number of articles without naming such articles, provided such commodity item contains reference to an item (not a rate item) in the tariff which contains a complete list of such articles, or contains reference to the MF–I.C.C. number of a separate tariff (not a rate tariff) containing such a list of articles. Example: "Packing-house products, as described in Item _____, or successive issues thereof," or "Packing-house products, as described under heading 'Packing-house products' in MF–I.C.C. No. __, supplements thereto or successive issues thereof." Such reference to a separate item or tariff may not be made unless a definite and complete list of the articles under the same generic term is shown in the item or tariff to which reference is thus made.

(2) A separate tariff, not containing rates, may be filed by a carrier or an agent, showing lists of the commodities and minimum quantities, on which rates published by reference to generic terms will apply, and rate tariffs may be made subject thereto as provided above. The title page of such separate publication shall contain the following: (i) In large type the words, "List of commodities upon which rates are provided in tariffs making reference hereto," and (ii) in smaller type, "This tariff may be used only in connection with tariffs making specific reference hereto by MF–I.C.C. number." In the separate publication, the generic terms shown must be the same as those used in the tariffs making reference thereto and under each heading the different commodities shall be alphabetically arranged. Except as provided in § 1307.37 (e), a separate publication issued for the purpose of publishing generic lists shall contain no information other than that authorized in this rule. Only one such publication may be in effect at any time in a carrier's or agent's file and it shall list only generic terms which refer to 10 or more commodities, otherwise the tariff of rates shall specify each commodity upon which the rates therein apply. A tariff of rates may not refer to another tariff of rates for lists of commodities.

(f) *Commodity rates must be specific.* (1) When commodity rates are established, the description of the commodity must be specific and the rates thereon may not be applied to analogous articles. As far as possible uniform commodity descriptions should be used in all tariffs.

(2) If a commodity rate (distance or otherwise) is published, such commodity rate, except as otherwise provided in these rules, is the applicable rate and the only rate that may be applied from and to the same points over the route or routes over which the commodity rate applies, even though a class rate (except as provided in subparagraphs (5) of this paragraph, paragraph (k) of this section and in § 1307.32) may make a lower charge.

(3) Different rates based on different minimum quantities may be published, provided the lowest charge resulting from any such rate applied in connection with its published minimum (or actual quantity shipped, if greater) is made applicable by publishing such rates in the same item or in different columns on the same page and by providing in connection with such items or rate columns a rule to the effect that the lowest charge obtainable under the different rates and minima applicable thereto (or actual quantities, if greater) will be applied.

(4) Commodity rates may be established on different articles for mixed truckload or mixed quantity shipments. Minimum quantities shall be specified together with a statement in connection with the commodity description that the rates apply in mixed truckload or mixed quantity shipments. Such rates may also be made applicable upon straight shipments of one or more or all of the articles by a provision to that effect in connection with the commodity description. When more than one article is included in an item or commodity description the tariff shall specifically state whether or not the rates apply on straight or mixed shipments.

(5) When because of differences in minimum weights, package requirements, mixed quantity provisions, or other conditions the charges accruing under commodity rates result in higher charges than those accruing under the class rates published in other tariffs, provision may be made in a tariff containing commodity rates only, for the alternation of such rates with class rates published in not more than three other tariffs, provided that the commodity tariff contains specific reference to the MF–I. C. C. number or numbers of the class tariffs and shows in connection with each MF–I. C. C. number a complete description of the origin and destination territory shown in that tariff. The following notation must be shown in the commodity tariff under the application of rates:

If the charges accruing under the class rates published in the following tariffs, including supplements to or successives issues thereof, from and to the same points via the same routes are lower than the charges accruing under the commodity rates published in this tariff, the lower charges resulting from such class rates will apply. (Here show MF–I. C. C. numbers of the class tariffs and the required description of each.)

(6) If a commodity tariff contains only a few rates which result in higher charges than would accrue under the class rates the reference to the class tariffs prescribed herein should be shown immeditately in connection with such commodity rates or may be shown in a separate item shown under an appropriate heading and reference to such item shown immediately in connection with the commodity rates.

(7) Great care should be exercised in describing the scope of the class tariffs in order that users of the commodity tariff may determine without examining the class tariffs, which of such class tariffs is to be used in connection with any commodity rate. It also should be understood that the alternative application of commodity rates in one tariff with class rates in another tariff should be resorted to only where there is real necessity therefor and that wherever possible the commodity rates should be revised so that they will not exceed the class rates between the same points.

(8) The continuance of the authority to alternate rates in a commodity tariff with class rates in not more than three other tariffs as contained in the subparagraphs (5), (6), and (7) of this paragraph will depend upon the progress made by carriers in revising commodity rates in order to avoid unnecessary alternations, and upon the accuracy used in describing the class rate tariffs.

(g) *Tariff must contain all rates on same commodities.* (1) A tariff naming rates on a single commodity, or a group of related commodities, shall contain all of the commodity rates (other than distance or mileage rates; however, such tariffs may contain distance or mileage rates) on the same commodity or commodities published to apply for the same carriers from and to points in the same origin and destination territory except that, when only local commodity rates are named in a tariff published by or for a carrier, that carrier may also participate in tariffs of other carriers naming rates from or to points on the line of the issuing carrier and may participate in not more than one agency issue naming rates on the same commodity or commodities between points or over routes not covered by carrier's issues.

(2) A general commodity tariff or a combined class and commodity tariff shall contain reference to any other tariffs published by the same carrier or agent in which rates on other commodities are published from any point of origin to any point of destination named therein over the same route. Such reference shall include the MF–I.C.C. number or numbers of such other tariff or tariffs with a description of the commodities and territory or points of origin and of destination. The reference shall be shown in a separate list arranged alphabetically by commodities immediately following the table of contents. For example, "For rates on textiles from _____ to _____, see MF–I.C.C. No. _____ of _____ Agent."

(h) *Conflicting or duplicating rates prohibited.* The publication of class or commodity rates which duplicate or conflict with the rates published in the same or any other tariff over the same route is not permissible, and except as otherwise authorized in Subpart B, the publication of a statement in a tariff to the effect that the rates published therein take precedence over the rates published in some other tariff, or that the rates published in some other tariff take precedence over or alternate with the rates published therein, is hereby prohibited.

(i) *Through rate applies.* When a carrier or carriers establish a local or joint rate for application over any route from point of origin to destination such rate is the applicable rate of such carrier or carriers over the authorized route, notwithstanding that it may be higher than

the aggregate of intermediate rates over such route.

(j) *Proportional rates.* (1) Tariffs containing proportional rates must clearly and definitely show the application thereof. If a proportional rate is intended for use on traffic destined to a restricted territory, such territory should be clearly defined. For example, a tariff naming a proportional rate to St. Louis, Missouri, intended for use on traffic destined to points in Kansas, shall state that the proportional rate applies only for the purpose of constructing rates on traffic destined to points in Kansas. If the application of a proportional rate is not restricted, such proportional rate will be usable in connection with any other applicable rates from or to the proportional rate point. A statement that proportional rates apply from (or to) points from (or to) which no through rates are published must not be used, as such a statement is not sufficiently definite to restrict the application of the rates and such proportional rates could not in any event be applied on traffic on which applicable through one factor rates are published. However, proportional rates may be published to apply only on traffic from or to (or from and to) points on the line or lines of a particular carrier or carriers. It is not permissible to include a provision in a tariff to the effect that proportional rates will be stated percentages of other rates.

(2) Export, import, coastwise, and intercoastal rates, when so designated, whether class or commodity, take precedence over other rates (either class or commodity) between the same points, over the same route on export, import, coastwise, or intercoastal traffic, as the case may be, and tariffs containing such rates must so provide.

(k) *Intermediate application of rates.* (1) On and after April 1, 1942, tariffs containing rates of regular route carriers may provide for the application of class or commodity rates from or to intermediate points on the lines of such carriers by incorporating in such tariffs the rule or rules set forth below, or in paragraph (m) of this section, subject to the limitations contained herein. An intermediate point rule may not be published which will result in establishing from or to an intermediate point a joint rate from or to a more distant point unless the tariff naming the rate from or to the more distant point contains specific routing instructions or refers to a routing guide containing such routing instructions. (See § 1307.29.)

(2) The wording of the rules shall not be varied. Tariffs may, however, by appropriate provision published in connection with any of such rules, provide that it will apply only in connection with the rates or routes making reference thereto, or may provide for the nonapplication of any such rule to particular rates or routes.

(3) The rules applicable in connection with commodity rates shall read as follows:

(i) *Commodity rates applicable from intermediate points.* When any point of origin is not provided in this tariff with a commodity rate on a given article to a particular destination over a particular route, and such origin is between the considered destination and a point from which a commodity rate on the article is published herein over the same route to such destination, apply on such article the commodity rate from the next more distant point from which a commodity rate is named thereon over the considered route through the intermediate point, except as provided in notes 1, 2, 3, and 4.

NOTE 1: When, by reason of branch or diverging routes, there are more than one more-distant points from which commodity rates on the article to the considered destination are named herein, apply the rate from the more-distant point which, on that article to the same destination over the same route, results in the lowest charge.

NOTE 2: If the intermediate point is located between two points from which commodity rates on the same article are published in this tariff to the same destination over the same route, apply that one of such rates which results in the higher charge. If, due to branch or diverging routes, there are two or more next more-distant points in the same direction, only that one of such points from which the lowest charge results will be considered in applying the provisions of this note.

NOTE 3: If the class rate on the same article to the same destination over the same route from the intermediate point produces a lower charge than would result from applying the commodity rate under this section, such commodity rate will not apply.

NOTE 4: If there is any other tariff a commodity rate (not made by use of an intermediate-point rule) published for account of the same carrier or carriers on the same article from the considered intermediate point, applicable to the same destination over the same route, the provisions of this section will not be applied from such intermediate point.

(ii) *Commodity rates applicable to intermediate points.* When any point of destination is not provided in this tariff with a commodity rate on a given article from a particular origin over a particular route, and such destination is between the considered origin and a point to which a commodity rate on the article is published herein over the same route from such origin, apply on such article the commodity rate to the next more-distant point to which a commodity rate is named thereon over the considered route through the intermediate point, except as provided in notes 1, 2, 3, and 4.

NOTE 1: When, by reason of branch or diverging routes, there are more than one more-distant points to which commodity rates on the article from the considered origin are named herein, apply the rate to the more-distant point which, on that article from the same origin over the same route, results in the lowest charge.

NOTE 2: If the intermediate point is located between two points to which commodity rates on the same article are published in this tariff from the same origin over the same route, apply that one of such rates which results in the higher charge. If, due to branch or diverging routes, there are two or more next more-distant points in the same direction, only that one of such points to which the lowest charge results will be considered in applying the provisions of this note.

NOTE 3: If the class rate on the same article from the same origin over the same route to the intermediate point produces a lower charge than would result from applying the commodity rate under this section, such commodity rate will not apply.

NOTE 4: If there is in any other tariff a commodity rate (not made by use of an intermediate-point rule) published for account of the same carrier or carriers on the same article to the considered intermediate point, applicable from the same origin over the same route, the provisions of this section will not be applied to such intermediate point.

(l) [Reserved]

(m) *Class rates from and to intermediate points.* (1) Class rates should be provided between practically all points and there appears little occasion for the employment of intermediate-point rules in connection with class rates except for the purpose of establishing rates from and to new points. For this purpose only the following clause may be shown in tariffs for use in connection with class rates.

(2) The rule applicable in connection with class rates shall read as follows:

(i) *Class rates from and to intermediate points.* From or to any point not named in this tariff which is intermediate to a point from or to which class rates are published herein through such unnamed point, the class rate published herein over the same route from or to the next more-distant point will be applied.

(n) *"From" and "to" rules may apply in connection with same rate.* When the rules providing application "from" and "to" intermediate points are both shown in connection with any class or commodity rate, they establish class or commodity rates from intermediate points of origin to intermediate points of destination on such classes or commodities. Unless otherwise provided in the tariff, intermediate application rules establish rates from or to intermediate points on the routes of carriers parties to the tariff without regard to the concurrence forms and numbers under authority of which carriers are shown as participating carriers.

§ 1307.29 Routing.

(a) *Routing to be specified.* (1) On and after April 1, 1942, all tariffs containing joint rates shall specify routing over which such rates apply, stated in such manner that such routes may be definitely ascertained. This must be accomplished, insofar as may be practicable, by providing that the rates in the tariff apply only over the routes specifically shown therein.

(2) Subparagraph (1) of this paragraph has reference to the names of carriers and transfer points via which such joint rates apply, and does not mean that highway numbers must be shown.

(b) *Routing guide.* (1) Instead of showing in rate tariffs the routes over which rates apply, such routes may be published in a separate publication (or publications) filed with this Commission either by a carrier or by an agent, provided specific MF-I.C.C. reference be made in the rate tariff to such publica-

tion. Such a separate publication may be designated as a "Routing Guide," and may be used only in accordance with the provisions of the following subparagraphs of this paragraph.

(2) When it is desired to refer to a routing guide or guides for all of the routes, the following notation shall be used:

The rates herein apply only over the routes of the carriers parties to this tariff specified in MF-I.C.C. No. --, supplements thereto or successive issues thereof.

(3) When it is desired to refer to a routing guide or guides for routes in connection with some but not all of the rates in a tariff, or for routes for account of some but not all of the carriers parties to the tariff, an appropriate notation shall be used. When it is desired to provide that certain rates published in a tariff will not apply over all the routes shown in a routing guide to which the rate tariff is made subject, the rate tariff shall show clearly what routes in the routing guide are not applicable, or are the only routes applicable, as the case may be, in connection with such rates.

(4) When a tariff which refers to a routing guide also shows routes, it shall show clearly whether the routes named therein are in addition to the routes shown in the routing guide or are the only routes over which the rates making reference to such routes will apply. No one rate may be made subject to more than one routing guide for account of any initial carrier except that interterritorial rates may be made subject to one guide for each of such territories in which such a guide is published for that territory alone.

(c) *Form of routing guide.* (1) A routing guide shall contain three sections containing (i) an alphabetical list of all of the points from and to which routes are provided, with the name of the carrier serving each point, together with an index number for each of such points; (ii) a table indicating the points from which routes apply, the points to which routes apply (or between which routes apply), and the numbers assigned in the routing guide to routes provided from and to (or between) such points; and (iii) a table containing all such route numbers in numerical order with a full explanation thereof together with names of the interchange (transfer) points.

(2) The names of the points from, to, or between which routes are provided shall be shown in section 2, arranged in geographical order by carriers, unless names of points, arranged in geographical lists by carriers, are included in section 1 of the guide.

(d) *Application of routing guide.* (1) A routing guide must be concurred in by all carriers over whose lines routes are provided therein. Such guides shall not contain exceptions to the routes provided therein. All exceptions thereto, if any, shall be published in the tariffs making reference thereto.

(2) Routing guides shall show on their title pages the following notation:

The routes provided herein may be used only in connection with rates made subject thereto by specific MF-I. C. C. reference to this guide in the tariffs containing such rates. Its use in connection with any tariff is restricted to the carriers and to the application provided in such tariff.

(3) If desired, the following tariff provision may be incorporated under the heading "Routing Instructions" in rate tariffs:

The rates named in this tariff will apply only over the routes and through transfer points authorized herein except that when in the case of pronounced traffic congestion (not an embargo), detours or other similar emergency, or through carriers' error, carriers forward shipments by other transfer points of the same carriers or over the lines of other carriers parties to the tariff, the rate specified in this tariff (but not higher than the rate applicable over the actual route of movement) will be applied.

NOTE: If desired, the words "or over the lines of other carriers parties to the tariff" may be omitted from the emergency routing clause.

§ 1307.30 Supplements.

(a) *Amendments and supplements.* (1) When it is desired to make changes in the rates, ratings, rules, or other provisions of a tariff, other than a loose-leaf tariff, this may, except as provided in paragraph (d) of this section, be accomplished by issuing a supplement to the tariff constructed generally in the same manner as is the tariff which it supplements.

(2) The first supplement to a tariff shall be designated on the upper right-hand corner of the title page as follows:

Supplement No. 1
to
MF-I.C.C. No. ---------

(3) Subsequent supplements shall be numbered consecutively in like manner. Each supplement shall specify on its title page, immediately under the supplement number and MF-I.C.C. number of the tariff supplemented, the publications which the supplement cancels, and shall also specify the supplements that are in effect. The statement that the supplement cancels conflicting portions of the tariff or prior supplements shall not be used; cancellations must be specific.

(4) The matter contained in each supplement shall be arranged in the same general manner and order as in the tariff which it amends and when points in a tariff are given index numbers the same index number must be assigned to the same point in all supplements to the tariff.

(b) *Participating carriers; how shown in supplement.* (1) A supplement shall contain either a list of carriers participating in the tariff as amended or shall state that the list of participating carriers is "as shown in tariff," or "as shown in tariff and effective supplements," to which may be added "except (here show corrections in, additions to, or eliminations from the original list that are effected by that supplement)." Changes in or additions to the list of participating carriers in the tariff or previous supplements shall be listed alphabetically as provided in § 1307.27(b).

(2) When a participating carrier is eliminated by supplement, such supplement must also provide for cancellation of rates in connection with that carrier. This cancellation of rates should be accomplished by amending the individual items or provisions affected or by the publication of a blanket cancellation notice specifically indicating that all rates in the tariff applying for account of the carrier are canceled.

(c) *Index to supplement.* (1) A supplement of 5 or more pages must be properly indexed, and a supplement of more than 23 pages must also contain a table of contents. In view of the provision of § 1307.33(e) which requires that cancellation in a supplement of a numbered item must be made under the same item number as is given to that item in the tariff, and the requirement of paragraph (a) of this section, which provides that the index number assigned to a point in a supplement must be the number assigned to that point in the tariff, the table of contents and indexes in a supplement of 5 or more pages need not contain entries which are shown in the table of contents or indexes in the tariff, provided that, in connection with the index of points of origin (or destination), the following notation shall be shown:

The index numbers of points in this supplement correspond with the index numbers of the same points shown on pages ------ to ------, inclusive, of the tariff, with the following additions and exceptions.

(2) The table of contents to such a supplement may be omitted if § 1307.27 (a) does not require the tariff to which the supplement is issued to contain a table of contents.

(d) *Number of supplements effective at any time.* (1) Except as otherwise authorized in Subpart B tariffs of 4 pages or less may have no supplement; not more than 1 supplement may be in effect at any time to a tariff containing 5 and not more than 16 pages; not more than 2 supplements may be in effect at any time to a tariff containing 17 and not more than 80 pages; not more than 3 supplements may be in effect at any time to a tariff containing 81 and not more than 200 pages; and not more than 4 supplements may be in effect at any time to a tariff containing more than 200 pages.

(2) Except as otherwise authorized in Subpart B tariffs containing 5 and not more than 12 pages may have not more than 4 pages of supplemental matter, and tariffs containing more than 12 pages may have supplemental matter aggregating not more than 33⅓ percent of the number of pages in the tariff except that if the number of pages in the supplement which brings the volume of matter up to that authorized by this paragraph is not evenly divisible by 4, it may exceed the volume authorized to the extent necessary to bring the number of pages of such supplement to the next multiple of 4. The smallest of 3 effective supplements to a tariff of more than 80 but not more than 200 pages shall contain not more than 8 pages, and the smallest of 4 effective supplements to a

tariff of more than 200 pages shall contain not more than 16 pages.

(e) *Additional supplement to establish rates, under rule or order of Commission.* (1) Except in the case of loose-leaf tariffs and tariffs containing less than 13 pages, one additional supplement may be issued to any tariff without regard to the requirements of paragraph (d) of this section for the purpose of establishing rates, classifications, rules, and other provisions in compliance with a decision or order of the Commission in a formal case. Only one such supplement may be in effect at any time and may contain no other matter.

(2) If the volume of supplemental matter is not exceeded by the issuance of such additional supplement it shall bear on its title page the following notation in addition to showing reference to the opinion, or order, as the case may be:

This supplement is issued under authority of rule 6(e), Tariff Circular MF No. 3, and will be included in and canceled by the next regular supplement filed to this tariff.

(3) The next regular supplement filed shall bring the number of effective supplements within the requirements of paragraph (d) of this section.

(4) If the volume of supplemental matter is exceeded by the issuance of the additional supplement authorized by this section, the next regular supplement filed shall bring the volume of supplemental matter within the requirements of paragraph (d) of this section, and, further, the volume of supplemental matter shall be brought within the requirements of that paragraph by the issuance of a new supplement filed within 120 days from the effective date of the additional supplement, or a new issue of the tariff shall be filed within that period.

(5) Such additional supplement, in addition to showing reference to the opinion or order as the case may be, shall bear on its title page a notation in substantially the following form:

This supplement is issued under authority of rule 6(e), Tariff Circular MF No. 3. It will be canceled by a new supplement or the tariff will be reissued, the new supplement or tariff to be filed on or before (here name a date which will observe the period of time provided above).

(f) *Supplement to tariff that is filed and not yet effective.* (1) In an instance where a tariff is filed on statutory notice canceling another tariff and it is desired to issue a supplement to the tariff to be canceled, effective prior to the effective date of the new tariff, a supplement may be issued which makes the same changes in or additions to both tariffs and which is indicated as a supplement to both the tariff to be canceled and the canceling tariff (being given supplement numbers running in proper sequence to both MF-1. C. C. numbers). In other words, such a supplement shall be numbered and treated as a supplement both to the old and new tariffs and shall be filed and posted as such. The matter contained in such a supplement shall be confined to additions or to changes in rates or provisions which were brought forward in the new tariff without change. It is not required that the provisions of paragraph (d) of this section be observed in connection with such a supplement to the old tariff, but only one such supplement may be in effect at any time.

(2) If the matter to be changed is not arranged or numbered in the same way in both tariffs, the changed provision shall be shown in the proper manner to indicate the change made in the old tariff, and also to indicate the change in the new tariff. For example, if the changed provision is indicated as item 40–B in the old tariff and as item 50 in the new tariff, the amended provision shall be shown as follows:

Item 40–C cancels Item 40–B of MF–I.C.C. No. ----------

Item 50–A cancels Item 50 of MF–I.C.C. No. ----------

(3) Rates or other provisions may be changed upon lawful notice by supplement effective on or after the general effective date of the tariff supplemented, provided the matter amended has been in effect for 30 days or more either in the supplemented issue or in a former issue. Where such matter was in effect in a former issue, a notation in connection with the revised matter, shall show that it has been in effect 30 days or more. Example: "Item 40–A cancels Item 40. Item 40, effective ----------, brought forward without change from item No. ------ of MF–I.C.C. ------ (former issue)". Rates or provisions which effect changes in rates or provisions not contained in either the former tariff or a reissue thereof may be established upon lawful notice by supplement to such new tariff, effective not earlier than the general effective date of the tariff, by showing in the following manner, in connection with the new rates or provisions that the rates or provisions previously applicable have been in effect 30 days or more in a different issue. Example: "Addition. Changes class rates which became effective ---------- in MC–I.C.C. No. ------." Unless the provisions of this paragraph are complied with no supplement to a tariff that has been filed and has not become effective may be issued to become effective within 30 days from the effective date of the tariff without special permission.

(4) This section does not waive the requirements of § 1307.44.

§ 1307.31 Amendments.

(a) *How made.* (1) Any change in or addition to a tariff shall be known as an amendment. Amendment of a bound tariff shall be made by reissue of the tariff or by issue of a supplement as provided in § 1307.30. Amendment of a loose-leaf tariff shall be made by reissue of the tariff or of a page or pages as provided in paragraph (f) of this section. (See also §§ 1307.34(g), 1307.40 and 1307.43.)

(2) When an amendment is made in a numbered item or other unit in a supplement, such item or other unit shall be published in the supplement in its entirety as amended. When rates or other provisions are published in numbered items, cancelation shall be made as prescribed in § 1307.33(e). When rates or rules are published in numbered units other than items, the supplement changing the rates or other provisions shall specifically provide for the cancelation of such matter by reference to the page of the tariff and number of the rule or other unit which it cancels. Numbered units other than items shall not be given suffix letters when amended. When such a change is made in matter previously published in a supplement in a numbered unit other than an item, the new supplement shall also give reference by number to the previous supplement.

(3) In any instance where matter is not published in a numbered unit, the changed provision shall be published in the supplement in its entirety and reference shall be made to the page or pages of the tariff on which the matter to be canceled is shown clearly indicating the matter which is canceled. If the matter to be amended has been amended by a previous supplement, specific cancelation shall be made of the corresponding matter in the "tariff as amended" and specific reference shall be made by number to the page or pages of the previous supplement containing the matter to be changed, and, when corresponding matter originally was effective in the tariff, to the page or pages of the tariff formerly containing the matter amended.

(b) *Changes indicated.* (1) All tariff publications shall indicate changes made in existing rates, charges, classifications, rules or other provisions by use of the following uniform symbols in connection with such change:

↓ or (R) to denote reductions.
♦ or (A) to denote increases.
▲ or (C) to denote changes in wording which result in neither increases nor reductions in charges.

(2) Explanation of such symbols shall be provided (see § 1307.27(e)) in the publication in which they are used, and these symbols shall not be used for any other purpose.

(3) When a change of the same character is made in all or in substantially all rates in a tariff or supplement, or a page thereof, that fact and the nature of such change may be indicated in distinctive type at the top of the title page of such issue, or at the top of each page, as the case may be, in the following manner: "All rates in this issue are increases"; or "All Rates on this page are reductions"; or there may be added, when appropriate, "except as otherwise provided in connection with particular rates." In complying with this paragraph, a bold-faced dot "●" shall be used to symbolize a rate or other provision in which no change has been made and the proper symbol shall be used for the purpose of denoting any other change not indicated by the general statement referred to above.

(c) *Omissions from previous tariff.* When a tariff or supplement canceling a previous issue omits points of origin or destination, routes, rates, ratings, rules or other provisions contained in the previous issue, the new tariff or supplement shall indicate the cancellation in the

manner prescribed in paragraph (a) of this section, and if such omission effects changes in charges or services that fact shall be indicated by the use of the uniform symbols prescribed in paragraph (b) of this section.

(d) *Notation; matter (part) established on short notice.* Every publication which consists partly but not wholly of matter established upon less than statutory notice shall show in connection with each change made effective on less than statutory notice a notation that such matter is issued on ____ days' notice under authority of (here give specific reference to the special permission, decision, order, rule, or other authority).

(e) *Reissued matter.* (1) Matter brought forward without change from a tariff which has not been in effect 30 days, also matter brought forward without change from one supplement to another, must be designated "Reissued" in distinctive type and must show the original effective date and the number of the supplement or tariff from which it is reissued; or must be uniformly indicated by the letter in a square when reissued from another tariff or from a supplement to another tariff and by numerals, commencing with 1, in squares when reissued from a prior supplement to the same tariff, printed in distinctive type and shown in a conspicuous manner, and the explanation thereof must be made in the tariff or supplement in which the symbols are used. Example: "[R] Reissued from MF-I.C.C. No. ____, (or Supplement No. ____, to MF-I.C.C. No. ____,), effective _____ (date upon which item became effective in former tariff or supplement to another tariff)." "[1] Reissued from Supplement No. 1, effective _____," and so on numerically, the figures of the symbols representing the number of the supplement to the same tariff from which the reissued item is brought forward. If items in a tariff or supplement are made effective on dates other than the general effective date shown on the title page, reissue of such items may be indicated in later publications by showing a letter suffix or other symbol in connection with, and as a part of, the letter [R] or the numerals in squares as herein authorized. If the reissued items have become effective in a supplement to another tariff, the MF-I.C.C. number of that tariff shall also be given.

(2) The letter [R] in a square and numerals commencing with [1] in a square shall not be used as reference marks or symbols for any other purpose in any tariff or supplement.

(f) *Loose-leaf tariffs.* (1) Amendment of loose-leaf tariffs shall be made by reprinting the page upon which a change or addition is made, and such changed page shall be designated as a revised page. For example, "First Revised Page 1 cancels Original Page 1", or "Second Revised Page 2 cancels First Revised Page 2", etc. When a revised title page is issued, the following notation shall be shown in connection with and immediataely under the effective date:

Original tariff effective (here shown effective date of the original tariff).

(2) If, on account of expansion of matter on any page, it becomes necessary to add an additional page in order to take care of the additional matter, such additional page (except when it follows the final page) shall be given the same number with a letter suffix; for example, "Original Page 4–A", "Original Page 4–B", etc. If it is necessary to change matter on original page 4–A, it may be done by issuing first revised page 4–A, which shall indicate the cancellation of original page 4–A.

(3) When a revised page is issued which omits rates, rules, or other provisions previously published on the page which it cancels, and such rates, rules, or provisions are published on a different page, the revised page shall make specific reference to the page on which the rates, rules, or provisions will be found, and the page to which reference is so made shall contain the following notation in connection with such rates, rules, or other provisions, etc.:

For (here insert rates, rules, other provisions, etc., as case may be) in effect prior to the effective date hereof see page —.

Subsequently revised pages of the same number shall omit this notation insofar as this particular matter is concerned.

(4) If, after a loose-leaf tariff has been filed with the Commission, it is desired to file additional pages at the end of the tariff they shall be numbered consecutively with the last page of the tariff, and shall be designated as original pages. For example, when the tariff as filed has 150 pages, page 151 when filed shall not be designated as an "Additional" page but shall be designated as "Original Page 151." Such a page may be filed only for the purpose of adding new provisions which do not change the rates, rules, or provisions on other pages of the tariff.

(5) One of the following methods shall be used in identifying and checking revised pages filed for the purpose of amending loose-leaf tariffs:

(i) When the original tariff is filed, the page next to the title page shall be designated as "check sheet" which shall show the number of pages contained in the tariff. When pages of the tariff are revised or when new pages are added, the check sheet shall be correspondingly revised to include the amended and added pages. The revised check sheet listing the added or revised pages shall accompany such pages when forwarded to the Commission for filing; or

(ii) Instead of a revised check sheet issued each time revised pages are filed, such revised pages may show, in the lower left-hand corner, correction numbers running in consecutive order beginning with No. 1, all revised pages issued and filed at the same time being given the same correction number. If this method is adopted, a permanent check sheet containing in numerical order a list of correction numbers beginning with No. 1 shall be filed with the original tariff in order to permit the checking of correction numbers on this sheet and thus to maintain a permanent record by number of all corrections received.

(6) Changes shall be indicated as required by paragraph (b) of this section. Items which have been in effect 30 days or more need not be shown as reissued items on revised pages but may be republished as effective on 30 days' notice. Items which have not been in effect 30 days when brought forward on revised pages shall be shown as reissued in the manner prescribed in paragraph (e) of this section.

(7) When protective covers for loose-leaf tariffs are used, only such information should appear thereon as will remain constant and in use during the life of the tariffs.

(8) Supplements shall not be issued to loose-leaf tariffs, except for the purposes authorized by §§ 1307.34, 1307.40 and 1307.43.

§ 1307.32 Sectional tariffs.

(a) *Alternative use of rates in sectional tariffs.* (1) The alternative use of rates may be provided by publishing such rates in different sections of the same tariff. The first page of each section, which shall be known as the title page of the section, shall contain the number of the section and the application of the rates published in that section. The title page of each section containing alternating rates shall also contain the following rule:

If the charge accruing under section ____ or ____ of this tariff is lower than the charge accruing under this section on the same shipment over the same route, the charge accruing under section ____ or ____ whichever is lower, will apply.

(2) Each succeeding page of the section shall also bear the section number. Unnecessary alternation of rates must be avoided by checking the rates in one section against those in other sections and omitting rates which would clearly result in charges higher than those in other sections. Alternating reference should not be given to another section unless that section actually contains rates which alternate.

(b) *Nonalternating section.* (1) Each commodity tariff arranged in sections for alternative use shall contain a nonalternating section and each class and commodity tariff similarly arranged for alternative use shall contain a commodity section which does not alternate with other sections of the tariff.

(2) When an exclusive commodity tariff is issued under authority of this section, section 1 of the tariff shall not have alternative application with other sections. In the portion of the tariff containing rules, under the heading "Application of Rates," the following shall appear:

The rates in section 1 are specific commodity rates and do not alternate with rates in other sections of the tariff. See application of that section.

(3) The title page of section 1 shall contain the following notation:

When rates are published in this section on the commodity transported from point of origin to destination, rates named in this section will apply regardless of rates between the same points, over the same routes, published in other sections.

(4) The title page of each other section containing commodity rates shall contain the following notation preceding that prescribed in paragraph (a) of this section:

When rates are published in section 1, the rates named in this section on the same commodity from and to the same points, over the same route, will not apply.

(c) *Position of sections.* (1) When both class and commodity rates are published in separate sections of a tariff, under authority of this section, the class rates shall be published in a section preceding the commodity sections. Commodity rates which do not alternate with the rates in other sections shall be published in the first commodity section. Under the heading of "Application of Rates," in the rules portion of the tariff, the following notation shall appear:

The rates in section 2 are specific commodity rates and do not alternate with rates in other sections of the tariff. See application of that section.

(2) The title page of the nonalternating commodity section shall contain the following notation:

When rates are published in this section on the commodity transported from point of origin to destination, rates named in this section will apply regardless of rates between the same points, over the same routes, published in other sections.

(3) The title page of each other section containing commodity rates shall also contain the following notation preceding that prescribed in paragraph (a) of this section:

Where rates are published in section 2, the rates named in this section on the same commodity from and to the same points, over the same route, will not apply.

(d) *Restrictions, publication of alternating rates.* (1) Publication of alternative rates in different sections of a tariff is subject to the following restrictions:

(i) Only one alternation of class rates against class rates may be provided, and not more than two alternating sections of commodity rates, which may alternate with each other, will be permitted;

(ii) Rates published in another tariff may not be reproduced for alternative purposes;

(iii) One section of a tariff may not alternate with more than three other sections;

(iv) Except as otherwise authorized in § 1307.28(f), a rate in one section may not alternate with a rate in the same section; and

(v) Alternating sections may not be subdivided.

(2) A tariff which, as originally filed, does not contain alternating sections may not be changed into one with alternating sections except by reissue; nor may another section be added by supplement to a tariff already containing alternating sections.

§ 1307.33 Transfer of rates; item adjustment.

(a) *Transfer of rates from one tariff to another.* If a tariff or supplement to a tariff or a revised page is issued which cancels another tariff in part only, such tariff, supplement, or revised page shall specifically state the portion of such other tariff which is thereby canceled, and the tariff to be canceled in part shall at the same time be correspondingly amended, effective on the same date, in the regular way; that is, by reissue if tariff contains four pages or less, by reissue or supplement if tariff contains more than four pages, and by revised pages if tariff is a loose-leaf tariff. Such reissue, supplement, or revised page of the tariff canceled in part shall state where rates will thereafter be found and shall be filed at the same time and in connection with the tariff or supplement which contains the new rates. Cancellation notice on the title page of the new issue shall read substantially as follows: "Cancels MF–I.C.C. No. ------, to the extent shown in Supplement No. ------ thereto."

(b) *Cancellation when tariff reissued.* (1) If a tariff is canceled in full by anvisions will thereafter be found. The new printed in the canceling tariff, as provided in §1307.26(a)(1), or the cancellation may be accomplished by issuing a supplement to the tariff to be canceled. When a tariff is canceled by a supplement under this rule, such supplement shall refer to the MF–I.C.C. number of the tariff in which the rates or other provisions will thereafter be found. The new issue and the cancellation supplement shall be made effective on the same date, and the new issue shall contain a cancellation notice reading substantially as follows: "Cancels MF–I.C.C. No.-----, to the extent shown in supplement No. ---- thereto."

(2) When a tariff is canceled in full by another tariff which does not contain all of the rates superseding those formerly in the canceled tariff, the canceling tariff shall show where rates not appearing therein will thereafter be found, or what rates thereafter will apply. For example: "Rates formerly published in MF–I.C.C. No. ---- and not appearing herein are published in MF–I.C.C. No. ---- of ----," or it may be stated that such rates are canceled and that "Class rates will apply," or "Combination rates will apply." (See § 1307.31(c).)

(3) When the rates which are not brought forward in the canceling issue are transferred to another tariff or tariffs, such publication or publications shall show directly in connection with the rates appearing therein for the first time where such rates were formerly published, shall state that such formerly published rates were canceled by MF–I.C.C. No. -----, effective ----------. (Here show reference to the tariff which canceled the rates.)

(4) When a tariff is canceled in full and numerous rates are transferred to two or more other issues, cancellation of the superseded issue may be made by supplement thereto, in which event each of the superseding issues shall show the notation in paragraph (a) of this section and the canceling supplement shall specifically indicate the rates or provisions thereafter to be published in each of the superseding issues, and shall state that the issue supplemented thereby is canceled in full.

(5) When a joint agency tariff is to be canceled in full and the rates therein are to be transferred to an agency tariff not issued by the same joint agents, the cancellation shall be accomplished by supplement. The canceling supplement shall give reference by MF–I.C.C. number and name of agent or agents, to the tariff in which future rates will be found, and the new tariff shall show that rates from and to the points named therein were formerly published in MF–I.C.C. No. ---- (here show the MF–I.C.C. numbers and names of agents appearing on the joint agency tariff that is canceled by the supplement required in this paragraph).

(c) *Cancellation notice must be by supplement.* (1) If a tariff is canceled with the purpose of discontinuing the rates named therein, or when, through error or omission, a tariff failed to cancel the previous issue and such previous tariff is canceled for the purpose of perfecting the records the cancellation notice shall not be given a new MF–I.C.C. number, but shall be issued as a supplement to the tariff (including loose-leaf tariffs) which it is desired to cancel. In the issuance of such supplement the provisions of § 1307.30(d) need not be observed.

(2) When any tariff is canceled in whole or in part by a supplement thereto, the supplement shall show where the rates will thereafter be found or what rates will thereafter apply.

(3) A tariff canceling more than one tariff in whole or in part shall include a brief description of such tariffs.

(d) *Transfer of rates from carriers' to agents' tariff and from agents' to carriers' tariff.* (1) An agent, when publishing rates in his tariffs which are to supersede the rates in his principals' tariffs, shall cancel the rates in his principals' tariffs as directed in paragraph (a) or paragraph (b) of this section, as the case may be. When cancellation of rates in the individual issue is made by supplement thereto in pursuance to this section, such supplement must be issued by the individual carrier.

(2) A carrier may not publish in its individual tariff rates which are to supersede the rates published in a tariff of a duly authorized agent unless the tariff is accompanied by a supplement issued by the agent canceling the rates in his tariff effective on the same date, and indicating where rates superseding those canceled will thereafter be found.

(3) As a concurrence does not confer authority upon either a carrier or an agent to cancel tariffs of the concurring carrier, tariffs issued under concurrence may not assume to cancel tariffs of concurring carriers. Such cancellations shall

be made by the carrier or agent who issued the tariff which is to be canceled, but the tariff or supplement containing the provisions formerly published in the issue of the concurring carrier may bear a notation stating where such provisions were formerly published.

(e) *Definition of items.* (1) The rates, rules, regulations, or other provisions of a tariff may, for convenience, be divided into relatively small and distinct portions which may be given individual numbers and designated "Items." The numbers of items as published in an original tariff should run in regular sequence but need not be consecutive; for example, items may be numbered 5, 10, 15, 20, etc. Only one series of item numbers may be used.

(2) When any provision contained in a nitem, other than those contained in a classification, is amended, the revised item showing the amended provision shall be given the same item number with a letter suffix; for example: Item 40–A cancels Item 40; Item 40–B cancels Item 40–A; and so on.

(3) When any rate or provision contained in an item designated by an item number is amended, resulting in the cancelation of all or a portion thereof, the canceled matter shall not be reproduced in the new item effecting the cancelation except to the extent necessary to identify the item.

(4) If an item is withdrawn in its entirety, or expires by its own terms, leaving no rates or provisions in effect in that item, a statement of the cancelation or expiration shall be brought forward in subsequent supplements as a reissued item, bearing the same item number and the appropriate letter suffix.

(5) If the matter in an item or any part thereof is transferred to another tariff or another portion of the same tariff, the original item shall be revised (being given the same number with proper letter suffix) in order to show the revised provision or, when no effective provision is continued in the item, to indicate cancelation of the item, and also to show where the transferred rates or provisions will thereafter be found. For example: "Item 10–A, cancels Item 10; rates formerly appearing in Item 10, but not shown herein will be found in Item ____ (or in MF–I.C.C. No. ____)."

(6) When the provisions of an item have been eliminated by cancelation or expiration they may not be reinstated except by republication in a revised item bearing a new number or the same number with a new letter suffix, and in either case bearing a new effective date. In other words, republication of the expired or canceled matter, except when the item is in a classification as provided in the next succeeding subparagraph of this paragraph, may be under the same item number only when the new item cancels the former item and is given the next letter suffix. For example: If the canceled item is 40–A the new item shall read "Item 40–B cancels Item 40–A."

(7) The items in each supplement to a classification shall be numbered consecutively, commencing with Item 1 on each page, shall cancel the item superseded and shall show where the canceled item appeared; for example: Item 6 cancels Item 3, page 2 of Supplement 2; Item 10 cancels Item 1, page 2, of classification.

§ 1307.34 Suspended matter.

(a) *Supplement announcing suspension.* (1) Upon receipt of an order suspending any publication in part or in its entirety, the carrier or agent who filed such publication shall immediately file with the Commission, and post in accordance with § 1307.44, a consecutively numbered supplement, which shall not bear an effective date, containing a notice of suspension specifically indicating the portion of the publication that is under suspension and the date to which such matter is suspended, also stating that rates and provisions under suspension may not be used during the period of suspension and giving specific reference by MF–I.C.C. number or numbers to the tariff or tariffs or supplements thereto or revised pages thereof in which rates, charges, classifications, rules, or provisions respecting practices continued in effect will be found. Such supplement shall quote the portions of the order which describe the suspended matter contained in the publication, the paragraph of the order naming the date to which such matter is suspended, and the paragraph prohibiting changes in the matter continued in effect during the period of suspension.

(2) Upon receipt of an order resuspending any publication in part or its entirety beyond the date to which originally suspended, the carrier or agent who filed such publication shall immediately issue and file with the Commission a supplement to each suspended tariff, which shall not bear an effective date, quoting in full the resuspension order and showing on the title page thereof a statement to the effect that the provisions suspended by the original suspension order in Investigation and Suspension Docket No. M ___ as indicated by Supplement No. (here show the number of the supplement announcing the original suspension under the same I. & S. Docket number) are further suspended until (here show the date to which the suspended matter is further suspended, as indicated in the resuspension order).

(b) *Reissue of suspended matter to be canceled.* If, prior to the filing of the supplement announcing suspension, a carrier or agent files a later supplement which contains as reissues the matter suspended in the previous supplement, the suspension supplement required by this section shall also specifically cancel from the later supplement such reissued matter, and by amendment to the title page of said later supplement shall eliminate the cancellation of the suspended supplement when the latter is suspended in full, and when a supplement is suspended in part shall provide that such later supplement cancels such previous supplement, except portions under suspension. Tardiness in filing supplements announcing suspension may result in the rejection by the Commission of the later supplement which cancels the suspended matter.

(c) *Reissue of effective tariff when suspended tariff is ordered canceled.* (1) When the Commission suspends an entire tariff, any tariffs which would have been canceled by the suspended tariff are continued in effect and will remain in force during the period of suspension or until lawfully canceled or reissued. Except in the case of loose-leaf tariffs or tariffs of less than five pages, supplements to tariffs thus continued in effect containing additions to and changes in matter not sought to be changed by the suspended tariff may be filed without regard to the volume of supplemental matter which the effective supplements in the aggregate contain. If the volume of supplemental matter permitted by § 1307.30(d) is exceeded under authority of this paragraph and the Commission orders the cancellation of the suspended tariff, the volume of supplemental matter in the tariff continued in effect by such suspension shall be brought within the requirements of § 1307.30(d) by supplement filed within 120 days, or such tariff shall be reissued within that time.

(2) Suspension of portions of a tariff or of matter contained in a supplement does not authorize disregard of § 1307.30 (d) relative to the permissible volume of supplemental matter in and the number of effective supplements to such tariff, except that a supplement containing suspended matter will not be counted against the number of effective supplements or the volume of supplemental matter permitted to such tariff under § 1307.30(d) provided the effective matter in such supplement is reissued and the supplement itself, except the suspended portions thereof is canceled.

(3) When a tariff (or supplement) which is suspended in part is reissued, such reissue shall cancel the tariff (or supplement) containing the suspended matter "except portions under suspension in I. and S. Docket No. M _____." If a supplement is suspended in whole or in part and the tariff is thereafter reissued, the reissue shall cancel the tariff "except portions under suspension in Supplement No. _____ (or in Item No. _____ of Supplement No. _____) in I. and S. Docket No. M _____" and, if the matter continued in effect by the suspension is contained in the tariff being reissued, such matter shall be brought forward. When a tariff which is suspended in part is reissued, such reissue shall cancel the tariff containing the matter which is continued in effect by reason of the suspension when such tariff contains no other effective matter.

(d) *No change may be made in suspended provisions nor in provisions left in effect by reason of suspension.* A suspended rate, charge, classification, rule, or provision respecting practices may not be changed or withdrawn or the effective date thereof further deferred except by order or special permission of the Commission, nor may any change be made in a rate, charge, classification, rule or provision respecting practices which is continued in effect as a result of such sus-

pension except under order or special permission of the Commission.

(e) *When Commission's order of suspension vacated.* (1) When the Commission vacates an order of suspension effective on a date earlier than the date to which the matter is suspended, the carrier or agent who filed the suspended tariff, supplement, or revised page may file with the Commission, and post in accordance with § 1307.44, on not less than 1 day's notice, unless otherwise provided by the order, a supplement stating the date upon which, under authority of the vacating order, the tariff, supplement, revised page, item, rate, charge, classification, rule, or provision respecting practices will become effective. Unless the supplement announcing vacation is filed naming a date earlier than the date to which it is suspended, the suspended matter will become effective on that date.

(2) When an order which suspended a tariff in its entirety is vacated, the vacating supplement, if made effective on or before the date to which the tariff is suspended, may also include as reissues, any changes or additions lawfully established in supplements to the tariff which remained in effect during the period of suspension. If a new tariff is filed during the period of suspension, canceling the tariff sought to be canceled by the suspended tariff, any changes or additions published in the new tariff which are not included in the suspended tariff may be included in the vacating supplement as reissued matter, provided the vacating supplement also cancels such new tariff. When reissued matter is published in a vacating supplement the vacating notice shall be printed in not less than 10-point type, either on the title page or immediately following indexes of points and commodities, if any.

(3) When a tariff containing suspended matter is canceled during the period of suspension, except portions under suspension, by a new tariff, and the Commission vacates its suspension order in its entirety effective on a date subsequent to the effective date of the new tariff, a supplement to the new tariff effective on not less than 1 day's notice, republishing and establishing the suspended matter and canceling the matter which was effective during the period of suspension, also canceling the matter under suspension in the former issue, shall be filed and posted in accordance with § 1307.44. When the Commission vacates its suspension order effective on a date prior to the effective date of the new tariff, a vacating supplement to the old tariff should be filed and posted and a supplement to the new tariff should also be filed and posted on not less than 1 day's notice, establishing therein on the effective date of such new tariff, matter which was under suspension in the old tariff. A common supplement to both tariffs as authorized by § 1307.30(f) may be filed and posted upon not less than 1 day's notice to accomplish this purpose.

(f) *Cancellation of suspended matter.* When the Commission orders the cancelation of a tariff, supplement, revised page, item, rate, charge, classification, rule, or provision respecting practices previously suspended by it, the cancelation shall be effected by filing with the Commission and posting upon not less than 1 day's notice, unless otherwise provided by the order, a supplement stating the date upon which in accordance with the Commission's order said rate, charge, classification, rule, or provision respecting practices is canceled; except that, when desired, such cancelation may be accomplished in a new tariff canceling the tariff containing the suspended matter.

(g) *Notation on supplement.* (1) Every suspension, vacating and cancelation supplement issued under authority of this rule shall bear on its title page the following notation: "Issued under authority of Rule 10, Tariff Circular MF No. 3, and in compliance with order of the Interstate Commerce Commission, in Investigation and Suspension Docket No. M– ----------, of ----------."
(Date)

(2) Such supplements will not be counted against the number of effective supplements or the volume of supplemental matter permitted under § 1307.30 (d) but they must list effective supplements as required by § 1307.30(a).

(3) The provisions of this section relating to suspension, vacating and cancelation supplements will also govern in connection with tariffs issued in looseleaf form, except that such supplements shall not contain rates, charges, classifications, rules, or provisions respecting practices. All changes made in looseleaf tariffs shall be published on revised pages.

(4) Supplements issued under authority of this section shall contain nothing except matter permitted thereunder.

§ 1307.35 Terminal and special services.

(a) *Terminal and special services.* Each carrier or its agent shall publish, post, and file tariffs which shall contain in clear and explicit terms all of the rates and charges for and rules governing detention of vehicles, storage, weighing, diversion, reconsignment, icing, refrigeration, heat, C.O.D. services, transit services, absorptions, allowances, and other terminal services, and all other charges and rules which in any way increase or decrease the amount to be paid on any shipment, or which increase or decrease the value of the service to the shipper. Tariffs authorizing such services, or providing charges therefor, shall clearly show their application.

(b) *Method of publication.* The performance of special services and the charges therefor in addition to those based on line-haul rates lawfully on file with the Commission shall be provided for in one of the following three ways:

(1) By including in the tariff which contains the rates on which charges are based the specific authority for the extra service, the rules under which such extra service is to be performed, and the charge, if any, for the service; (2) by specific reference, in the tariff which contains the rates on which charges are based, to the MF–I.C.C. number of a separate publication containing the provision for such service and the charge, if any, for it; or (3) by including in the tariff which contains the rates on which charges are based, a clause providing that shipments made under the rates contained therein are entitled to the following services (naming specifically the services which will be permitted in connection with such rates) and that shipments are subject to the charges for such services, if any, of participating carriers performing the services "as shown in tariffs lawfully on file with the Interstate Commerce Commission."

(c) *Intermediate drayage or transfer.* (1) Joint through rates from points on the line of one carrier to points on the line of another carrier include drayage or other transfer services at intermediate transfer points, and no part of such charges may be added to the joint rates on shipments handled through and not stopped for special services at such intermediate transfer points.

(2) All tariffs containing joint rates shall contain the following provision:

> The joint rates published herein include all charges for drayage or other transfer services at intermediate transfer points on shipments handled through and not stopped for special services at such intermediate transfer points.

(d) *Pick-up and delivery service.* (1) All tariffs containing rates for the transportation of property shall specify whether such rates do or do not include pick-up and delivery service at all points within the limits of the cities, towns, or villages from, to or between which the rates apply.

(2) If pick-up and delivery service will be performed also in an area beyond or outside the limits of the cities, towns, or villages, from, to or between which the rates apply, such area shall be described in the tariffs.

§ 1307.36 Distance rates.

(a) *Distance rates may be used when no other rates provided.* (1) A carrier or an agent acting for a carrier or carriers, may file tariffs containing distance or mileage class or commodity rates, or both. Except as otherwise provided in Subpart B, distance or mileage class rates may be used only when no through class rates (other than distance class rates) are published to apply from and to the same points over the same route, and distance or mileage commodity rates may be used only when no through commodity rates (other than distance commodity rates) are published to apply from and to the same points over the same route. Except as otherwise provided in Subpart B, distance or mileage commodity rates will apply even though through class rates are published to apply from and to the same points over the same route.

(2) Tariffs containing distance or mileage rates shall clearly and definitely show the application of the rates. Distance tariffs of regular route carriers shall contain an alphabetical list of points between which the rates apply and shall also show in proper arrange-

ment the distances between such points, or shall make reference by MF–I.C.C. number to a separate tariff, constructed in accordance with one of the plans set forth in paragraph (c) of this section, for such list of points and distances. Tariffs of irregular route carriers naming mileage rates may either contain a list of points served together with distances or may refer by MF–I.C.C. number to a distance guide or guides issued by such carriers or their duly authorized agents clearly and accurately indicating distances between all points served.

(b) *Notation on distance class rate tariff.* (1) Each tariff that contains only distance or mileage class rates must bear on its title page the following rule:

Distance or mileage class rates shown herein may be used only when no commodity rates or class rates (other than distance class rates) have been published to apply from and to the same points over the same route.

(2) Each tariff that contains only distance or mileage commodity rates must bear on its title page the following rule:

Distance or mileage commodity rates shown herein may be used only when no commodity rates (other than distance commodity rates) have been published to apply from and to the same points over the same route.

(3) Each tariff that contains only distance or mileage class and commodity rates must bear on its title page the following rule:

Distance or mileage class rates shown herein may be used only when no commodity rates or class rates (other than distance class rates) have been published to apply from and to the same points over the same route, and distance or mileage commodity rates shown herein may be used only when no commodity rates (other than distance commodity rates) have been published to apply from and to the same points over the same route.

(4) If distance or mileage rates without alternative application are published in a tariff which also contains rates other than distance rates, the notations for class, or commodity, or both class and commodity rates, as the case may be, prescribed by this section shall be shown immediately in connection with such distance or mileage rates.

(c) *Local distance table must be filed.* (1) Each regular route carrier that maintains local distance or mileage rates published in a tariff which does not contain a list of points between which such rates apply together with distances between such points shall publish, post, and file, individually or through an agent, a tariff containing a list of points served and the distances over its line between such points, arranged in one of the following four ways:

(i) Showing the distance from each point to each point.

(ii) Showing the distance from each point to each transfer point with another carrier or with a branch of the same carrier.

(iii) Showing the distance from each transfer point with another carrier or with a branch of its own line to each other such transfer point, and the distance from each local point to the nearest transfer point in each direction.

(iv) Until further notice, carriers may comply with this section by including in each tariff naming distance rates a map, specially prepared and made an integral part of the tariff, indicating clearly and accurately the distances between all points between which rates are published. Instead of including separate maps in rate tariffs, reference may be made in the rate tariff to a separate distance guide constructed on the principle of maps, or combinations of tables and maps, definitely and clearly indicating distances between the points covered by the rate tariff making reference thereto. All carriers parties to rate tariffs making reference to separate distance guides must be parties also to the distance guide referred to in the rate tariff.

(2) Each of such tariffs shall clearly indicate the transfer points at which the carrier interchanges traffic and shall name the connecting carrier with which transfer is made at each such transfer point.

(d) *Joint distance or mileage tables.* (1) Carriers, operating over regular or irregular routes, that participate in joint distance or mileage rates must either (i) publish in the tariff containing such joint distance or mileage rates or in a separate duly authorized publication an alphabetical list of all points between which such distance or mileage rates apply and the distances from each of such points to every other point, indicating in an appropriate manner which of such points are transfer points at which it is possible to interchange traffic and naming the connecting carriers at each such transfer point with which such transfer is possible; or (ii) file through an agent, duly authorized, a separate joint publication which shall contain an alphabetical list of all the transfer points on their respective lines at which it is possible to interchange traffic in the area embraced by the application of such joint distance or mileage rates, together with the names of the connecting carriers at each transfer point with which transfer is possible, and the distance from each such transfer point to each other transfer point; and they shall, in the tariffs containing such joint distance or mileage rates, give reference by MF–I. C. C. number to such separate joint publication. The latter shall also contain the distance from each local station to the nearest transfer point in each direction over the line of the same carrier, or the tariff containing the joint distance or mileage rates shall refer by MF–I.C.C. number to the tariff or tariffs of each carrier containing the distances between points on its line and such junction points.

(2) Until further notice, a method of publication of distances similar to that authorized in paragraph (c) (1) (iv) of this section may be used instead of the methods of publication specified in paragraph (1) (i) and (ii) of this paragraph.

NOTE: It is not intended by the two preceding paragraphs to require carriers to have a separate publication for each rate tariff containing joint distance or mileage rates but all the distances over which joint rates in which such carrier participates may be included in one publication.

§ 1307.37 Classification, exceptions, and rules tariffs.

(a) *Classification.* A tariff may be filed containing a classification of the articles or commodities upon which the rates named in other tariffs making reference thereto will apply. The various articles or commodities shall be listed in the classification in an orderly manner and a rating indicating the class rate to be applied shall be shown in connection with each item or items containing a description of the articles. Such a tariff shall contain an alphabetically arranged index of all of the articles or commodities so listed. It is not permissible to state that the rating or rate on any article will be that applying upon another article. For example: The classification may not state that "Fire clay, crude or ground," will take "Fire-brick rates." If it is intended that fire clay take the same rating as is designated for fire brick, the same rating shall be shown in connection with the item listing fire clay.

(b) *Rule in classification.* (1) Each classification shall contain the following rule:

The establishment of a commodity rate removes the application of the class rate on the same article between the same points over the same route, except when and insofar as alternative use of class and commodity rates is specifically provided in the tariff containing such commodity rates, and except that import, export, coastwise, and intercoastal class rates will take precedence over commodity rates which are not published to apply specifically on import, export, coastwise, or intercoastal traffic.

(2) In applying the rule in subparagraph (1) of this paragraph, a local commodity rate will take precedence, on traffic originating or destined beyond, over a proportional class rate between the same points over the same route whether higher or lower, but an import, export, coastwise, or intercoastal class rate will take precedence on import, export, coastwise, or intercoastal traffic, respectively, over a domestic commodity rate.

(c) *Rules.* Rules which have a general application in a classification territory, or throughout the country, may be published in a classification tariff. Such rules must precede the list of articles shown in the classification and must be consecutively numbered and separately indexed.

(d) *Exceptions to classification.* (1) A separate tariff may be filed containing exceptions to the classification for application in connection with tariffs or rates making reference thereto. Each classification exceptions tariff shall contain the rule above provided for a classification tariff. Exceptions published therein must not be restricted to a small number of points in order to avoid the publication of commodity rates between such points. One rate tariff may be goverend for account of any one carrier by not more than one tariff of exceptions to each classification governing the tariff, published either individually or by an agent

A tariff of exceptions may not contain any matter which is not in fact an exception to a rule, rating, or other condition published in a classification, except as provided in paragraph (e) of this section, nor will it be permissible to state that the rating or rate on any article will be that applying to another article. When tariffs naming joint rates make reference to separate publications containing exceptions to the classification, the tariffs of exceptions must be concurred in by all of the carriers participating in the joint rates.

(2) Different classification ratings on the same article, or articles, based on different minimum quantities may be published in an exceptions tariff provided the lowest charge resulting from any such rating applied in connection with its published minimum (or actual quantity shipped, if greater) is made applicable by publishing such ratings in the same item and by providing in connection with such item a rule to the effect that the lowest charge obtainable under the different ratings and minima applicable thereto (or actual quantities if greater) will be applied.

(3) Tariffs containing exceptions to the clasification may not provide for the alternation of such exceptions with the classification proper.

(e) *To be arranged same as classification.* (1) The matter in a tariff of exceptions shall be arranged in the same order as in the classification and separate and complete alphabetical indexes of the rules and of the articles listed therein shall be shown. Each general rule published in the exceptions to the clasification shall be given a number and shall refer to the rule in the classification to which it is an exception. The following notation shall be shown on the title page of each tariff of exceptions:

Applicable only in connection with tariffs making reference to the MF-I.C.C. number hereof.

(2) When desired, rules and regulations covered by § 1307.27 (h) may be included in the same publication with classification exceptions. In such cases, the clasification exceptions tariff will be counted in applying the provisions of paragraph (f) of this section. Lists of commodities authorized in § 1307.28 (e) may also be included with classification exceptions, in which case carriers may not have other tariffs publishing commodity lists exclusively. Where classification exceptions are published in the same tariff with rules, or commodity lists, the publication should be divided into sections, the first containing the classification exceptions, the second containing the rules and similar provisions, and the third containing the lists of articles. Such a publication shall contain a complete index.

(f) *Rules may be published in separate tariffs.* (1) If it is not desirable or practicable to include the governing rules and similar provisions in the rate tariff, such rules and similar provisions may be separately published in tariffs filed by an individual carrier or by an agent. Except as noted below, any carrier may not apply more than two such rules tariffs, one of which shall be published by such carrier itself, and the other by an agent. The following tariffs will not be counted in applying the provisions of this paragraph. Tariffs containing exclusively rules and charges applying to the special services covered by § 1307.35; classification and classification exceptions tariffs authorized by paragraphs (a) and (d) of this section; rate basis books authorized by § 1307.38; and tariffs containing rules and regulations governing the transportation of explosives and other dangerous articles.

(2) When rules or regulations are thus separately published, rate tariffs may be made subject thereto only by specific MF-I.C.C. reference in the rate tariff. This reference should be made in substantially the following form:

Governed, except as otherwise provided herein, by rules (or regulations) shown in MF-I.C.C. No. ____, supplements thereto or successive issues thereof. (When issued by an agent, add "issued by _____, Agent.")

(g) *Explosives regulations.* Tariffs which name rates for the transportation of explosives, inflammable or corrosive materials, or other dangerous articles shall, as required by § 1307.27 (h), contain the hazardous materials regulations promulgated by the Department of Transportation governing the transportation of such articles or give reference to a separate publication filed with this Commission by the carrier or by an agent containing such regulations. When the latter method is adopted, the tariff to which reference is made shall contain nothing except the regulations promulgated by the Department for handling such articles and necessary provisions for the application of such regulations.

(h) *Participation in governing publications.* All carriers parties to tariffs making reference to separate publications for classification ratings, exceptions thereto, rules, or other provisions affecting the rates or the services rendered, except such carriers as indicate by restrictions published in the tariffs making reference to such separate publications that they will not apply the provisions therein, shall also be participating carriers in such separate governing publications. This section does not require participation in local drayage tariffs or tariffs containing other provisions which are local to the lines publishing such tariffs.

§ 1307.38 Rate basis books.

(a) *Rate basis books.* (1) Separate tariffs may be published, filed, and posted showing the rate groups or rate bases to be used in determining rates between points named therein. When such a separate publication is issued, reference shall be made in the rate tariff to the MF-I.C.C. number of such separate publication in substantially the form prescribed in § 1307.27(f). All carriers parties to the rates governed by the rate basis book shall be shown as participating carriers both in the rate tariff and in the separate publication.

(2) No rate may be governed by more than two such separate publications, one for points of origin and one for points of destination. A rate tariff may not refer to another rate tariff for list of points assigned rate groups or rate bases.

(b) *Order of arrangement.* Rate basis books must conform to the following requirements. Such a publication shall not contain rules for application of bases or rates at intermediate points. The name of the carrier serving each point shall be shown, and the points in such publication shall be arranged in alphabetical order, or such publication shall contain an index as provided in § 1307.27(d). The rate group or rate basis, or arbitraries or differentials to be added to or deducted from the group or base rates, shall be shown immediately in connection with the name of each point, except that reference may there be made to an item showing such information. Exceptions to the rate group or rate basis should not be made in rate basis books unless such exceptions apply to or from a considerable number of points or on a considerable number of commodities. When arbitraries or differentials which are to be added to or deducted from the base or group rates are governed by classification provisions, other than those governing the base or group rate, reference to such other classification provisions shall be made immediately in connection with the arbitraries or differentials.

(c) *Rules governing rates.* All the rules and other provisions governing the application of rates determined by the use of a rate tariff and rate-basis books shall be published in the rate tariff or made a part thereof by reference as provided in §§ 1307.27(h) and 1307.37(f).

(d) *Carriers' operating rights.* A separate section in a rate-basis book or a separate tariff similarly constructed, published, and filed may include information describing the operating rights of the carriers parties thereto as set forth in the carriers' certificates.

§ 1307.39 Tariffs of joint agents.

(a) *Joint tariffs issued by joint agents.* An agent for certain carriers may join with not more than two other agents for other carriers in the issuance of tariffs. This may be done without each of such agents having powers of attorney from all of the carriers parties to the tariff as required by § 1307.27(b), provided each carrier is shown as participating under authority issued to one of such agents. In such cases, each agent acts for the carriers that have given him powers of attorney or have given concurrences to the carriers issuing powers of attorney and for such lines only.

(b) *MF-I.C.C. numbers and filing.* Such publication shall bear a separate MF-I.C.C. number in the series of each agent and each of the agents shall file the publication and each and every supplement thereto for and on behalf of the carriers for which he is agent, as if it were his individual publication on behalf of those carriers alone.

(c) *Tariffs and supplements must be identical and must be filed under one cover.* The tariff filed by one agent is not a complete publication properly authorized by all carriers named therein. It is a complement of the tariff filed by each agent and, therefore, identical copies of each tariff and of each supplement thereto must be filed by each agent. As each agent will file the tariff for the carriers which he lawfully represents, the cross exchange of concurrences between all of the different carriers represented by each agent will not be necessary as to that tariff. In order to avoid complications, all copies of each publication, accompanied by a letter of transmittal signed by each agent, shall be filed under one cover. A tariff filed by one agent shall not be amended to show an additional agent as participating in the issuance thereof except upon reissue of the tariff; nor shall a tariff issued by joint agents be converted into one issued by a lesser number of agents except by reissue.

(d) *List of participating carriers.* Each publication issued by two or three agents jointly shall show one complete alphabetical list of participating carriers indicating the carriers from which each of the agents has power of attorney, by showing in separate columns the form and number of the authority granted to each, and also indicating the carriers that participate under concurrences to any of the carriers for which one of the agents acts, by showing in an additional column the form and number of such concurrences together with appropriate reference marks to indicate the carriers to whom the concurrences are given.

§ 1307.40 Seasonal motor-water rates.

(a) *Discontinuance and restoration of water service.* Tariffs containing motor and water rates, applicable over routes upon which it is necessary to close navigation during a portion of each year, shall provide for the restoration and discontinuance of service over such routes in the manner prescribed below.

NOTE: Existing tariffs which contain provisions at variance with the requirements of this rule must be supplemented or reissued for the purpose of substituting the provisions of this rule for the provisions now contained in such tariffs.

(b) *Notation on title page.* The following notation shall appear on the title page of the tariff:

Transportation service in connection with (here insert name of water carrier or carriers named in the tariff) is subject to restoration and discontinuance as indicated on page—.

(c) *When definite dates of service can not be determined.* (1) When definite dates for restoration and discontinuance of transportation service for each season of navigation cannot be determined, the following rule shall be published in the tariff under the heading of "Application of Rates";

Shipments will be accepted by carriers parties to this tariff during the period from (here show date approximately thirty days prior to the first sailing from port of transshipment) to (here insert date which will allow sufficient time for shipment to reach the port of transshipment prior to the last sailing) of each year, for transportation on the vessels of the (here insert name of water carrier or carriers named in the tariff). Shipments will also be accepted from the latter date until the date announced by supplements to this tariff subject to the conditions that all freight left on hand at the port of transshipment after the closing of navigation for lack of space on vessels sailing after the arrival of such freight, and all freight reaching the port of transshipment after the last sailing of each season of navigation, will be forwarded over all-motor routes and be subject to the tariff rates applicable over such all-motor routes in effect on date of shipment from the point of origin of the shipment. In such cases shipping receipts and bills of lading shall bear notation to that effect. Supplements announcing the final date upon which shipments will be accepted for transportation under this tariff and effective supplements thereto will be filed with the Interstate Commerce Commission and posted at points from which the rates apply not less than one day in advance of such date.

(2) The dates for restoration and discontinuance of service as set forth in this section shall be shown in boldface type.

(d) *When definite dates of service can be determined.* (1) When definite dates for restoration and discontinuance of transportation service for each season of navigation can be determined, the following rule shall be published in the tariff under the heading of "Application of Rates":

Shipments will be accepted by carriers parties to this tariff during the period from (here show date approximately thirty days prior to the first sailing from port of transshipment) to (here show date which will allow sufficient time for shipment to reach the port of transshipment prior to the last sailing) of each year, for transportation on the vessels of the (here insert name of water carrier or carriers named in the tariff). Shipments will also be accepted from the latter date until (here insert final date upon which shipments will be accepted for transportation under the tariff and effective supplements thereto), subject to the condition that all freight left on hand at the port of transshipment after the closing of navigation for lack of space on vessels sailing after the arrival of such freight, and all freight reaching the port of transshipment after the last sailing of each season of navigation, will be forwarded over all-motor routes and be subject to the tariff rates applicable over such all-motor routes in effect on date of shipment from the point of origin of the shipment. In such cases shipping receipts and bills of lading shall bear notation to that effect. No supplement will be issued to this tariff announcing the date of discontinuance of transportation service.

(2) The dates for restoration and discontinuance of service as set forth in this rule shall be shown in boldface type.

(e) Supplements announcing discontinuance of transportation service under this rule may be filed with the Interstate Commerce Commission and posted at points from which the rates apply on not less than 1 day's notice by noting thereon reference to this section. Only one such supplement may be in effect at any time; it may not contain other matter and may be issued without regard to the requirements of § 1307.30 (d).

(f) *Tariffs may be reissued.* Tariffs containing motor and water rates may be reissued or amended at any time in the regular manner, but tariffs containing the clause prescribed by paragraph (c) of this section which are made effective subsequent to the date of actual discontinuance of service shall contain a statement that service was discontinued on _____ as per Supplement No. ____ to MF-I.C.C. No. ____ (former tariff) and that a further supplement announcing discontinuance of service for that season will not be filed.

§ 1307.41 Rates prescribed by Commission.

(a) *Rates prescribed by Commission must be promulgated in tariffs and Commission notified.* Rates prescribed by the Commission in its decisions and orders in formal cases shall be promulgated by the carriers to which such orders are issued in duly published, field, and postal tariffs, revised page, or supplements, and notice shall be furnished the Commission that its decision (or order) in Docket No. ____, has been complied with in Item ____, page ____ of _____ tariff, MF-I.C.C. No. ____ or Supplement No. ____ to _____ tariff, MF-I.C.C. No. ____. Unless otherwise specified in the decision or order in the case, the prescribed rates shall be made effective upon statutory notice to the Commission and to the public.

(b) *Notation on tariff.* (1) When an entire tariff or supplement is issued in compliance with a decision or order of the Commission, whether made effective on less than statutory notice under special authority granted in the decision or order in the case or upon statutory notice, such tariff or supplement shall bear on its title page the notation, "In compliance with decision (or order) of Interstate Commerce Commission in Docket No. ____." (When possible, the volume and page number of the report of the Interstate Commerce Commission should be shown.)

(2) If the decision or order of the Commission affects only portions of the tariff or supplement, the above notation shall be shown in connection with each portion so affected.

§ 1307.43 Transfer of operations; changes in name and control.

(a) *Complete adoption notice.* (1) When the name of a common carrier is changed, or when its operating control is transferred to another common carrier, the carrier which will thereafter operate the properties shall file with the Interstate Commerce Commission and post as required in § 1307.44 an adoption notice in the form of a tariff numbered in its MF-I.C.C. series and containing substantially the following:

(Name, also trade name, if any, of adopting carrier) hereby adopts, ratifies, and makes its own, in every respect as if the same had been originally filed and posted by it, all tariffs, classifications, rules, notices, traffic agreements, statements of divisions, powers of attorney, concurrences, or other

instruments whatsoever, including supplements or amendments thereto, filed with the Interstate Commerce Commission by, or heretofore adopted by (name and trade name, if any, of former carrier) prior to (date).

(2) In addition to the above adoption notice the adopting carrier shall immediately file with the Interstate Commerce Commission and post as required in § 1307.44 a consecutively numbered supplement to each of the effective tariffs issued or adopted by its predecessor, reading as follows:

Effective (here insert date shown in the adoption notice) this tariff, or as amended, became the tariff of (name and trade name, if any, of the adopting carrier) as stated in its adoption notice MF-I.C.C. No. ----.

(3) Subsequent supplements to adopted tariffs shall be numbered consecutively, beginning with the number following that of the adoption supplement, and shall show in connection with the MF-I.C.C. number that the number is in the series of the former carrier.

(4) New tariffs reissuing or superseding adopted tariffs shall be numbered in the MF-I.C.C. series of the adopting carrier. The adopting carrier, when canceling any tariff issued or adopted by the old carrier, shall identify such tariff in the cancelation notice by reference to its MF-I.C.C. number, by reference to the name of the carrier that issued it, and, when tariffs have been published by the old carrier in more than one series, by reference to the particular series in which that tariff was published.

(b) *Old carrier's name to be eliminated and new carrier's name added.* Tariffs issued by other carriers or agents participated in by a carrier whose name is changed or that is absorbed, taken over, or operated by another carrier or of a carrier whose name is changed shall be amended on statutory notice in the regular way (that is, by the next supplement or revised page filed) to eliminate from the list of participating carriers the name of the old carrier and to add thereto the name of the new carrier. Such supplement or revised page shall also contain the following provision:

(Name and trade name, if any, of the adopting carrier) by its adoption notice, MF-I.C.C. No. ----, which became effective on ----------, having taken over the tariffs, etc., of (name and trade name, if any, of the former carrier), (name and trade name, if any, of the adopting carrier) is hereby substituted for (name and trade name, if any, of the old carrier) wherever it appears in this tariff.

(c) *Partial adoption notice.* (1) When the operating control of a common carrier's properties is transferred in part to another common carrier, the carrier which will thereafter operate that part of the properties shall file with the Interstate Commerce Commission and post as required in § 1307.44 an adoption notice in the form of a tariff numbered in its MF-I.C.C. series and containing substantially the following:

(Name and trade name, if any, of adopting carrier) hereby adopts, ratifies, and makes its own in every respect as if the same had been originally filed and posted by it, all tariffs, classifications, rules, notices, traffic agreements, statements of divisions, powers of attorney, concurrences, or other instruments whatsoever, including supplements or amendments thereto, filed with the Interstate Commerce Commission by, or heretofore adopted by (name and trade name, if any, of the original carrier) prior to (date) insofar as said instruments apply (here describe the operations transferred).

(2) In addition to the above adoption notice, the old carrier shall immediately file with the Interstate Commerce Commission and post as required in § 1307.44, under proper concurrence from the adopting carrier, a supplement to each of its effective tariffs covered by the adoption notice reading as follows:

Effective (here insert date shown in adoption notice) this tariff or as amended, insofar as it contains rates, rules, and other provisions applying (here describe the operations transferred), became the tariff of (name and trade name, if any, of the adopting carrier) as stated in its adoption notice, MF-I.C.C. No. ----.

(d) *Tariffs to be amended.* (1) Tariffs issued by other carriers or agents applicable in connection with that part of the line taken over or operated in part by another carrier shall be amended on statutory notice in the regular way, that is, by the next supplement or revised page filed, to incorporate necessary changes. Such supplement or revised page shall also contain a provision in the following form:

(Name and trade name, if any, of the adopting carrier) by its adoption notice MF-I.C.C. No. ----, having taken over tariffs, etc., of (name and trade name, if any, of the old carrier) insofar as they contain rates, charges, rules, and other provisions applying (here describe the operations transferred), (name and trade name, if any, of the adopting carrier) is hereby substituted for (name and trade name, if any, of the old carrier) wherever the latter appears in this tariff in connection with said points, routes, or territory.

(2) Rates, rules, and other provisions applying locally between points on the transferred portion shall be transferred as quickly as possible to tariffs of the adopting carrier. The former carrier shall cancel such rates, rules, and other provisions from its tariffs on statutory notice and shall refer by MF-I.C.C. number to the tariffs of the adopting carrier for rates to apply thereafter. The adopting carrier shall publish, file, and post corresponding rates, rules, and other provisions on statutory notice to become effective upon the date upon which the cancelation of the former carrier's rates, rules, and other provisions becomes effective.

(3) If, after the transfer of operations, any point will be served by both the former carrier and by the adopting carrier, a statement shall be shown in connection with the name of that point reading substantially as follows:

This adoption notice does not have the effect of eliminating ---------- as a point served by (name and trade name, if any, of the original carrier), but has the effect of establishing service at said point by (name and trade name, if any, of the adopting carrier).

(e) *Receiver, etc., must file adoption notice and supplement.* Adoption notices and supplements similar to those prescribed in paragraphs (a) and (c) of this section but numbered consecutively in the MF-I.C.C. series of the old carrier, shall immediately be filed and posted by a receiver, trustee, executor, administrator, assignee, or lessee when he assumes possession and operating control of a carrier's lines, either in whole or in part, and shall show the names of the receivers, trustees, executors, administrator, assignees, or lessees on the title page in connection with the former carrier's name. When such possession and operating control are terminated, the carrier taking over the properties shall file an adoption notice and if a change in the name of the carrier has been made, shall also file supplements as prescribed in paragraphs (a) and (c) of this section.

(f) *Adoption notice effective date.* (1) Notices of adoption shall be filed and posted immediately and if possible on or before the date shown therein. Copies shall be sent to each agent or carrier to which power of attorney or concurrence has been given by the adopted carrier. The effective date shall be the date (as shown in the body of the notice) on which the change in name or operation occurs, except that if prior approval of such change by the Interstate Commerce Commission is required, the effective date shown shall not antedate that approval.

(2) Concurrences and powers of attorney adopted by a carrier, receiver, trustee, executor, administrator, assignee, or lessee shall, within 120 days, be replaced and superseded by new concurrences and powers of attorney issued by and numbered in the series of the adopting carrier, receiver, trustee, executor, administrator, assignee, or lessee, except that receivers, trustees, executors, administrators, assignees, or lessees may continue concurrences and powers of attorney in the same series of numbers. The cancellation references to the former concurrence or power of attorney shall include the name of the former issuing carrier. Powers of attorney and concurrences which will not be replaced by new issues shall be regularly revoked on the notice and in the manner prescribed by §§ 1307.46(n) and 1307.47(d).

(3) Adoption notices and special supplements issued under the authority of this section shall contain no other matter.

(g) *Temporary control.* (1) When temporary authority to take over the operating control of all or a portion of the operations of a carrier is granted pursuant to the provisions of section 210a. (b) of Part II of the Interstate Commerce Act, as amended, the new carrier that assumes temporary control of the operations of the old carrier shall comply with the provisions of paragraphs (a), (b), (c), (d), and (f) of this section except that the new carrier is not required to reissue the adopted concurrences and powers of attorney during the period of temporary control of the operations of the old carrier. New concurrences and powers of attorney granting authority to

publish rates from or to points included in the temporarily controlled operations, shall be in the series of the old carrier; for example:

MFXA 2 No. 6 (Roe's Trucking Series)
John Doe Transport, Inc.
Operator of
Richard Roe
d/b/a
Roe's Trucking
(Post Office Address)

(2) The new carrier, when it publishes in a tariff issued in its name, rates, charges, or other provisions relating thereto, from, to, or between points included in the temporarily controlled operations, shall file such publication in the name of the new carrier as operator of the old carrier under consecutive MF–I.C.C. numbers and in the series of the old carrier. For example, if John Doe Transport, Inc., assumes temporary control of the operations of Richard Roe d/b/a Roe's Trucking, the title page of tariffs or supplements thereto, must show the MF–I.C.C. number and name of the carrier in substantially the following manner:

MF–I.C.C. No. 17 (Roe's Trucking Series)
John Doe Transport, Inc.
Operator of
Richard Roe
d/b/a
Roe's Trucking

(3) When permanent authority to take over the temporarily controlled operations is granted pursuant to the provisions of section 213 of Part II of the Interstate Commerce Act, and as amended, the new carrier shall file a new adoption notice in the name specified in the permanent authority and otherwise comply with the provisions of paragraphs (a), (b), (c), (d), and (f) of this section.

(4) If the temporary authority to assume operating control of the old carrier is not made permanent, the old carrier must file an adoption notice reassuming control of the operations and otherwise comply with all of the provisions of this section. The effective date to be shown in the adoption notice and adoption supplements is the date on which the temporary authority for the new carrier to operate the properties of the old carrier expires or is vacated.

(h) The provisions of this section do not apply to changes in name or operating control of:

(1) A rail carrier;

(2) A water carrier operating under the provisions of section 5(21) Part I of the Interstate Commerce Act;

(3) A motor carrier, to the extent that it participates in the publication and maintenance of joint rates with carriers named in subparagraphs (1) and (2) of this paragraph;

or to changes in name or operating control not authorized by Part II of the Interstate Commerce Act and as amended.

§ 1307.44 Filing and posting tariffs.

(a) *Filing tariffs.* Tariffs and supplements thereto shall be filed by the proper officer or duly authorized agent of the carrier. When filed by an officer, the concurrence, and when filed by an agent, the power of attorney of every carrier participating therein shall be on file with the Commission or accompany the tariff or supplement. Tariffs shall be filed by the issuing carrier or agent, and such filing will constitute filing for all carriers parties thereto. An agent duly authorized to act for carriers shall file tariffs under his own MF–I.C.C. serial numbers.

(b) *Avoid conflict between tariffs.* A carrier that grants authority to an agent or to another carrier to publish and file certain of its rates shall not in its own issues publish rates which duplicate or conflict with those which are published by such authorized agent or other carrier.

(c) *Numerical order, or explanation of missing numbers required.* Each carrier and agent shall file tariffs and supplements under consecutive MF–I.C.C. or supplement numbers. If, for any reason, this is not done, the tariff or supplement which is not numbered consecutively with the publication last filed must be accompanied by a memorandum explaining why consecutive numbers were not used.

(d) *Letter of transmittal.* (1) All tariffs and supplements filed with the Commission shall be accompanied by a letter of transmittal of one sheet 8 by 10½ inches in size, in form substantially as follows:

(Name of carrier or agent in full)

(Post office address)

---, 19--

Transmittal No. ---

To the INTERSTATE COMMERCE COMMISSION,
WASHINGTON, D.C. 20423:

Accompanying publication is sent you for filing in compliance with the requirements of Part II of the Interstate Commerce Act, issued by --- and bearing MF–I.C.C. No. ---; or Supp. No. --- to MF–I.C.C. No. ---; or revised page to MF–I.C.C. No. ---; effective ---, 19--; and is concurred in by all carriers named therein as participants under continuing concurrences or powers of attorney now on file with the Interstate Commerce Commission, except the following-named carriers, whose authorities are attached hereto:

(Signature)

(Title)

(2) A separate letter may accompany each publication or the form may be modified to provide for filing with one letter as many publications as can be conveniently listed.

(3) If receipt for the accompanying publications is desired, letters of transmittal must be sent in duplicate, and one copy showing the date of receipt by the Commission will be returned to the sender.

(e) *Number of copies.* (1) Except as provided in the subparagraph (2) of this paragraph, carriers and agents shall transmit to the Commission three copies of each tariff, supplement, revised page, classification, or other publication to be filed, all copies to be included in one package and under one letter of transmittal. A separate letter of transmittal shall be included for each joint agent.

(2) Eighteen copies of the following publications shall be transmitted: publications governing other tariffs, authorized in § 1307.37, containing exclusively classification ratings, or exceptions thereto, rules and other provisions of general application.

(3) No tariff, revised page, or supplement will be received by the Commission unless it is delivered to it free from all charges, including claims for postage.

(4) Tariffs sent for filing shall be addressed:

Interstate Commerce Commission,
Washington, D.C. 20423.

(5) Tariff publications received for filing will not be returned unless rejected because of failure to give lawful notice of changes, or for other valid reason.

(f) *Statutory notice must be shown unless otherwise authorized.* (1) Part II of the Interstate Commerce Act requires that all changes in rates or charges, or in rules or other provisions that affect rates, shall be filed with the Commission at least 30 days before the date upon which they are to become effective unless otherwise authorized by the Commission. Manifestly it is impossible for the Commission to check the items in tariffs to determine whether or not statutory notice has been given. Therefore, except as otherwise authorized by the Commission, 30 days' notice to the public and to the Commission must be given as to every tariff publication filed with the Commission, regardless of whether or not changes are effected thereby.

(2) Rates, charges, rules, or other provisions which have been filed with the Commission must be allowed to become effective and remain in effect for a period of at least 30 days before being changed, canceled, or withdrawn, unless otherwise authorized by the Commission.

(g) *Filing of tariffs with Commission does not relieve carriers from liability for violation of act or regulations thereunder.* (1) The law affirmatively imposes upon each carrier the duty of filing with the Commission and posting for public inspection all of its tariffs and amendments thereto in the manner prescribed in the law and in regulations promulgated by the Commission. A penalty is provided for failure to do so, or for using any rate which is not contained in its lawfully published and filed tariffs. The receipt and acceptance for filing of a tariff or supplement by the Commission does not relieve carriers from liability for violation of the act or of regulations issued thereunder.

(2) All rates used in making combination through rates for interstate shipments, including rates between points in one State, must be filed with the Commission and posted for public inspection and they can be changed as to such traffic only in accordance with the provisions of Part II of the Interstate Commerce Act, and as amended.

(h) *Posting of Tariffs.* (1) Except as provided herein, each carrier by motor

vehicle subject to the provisions of section 217 of Part II of the Interstate Commerce Act, and as amended, shall post and file at each of its stations or offices which is in charge of a person employed exclusively by the carrier or by it jointly with another carrier and at which freight is received for transportation all of the tariffs containing rates, charges, classifications, and rules or other provisions applying from, or at, such station or office.

(2) Except as provided herein, each of such carriers shall also maintain at its principal or general office a complete file of all tariffs issued by it or by its agents, including those tariffs in which it concurs.

(3) Carriers operating only as pick-up carriers within the pick-up area at point of origin and carriers operating only as delivery carriers within the delivery area at point of destination who are shown as participating carriers in the tariffs naming rates from, to, or between such points will not be required to post such tariffs, provided the line-haul carrier with whom they interchange traffic maintains a terminal at the pick-up or delivery point, as the case may be, and posts such tariffs in accordance with this section.

(4) The granting of authority to issue tariffs under powers of attorney or concurrences does not relieve the carriers conferring the authority from the necessity of complying with the Commission's regulations with regard to posting tariffs. Tariffs issued under such authority must be posted as required by the regulations in this paragraph.

(5) Each file of tariffs shall be kept in complete and accessible form. Employees of the carrier shall be required to give any desired information contained in such tariffs, to lend assistance to seekers of information therefrom, and to afford inquirers opportunity to examine any of such tariffs without requiring the inquirer to assign any reason for such desire.

(i) *Rejection of tariffs and notices of revocation.* (1) Any tariff or schedule, tendered for filing, which fails to give lawful notice of changes in rates, charges or other provisions which it proposes to establish, or which fails to meet the requirements of the regulations contained in this chapter, or violates any order of the Commission or of a court, is subject to rejection by the Commission. When a tariff or schedule is rejected, the Commission, acting through a designated administrative officer, will inform the carrier or the agent who tendered it for filing, in writing, of the reasons for rejection, and will return the rejected tariff or schedule to such carrier or agent.

(2) The number assigned to a tariff or schedule which has been rejected may not again be used. The rejected tariff or schedule may not be referred to in any subsequent tariff or schedule as having been canceled, amended or withdrawn, but the tariff or schedule which is published in its stead must bear the following notation: "Issued in lieu of (here identify the rejected schedule or tariff), rejected by the Commission."

(3) A notice of the revocation, complete or partial of a concurrence or power of attorney which, if it were to become effective, would require the establishment of rates, fares, or charges in violation of an order of the Commission or of a court, or of the regulations in this chapter, may be rejected in the same manner as a tariff or schedule, and any such notice of revocation which would require the establishment of rates, fares, or charges of doubtful lawfulness may be suspended.

§ 1307.45 Applications for special permission.

(a) *Rates changed on less than statutory notice.* Part II of the Interstate Commerce Act, as amended, authorizes the Commission in its discretion and for good cause shown to permit changes in rates on less than statutory notice, and also to permit departure from the Commission's regulations. The Commission will exercise this authority only in cases where actual emergency and real merit are shown. Desire to meet the rates of a competing carrier that has given statutory notice of change in rates will not of itself be regarded as good cause for permitting changes in rates or other provisions on less than statutory notice. Clerical or typographical errors in tariffs constitute good cause for the exercise of this authority, but every application based thereon must plainly specify the error together with a full statement of the attending circumstances and must be presented with reasonable promptness after issuance of the defective tariff, supplement or revised page.

(b) *Permission will not issue to modify formal orders.* When a formal order of the Commission requires publication on a stated number of days' notice, a request for authority to file on less notice will not be granted. In any such instance a petition for modification of the order should be filed on the formal docket.

(c) *Applications must be by carrier or agent authorized to file tariff.* Applications for permission to establish rates, rules, or other provisions on less than statutory notice, or for waiver of the provisions of Subpart B must be made by the carrier or agent that holds authority to file the proposed publication. If the application requests permission to make changes in joint tariffs, it must state that it is filed for and on behalf of all carriers parties to the proposed change.

(d) *Number of copies.* (1) Two copies of applications (including amendments thereto and exhibits made a part thereof) shall be sent to the Interstate Commerce Commission, Washington, D.C. 20423. One additional exact copy shall be sent to the office of the district director of the district in which the main office of the applicant carrier or publishing agent is located. One additional exact copy, also, shall be furnished each director of the district in which is located the main office of each of the particular carriers for whom such application is filed. The application shall indicate that the copies required by this section are furnished the district offices interested and shall show the offices to which such copies are furnished.

(2) Application shall be made on paper 8 by 10½ inches, shall be in substantially the form shown hereinbelow, and shall give all the information required by this section together with any other pertinent facts. They shall be numbered consecutively and must bear the signature of the carrier or its agent or officer, specifying title.

_____
(Address)

_____
(Date)

TO THE INTERSTATE COMMERCE COMMISSION,
WASHINGTON, D.C. 20423.

Application No. _____

_____, by _____
(Name of carrier) (Name of officer, specifying title)

for and on behalf of all carriers parties to its Tariff MF-I.C.C. No. ____,[1] does hereby petition the Interstate Commerce Commission that he (it) be permitted, under section 217 of the Interstate Commerce Act and as amended to put in force the following tariff provisions to become effective ____ days after the filing thereof with the Interstate Commerce Commission:

(Here show matter as directed by paragraph (e) (1) of this section.)

Your petitioner further represents that the said: [state whether rates, charges, classification ratings, or other provisions] above mentioned will be published in [here show matter as directed by paragraph (e) (2) of this section.]

1. (Here state matter as directed by paragraph (e) (3) of this section)
2. (Here state matter as directed by paragraph (e) (4) of this section)
3. (Here state fully matter as directed by paragraph (e) (5) of this section)
4. (Here show justification as directed by paragraph (e) (6) of this section)

_____
(Name of carrier)

By _____
(Name and title)

Verification:[2]

The above statement was subscribed and sworn to before me this ___ day of _____, 19___.

_____
(Notary public)

Copy sent to District Director
at _____, date _____
at _____, date _____
at _____, date _____

When the publication is made by an agent, appropriate change should be made in the introductory and closing paragraphs of this form.

[1] If reference to tariff or tariffs does not exactly designate carrier involved, other methods of designating carriers should be employed.

[2] Only the original need be executed.

(e) *Applications shall show.* Applications shall show the following information:

(1) The proposed tariff provisions shall be set forth clearly and completely. An accompanying exhibit may be used if identified by letter, such as "Exhibit A," and so referred to in the application. If the proposed provisions consist of rates, all points of origin and destination must be shown or definitely indicated; if permission is sought to establish a rule, the exact wording of the proposed rule must be given.

(2) The application shall show the tariffs and MF–I.C.C. numbers of the publications in which the proposed rates, ratings, rules, or other provisions will be published. If publication is to be made in supplements to tariffs already referred to, this fact shall be shown.

(3) The application shall set forth the rates or tariff provisions which it is desired to change. Where the matter to be shown is voluminous or for other reasons difficult of presentation, it may be included in an accompanying exhibit, properly identified and referred to in the application. Reference shall be made by MF–I.C.C. number and supplement number to the tariffs or supplements in which rates or provisions to be superseded are published. If such provisions are published in numbered items or other units, reference shall be made thereto by number, or, if not so published, the pages of the publication on which the provisions appear shall be shown. The extent to which cancellations will be made must be definitely indicated.

(4) The application shall state the names of carriers known to maintain competitive rates, charges, classification ratings, or rules between the same points or points related thereto, together with the MF–I.C.C. or I.C.C. numbers of the tariffs and supplements thereto containing such provisions.

(5) The application shall state whether such carriers have been advised of the proposed rates, charges, classification ratings, or rules and whether they have been advised that it is proposed to establish such provisions on less than statutory notice. If competitive carriers have expressed their views in regard to the proposed provisions, a brief statement of their views shall be given.

(6) The application shall state the special circumstances or unusual conditions which are relied upon as justifying the requested permission together with any related facts or circumstances which may aid the Commission in determining whether the requested permission is justified. If permission to establish provisions on less than statutory notice is sought, the petitioner shall state why the proposed provisions could not have been established upon 30 days' notice.

(f) *Partial use of permission prohibited.* If the authority granted by special permission is used, it must be used in its entirety and in the manner set forth in the order of special permission. If its is not desired to use all of the authority granted and less or more extensive or different authority is desired, a new application complying with the provisions of this section in all respects and referring to the previous permission must be filed.

§ 1307.46 Powers of attorney.

(a) *Forms of powers of attorney.* (1) The following forms shall be used by a carrier to give authority to an agent to publish and file tariffs and supplements in which such carrier participates. (Existing powers of attorney which are not otherwise objectionable need not be reissued merely to comply with the prescribed form.)

(2) If common carriers by water (other than railroad owned or railroad controlled water carriers operating under the provisions of section 5(21), part I, of the Interstate Commerce Act) desire to give powers of attorney to agents authorizing the publication of joint rates with common carriers of property by motor vehicle, the forms set forth in paragraphs (b) and (c) of this section may be altered by substituting for the words "common carrier of property by motor vehicle," the words, "common carrier of property by water," or appropriate words of similar import.

(b) *Individual.* This form shall be used to authorize an individual to act as agent:

POWER OF ATTORNEY

MFXA2, No. ____
Cancels MFXA–, No. ____

_____
(Name of carrier)

_____
(Post office address)

_____, 19__

Know all men by this instrument:

That, on the _____ day of _____, 19__, _____, a common
(See note 1 of paragraph (c))
carrier of property by motor vehicle does (do) hereby make and appoint _____
(Name and principal agent)
attorney and agent to publish and file for such carrier freight tariffs and supplements thereto, as permitted or required of common carriers of property by motor vehicle under authority of Part II of the Interstate Commerce Act, and the regulations of the Interstate Commerce Commission issued pursuant thereto, and does (do) hereby ratify and confirm all that said attorney and agent may lawfully do by virtue of the authority herein granted and does (do) hereby assume full responsibility for the acts and failures to act of said attorney and agent.

And, further, that _____
(See Note 1 of Paragraph (c))
does (do) hereby make and appoint _____ _____ alternate attorney
(Name of alternate agent)
and agent to do and perform the same acts and exercises the same authority herein granted to _____ in the
(Name of principal agent)
event and only in the event of the death or disability of _____
(Name of principal agent)

_____
(Name of carrier)

By _____

Attest (If a corporation):

_____, *Secretary.*

[CORPORATE SEAL]

Duplicate mailed to _____, *Agent.*

_____

_____

(c) *Corporation.* This form shall be used to authorize a corporation to act as agent:

POWER OF ATTORNEY

MFXA3, No. ____
Cancels MFXA–, No. ____

_____
(Name of carrier)

_____
(Post office address)

_____, 19__

Know all men by this instrument:

That, on the _____ day of _____, 19__, _____, a common
(See note 1)
carrier of property by motor vehicle does (do) hereby make and appoint _____
(Name of corporation)
attorney and agent to publish and file for such carrier freight tariffs and supplements thereto, as permitted or required of common carriers of property by motor vehicle under authority of Part II of the Interstate Commerce Act, and the regulations of the Interstate Commerce Commission issued pursuant thereto, and does (do) hereby ratify and confirm all that said attorney and agent may lawfully do by virtue of the authority herein granted and does (do) hereby assume full responsibility for the acts and failure to act of said attorney and agent.

_____
(Name of carrier)

By _____

Attest (If a corporation):

_____, *Secretary.*

[CORPORATE SEAL]

Duplicate mailed to _____, *Agent.*

_____

_____

NOTE 1: In the blank space for the name of the carrier, there shall be shown, if the carrier by an individual, the individual name followed by the trade name, if any. If the carrier be a partnership, the correct names of all partners must be given, followed by the trade name, if any. If the carrier be a corporation, the correct corporate name must be used. (See note 2.)

NOTE 2: The power of attorney shall be signed by the individual carrier, if the carrier be an individual, and shall be signed by all of the partners individually, if a partnership. If the carrier be a corporation, the power of attorney shall be signed by the president or vice president, attested by the secretary of the corporation, and the corporate seal shall be affixed. In all cases, the name of the carrier shall be identical with the name as it appears in the certificate of convenience and necessity issued by the Commission, or, in the event that such certificate shall not have been issued, the name of the carrier shall be identical with the name appearing in the application for such certificate.

(d) Unless specifically authorized by the Commission, an official or an employee of a corporation may not act as agent when such corporation acts as agent.

(e) *Corporation, as agent.* (1) A corporation, duly authorized and acting as an attorney and agent, shall issue tariffs in the name of the corporation as agent. At the bottom of the title page of each publication filed by the corporation as agent shall be shown the name and title of the official of the corporation who has been appointed by such corporation to issue tariffs and file them with the Commission.

(2) A corporation acting as a publishing agent under powers of attorney shall

forward to the Commission a certified minute of the meeting of the board of directors of such corporation showing the name and title of the official who has been appointed to handle all tariff matters with the Commission.

(f) *Authority conferred.* (1) Powers of attorney authorized by this section, if executed without modification, confer unlimited authority to publish local rates for the carrier issuing the power of attorney and to publish joint rates for such carrier and such other carriers as shall have issued the necessary authority. If it is desired to limit the authority granted to the agent, the form may be modified by adding at the end of the first paragraph the statement: "This authority is restricted to the filing of the publications or types of publications set forth below," and by clearly stating immediately thereafter the extent of the authority granted. The instrument may limit the authority of the agent to publication of rates from points on the carrier's lines only, or to points on its lines only, or may limit the authority granted to publication of either local or joint rates. The authority granted may be restricted, also, to publication of either class or commodity rates, but it may not be limited to publication of rates on a particular commodity or commodities or to publication of specifically named rates.

(2) If it is desired to give to an agent authority for the publication of a classification, a classification exceptions tariff, or a rules tariff, only, the form may be modified by omitting from line six the words "freight tariffs" and substituting therefor the word or words, "classification," classification exceptions tariffs" or "rules tariffs," or the instrument may be so modified as to authorize the publication of any or all of such tariffs, including rate tariffs. If it is desired to limit the authority granted to publication of a particular tariff or tariffs, this may be done by giving a sufficiently accurate description of the title page of each tariff to identify it and by showing the MF-I.C.C. number, if known. If it is intended that the authority granted shall include supplements to or reissues of specifically named tariffs, that fact should be made clear by adding after the designation of the tariff, "supplements thereto and successive issues thereof."

(g) *Specifications for powers of attorney.* Powers of attorney shall be printed on good paper of durable quality, 8 by 10½ inches in size, and shall be signed as indicated in note 2, paragraph (c) of this section. Each power of attorney shall be given a form and serial number which shall run consecutively for each form of instrument. The form and serial numbers shall be shown on the upper right-hand corner and immediately thereunder shall be shown the form and number of the power of attorney, if any, which is canceled thereby. If the instrument to be canceled contains more authority or is broader in scope than the new instrument, such new instrument must bear an effective date at least 60 days after the date on which it is received by the Commission. When the new instrument is broader in scope than the instrument which is to be canceled, no notice is required. The term "freight tariff" as used in this section means not only rate tariffs but all other freight publications which in any way affect the value of the service or the measure of the charge. Each instrument shall show, under the serial number, the post-office address of the person or persons issuing it and the date of issue. The instrument shall show, also, in the lower left-hand corner, the name, title, and address of the person or corporation to whom the duplicate is sent.

(h) *Number of copies.* All instruments must be prepared in triplicate. Except when there is specific instruction in individual rules to send originals to an agent, the original of the instrument shall be filed with the Commission, the duplicate sent to the agent to whom such authorization is directed, and the third copy retained by the issuing carrier.

(i) *Conflicting authority to be avoided.* Powers of attorney may not contain authority to delegate to another the power thereby conferred. In giving authority to an agent to publish and file rates for the carrier by whom such authority is issued, care must be taken to avoid duplicating to two or more agents authority which, if used, would result in conflicting rates or other provisions.

(j) *Filing by alternate agent.* When a power of attorney is issued to an individual to act as agent, such instrument shall name an alternate agent to act in the event of the death or disability of the principal agent. On or before the date of filing of the first tariff or supplement by the alternate agent under the authority granted in the instrument, such alternate agent shall submit to the Commission a sworn statement setting forth the facts which justify such exercise of authority. The term "disability" as used in the instrument means resignation, permanent transfer to other duties, or other permanent absence of the principal agent, and does not mean temporary absence of the principal caused by vacation, illness, or other similar causes. After an alternate agent has once exercised the authority granted by the instrument, the principal agent may not thereafter act under that instrument.

(k) *Transfer of authority from one agent to another agent.* (1) When it is desired to transfer authority from one agent to another agent, superseding the former agent as to all such agent's effective tariffs, the transfer shall be accomplished by filing a new power of attorney naming the agent (and alternate when the new agent is an individual) thereafter to serve, which shall specifically cancel the previous power of attorney. Under all other conditions the power of attorney must be revoked in accordance with paragraph (n) of this section.

(2) When a power of attorney shall have been issued to an individual and an alternate, and the death or disability of either the principal or alternate agent occurs, new powers of attorney canceling the previously effective powers of attorney and naming the agent (and alternate when the new agent is an individual) thereafter to serve shall be filed within 180 days. The new powers of attorney shall bear no effective date. The originals thereof shall not be sent direct to the Commission, but shall be forwarded to the new agent, who, after all the necessary instruments shall have been secured, shall file the originals with the Commission all at one time. Such powers of attorney will become effective upon the date they are received by the Commission.

(l) [Reserved]

(m) *Substitution of agents.* (1) When a new agent is appointed, or when an alternate agent assumes the duties of the principal agent, the new agent, immediately upon receipt of necessary authority, or the alternate agent, upon death or disability of his principal, shall issue a supplement to each of the effective tariffs issued by the agent superseded, which shall bear on its title page no effective date, but which shall contain a statement reading substantially as follows: "On and after [show here, in the case of a new agent, the date on which authorities are filed with this Commission; or in the case of an alternate agent, the date on which the principal ceased to act] this publication shall be considered as the issue of [show here name of new agent or the alternate acting as such]." In the case of a new agent, such supplement shall also contain a list of participating carriers, giving reference to the new authorities. If tariffs issued by the new agent will be numbered in a different MF-I.C.C. series from those of the former agent, supplements filed by the new agent to tariffs issued by the former agent shall show in connection with MF-I.C.C. numbers, that they are in the series of the former agent.

(2) When an agent who is superseded by a new agent or alternate participates with other agents in the issuance of a joint agency tariff, a special supplement for the purpose of indicating the change need not be issued unless the agent superseded actually issues the tariff, but the information with respect to the change in agents and the list of carriers showing current powers of attorney shall be included in the next regular supplement issued.

(n) *Revocation of power of attorney.* A power of attorney may be revoked upon not less than 60 days' notice to the Commission by filing a notice of revocation with the Commission, serving at the same time a copy thereof on the agent in whose favor such power of attorney was executed. Such notice shall not bear a separate serial number, but shall specify the form and number of the power of attorney to be revoked, shall name the agent (and alternate agent when form MFXA2 is being revoked) in whose favor the power of attorney was executed, shall specify a date upon which revocation is to become effective, which must not be less than 60 days subsequent

to the date of its receipt by the Commisison, and shall be executed in the following manner on paper of good quality, size 8 by 10½ inches:

REVOCATION NOTICE

_____
(Name of carrier)
_____
(Post office address)
_____, 19__.

Know All Men by This Instrument:

Effective _____, 19__, power of attorney MFXA–, No. ____, issued by _____ (Name of _____ in favor of _____ carrier) (Name of agent and _____ is hereby canceled and of alternate, if any) revoked.

_____
(Name of carrier)
By _____

Attest (if a corporation):
_____, Secretary.
[CORPORATE SEAL]
Duplicate mailed to
_____
(Name of Agent)
_____
(Address)
_____
(Date)

§ 1307.47 Concurrences.

(a) *Forms of concurrences.* The following forms shall be used in giving to carriers subject to Subpart B concurrences in tariffs which are issued and filed by such carriers or their agents and in which the carriers giving concurrences are participants. The provisions of § 1307.46 (g) and (h) will apply also to concurrences. If two or more carriers execute powers of attorney authorizing an agent to publish joint rates for them, it will not be necessary for those carriers to exchange concurrences with each other as to the joint tariffs issued by that agent under that authority.

(b) *Specific.* Form MFXC2 shall be used in giving concurrence in a particular tariff that is issued and filed by another carrier. The original of form MFXC2 shall be forwarded to the carrier issuing the tariff and shall by such carrier be transmitted to the Commission with the tariff. This form when not restricted will serve as continuing evidence of participation in the tariff described in the concurrence and in all supplements to and succesisve issues thereof. If reference to successive issues be stricken out a new concurrence will be required for each successive issue of the tariff. Except as provided above, this form shall not be qualified in any way but must evidence concurrence in all rates, rules or other provisions contained in the tariff publication named therein.

CONCURRENCE

MFXC2, No.____
Cancels MFXC–, No.____
_____
(Name of carrier)
_____
(Post office address)
_____, 19__.

TO THE INTERSTATE COMMERCE COMMISSION,
WASHINGTON, D.C. 20423.

This is to certify that [show name of carrier giving concurrence; see note 1, to § 1307.46(c)] assents to and concurs in the publication and filing of the freight tariff described below, filed by [show name of carrier to whom concurence is given], together with supplements thereto and successive issues thereof, and that such concurring carrier hereby makes itself a party thereto and bound thereby, insofar as such tariff applies between points on the lines or routes of [show name of carrier to whom concurrence is given], on the one hand, and points on the lines or routes of [show name of carrier giving concurrence], on the other; or rates in connection with which [show name of carrier giving concurrence] acts as an intermediate carrier between points on the lines or routes of [show name of carrier to whom concurrence is given] on the one hand, and points on the lines or routes of other carriers parties to such tariff, on the other, until this authority is revoked by formal and official notice of revocation filed with the Interstate Commerce Commission and sent to the carrier to which this concurrence is given. (Here give an exact description of the title page of the tariff, including the name of the issuing carrier, the MF-I.C.C. number, and dates on which issued and effective). Issued by (name and title of officer shown as issuing tariff.)

_____
(Name of carrier)
By _____
Attest (if a corporation):
_____, *Secretary.*
[CORPORATE SEAL]

(c) *General.* If general concurrence be given by a carrier in tariffs issued by another carrier or its agent, naming rates from or to points on its lines or over its lines, form MFXC3 shall be used. Form MFXC3 may be executed as shown, when it will authorize publication of rates for the concurring carrier from and to points served by such carrier as well as from and to points served by other carriers where the concurring carrier acts as intermediate line. If it is desired to limit the authority granted to exclude publication of rates in connection with which the concurring carrier would act as either origin, intermediate, or destination line, the form may be modified to that extent by substituting the words "from—to" for the words "between—and" or by use of other appropriate language to effect the modification authorized. When authority is given an agent to publish rates for a carrier participating under authority of a concurrence to another carrier for whom such agent acts, care must be exercised that the rates published for the concurring carrier do not exceed the scope of the authority given.

CONCURRENCE

MFXC3, No. ____
Cancels MFXC–, No. ____
_____
(Name of carrier)
_____
(Post office address)
_____, 19_____.

TO THE INTERSTATE COMMERCE COMMISSION,
WASHINGTON, D.C. 20423.

This is to certify that [show name of carrier giving concurrence; see note 1 to § 287.46 (c)] assents to and concurs in the publication and filing of any freight tariff or supplement thereto, which [show name of carrier to whom concurrence is given] or such carrier's agent may publish and file, and in which the said [show name of concurring carrier] is shown as a participating carrier, and that such concurring carrier hereby makes itself a party thereto and bound thereby insofar as such tariff applies between points on the lines or routes of [show name of carrier to whom concurrence is given], on the one hand, and points on the lines or routes of [show name of carirer giving concurrence], on the other; or rates in connection with which [show name of carrier giving concurrence] acts as an intermediate carrier between points on the lines or routes of [show name or carrier to whom concurrence is given], on the one hand, and points on the lines or routes of other carriers parties, to such tariff, on the other, until this authority is revoked by formal and official notice of revocation filed with the Interstate Commerce Commission and sent to the carrier to which this concurrence is given.

_____
(Name of carrier)
By _____
Attest (if a corporation):
_____, *Secretary.*
[CORPORATE SEAL]
Duplicate mailed to _____
at _____
(Show complete address)

(d) *Revocation of concurrence.* A concurrence may be revoked upon not less than 60 days' notice to the Commission by filing a notice of revocation with the Commission, serving at the same time a copy thereof on the carrier to which such concurrence was given. Such notice shall not bear a separate serial number, but shall specify the form and number of the concurrence to be revoked, shall name the carrier in whose favor issued, an shall specify a date upon which revocation is to become effective, which must not be less than 60 days subsequent to the date of its receipt by the Commission. The revocation notice shall be as follows:

REVOCATION NOTICE

_____
(Name of carrier)
_____
(Post office address)
_____, 19__.

TO THE INTERSTATE COMMERCE COMMISSION,
WASHINGTON, D.C. 20423

Effective _____, 19__, concurrence form MFXC–, No. ____, issued by ____ _____ in favor of _____ (Name of carrier) (Name of _____ is hereby canceled and revoked. carrier to whom issued)

_____
(Name of carrier)
By _____
Attest (if a corporation):
_____, Secretary.
[CORPORATE SEAL]
Duplicate mailed to:
_____
(Name and title of officer)
_____
(Name of carrier)
_____
(Address)

(e) *Revision of tariffs when authority revoked.* When a power of attorney or

concurrence is revoked, corresponding revision of the tariff or tariffs should be made effective upon statutory notice not later than the effective date stated in the notice of revocation. In the event of failure to so revise the applicable tariff or tariffs, the rates in such tariff or tariffs remain applicable until lawfully canceled.

(f) *Conflicting authority to be avoided.* In giving concurrences care must be taken to avoid duplicating authority to two or more carriers which, if used, would result in conflicting rates or rules.

Subpart C—Special Permissions

AUTHORITY: The provisions of Subpart C issued under secs. 204, 217, as amended, 218, as amended, 49 Stat. 546, as amended, 560, as amended, 561, as amended; 49 U.S.C. 304, 317, 318, unless otherwise noted.

§ 1307.90 Suspension supplements and postponement notices.

(a) All carriers subject to the tariff publishing rules in Subpart A (Tariff Circular MF No. 4), Subpart B (Tariff Circular MF No. 3) and §§ 1306.0–1306.16 of this chapter, and their duly appointed agents are hereby authorized to:

(1) Publish the following provisions in the supplements (other than consolidated suspension supplements) to their respective tariffs or schedules, announcing suspension of rates, fares or other provisions of said tariffs and schedules:

POSTPONEMENT NOTICE

If this supplement is not canceled on or before (here insert date to which suspended), the effective date of the above-described suspended publication or publications remaining under suspension until that date is hereby postponed to the date upon which this supplement is canceled. The rates, fares, charges, classifications, rules, regulations, practices, and other provisions continued in force by the above-mentioned order of suspension will apply during the period of suspension and postponement unless and until lawfully changed.

(2) Publish in bound tariffs or supplements thereto, or in looseleaf tariffs or pages thereto, immediately following the first sentence of the "Notice of Suspension" authorized in paragraph 1(b) of Special Permission No. M–89600, a postponement notice reading substantially as follows:

The effective date of such suspended provisions is hereby postponed to and including ----------

or

The effective date of such suspended provisions which was postponed to and including ----------is hereby further postponed to and including ----------

All such provisions to be made effective not later than the date to which suspended or postponed and upon as much notice as possible, but in no event less than 1 day's notice.

(b) Where the supplement announcing suspension does not contain the postponement notice authorized in paragraph (a)(1) of this § 1307.90 and some or all of the matter remains under suspension until the end of the suspension period, carriers and their agents are hereby authorized to issue a postponement notice in a regular supplement or a postponement supplement to their tariff or schedule affected, such postponement notice or postponement supplement to provide that the effective date of such matter remaining under suspension is postponed to a specific date or to the date upon which the postponement notice or postponement supplement is canceled. The supplement containing such postponement notice to provide for the cancellation of the suspension supplement, bear an effective date which will be the same date as that named in the suspension order and to be made effective upon as much notice as possible, but in no case less than 1 day's notice.

(c) Where the suspended matter is under postponement to a specific date under authority of paragraph (b) of this section and it is desired to further postpone the effective date, carriers or agents may issue a supplement to their tariff or schedule affected, such supplement to cancel the postponement supplement (if it contains only the notice of postponement) or the postponement notice (if in a supplement containing other matter) and to provide that the effective date of the matter remaining under postponement to the end of the postponement period, is further postponed to a specific date or to the date upon which the postponement supplement or postponement notice is canceled. The postponement notice or supplement issued hereunder to be made effective not later than the date shown in the previous postponement notice and upon as much notice as possible but in no case less than 1 day's notice.

(d) When the Commission has found the suspended matter justified and the effective date of such matter is under postponement or further postponement, the publishing carrier or agent may within the period of postponement publish and file a supplement (when to a bound tariff) or revised page (when to a looseleaf tariff) to their tariff or schedule affected, such supplement or page to cancel the postponement notice or postponement supplement (in the case of a looseleaf tariff the postponement supplement may be canceled by a revised check sheet), cancel the matter continued in effect during the period of postponement and make the postponed matter effective, the supplements or pages issued under this paragraph to bear an effective date which will be earlier than the date to which postponed and be made effective upon not less than 1 day's notice.

(e) Supplements issued to bound tariffs under authority of paragraphs (b), (c), and (d) of this section which contain no other matter may be issued without regard to the terms of § 1307.30(s)(1)(2) (Rule 6(d) of the Tariff Circular MF No. 3), or § 1307.5(u) of Tariff Circular MF No. 4, but thereafter such supplements will be counted against the number of supplements and volume of supplemental matter until they are canceled.

(f) Publications issued hereunder to make specific reference hereto as authority for short notice filing or for tariff circular departure by using the following notation wholly or in part:

Issued on (show number of days) notice; Tariff Circular departure authorized; ICC Permission No. M–83800.

This authority does not, except as expressly indicated, waive or modify any outstanding formal order of the Commission, any of the requirements of its published rules relative to the construction and filing of the tariffs or schedules, nor any of the provisions of the Interstate Commerce Act. This permission shall continue in force and effect until July 1, 1970.

§ 1307.95 Circus outfits.

(a) All common carriers of property by motor vehicle, subject to Part II of the Interstate Commerce Act, are hereby authorized to publish and file with the Commission tariffs providing for the transportation of circus outfits, such tariffs to publish rates or charges specifically, or to consist of a title page with notation reading "as per copy of contract attached," to which title page shall be attached a copy of the contract under which the circus outfit is moved. Tariffs issued under this authority need not be posted, but must be filed with the Commission at least one day prior to the effective date and must bear the notation:

Issued on one day's notice under special permission of the Interstate Commerce Commission No. M–3677 of October 6, 1936.

(b) This permission does not modify any outstanding formal orders of the Commission, nor waive any of the requirements of its published rules relative to the construction and filing of tariffs or schedules, nor modify any of the provisions of Part II of the Interstate Commerce Act, except as to the notice to be given.

§ 1307.100 Motor common carriers of property; establishment of rates, etc., covering emergency movements of property.

(a) Subject to the limitations herein, motor common carriers of property may establish rates and other tariff provisions covering emergency movements of property under section 210(a) of Part II of the Interstate Commerce Act, without further notice prior to acceptance of shipments for transportation other than posting, where required, of an individual tariff publication (not a loose-leaf page), containing such rates and other tariff provisions, and having four copies of the publication, with a letter of transmittal, filed with the Regional Director of the Bureau of Operations in whose region the carrier is domiciled or with the Supervisor designated by the Regional Director.

(b) *Additional departure from the terms of Tariff Circular MF No. 3 (Subpart B).* Motor common carriers of property may depart from the terms of Tariff Circular MF No. 3 (Subpart B) to the extent necessary to permit the filing of tariff publications in the manner

authorized in the foregoing paragraph hereof.

(c) *Limitations.* (1) This permission does not authorize the cancellation of any rate or provision on the same commodity between the same points and may not be used to establish rates and other provisions which will result in duplicating or conflicting rates, except as authorized in subparagraph (5) of this paragraph.

(2) Tariffs filed hereunder must be consecutively numbered in the carrier's "W" series in the following manner:

MF-ICC No. W-------.

(3) Tariffs filed hereunder may contain only the rates, rules, and other provisions covering the movement of property under emergency temporary authority and then only for a period of not more than 30 days and such tariffs may not contain other rates or provisions.

(4) All tariffs filed hereunder must bear a specific expiration date which will not be later than the date upon which the emergency temporary authority expires.

(5) When it has been discovered that provisions of one "W" series tariff do not conform to emergency temporary authority actually granted, another tariff, in the carrier's "W" series, may be filed in accordance with this section to cancel the first and conform tariff provisions to the operating authority.

(6) Supplements to "W" series tariffs are permissible only for the purpose of changing, specifically, the expiration date of the tariff to a date not later than the date upon which the emergency temporary authority, or an extension thereof, expires.

This permission does not modify any outstanding formal order of the Commission, nor waive any of the requirements of its published rules relative to the construction and filing of tariff publications, except as herein authorized, nor modify any of the provisions of Part II of the Interstate Commerce Act, except as to notice.

§ 1307.101 Motor contract carriers of property; establishment of actual or minimum rates, etc., covering emergency movements of property.

(a) Subject to the limitations herein, motor contract carriers of property may establish rates and other schedule provisions covering emergency movements of property under section 210(a) of Part II of the Interstate Commerce Act, without further notice prior to acceptance of shipments for transportation other than posting of an individual schedule publication (not a loose-leaf page), containing such rates and other schedule provisions, and having four copies of the publication, with a letter of transmittal, filed with the Regional Director of the Bureau of Operations in whose region the carrier is domiciled or with the Supervisor designated by the Regional Director.

(b) *Additional departure from the terms of Tariff Circular MF No. 4* (Subpart A). Motor contract carriers of property may depart from the terms of Tariff Circular MF No. 4 (Subpart A) to the extent necessary to permit the filing of schedules authorized in paragraph (a) of this section.

(c) *Limitations.* (1) This permission does not authorize the cancellation of any actual or minimum charge or provisions on the same commodity between the same points and may not be used to establish actual or minimum charges or other provisions which will result in duplicating and/or conflicting actual or minimum charges, except as authorized in subparagraph (5) of this paragraph.

(2) Schedules filed hereunder must be consecutively numbered in the carrier's "W" series in the following manner:

MF-ICC No. W-------.

(3) Schedules filed hereunder may contain only the actual or minimum charges, rules, and other provisions covering the movement of property under emergency temporary authority and then only for a period of not more than 30 days, and such schedules may not contain other actual or minimum charges or provisions.

(4) All schedules filed hereunder must bear a specific expiration date which will not be later than the date upon which the emergency temporary authority expires.

(5) When it has been discovered that provisions of one "W" series schedule do not conform to emergency temporary authority actually granted, another schedule, in the carrier's "W" series, may be filed in accordance with this section to cancel the first and conform schedule provisions to the operating authority.

(6) Supplements to "W" series schedules are permissible only for the purpose of changing, specifically, the expiration date of the schedule to a date not later than the date upon which the emergency temporary authority, or an extension thereof, expires.

This permission does not modify any outstanding formal order of the Commission, nor waive any of the requirements of its published rules relative to the construction and filing of schedule publications, except as herein authorized, nor modify any of the provisions of Part II of the Interstate Commerce Act, except as to notice.

Subpart D—Released Rates

§ 1307.200 Released rates on certain articles.

(a) *Authority for, and manner of, establishment.* All motor carriers and their duly authorized agents or the duly accredited successors of such agents are authorized to establish and maintain by filing and posting in the manner prescribed in sections 217 and 218 of Part II of the Interstate Commerce Act, truckload and less-than-truckload classification and exception ratings for carpets and carpeting; graphite crucibles; hides, pelts, or skins, not dressed nor tanned; household goods; jewelers' sweepings; leather scrap; leatherboard scrap; ores not otherwise indexed in the classification; painting and pictures; pottery, chinaware, earthenware, porcelainware or stoneware, not otherwise indexed in the classification; printed matter; silk, raw, spun, schappe, or thrown, including organzine, singles, tram, warp, or yarns; watches and clocks dependent upon the released value of the property declared by the shipper in writing, or agreed upon in writing in the following manner:

(1) Carpets or carpeting:

Rugs, N.O.I., value declared in writing by the shipper, or agreed upon in writing as the released value of the property in accordance with the following (see Note 2):

If not exceeding $125.00 per 100 pounds, in burlapped bales or rolls, or in boxes, or wrapped bundles (see Note 1)-------

If exceeding $125.00 per 100 pounds, and not exceeding $200.00 per 100 pounds, in boxes (see Note 1)----------

If exceeding $200.00 per 100 pounds, and not exceeding $300.00 per 100 pounds (see Note 1)

If exceeding $300.00 per 100 pounds, in boxes (see Note 1)----------

NOTE 1: The value declared in writing by the shipper, or agreed upon in writing as the released value of the property, as the case may be, must be entered on shipping order and bill of lading as follows:

The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding------per 100 pounds.

NOTE 2: If consignor declines to declare the value, or agree to release value in writing, shipment will not be accepted.

(2) Hides, pelts, or skins, not dressed nor tanned:

Hides, pelts, or skins, not dressed nor tanned, N.O.I.:

Dry (see Note), in packages:

Released to value not exceeding $1.50 per pound--------

Released to value exceeding $1.50 per pound but not exceeding $5.00 per pound------

Released to value exceeding $5.00 per pound but not exceeding $7.50 per pound--------

If declared or released value exceeds $7.50 per pound or shipper declines to declare or release value, Not Taken.

NOTE: The value declared in writing by the shipper or agreed upon in writing as the released value of the property, as the case may be, must be entered on shipping order and bill of lading as follows:

The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding ------ per pound for each article.

If consignor declines to declare value or agree to released value in writing, the shipment will not be accepted.

(3) Household goods:

Household goods, as described in Note 2, prepaid, each article released in value in accordance with the following (see Note 1):

Released to value not exceeding 10 cents per pound----------

Released to value exceeding 10 cents but not exceeding 20 cents per pound------

Released to value exceeding 20 cents but not exceeding 50 cents per pound-------

Released to value exceeding 50 cents but not exceeding $2.00 per pound ------

Released to value exceeding $2.00 but not exceeding $5.00 per pound --------

NOTE 1: If consignor declines to release each article in the shipment to a value not exceeding $5.00 per pound, the shipment will not be accepted.

The released value, which shall be deemed to relate to each article separately and not to the shipment as a whole, must be entered

on shipping order and bill of lading in the following form:

The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding ------ per pound.

NOTE 2: Ratings on household goods apply only on second-hand (used) household or personal effects such as clothing, furniture or furnishings for residence, with not to exceed one piano. Ratings do not apply on articles specifically named in Rule 3 of the classification nor on goods shipped for sale or speculation.

(4) Jewelers' sweepings:

Jewelers' sweepings, value declared in writing by the shipper, or agreed upon in writing as the released value of the property, in accordance with the following (see Note):

Wet, in water-tight barrels, value not exceeding 10 cents per pound --------
Wet, in water-tight barrels, value exceeding 10 cents per pound but not exceeding 40 cents per pound --------
Dry, in barrels, value not exceeding 10 cents per pound --------
Dry, in barrels, value exceeding 10 cents per pound but not exceeding 40 cents per pound --------
If value exceeds 40 cents per pound, or if consignor declines to declare value or agree to released value in writing, shipment will not be accepted.

NOTE: The value declared in writing by the shipper, or agreed upon in writing as the released value of the property, as the case may be, must be entered on the shipping order and bill of lading as follows:

The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding -------- cents per pound.

(5) Leather:

Leather scrap, value declared in writing by the shipper, or agreed upon in writing, as the released value of the property, in accordance with the following, in packages (see Notes 1 and 2):

If not exceeding 3½ cents per pound -----
If exceeding 3½ cents per pound --------

NOTE 1: The value declared in writing by the shipper, or agreed upon in writing as the released value of the property, as the case may be, must be entered on the shipping order and bill of lading, as follows:

The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding -------- cents per pound.

If the consignor declines to declare value or agree to released value in writing, the shipment will not be accepted.

NOTE 2: Ratings apply only on old, worn-out leather articles, other than belting, boots or shoes, or on scraps of old (used) leather, or on tanners' tearoffs or rough roundings, or on leather refuse from manufacture of leather or leather goods, and do not apply on bellies, heads, shanks, or shoulders, nor on leather cut or stamped into forms, shapes, or strips.

(6) Leatherboard scrap:

Leatherboard scrap, value declared in writing by shipper, or agreed upon in writing as the released value of the property, in accordance with the following (see Note):

If not exceeding 3½ cents per pound, in packages ------
If exceeding 3½ cents per pound, in packages --------

NOTE: The value declared in writing by the shipper, or agreed upon in writing as the released value of the property, as the case may be, must be entered on the shipping order and bill of lading as follows:

The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding ---------- cents per pound.

If consignor declines to declare value or agree to released value in writing, the shipment will not be accepted.

(7) Ores:

Ores, N. O. I., value declared in writing by the shipper, or agreed upon in writing as the released value of the property, in accordance with the following (see Note):

If value does not exceed 5 cents per pound, in bags, barrels or boxes------
If value exceeds 5 cents per pound but does not exceed 40 cents per pound, in bags, barrels or boxes------
If value exceeds 40 cents per pound but does not exceed $1.00 per pound, in bags, barrels or boxes------
If value exceeds $1.00 per pound, in bags, barrels or boxes------

If consignor declines to declare value or agree to released value in writing, shipment will not be accepted.

NOTE: The value declared in writing by the shipper, or agreed upon in writing as the released value of the property, as the case may be, must be entered on shipping order and bill of lading as follows:

The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding------ per pound.

(8) Paintings or pictures:

Paintings or pictures, N.O.I., value declared in writing by the shipper, or agreed upon in writing as the released value of the property, in accordance with the following (see Note):

If value does not exceed 50 cents per pound, in boxes------
If value exceeds 50 cents per pound and does not exceed $2.00 per pound, in boxes------
If value exceeds $2.00 per pound and does not exceed $5.00 per pound, in boxes------
If declared or released value exceeds $5.00 per pound, Not Taken.

If consignor declines to declare value or agree to released value in writing, the shipment will not be accepted.

NOTE: The value declared in writing by the shipper or agreed upon in writing as the released value of the property, as the case may be, must be entered on shipping order and bill of lading as follows:

The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding---------- per pound.

(9) Pottery:

Chinaware, earthenware, porcelainware or stoneware, N.O.I.

Released to value not exceeding $20.00 per 100 pounds (see Note 1):
In baskets with solid wooden covers (see Note 2), or in barrels, boxes or crates, or in salesmen's sample trunks, locked, or in trunks in crates------
Not released to value of $20.00 per 100 pounds:
In baskets with solid wooden covers (see Note 2), or in barrels, boxes or crates, or in salesmen's sample trunks, locked, or in trunks in crates------

NOTE 1: The released value must be entered on shipping order and bill of lading in the following form:

The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding $20.00 per 100 pounds.

NOTE 2: Ratings apply on shipments packed in hay or straw in closely woven stave shipping baskets with 2 hoops not less than ¼ inch thick, clinch nailed, further reinforced with 3 metal straps not less than ½ inch wide running outside the 3 staves and fastened to the hoops. Cover must be made of closely fitting boards not less than ½ inch thick with cross-batten not less than ¾ x 5 inches, fitting under the wire handles and nailed.

(10) Printed matter, paper or paper board:

Printed matter having exchange value, such as sales coupons and certificates, prepaid (see Notes 1 and 2), in boxes or in chemically hardened fibre boxes or trunks, reinforced at all corners and edges with iron or steel bracing, covers secured by metal clasps and seals:

If value does not exceed 50 cents per pound------
If value exceeds 50 cents per pound and does not exceed $1.00 per pound------
If declared or released value exceeds $1.00 per pound, Not Taken.

If consignor declines to declare value or agree to released value in writing, the shipment will not be accepted.

NOTE 1: The value declared in writing by the shipper, or agreed upon in writing as the released value of the property, as the case may be, must be entered on shipping order and bill of lading, as follows:

The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding ---------- per pound.

NOTE 2: Sales coupons or certificates having exchange value may be included with shipments of merchandise at rates or ratings provided for the merchandise with which they are shipped, provided weight of the sales coupons or certificates does not exceed 1 percent of gross weight of shipment. Under the terms of this note, released ratings will not apply on sales coupons or certificates accompanying merchandise to the extent stated.

(11) Silk:

Silk, value declared in writing by the shipper, or agreed upon in writing as the released value of the property, in accordance with the following:

Raw (see Note):
If value does not exceed $1.00 per pound, in bags, bales or boxes------
If value exceeds $1.00 per pound, in bags, bales or boxes------

If consignor declines to declare value or agree to released value in writing, shipment will not be accepted.

Spun, schappe or thrown, including organzine, single, tram, warp or yarns (see Note):

If value does not exceed $1.00 per pound, in bags, bales or boxes or on wrapped beams in crates------
If value exceeds $1.00 per pound, in bags, bales or boxes, or on wrapped beams in crates------

If consignor declines to declare value or agree to released value in writing, shipment will not be accepted.

NOTE: The value declared in writing by the shipper, or agreed upon in writing as the released value of the property, as the case may be, must be entered in shipping order and bill of lading, as follows:

The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding------ per pound.

(12) Watches, clocks:

Watches, clocks, value declared in writing by the shipper or agreed upon in writing as the released value of the property, in accordance with the following (see Note):
If value does not exceed $1.00 each, in boxes------
If value exceeds $1.00 each, in boxes------
If consignor declines to declare value or agree to released value in writing, the shipment will not be accepted.

NOTE: The value declared in writing by the shipper, or agreed upon in writing as the released value of the property, as the case may be, must be entered on shipping order and bill of lading as follows:
The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding ------ per clock watch.

(13) Graphite articles:

Graphite (black lead or plumbago) articles:
Crucibles, packed in excelsior, hay, straw, or similar material:
Value declared in writing by the shipper, or agreed upon in writing as the released value, if exceeding 5 cents per pound (see Note) ------
Value declared in writing by the shipper, or agreed upon in writing as the released value, if not exceeding 5 cents per pound (see Note) ------

NOTE: The value declared in writing by the shipper or agreed upon in writing as the released value of the property, as the case may be, must be entered on shipping order and bill of lading as follows:
The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding ------ cents per pound.

If consignor declines to declare value or agree to released value in writing of crucibles packed in excelsior, hay, straw or similar packing material, but not braced, the shipment will not be accepted.

(b) *Changes.* Changes may be made in any rating and container or packing specification established under authority of this section, but no change in commodity description or in the released valuations upon which the ratings are dependent may be made without specific authority of the Commission.

(c) *Lawfulness of rates.* The Commission does not hereby approve the lawfulness, except under sections 20(11) and 219 of the Interstate Commerce Act, of any ratings or valuations which may be filed under this authority.

(d) *Authority to be shown in tariff.* The ratings dependent upon released value filed under the authority of this section shall show in connection therewith the following notation:

Ratings herein based on released value have been authorized by the Interstate Commerce Commission in Released Rates Order No. MC-1 of January 16, 1936, as amended October 20, 1948, subject to complaint and suspension.

(Secs. 20, as amended; 24 Stat. 386, as amended, 204, 217, as amended, 218, as amended, 219, as amended; 49 Stat. 546, as amended, 560, as amended, 561, as amended, 563, as amended; 49 U.S.C. 20, 304, 317, 318, 319)

§ 1307.201 Released rates on household goods.

(a) *Establishment authorized; rate bases.* Subject to the conditions specified in succeeding paragraphs of this section, each motor common carrier authorized to perform the specialized service of a household goods carrier be, and it is hereby, authorized to establish and maintain by filing and posting in the manner required by the Interstate Commerce Act, commodity rates for the transportation in interstate or foreign commerce, and charges for accessorial services in connection therewith, of household goods, as defined by the Commission, said rates and charges to be applicable only when the value of the property as declared by the shipper in writing, or agreed upon in writing as the released value thereof is as follows:

Released values and liability limitations	Transportation rate basis	Storage in transit rate basis
Released to a value not exceeding 60 cents per pound per article for the actual weight of any article or articles in a shipment.	Base transportation rate	Base storage rate.
Released to a declared lump sum value for an entire shipment. However, if the value declared is less than $1.25 times the actual weight (in pounds) of the shipment, such declaration will be ineffective, and the shipment will be deemed instead to have been released to a declared lump sum value equal to $1.25 times the actual total weight (in pounds) of the shipment.	Base transportation rate plus a valuation charge of 50 cents for each $100, or fraction thereof, of the released value of the entire shipment. On shipments destined to a point in Mexico and picked up prior to Dec. 31, 1968, the valuation charge will be $1.50 for each $100, or fraction thereof of the released value of the entire shipment.	110 percent of the base storage rate for the first 60-day period of storage. Thereafter, 110 percent of the base storage rate for each storage period of 30 days, or fraction thereof.

No rule of coresponsibility may be employed to reduce the liability of the carrier for loss, damage, or delay to the property. The total parts comprising any article knocked down or taken apart for handling or loading shall constitute one article for the purpose of determining the carrier's liability as provided above.

(b) *Changes in rates or released valuations.* Changes may be made in the rates or charges established under the authority of this order but the released values provided in this section may not be decreased, nor may the value charges as specified in this section be increased without specific authority of the Commission.

(c) *Statement on bills of lading.* The bill of lading issued for any shipment accepted for transportation and storage at released rates and charges established and maintained under authority of this order, shall have printed in distinctive color in boldface, type on the face thereof a statement reading as follows:

Unless the shipper expressly releases the shipment to a value of 60 cents per pound per article, the carrier's maximum liability for loss and damage shall be either the lump sum value declared by the shipper or an amount equal to $1.25 for each pound of weight in the shipment, whichever is greater.

The release of value must be entered in the following form directly below and immediately following the foregoing statement, and must be completed only by the person signing it.

The shipment will move subject to the rules and conditions of the carrier's tariff. Shipper hereby releases the entire shipment to a value not exceeding------

------
(To be completed by the person signing below)

NOTICE: The shipper signing this contract must insert in the space above, in his own handwriting, either his declaration of the actual value of the shipment, or the words, "60 cents per pound per article." Otherwise, the shipment will be deemed released to a maximum value equal to $1.25 times the weight of the shipment in pounds.

(Shipper)

(Date)

(d) *Statement in tariffs.* Tariffs containing rates or charges established under authority of this order shall specifically provide the carrier's maximum liability for loss of or damage to property shall be the lump sum value declared or an amount equal to $1.25 times the weight of the shipment in pounds, whichever is greater, unless the shipper expressly releases the shipment to a value of 60 cents per pound per article, in which case the carrier's liability shall not exceed that value. Tariffs shall provide that in the event shipper does not declare a lump sum value or release the shipment to a value of 60 cents per pound per article the shipment will be deemed released to a lump sum value equal to $1.25 times the total weight of the shipment (in pounds). No rule of coresponsibility may be employed. Such tariffs shall show the following notation:

Rates or charges herein based on released value have been authorized by the Interstate Commerce Commission in Released Rates Order No. ------ of ---------- subject to complaint or suspension.

(e) *Limitation of authority.* This section does not constitute authority for the establishment of released rates or charges on any description of traffic other than herein specifically indicated, nor on traffic originating in an adjacent foreign country destined to points in the United States.

(f) *Lawfulness of rates.* The Commission does not hereby approve the lawfulness, except under sections 20(11) and 219 of the Interstate Commerce Act, of any rate or charge which may be filed under authority of this section.

(Secs. 204, 219, as amended, 220, as amended, 49 Stat. 546, 563; 49 U.S.C. 304, 319, 320)

§ 1307.202 Released ratings; household goods.

(a) *Establishment.* All common carriers of property by motor vehicle and all freight forwarders, their duly authorized agents or the duly accredited successors to such agent, who have been or who may hereafter be, granted authority by the Commission to transport household goods in interstate or foreign commerce, be, and they are hereby, authorized to establish and maintain by filing and posting in the manner prescribed in the Interstate Commerce Act, classification ratings and exceptions ratings for household goods dependent upon the value declared in writing by the shipper or agreed upon in writing, as the released value of the property, as follows:

	Less than truckload	Truckload or volume
Household goods, as described in note 1 below, prepaid. Each article released in value in accordance with the following, see note 2.		
Released value not exceeding 10 cents per pound	1	2-3-3
Released to value exceeding 10 cents but not exceeding 20 cents per pound	1¼	1-3-3
Released to value exceeding 20 cents but not exceeding 50 cents per pound	1½	1¼-2-2
Released to value exceeding 50 cents but not exceeding $2 per pound	D1	1½-1-1
Released to value exceeding $2 but not exceeding $5 per pound	3t1	D1-1½-1½

NOTE 1: Ratings on household goods apply only on second-hand (used) household or personal effects such as clothing, furniture or furnishings for residences with not to exceed one piano; and with each truckload or volume shipment there may also be included not to exceed one second-hand (used) freight (not driving trucks for freight vehicles or fire apparatus) or passenger automobile, or one second-hand (used) motorcycle. Ratings do not apply on articles specifically named in

(insert here reference to the rule in the classification or

exceptions which names articles of extraordinary value

not accepted for transportation.)

nor on goods shipped for sale or speculation.

Articles not included in the above description will be subject to their less-than-truckload ratings if shipped with household goods.

NOTE 2: If consignor declines to release each article in the shipment to a value not exceeding $5 per pound, the shipment will not be accepted.

The release, which shall be deemed to relate to each article separately and not to the shipment as a whole, must be entered on shipping order and bill of lading in the following form:

"The agreed or declared value of each article in this shipment is hereby specifically stated by the shipper to be not exceeding.....per pound."

(b) *Changes in ratings or released valuations.* Changes may be made in any ratings or packing specifications established under the authority of this order, but the commodity description may not be broadened to embrace other articles nor may any change be made in the released valuation upon which the ratings are dependent without the specific authority of the Commission.

(c) *Authority for released ratings must be shown in tariff.* Tariffs containing released ratings filed under authority of this order shall show in connection therewith the following notation:

Ratings herein based on released value have been authorized by the Interstate Commerce Commission in Released Rates Order No. MC-314, FF-56, of September 14, 1950 subject to complaint or suspension.

(d) *Notation required on receipt or bill of lading.* The value declared or agreed upon by the shipper as the released value shall be stated in each bill of lading or receipt issued for property accepted for transportation at the released ratings herein authorized to be established and maintained.

(e) *Carriers and freight forwarders affected.* This order does not constitute authority for the establishment of released ratings on any description of traffic or over the line of any carrier or freight forwarder other than as herein specifically indicated.

(f) *Lawfulness of ratings.* The Commission does not hereby approve the lawfulness, except under sections 20 (11), 219 and 413 of the Interstate Commerce Act, of any ratings which may be filed under authority of this order.

(g) *Application denied in other respects.* The said application, insofar as it requests authority other than that granted by paragraphs (a) to (f) of this section is hereby denied.

(Secs. 403, 405, 413, 56 Stat. 285, 287; 49 U.S.C. 1003, 1005, 1013)

PART 1308—FREIGHT TARIFFS AND SCHEDULES OF WATER CARRIERS

Subpart A—Tariffs of Common Carriers

Sec.

1308.0 General provisions; definitions.
1308.1 Construction and filing.
1308.2 Indication of changes.
1308.3 Title pages.
1308.4 Contents.
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1308.7 Applications for special permission.
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1308.9 Letters of transmittal.
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1308.11 Rejection of tariffs and notices of revocation.

Subpart B—Schedules of Contract Carriers

1308.100 General provisions; definitions.
1308.101 Construction and filing.
1308.102 Indication of changes.
1308.103 Title pages.
1308.104 Contents.
1308.105 Changes in schedules.
1308.106 Posting regulations.
1308.107 Applications for special permission.
1308.108 Rejection of tariffs or schedules.

AUTHORITY: The provisions of this Part 1308 issued under secs. 304, 306, 54 Stat. 933, 935; 49 U.S.C. 904, 906.

NOTE: This part is applicable to the construction and filing of tariffs and schedules of minimum rates covering the transportation of property by water which was not subject to the jurisdiction of the Federal Maritime Commission or the Interstate Commerce Commission prior to January 1, 1941. Where water common carriers of property elect to file tariffs conforming to the provisions of Part 1300 of this chapter, the provisions of Subpart A of this part do not apply.

CROSS REFERENCE: For other regulations applicable to the construction and filing of tariffs and schedules of water carriers of property subject to the Interstate Commerce Act, see Part 1300 of this chapter.

Subpart A—Tariffs of Common Carriers

§ 1308.0 General provisions; definitions.

(a) *Definitions*—(1) *Tariff.* The term "tariff" as used in this part means a publication stating the rates, charges, and classification of a common carrier, and the rules and regulations which apply in connection therewith.

(2) *Towage.* The term "towage" means the service of towing, pushing or otherwise propelling another vessel (loaded or empty) the property of another, but does not include towage performed for another carrier, common or contract, subject to the Interstate Commerce Act, when the transportation being performed is subject to that act.

(b) *Conformation to regulations, etc.* All tariffs applicable on traffic subject to the regulations in this subpart must conform to all of their provisions, except as otherwise authorized by the Commission. They shall state and arrange the rates, charges, rules, and regulations clearly and explicity in such manner that there will be no doubt of their proper application. Carriers or their agents may not publish rates or provisions which duplicate or conflict with rates or provisions published by or for account of such carriers. Tariffs governed by the regulations in this subpart must not contain:

Joint water-rail rates;
Joint water-motor rates;
Joint water-rail-motor rates;
Passenger fares;
Contract carrier rates or charges.

§ 1308.1 Construction and filing.

(a) (1) All tariffs and supplements thereto shall be in book or pamphlet form, of size 8 inches wide by 11 inches long, and shall be plainly printed on paper of durable quality, from type of size not smaller than 8-point (full face), except that 6-point (full-face) type may be used for explanation of reference marks. The term "printed" inculdes reproduction by stereotype, mimeograph, planograph, or other similar durable process. All copies posted and filed must be clear and legible in all respects.

(2) No erasure or other alteration shall be made in any tariff or supplement thereto.

(3) A margin of not less than five-eighths of an inch without any printing thereon shall be allowed at the binding edge of each tariff or supplement. No advertising matter shall be included in any tariff or supplement thereto.

(4) All tariffs of each carrier or agent shall be numbered consecutively. Carriers or agents not now filing with this Commission should commence with I.C.C. No. 1, and others should continue their present series of numbers. If a carrier files both contract carrier schedules and common carrier tariffs, only one series of numbers should be used.

(5) Tariffs shall have each page thereof numbered.

(6) When portions of a tariff or of a supplement thereto are designated as Items, they must be given numbers.

(b) All tariffs and supplements (except as provided in paragraph (c) of this section) must be filed and posted at least 30 days prior to the effective date thereof, unless otherwise authorized by the Commission.

(c) Tariffs published to become effective on the date on which section 306(a) of the Interstate Commerce Act becomes effective, but not thereafter, may be filed and posted upon not less than one day's notice, that is, at least one day prior to the effective date thereof. All subsequent publications must comply with paragraph (b) of this section.

(d) Issuing carriers or their agents shall file with the Commission two copies of each tariff or supplement. Both copies shall be included in one package accompanied by a letter of transmittal (see § 1308.9) listing all publications enclosed, and shall be addressed to the "Interstate Commerce Commission, Section of Tariffs, Washington, D.C. 20423." All postage or other charges must be prepaid.

§ 1308.2 Indication of changes.

All tariffs and supplements shall indicate the changes from preceding issues by use of the following symbols:

† or (R) to denote reductions.
♦ or (A) to denote increases.
▲ or (C) to denote changes, the result of which is neither an increase nor a reduction.

§ 1308.3 Title pages.[1]

The title-page of each tariff and supplement shall show in the order named:

(a) In the upper right-hand corner, the I.C.C. number of the tariff.

(b) When a tariff is issued canceling a tariff or tariffs previously filed, the I.C.C. number or numbers of the tariff or tariffs canceled in the upper right-hand corner immediately under the I.C.C. number of the new tariff. Example:

I.C.C. No. 2
cancels
I.C.C. No. 1

(c) Supplements, in addition to showing the I.C.C. number of the tariff amended thereby, shall be numbered consecutively beginning with No. 1 and such information shall be shown in the upper right-hand corner. Supplements shall also show in the upper right-hand corner the number of any previous supplement canceled thereby and also the numbers of the effective supplements containing all changes from the tariff. Example:

Supplement No. 3
to
I.C.C. No. 1
cancels Supplement No. 2
Supplements Nos. 1 and 3 contain all changes

(d) The name of the carrier or agent issuing the tariff in the upper central portion of the title-page. The name of the carrier shall be the same as that used in its application for a certificate or in the certificate when issued. If the carrier is not a corporation and a trade name is used, the name of the individual or partners shall precede the trade name. Example:

John Doe and William Doe
doing business as
A.B.C. Transportation Co.

(e) The character of the tariff; for example, whether local or joint or both; whether class, commodity, or a combination of both.

(f) A brief description of the territories in which, or points from and to which, or between which the rates or charges in the tariff apply.

(g) A reference by name and I.C.C. number to any governing classification, exceptions thereto, or other governing publication which is separately published, posted, and filed (see § 1308.4 (f) and (g)). Example:

Governed, except as otherwise provided herein, by the ratings, rules, regulations, packing specifications, and minimum weights of _____ Classification _____, I.C.C. No. ____, supplements thereto and reissues thereof.

In tariffs containing no class rates the word "ratings" should be omitted.

(h) On the lower left side of the title-page, the date of issue; on the right side, opposite the date of issue, the effective date. If the publication contains rates, rules, or regulations effective upon a date different from the general effective date of the publication, notation must be made in connection with the effective date reading, "(Except as otherwise provided herein)" or "(Except as provided in Item ____)" or "(Except as provided on page ____)."

(i) On every tariff or supplement in which all the rates, charges, rules, or regulations are made effective on less than 30 days' notice under authority of the Commission, notation that it is issued on ____ days' notice under authority of _____ (here show the authority).

(j) The name, title, and post office address of the individual, officer, or agent issuing the publication.

§ 1308.4 Contents.[1]

Tariffs shall contain in the order named:

(a) A table of contents, arranged in alphabetical order, showing the number of the item or page in or on which each subject may be found. If a tariff contains so small a volume of matter that its title-page or interior arrangement plainly discloses its contents, the table of contents may be omitted.

(b) A list of carriers participating in the tariff with reference to the form and number of the power of attorney or concurrence under which publication is made. If desired, this information may be shown on the upper central portion of the title-page of the tariff in connection with the name of the issuing carrier or agent.

(c) A complete index, alphabetically arranged, of all commodities specifically named on which rates, charges, ratings, rules, or regulations are published therein, together with reference to the numbers of the items or pages in or on which they are shown. No index will be required in tariffs of less than five pages or if the commodities are arranged in alphabetical order in the tables or rates and charges.

(d) A complete alphabetical index of all points from and to which rates or charges apply, together with the names of the States in which located and a reference to numbers of the items or pages in or on which the rates or charges from and to such points appear. If the points are arranged in alphabetical order in the rate items or tables, no index will be required.

(e) Explanation of all abbreviations, symbols, and reference marks used in the tariff.

(f) When a tariff names rates by classes, a classification of articles must be published in the tariff or in a separate tariff.

If the rate tariff is governed by a separately published classification, any exceptions to the ratings, rules or other provisions of the classification must be published in the rate tariff or in a separate tariff.

When a separate tariff is used for a Classification or an Exceptions to a Classification, reference must be made thereto on the title-page of the rate tariff in the manner indicated in § 1308.3 (g).

(g) (1) The rules and regulations which govern the rates or charges in the tariff. The title or subject of each rule or regulation shall be shown in distinctive type. Under this heading shall be shown all provisions which affect the charges for, or the value of, the service, such as separate charges for demurrage, loading or unloading, or similar services, or whether and to what extent the rates and charges in the tariff include separate services, such as loading, unloading, etc., and any other rules necessary to state plainly the arrangements sought to be established; except that special rules applying to particular rates or charges shall be shown in connection therewith, and on the same page.

(2) If desired, general rules and regulations may be published in a separate tariff, but reference must be made thereto on the title-page or in an appropriate item of the rate tariff, in the manner indicated in § 1308.3(g).

(h) The rates and charges explicitly stated (except as provided in paragraph (i) of this section) in cents, or in dollars and cents, per 100 pounds, per ton of 2,000 pounds, per ton of 2,240 pounds, or other unit of weight, or per barrel or other package, together with the names of the places from and to which they apply, arranged in a simple and systematic manner. Where rates or charges are stated in amounts per package, definite specifications of the packages must be shown.

[1] Paragraphs (a), (b), (c), (f), and (h) of this section need not be observed in tariffs containing only charges for towage.

(i) (Applies only to towage.) A clear statement of the rates and charges stated in cents, or in dollars and cents.

(j) Routing over which the rates apply, stated in such manner that such routes may be definitely ascertained.

§ 1308.5 Changes in tariffs.

(a) Unless otherwise authorized by the Commission, rates, charges, ratings, rules, and regulations which have been filed with the Commission must be permitted to become effective and remain in effect for a period of at least 30 days before being changed or canceled.

(b) A change in or addition to a tariff shall be published in a supplement to the tariff or in a reissue thereof. The matter in each supplement shall be arranged in the same general manner and order as in the tariff which it amends.

(c) A change published in a supplement shall cancel specifically the corresponding item or other matter of the tariff or prior supplement which is thereby changed. An item or other unit in its amended form must be published in its entirety.

(d) Any change in or cancelation of an item by supplement must be under the same item number with letter suffix; for example: Item 40–A cancels Item 40; Item 40–B cancels Item 40–A; and so on.

(e) Matter brought forward without change from one supplement to another, must be designated "Reissued" and show the original effective date and the number of the supplement from which it is reissued. For example: "Reissued from Supplement No. ____, effective ____, 19__."

(f) Each tariff or supplement which consists partly but not wholly of matter established upon less than statutory notice shall show in connection with each change made effective on less than statutory notice a notation that such matter is issued on ____ days' notice under authority of _____ (here give specific reference to the special permission, decision, order, or other authority).

(g) A tariff containing the number of pages indicated under Column 1 may have in effect at any time not more than the number of supplements and the volume of supplemental matter shown opposite thereto in Columns 2 and 3, respectively. (See § 1308.10.)

Column 1	Column 2	Column 3
Pages	Supplements	Volume (number of pages)
1 but not more than 2	0	0
3 but not more than 4	1	2
5 but not more than 12	1	4
13 but not more than 16	1	6
17 but not more than 31	2	33⅓ percent of the number of pages in the tariff.
32 but not more than 80	3	
81 but not more than 200	4	
Over 200	5	

(1) *Tariffs of 13 or more pages.* When the number of pages in the supplement which brings the volume of matter up to that authorized in Column 3 is not evenly divisible by 4, that supplement may exceed the volume authorized to the extent of using additional pages within the next multiple of 4.

Example: A tariff of 87 pages is entitled to 4 effective supplements containing 29 pages of matter. If there are three effective supplements, two of which aggregate 20 pages and the other of which contains 4 pages, there are 5 more pages available. Since 5 is not evenly divisible by 4, the fourth effective supplement may contain 8 pages.

(2) *Tariffs of 32 or more pages.* One of the permitted supplements shall not contain in excess of 4 pages.

§ 1308.7 Applications for special permission.

(a) *Applications for short notice.* Applications for permission to publish rates, charges, ratings, rules, or regulations upon less than the 30 days' notice required by the Interstate Commerce Act shall be in form substantially as follows:

APPLICATION FOR SPECIAL PERMISSION

_____
(Name of carrier)

_____
(Address)

_____
(Date)

Application No. ____

INTERSTATE COMMERCE COMMISSION,
WASHINGTON D.C. 20423.

The (insert name of carrier) hereby petitions the Interstate Commerce Commission for permission under the Interstate Commerce Act to put in force the following rates, charges, ratings, rules, or regulations, to become effective ____ days after the filing thereof with the Interstate Commerce Commission.

_____

(Here state fully, either specifically or by reference to an accompanying exhibit, the rates, charges, ratings, rules, or regulations which it is desired to put into effect, the articles upon which they are to apply, and the points of origin and destination. If permission is sought to establish a rule or regulation the exact wording of the proposed rule or regulation must be shown.)

Your petitioner further represents that the said (rates, charges, etc., as the case may be) above specified will be published in tariff I.C.C. No. ____ (or in a consecutively numbered supplement to I.C.C. No. ____) and will supersede and take the place of the (rates, charges, etc., as the case may be) on like traffic from and to the points above named as set forth in tariff I.C.C. No. ____ (or supplement) on file with the Commission

_____

(Here state, either specifically or by reference to an accompanying exhibit, the present rate, rule, etc., together with the I.C.C. number of the tariff in which published.)

_____

(Here state the names of competing carriers that publish rates, rules, etc., on the commodity or commodities covered by the application between the same points and the date under which they have been notified of the changes proposed by the application. If competing carriers have expressed their views in regard to the proposal a brief statement of views shall be given.)

_____

(Here state the basis on which the proposed rates are constructed.)

Your petitioner bases such request upon the following facts, which present certain special circumstances and conditions justifying the request herein made:

_____

(Here state fully all circumstances and conditions which are relied upon as justifying the application and which may aid the Commission in determining the question presented. If short notice is requested, state why the change was not established upon statutory notice.)

_____
(Name of carrier)

Subscribed and sworn to before me this
(Only the original need be executed)
____ day of _____, 19__.

_____,
Notary Public.

(b) *Applications for short notice and waiver of rules.* Where permission is sought to publish upon less than 30 days' notice and also to depart from one or more of the Commission's rules as to publishing or posting tariffs, the form set forth in paragraph (a) of this section shall be used, adding thereto the numbers of the rules, and the reasons waiver is sought.

(c) *Applications for waiver of rules.* Applications for waiver of rules not involving publication on less than 30 days' notice need not be made on any specified form but shall contain a list of the rules waiver of which is sought and the reasons therefor.

(d) Three copies of applications, including amendments thereto and exhibits made a part thereof, shall be addressed to "Secretary, Interstate Commerce Commission, Washington, D.C. 20423." Such applications shall give all the information required, together with any other pertinent facts, shall be made on paper 8 by 10½ inches, and shall be numbered consecutively. Carriers or agents not now filing with this Commission should commence with No. 1, and others should continue their present series of numbers.

(e) (1) Applications must be filed in the correct legal name of the carrier whether an individual, a partnership or a corporation, and must be signed by a duly authorized representative.

(2) When an application is filed by an agent, appropriate change should be made in the introductory paragraph to indicate that it is filed for and on behalf of all carriers participating in the tariff or tariffs covered by the application and shall be signed by said agent.

(f) A desire to meet the rates of a competing carrier which has given statutory notice of change will not of itself be regarded as good cause for permitting changes to be published on less than statutory notice.

§ 1308.8 Powers of attorney and concurrences.

(a) A carrier may give authority to an agent to issue and file tariffs and supplements thereto in its stead, by executing a power of attorney in the following form, size 8 by 10½ inches:

POWER OF ATTORNEY

FX 10 No. _____
Cancels FX 10 Nos. _____

_____
(Name of Carrier) (See Notes 1 and 3, § 312.8 (g).)

_____
(Post office address)

_____, 19__.

Know all men by these presents:

That _____ has
(Name of carrier) (See Notes 1 and 3, § 1308.8(g))
(have) made, constituted and appointed, and by these presents does (do) make, constitute and appoint _____ its
(Name of principal agent)
(their) attorney and agent to publish and file for it (them) freight tariffs and supplements thereto, as permitted or required of common carriers of property by water under the Interstate Commerce Act and the Regulations of the Interstate Commerce Commission issued pursuant thereto, and does (do) hereby ratify and confirm all that the said attorney and agent may lawfully do by virtue of the authority herein granted, and does (do) hereby assume full responsibility for the acts and failures to act of said attorney and agent.

That the authority herein granted shall extend until revoked and shall cover all territories and all rates or charges, except as hereinafter stated:

If limited as to time, traffic, or territories, here state the period of time, the traffic and the territory covered.

If the authority runs only to a particular tariff, state its I.C.C. number, the date of issue and effective date if known, and a brief description of its application. If intended also to include reissues thereof, so state.

And, further, That _____ does (do)
(Name of carrier) (See Notes 1 and 3, § 1308.8(g))
hereby make, constitute and appoint _____ _____ alternate at-
(Name of alternate agent)
torney and agent to do and perform the same acts and exercise the same authority herein granted to _____
(Name of principal agent)
in the event, and only in the event, of the death or disability of _____
(Name of principal agent)
and does (do) hereby ratify and confirm all that the said alternate attorney and agent may lawfully do by virtue of the authority herein granted and does (do) hereby assume full responsibility for the acts and failures to act of said alternate attorney and agent.

_____
(Name of carrier) (See Notes 1, 2, 3, § 1308.8(g))
By _____
(See Note 2, § 1308.8(g))
Title _____
Attested:
_____
Title _____
(Corporate Seal, if any)

(b) Whenever a carrier desires to concur in tariffs issued and filed by another carrier, a concurrence in the following form, size 8 by 10½ inches, shall be issued in favor of such other carrier. A concurrence may not be used to publish the local rates of another carrier.

CONCURRENCE

FX 11 No. _____
Cancels FX 11 No. _____

_____
(Name of carrier) (See Notes 1, and 3, § 1308.8(g))
_____
(Post office address)
_____, 19__

To the INTERSTATE COMMERCE COMMISSION, SECTION OF TARIFFS, WASHINGTON, D.C. 20423.

This is to certify that _____
(Name of carrier) (See Notes 1 and 3, § 1308.8(g))
assents to and concurs in the publication and filing of tariffs and supplements thereto which _____ may
(Name of carrier to whom concurrence is given)
publish and file and in which this carrier is shown as a participating carrier and hereby makes itself a party thereto and bound thereby until this instrument is revoked, as follows:

Here state whether the concurrence includes all tariffs or supplements issued by the carrier to whom the concurrence is given, whether and to what extent it is limited to particular rates, charges, ratings, rules, or regulations, or to traffic to, from, at, or via its line, or whether it is limited to a specific tariff (in which event state its I.C.C. number, the date of issue and effective date if known, and a brief description of its application). If intended also to include reissues thereof, so state.

_____
(Name of carrier) (See Notes 1, 2, and 3, § 1308.8(g))
By _____
(See Note 2, § 1308.8(g))

(c) A power of attorney or concurrence may be revoked only upon not less than sixty days' notice to the Commission by filing a notice of revocation with the Commission and serving, at the same time, a copy thereof on the agent or carrier in whose favor the power of attorney or concurrence was executed. Such revocation notice shall be in the following form on paper of size 8 by 10½ inches and shall specify a date upon which the revocation is to become effective, which must be not less than sixty days subsequent to the date of its receipt by the Commission. A revocation notice must be signed and otherwise executed in the same manner as the form which it revokes. (See Note 2, paragraph (g) of this section.)

REVOCATION NOTICE

(Power of Attorney)

_____
(Name of Carrier) (See Notes 1 and 3, § 1308.8(g))
_____
(Post office address)
_____, 19__

Known all men by these presents:

Effective _____, 19__, power of attorney FX 10 No.____ issued by _____
(Name of carrier)
_____ in favor of
_____
(Here show name of agent (and alternate agent) in whose favor power of attorney was executed)
is hereby canceled and revoked.

_____
(Name of carrier) (See Notes 1, 2, and 3, § 1308.8(g))
By _____
(See Note 2, § 1308.8(g))
Title _____
Attested:
Title _____
(Corporate Seal, if any)
Duplicate mailed to _____ at _____
Date duplicate mailed _____

REVOCATION NOTICE

(Concurrence)

_____
(Name of Carrier)
(See Notes 1 and 3, § 1308.8(g))
_____
(Post office address)
_____, 19__

To the INTERSTATE COMMERCE COMMISSION, *Section of Tariffs, Washington, D.C. 20423.*

Effective _____, 19__, concurrence form FX 11 No. ____ issued by _____
(Name of carrier) in favor of _____
(Here show name of carrier in whose favor concurrence was issued) is hereby canceled and revoked.

_____
(Name of carrier) (See Notes 1, 2, and 3, § 1308.8(g))
By _____
(See Note 2, § 1308.8(g))
Title _____
Duplicate mailed to _____ at _____
Date duplicate mailed _____

(d) The original of all powers of attorney, concurrences and revocation notices shall be filed with the Commission and a duplicate thereof sent to the agent or carrier in whose favor the document is issued. Powers of attorney and concurrences shall be in separate series and numbered consecutively, commencing with No. 1 for each series. Revocation notices shall bear no serial number but shall specify the form and number of the instrument to be revoked.

(e) A carrier that grants authority to an agent or to another carrier to publish and file certain of its rates or provisions must not in its own issues publish rates or provisions which duplicate or conflict with those which are published by such authorized agent or other carrier, and must not grant duplicating or conflicting authority to another agent or carrier.

(f) All carriers parties to tariffs making reference to separate publications for classification ratings, exceptions thereto, rules, or other provisions affecting the rates or the services rendered, except such carriers as indicate by restrictions published in the tariffs making reference to such separate publications that they will not apply the provisions therein, shall also be participating carriers in such separate governing publications. This paragraph does not require participation in local terminal tariffs or tariffs containing other provisions which are local to the lines publishing such tariffs.

(g) Explanation of notes referred to in this section:

NOTE 1: In the blank space for the name of the carrier, there shall be shown, if the carrier is an individual, the individual name followed by the trade name, if any. If the carrier is a partnership, the correct names of all partners must be given, followed by the trade name, if any. If the carrier is a corporation, the correct corporate name must be used.

NOTE 2: Powers of attorney, concurrences and revocation notices shall be signed only with the individual name of the carrier, if the carrier is an individual, and shall be signed by all of the partners individually, if

a partnership. If the carrier is a corporation, a power of attorney shall be signed by the president or vice president, attested by the secretary, and the corporate seal affixed, and a concurrence shall be signed by any official of the company, provided his title is shown.

NOTE 3: In all cases the name of the carrier shall be identical with the name used in the application for a certificate or in the certificate when issued.

§ 1308.9 Letters of transmittal.

Letters of transmittal shall be on paper of size 8 by 10½ inches and in substantially the following form. They should be submitted in duplicate if a receipt is desired.

FORM OF LETTER OF TRANSMITTAL

(Name of carrier, or agent filing under power of attorney, in full)

Address _____
Date _____

Transmittal No. ____

To the INTERSTATE COMMERCE COMMISSION,
Section of Tariffs, Washington, D.C. 20423.

Accompanying publication or publications hereinafter designated are sent you for filing in compliance with the requirements of the Interstate Commerce Act.

I.C.C. No. _____ Supplement No. _____
Effective Date _____

_____
(Signature of filing officer or agent)

§ 1308.10 Periodical tariffs.

(a) A tariff may provide that it will be reissued periodically at specified times, not more than twelve months apart. Such tariff must bear on the upper left corner of the title page the notation:

This tariff will be reissued effective on or before _____, 19__.

(b) Supplements to such tariff may contain all amendments thereto without limit as to volume.

(c) Unless the date fixed for reissue of a particular tariff is strictly observed, future issues of that tariff may not be published under authority of this section.

§ 1308.11 Rejection of tariffs and notices of revocation.

(a) Any tariff or schedule, tendered for filing, which fails to give lawful notice of changes in rates, charges or other provisions which it proposes to establish, or which fails to meet the requirements of the regulations contained in this chapter, or violates any order of the Commission or of a court, is subject to rejection by the Commission. When a tariff or schedule is rejected, the Commission, acting through a designated administrative officer, will inform the carrier or the agent who tendered it for filing, in writing, of the reasons for rejection, and will return the rejected tariff or schedule to such carrier or agent.

(b) The number assigned to a tariff or schedule which has been rejected may not again be used. The rejected tariff or schedule may not be referred to in any subsequent tariff or schedule as having been canceled, amended or withdrawn, but the tariff or schedule which is published in its stead must bear the following notation: "Issued in lieu of (here identify the rejected schedule or tariff), rejected by the Commission."

(c) A notice of the revocation, complete or partial, of a concurrence or power of attorney which, if it were to become effective, would require the establishment of rates, fares, or charges in violation of an order of the Commission or of a court, or of the regulations in this chapter, may be rejected in the same manner as a tariff or schedule, and any such notice of revocation which would require the establishment of rates, fares or charges of doubtful lawfulness may be suspended.

Subpart B—Schedules of Contract Carriers

§ 1308.100 General provisions; definitions.

(a) *Conformation to regulations, etc.* All schedules filed must conform to the regulations in this subpart, except as otherwise authorized by the Commission. They shall state and arrange the rates, charges, rules, and regulations clearly and explicitly in such manner that there will be no doubt of their proper application. Common carrier rates and charges must not be included in schedules of contract carriers.

(b) *Definitions*—(1) *Schedule.* The term "schedule" as used herein means a publication of a contract carrier stating minimum rates and charges, and the rules or regulations which apply in connection therewith.

(2) *Minimum rates and minimum charges.* The terms "minimum rates" and "minimum charges" as used herein mean minimum rates or charges "actually maintained and charged" by a contract carrier by water for the transportation of property in interstate or foreign commerce.

(3) *Towage.* The term "towage" means the service of towing, pushing, or otherwise propelling another vessel (loaded or empty) the property of another person, but does not include towage under a charter arrangement as defined in subparagraph (4) of this paragraph, or towage performed for another carrier, common or contract, subject to the Interstate Commerce Act when the transportation being performed is subject to that act.

(4) *Charter arrangements.* The term "charter arrangements" means the furnishing for compensation, under a charter, lease, or other agreement, of a vessel, to a person other than a carrier subject to the act, to be used by such person in the transportation of his or its own property.

§ 1308.101 Construction and filing.

(a) (1) All schedules and supplements thereto shall be in book or pamphlet form, of size 8 inches wide by 11 inches long, and shall be plainly printed on paper of durable quality, from type of size not smaller than 8-point (full face), except that 6-point (full face) type may be used for explanation of reference marks. The term "printed" includes reproduction by stereotype, mimeograph, planograph, or other similar durable process. All copies posted and filed must be clear and legible in all respects.

(2) No erasure or other alteration shall be made in any schedule or supplement thereto.

(3) A margin of not less than five-eighths of an inch without any printing thereon shall be allowed at the binding edge of each schedule or supplement. No advertising matter shall be included in any schedule or supplement thereto.

(4) All schedules of each carrier shall be numbered consecutively beginning with I.C.C. No. 1. If any carrier files both contract carrier schedules and common carrier tariffs, only one series of numbers should be used.

(5) Schedules shall have each page thereof numbered.

(6) When portions of a schedule or of a supplement thereto are designated as items, they must be given numbers.

(b) All schedules and supplements (except as provided in paragraph (c) of this section) must be filed and posted at least 30 days prior to the effective date thereof, unless otherwise authorized by the Commission.

(c) Schedules published to become effective on the date on which section 306(e) of the Interstate Commerce Act becomes effective, but not thereafter, may be filed and posted upon not less than one day's notice, that is at least one day prior to the effective date thereof. All subsequent publications must comply with paragraph (b) of this section.

(d) Issuing carriers shall file with the Commission two copies of each schedule or supplement. Both copies shall be included in one package accompanied by a letter of transmittal (in duplicate if a receipt is desired) listing all publications enclosed, and shall be addressed to the "Interstate Commerce Commission, Section of Tariffs, Washington, D.C. 20423." All postage or other charges must be prepaid.

§ 1308.102 Indication of changes.

All schedules and supplements shall indicate the changes from preceding issues by use of the following symbols:

▼ or (R) to denote reductions.
♦ or (A) to denote increases.
▲ or (C) to denote changes, the result of which is neither an increase nor a reduction.

§ 1308.103 Title pages.

The title page of each schedule and supplement shall show in the order named:

(a) In the upper right-hand corner, the I.C.C. number of the schedule.

(b) When a schedule is issued canceling a schedule or schedules previously filed, the I.C.C. number or numbers of the schedule or schedules canceled in the upper right-hand corner immediately under the I.C.C. number of the new schedule. Example:

I.C.C. No. 2
cancels
I.C.C. No. 1

(c) Supplements, in addition to showing the I.C.C. number of the schedule

amended thereby, shall be numbered consecutively beginning with No. 1 and such information shall be shown in the upper right-hand corner. Supplements shall also show in the upper right-hand corner the number of any previous supplement canceled thereby and also the numbers of the effective supplements containing all changes from the schedule. Example:

Supplement No. 3
to
I.C.C. No. 1
cancels Supplement No. 2
Supplements Nos. 1 and 3 contain all changes

(d) The name of the carrier issuing the schedule in the upper central portion of the title-page. The name of the carrier shall be the same as that used in its application for a permit or in the permit when issued. If the carrier is not a corporation and a trade name is used, the name of the individual or partners shall precede the trade name. Example:

John Doe and William Doe
doing business as
A.B.C. Transportation Co.

(e) A brief description of the territories in which, or points from and to which, the minimum rates or charges in the schedule apply.

(f) On the lower left side of the title-page, the date of issue; on the right side, opposite the date of issue, the effective date. If the publication contains rates, rules, or regulations effective upon a date different from the general effective date of the publication, notation must be made in connection with the effective date reading, "(Except as otherwise provided herein)" or "(Except as provided in Item —)" or "(Except as provided on page—)."

(g) On every schedule or supplement in which all the rates, charges, rules, or regulations are made effective on less than 30 days' notice under authority of the Commission, there shall be shown a notation that it is issued on ____ days' notice under authority of _____ (here show the authority).

(h) The name, title, and post office address of the individual or officer issuing the publication.

§ 1308.104 Contents.[1]

Schedules shall contain in the order named:

(a) A table of contents arranged in alphabetical order showing the number of the item or page in or on which each subject may be found. If a schedule contains so small a volume of matter that its title-page or interior arrangement plainly discloses its contents, the table of contents may be omitted.

(b) A complete index, alphabetically arranged, of all commodities on which rates or charges are shown in the schedule, together with reference to the numbers of the items or pages in or on which they are shown. No index will be required in schedules of less than five pages or if the commodities are arranged in alphabetical order in the tables of rates or charges.

(c) A complete alphabetical index of all points from and to which rates or charges apply, together with the names of the States in which located and a reference to the numbers of the items or pages in or on which the rates or charges from and to such points appear. If the points are arranged in alphabetical order in the rate items or tables, no index will be required.

(d) Explanation of all abbreviations, symbols, and reference marks used in the schedule.

(e) Rules and regulations which govern the rates or charges in the schedule, including all provisions that affect the charge for, or the value of, the service, such as separate charges for demurrage, loading or unloading, or similar services, or whether and to what extent the rates and charges in the schedule include separate services such as loading, unloading, etc.

(f) An explicit statement of minimum rates and charges actually maintained and charged, stated (except as provided in paragraph (g) of this section) in cents, or in dollars and cents per 100 pounds, per ton of 2,000 pounds, per ton of 2,240 pounds, or other unit of weight. Where it is found impracticable to state rates or charges per unit of weight, units of measurement such as per cubic foot, or charges per barrel or other package, or per bargeload, may be used. Where rates are stated in amounts per package or per bargeload, definite specifications of the package or barge must be shown.

(g) (Applies only to towage and charter arrangements.) A clear statement of the minimum rates and charges actually maintained and charged, stated in cents, or in dollars and cents.

§ 1308.105 Changes in schedules.

(a) Unless otherwise authorized by the Commission, rates and charges which have been filed with the Commission must be permitted to become effective and remain in effect for a period of at least 30 days before being changed or canceled.

(b) A change in or addition to a schedule shall be published in a supplement to the schedule or in a reissue thereof. The matter in each supplement shall be arranged in the same general manner and order as in the schedule which it amends.

(c) A change published in a supplement shall cancel specifically the corresponding item or other matter of the schedule or prior supplement which is thereby changed. An item or other unit in its amended form must be published in its entirety.

(d) Any change in or cancellation of an item by supplement must be under the same item number with letter suffix; for example: Item 40–A cancels Item 40; Item 40–B cancels Item 40–A; and so on.

(e) Matter brought forward without change from one supplement to another, must be designated "Reissued" and show the original effective date and the number of the supplement from which it is reissued. For example: "Reissued from Supplement No. ____, effective _____, 19____."

(f) Each schedule or supplement which consists partly but not wholly of matter established upon less than statutory notice shall show in connection with each change made effective on less than statutory notice a notation that such matter is issued on ____ days' notice under authority of _____ (here give specific reference to the special permission, decision, order, or other authority).

§ 1308.106 Posting regulations.

Each carrier shall post in a public and conspicuous place at its principal place of business and at each other office at which an agent authorized to enter into contractual arrangements is located all of its schedules, including supplements thereto. Each said schedule and supplement shall be forwarded to the carrier's agent at the same time that it is forwarded to the Commission. Upon its receipt by the agent, there shall be written or stamped upon its title page the date upon which it is received. All schedules and supplements so posted shall be kept in an orderly manner and be open to public inspection and examination at all reasonable times.

§ 1308.107 Applications for special permission.

(a) *Applications for short notice.* Applications for permission to publish rates, charges, rules, or regulations upon less than the 30 days' notice required by the Interstate Commerce Act shall be in form substantially as follows:

APPLICATION FOR SPECIAL PERMISSION

_____
(Name of carrier)

_____
(Address)

_____
(Date)
Application No. _____

INTERSTATE COMMERCE COMMISSION,
WASHINGTON, D.C. 20423.

The (insert name of carrier) hereby petitions the Interstate Commerce Commission for permission under the Interstate Commerce Act to put in force the following minimum rates or charges (or rules or regulations), to become effective ____ days after the filing thereof with the Interstate Commerce Commission

_____

(Here state fully, either specifically or by reference to an accompanying exhibit, the rates, charges, rules, or regulations which it is desired to put into effect, the articles upon which they are to apply, and the points of origin and destination. If permission is sought to establish a rule or regulation the exact wording of the proposed rule or regulation must be shown)

Your petitioner further represents that the said (rates, charges, etc., as the case may be) above specified will be published in schedule I.C.C. No. ____ (or in a consecutively numbered supplement to I.C.C. No. ____) and will supersede and take the place of the (rates, charges, etc., as the case may be) on like traffic from and to the points above named as set forth in schedule I.C.C. No. ____

[1] Paragraphs (a), (b), and (f) of this section need not be observed in schedules containing only charges for towage or charter arrangements, and paragraph (c) need not be observed in schedules containing only charges for charter arrangements.

(or supplement) on file with the Commission.

(Here state, either specifically or by reference to an accompanying exhibit, the present rate, rule, etc., together with the I.C.C. number of the schedule in which published)

(Here state the names of competing carriers that publish rates, rules, etc., on the commodity or commodities covered by the application between the same points and the date under which they have been notified of the changes proposed by the application. If competing carriers have expressed their views in regard to the proposal, a brief statement of views shall be given.)

Your petitioner bases such request upon the following facts, which present certain special circumstances and conditions justifying the request herein made:

(Here state fully all circumstances and conditions which are relied upon as justifying the application and which may aid the Commission in determining the question presented. If short notice is requested, state why the change was not established upon statutory notice.)

(Name of carrier)

Subscribed and sworn to before me this ---- day of ---- 19--.

(Only the original need be executed)

Notary Public.

(b) *Applications for short notice and waiver of rules.* Where permission is sought to publish upon less than 30 days' notice and also to depart from one or more of the Commission's rules as to publishing or posting schedules, the form set forth in paragraph (a) of this section shall be used, adding thereto the numbers of the rules, and the reasons waiver is sought.

(c) *Applications for waiver of rules.* Applications for waiver of rules not involving publication on less than 30 days' notice need not be made on any specified form but shall contain a list of the rules waiver of which is sought and the reasons therefor.

(d) Three copies of applications, including amendments thereto and exhibits made a part thereof, shall be addressed to "Secretary, Interstate Commerce Commission, Washington, D.C. 20423." Such applications shall be made on paper 8 x 10½ inches, shall be numbered consecutively, beginning with No. 1, and shall give all the information required, together with any other pertinent facts.

(e) Applications must be filed in the correct legal name of the carrier whether an individual, a partnership or a corporation, and must be signed by a duly authorized representative.

§ 1308.108 Rejection of tariffs or schedules.

(a) Any tariff or schedule, tendered for filing, which fails to give lawful notice of changes in rates, charges or other provisions which it proposes to establish, or which fails to meet the requirements of the regulations contained in this chapter, or violates any order of the Commission or of a court, is subject to rejection by the Commission. When a tariff or schedule is rejected, the Commission, acting through a designated administrative officer, will inform the carrier or the agent who tendered it for filing, in writing, of the reasons for rejection, and will return the rejected tariff or schedule to such carrier or agent.

(b) The number assigned to a tariff or schedule which has been rejected may not again be used. The rejected tariff or schedule may not be referred to in any subsequent tariff or schedule as having been canceled, amended or withdrawn, but the tariff or schedule which is published in its stead must bear the following notation: "Issued in lieu of (here identify the repected schedule or tariff), rejected by the Commission."

PART 1309—TARIFFS AND CLASSIFICATIONS OF FREIGHT FORWARDERS

Sec.

1309.1 Form, publication and filing.
1309.2 Striking of motor carrier concurrences in joint forwarder-motor rates.
1309.3 Serial designation.
1309.4 Posting and filing at stations and offices.
1309.25 Released ratings; household goods.

AUTHORITY: The provisions of this Part 1309 issued under sec. 20, 24 Stat. 386, as amended, secs. 204, as amended, 217, as amended, 219, as amended, 49 Stat. 546, as amended, 560, as amended, 563, as amended, secs. 403, 405, 413, 56 Stat. 285, 287, 295; 49 U.S.C. 20, 304, 317, 319, 1003, 1005, 1013.

§ 1309.1 Form, publication and filing.

Tariffs of freight forwarders authorized under and required by the provisions of section 405 of the Interstate Commerce Act shall be constructed, published, and filed in accordance with the regulations which have been or may be adopted and promulgated in Tariff Circular No. 20, effective supplements thereto or successive issues thereof (see Part 1300 of this chapter) so far as the same may be applicable.

§ 1309.2 Striking of motor carrier concurrences in joint forwarder-motor rates.

All concurrences issued by motor common carriers of property which authorize freight forwarders to publish and file joint forwarder-motor rates pursuant to section 409(b) of the act and which have been filed with the Interstate Commerce Commission are hereby stricken from the Commission's files.

§ 1309.3 Serial designation.

Tariffs of freight forwarders shall bear the numerical serial designation "I.C.C. F.F. No. ----" instead of the designation prescribed in the tariff circular above indicated.

§ 1309.4 Posting and filing at stations and offices.

Each freight forwarder shall post and file at each of its stations or offices which is in charge of a person employed exclusively by the freight forwarder or by it jointly with another carrier and at which freight is received for transportation directly or through an agent, all of the tariffs containing rates, charges, classifications and rules or other provisions applying from, or at, such station or office. Each freight forwarder shall also maintain at its principal or general office a complete file of all tariffs issued by it or its agents. All such tariffs shall be kept open to public inspection.

§ 1309.25 Released ratings; household goods.

(a) *Establishment.* All common carriers of property by motor vehicle and all freight forwarders, their duly authorized agents or the duly accredited successors to such agent, who have been, or who may hereafter be, granted authority by the Commission to transport household goods in interstate or foreign commerce, be, and they are hereby, authorized to establish and maintain by filing and posting in the manner prescribed in the Interstate Commerce Act, classification ratings and exceptions ratings for household goods dependent upon the value declared in writing by the shipper or agreed upon in writing, as the released value of the property, as follows:

	Less than truckload	Truckload or volume
Household goods, as described in note 1 below, prepaid. Each article released in value in accordance with the following, see note 2.		
Released value not exceeding 10 cents per pound	1	2-3-3
Released to value exceeding 10 cents but not exceeding 20 cents per pound	1¼	1-3-3
Released to value exceeding 20 cents but not exceeding 50 cents per pound	1½	1¼-2-2
Released to value exceeding 50 cents but not exceeding $2 per pound	D1	1¼-1-1
Released to value exceeding $2 but not exceeding $5 per pound	3t1	D1-1½-1½

NOTE: Ratings on household goods apply only on second-hand (used) household or personal effects such as clothing, furniture or furnishings for residences with not to exceed one piano; and with each truckload or volume shipment there may also be included not to exceed one second-hand (used) freight (not driving trucks for freight vehicles or fire apparatus) or passenger automobile, or one second-hand (used) motorcycle. Ratings do not apply on articles specifically named in

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(insert here reference to the rule in the classification or

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exceptions which names articles of extraordinary value

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not accepted for transportation.)
nor on goods shipped for sale or speculation.

Articles not included in the above description will be subject to their less-than-truckload ratings if shipped with household goods.

NOTE 2: If consignor declines to release each article in the shipment to a value not exceeding $5 per pound, the shipment will not be accepted.

The release, which shall be deemed to relate to each article separately and not to the shipment as a whole, must be entered on shipping order and bill of lading in the following form:

"The agreed or declared value of each article in this shipment is hereby specifically stated by the shipper to be not exceeding ..... per pound."

(b) *Changes in ratings or released valuations.* Changes may be made in any ratings or packing specifications established under the authority of this order, but the commodity description may not be broadened to embrace other articles nor may any change be made in the released valuation upon which the ratings are dependent without the specific authority of the Commission.

(c) *Authority for released ratings must be shown in tariff.* Tariffs con-

taining released ratings filed under authority of this order shall show in connection therewith the following notation:

Ratings herein based on released value have been authorized by the Interstate Commerce Commission in Released Rates Order No. MC-314, FF-56, of September 14, 1950, subject to complaint or suspension.

(d) *Notation required on receipt or bill of lading.* The value declared or agreed upon by the shipper as the released value shall be stated in each bill of lading or receipt issued for property accepted for transportation at the released ratings herein authorized to be established and maintained.

(e) *Carriers and freight forwarders affected.* This order does not constitute authority for the establishment of released ratings on any description of traffic or over the line of any carrier or freight forwarder other than as herein specifically indicated.

(f) *Lawfulness of ratings.* The Commission does not hereby approve the lawfulness, except under section 20(11), 219 and 413 of the Interstate Commerce Act, of any ratings which may be filed under authority of this order.

(g) *Application denied in other respects.* The said application, insofar as it requests authority other than that granted by paragraphs (a) to (f) of this section is hereby denied.

PARTS 1320–1329—CREDIT REGULATIONS

PART 1320—EXTENSION OF CREDIT TO SHIPPERS BY RAIL CARRIERS

Sec.

1320.1 Carrier may extend credit to shipper.
1320.2 Less-than-carload traffic.
1320.3 Carload traffic.
1320.4 Delivery retarded by retention of freight.
1320.5 Additional charges.
1320.6 Icing charges.
1320.7 Demurrage charges.
1320.8 Periods of credit following delivery.
1320.9 Periods of credit following presentation of freight bill.
1320.10 Presentation of freight bills.
1320.11 Time of presentation when mailed.
1320.12 Saturdays, Sundays, and legal holidays may be excluded from period.
1320.13 Time of collection when payment is mailed.
1320.14 Computation of 96-hour period for payment of demurrage charges on coal delivered to tidewater exchanges.
1320.15 Computation of 96-hour period for payment of export traffic rates.
1320.16 Computation of 96-hour period for payment of freight rates at interior California points not served by railroads.
1320.17 Interline settlement of revenues.

AUTHORITY: The provisions of this Part 1320 issued under secs. 3, 12, 24 Stat. 380, 383; 49 U.S.C. 3, 12.

CROSS REFERENCES: For regulations with respect to carriers by motor vehicles governing extension of credit to shippers, see Part 1322 of this chapter. For settlement of rates and charges of common carriers by water, see Part 1323 of this chapter. For settlement of freight charges, see Part 1324 of this chapter.

§ 1320.1 Carrier may extend credit to shipper.

The carrier, upon taking precautions deemed by it to be sufficient to assure payment of the tariff charges within the credit periods specified in this part, may relinquish possession of freight in advance of the payment of the tariff charges thereon and may extend credit in the amount of such charges to those who undertake to pay such charges, such persons herein being called shippers, for a period of 48 hours computed as set forth in this part. In regard to traffic of nonprofit shippers' associations and shippers' agents, within the meaning of section 402(c) of part IV of the Interstate Commerce Act, the carriers shall require such organizations to furnish the names of the beneficial owners of the property in the bills of lading or at least have the bills of lading incorporate by reference a document containing the names of the beneficial owners.

§ 1320.2 Less-than-carload traffic.

Effective March 24, 1949, respondents are hereby authorized to extend credit for 96 hours and 120 hours in respect of charges on less-than-carload traffic in lieu of 48 hours and 96 hours, respectively, under the present rules in this part, computation of time to be made in the same manner as provided in connection with the 48-hour and 96-hour periods. (See § 1320.4.)

§ 1320.3 Carload traffic.

Effective on March 10, 1961, the rail carriers subject to the jurisdiction of the Interstate Commerce Commission are hereby authorized to extend credit for 96 hours and 120 hours in respect of charges on carload traffic, in lieu of 48 hours and 96 hours, respectively, under the present rules in this part, computation of time to be made in the same manner as provided in connection with the 48-hour and 96-hour periods. (See § 1320.4.)

§ 1320.4 Delivery retarded by retention of freight.

Where retention of possession of freight by the carrier until the tariff rates and charges thereon have been paid will retard prompt delivery or will retard prompt release of equipment or station facilities, the carrier, upon taking precautions deemed by it to be sufficient to assure payment of the tariff charges within the credit period specified in this part may relinquish possession of the freight in advance of the payment of the tariff charges thereon and may extend credit in the amount of such charges to shippers for a period of 96 hours to be computed as set forth in this part.

CROSS REFERENCE: For computation of 96-hour credit rule and 96-hour credit period for payment of export traffic rates, and freight rates at interior California points not served by railroads, see §§ 1320.14–1320.16.

§ 1320.5 Additional charges.

Where a carrier has relinquished possession of freight and collected the amount of tariff charges represented in a freight bill presented by it as the total amount of such charges, and another freight bill for additional charges is thereafter presented to the shipper, the carrier may extend credit in the amount of such additional charges for a period of 30 days, to be computed as set forth in this part, from the date of the presentation of the subsequently presented freight bill.

CROSS REFERENCE: For presentation of freight bills and periods of credit following, see §§ 1320.9–1320.11.

§ 1320.6 Icing charges.

Where icing charges are not published in the tariffs at fixed amounts determinable at the time the shipment moves from point of origin, and where freight charges are prepaid and icing charges are to be paid by the consignor, the carrier, upon taking precautions deemed by it to be sufficient to assure prompt payment of the tariff charges within the credit period specified in this part, may relinquish possession of the freight in advance of the payment of the icing charges and may delay presentation of bills for such icing charges for a period not exceeding 15 days after the end of the calendar month during which the charges accrued and may extend credit in the amount of such charges for 15 days from the presentation of the bill for such charges.

§ 1320.7 Demurrage charges.

Where the amount of demurrage charges is determinable under average agreements made in accordance with tariff provisions, the carrier, upon taking precautions deemed by it to be sufficient to assure prompt payment of the tariff charges within the credit period, may delay the presentation of bills for such demurrage charges for a period not to exceed 15 days from the expiration of the authorized demurrage period and may extend credit in the amount of the demurrage charges accruing during the demurrage period for 15 days from the presentation of the bill for such charges.

§ 1320.8 Periods of credit following delivery.

Where the freight bill is presented to the shipper prior to, or at the time of, delivery of the freight, the 48-hour and 96-hour periods of credit shall run from the first 12 o'clock midnight following the delivery of the freight.

§ 1320.9 Periods of credit following presentation of freight bill.

Where the freight bill is presented to the shipper subsequent to the time the freight is delivered, the 48-hour and 96-hour periods of credit shall run from the first 12 o'clock midnight following the presentation of the freight bill.

§ 1320.10 Presentation of freight bills.

Every carrier shall present freight bills for all transportation charges except those specifically excepted in this part to shippers prior to the first 12 o'clock midnight following forwarding of prepaid shipments or delivery of collect shipments except that when information sufficient to enable the carrier to compute the tariff charges is not then available to the carrier at the billing point, the

freight bills shall be presented not later than the first 12 o'clock midnight following the day upon which sufficient information becomes available at the billing point of the carrier. A carrier shall not extend further credit to any shipper which fails to furnish sufficient information to allow the carrier to render a freight bill within a reasonable time after the shipment is tendered to the origin carrier. As used in this section the term "shipper" includes, but is not limited, to, freight forwarders as well as shippers' associations and shippers' agents within the meaning of section 402(c) of part IV of the Interstate Commerce Act.

§ 1320.11 Time of presentation when mailed.

Shippers may elect to have their freight bills presented by means of the United States mails, and when the mail service is so used the time of mailing by the carrier shall be deemed to be the time of presentation of the bills. In case of dispute as to the time of mailing the post mark shall be accepted as showing such time.

§ 1320.12 Saturdays, Sundays, and legal holidays may be excluded from period.

In the computation of the various periods of credit Saturdays, Sundays, and legal holidays may be excluded, and where the time for presentation to shippers of freight bills for transportation and related charges falls on Saturday, Sunday or a legal holiday such bills may be presented prior to 12 o'clock midnight of the next succeeding regular work day.

§ 1320.13 Time of collection when payment is mailed.

The mailing by the shipper of valid checks, drafts, or money orders, which are satisfactory to the carrier, in payment of freight charges within the credit periods allowed such shipper may be deemed to be the collection of the tariff charges within the credit period for the purposes of the rules in this part. In case of dispute as to the time of mailing the post mark shall be accepted as showing such time.

§ 1320.14 Computation of 96-hour period for payment of demurrage charges on coal delivered to tidewater exchanges.

The period of 96 hours fixed for the payment of transportation rates and charges, insofar as applicable to the payment of demurrage accruing at New York, N.Y., Philadelphia, Pa., Baltimore, Md., and Sewalls Point (Norfolk), Va., on coal pooled for transshipment at those points under control of coal exchanges, may be computed from the first 4 p. m. following the day when the demurrage bills are presented by such exchanges to individual shippers, members thereof.

§ 1320.15 Computation of 96-hour period for payment of export traffic rates.

The period of 96 hours fixed for the payment of transportation rates and charges, insofar as applicable to export traffic which is loaded into vessels direct from railroad cars or piers or from such cars or piers by means of lighters, may be computed from the first 4 p. m. following the time when the vessel is completely loaded, freight bills to be delivered to vessel owner or his representative not later than the day on which the loading of the vessel is completed.

§ 1320.16 Computation of 96-hour period for payment of freight rates at interior California points not served by railroads.

The period of 96 hours fixed for the payment of transportation rates and charges, insofar as applicable to freight from and to Bartle, Calif., when destined to or from interior points described in the report, in Siskiyou, Shasta, and Modoc Counties, Calif., not served by railroad, may be computed from the first 4 p.m. following 26 days after the mailing by petitioner of the freight bills for such traffic.

§ 1320.17 Interline settlement of revenues.

Nothing in this part shall be interpreted as affecting the interline settlement of revenues from traffic which is transported over through routes composed of lines of common carriers subject to parts I, II, or III of the Interstate Commerce Act.

PART 1321—EXTENSION OF CREDIT TO SHIPPERS BY EXPRESS COMPANIES

Sec.
1321.1 Credit period allowed; Saturdays, Sundays, and legal holidays may be excluded.
1321.2 Additional charges.
1321.3 Presentation of express bills.
1321.4 Time of collection when payment is mailed.

AUTHORITY: The provisions of this Part 1321 issued under secs. 3, 12, 24 Stat. 383, 386; 49 U.S.C. 3, 12.

§ 1321.1 Credit period allowed; Saturdays, Sundays, and legal holidays may be excluded.

Upon taking precautions deemed by them to be sufficient to assure payment of the tariff charges within the credit period herein specified, express companies subject to Part I of the Interstate Commerce Act may relinquish possession of express in advance of the payment of the tariff charges thereon and may extend credit in the amount of such charges to those who undertake to pay them, such persons herein being called shippers, for a period of 7 days, excluding Saturdays, Sundays, and legal holidays, computed as hereinafter set forth. The credit period shall run from the first 12 o'clock midnight following the presentation of the express bill.

§ 1321.2 Additional charges.

Where an express company has relinquished possession of express and collected the amount of the tariff charges represented in an express bill presented by it as the total amount of such charges, and another express bill for additional express charges is thereafter presented to the shipper, the express company may extend credit in the amount of such additional charges for a period of 30 calendar days to be computed from the first 12 o'clock midnight following the presentation of the subsequently presented express bill.

§ 1321.3 Presentation of express bills.

Express bills for all transportation charges may cover all transactions, collect shipments delivered and prepaid shipments picked up, handled during a calendar week, designated as the billing week. Express bills for all transportation charges shall be presented to the shippers within 4 working days following the close of the billing week. When mail service is used the time of mailing by the carrier shall be deemed to be the time of presentation of the bills. In case of dispute as to the time of mailing, the postmark shall be accepted as showing such time.

§ 1321.4 Time of collection when payment is mailed.

The mailing by the shipper of valid checks, drafts or money orders, which are satisfactory to the express company, in payment of express charges within the credit period allowed such shipper may be deemed to be the collection of the tariff rates and charges within the credit period for the purpose of these rules. In case of dispute as to the time of mailing, the postmark shall be accepted as showing such time.

PART 1322—EXTENSION OF CREDIT TO SHIPPERS

Sec.
1322.1 Carrier may extend credit to shipper.
1322.2 Credit for additional charges after freight relinquished.
1322.3 Period of credit following delivery of freight.
1322.4 Freight bills may be presented by mail.
1322.5 Payment by checks, drafts, or money orders.

AUTHORITY: The provisions of this Part 1322 issued under 49 Stat. 546, as amended, 565; 49 U.S.C. 304, 323.

§ 1322.1 Carrier may extend credit to shipper.

Upon taking precautions deemed by them to be sufficient to assure payment of the tariff charges within the credit period herein specified, common carriers by motor vehicle may relinquish possession of freight in advance of the payment of the tariff charges thereon and may extend credit in the amount of such charges to those who undertake to pay them, such persons herein being called shippers, for a period of 7 days excluding Saturdays, Sundays, and legal holidays. When the freight bill covering a shipment is presented to the shipper on or before the date of delivery, the credit period shall run from the first 12 o'clock midnight following delivery of the freight. When the freight bill is not presented to the shipper on or before the date of delivery, the credit period shall run from the first 12 o'clock midnight following the presentation of the

freight bill. In regard to traffic of nonprofit shippers' associations and shippers' agents, within the meaning of section 403(c) of part IV of the Interstate Commerce Act, the carriers shall require such organizations to furnish the names of the beneficial owners of the property in the bills of lading or at least have the bils of lading incorporate by reference a document containing the names of the beneficial owners.

§ 1322.2 Credit for additional charges after freight relinquished.

Where a common carrier by motor vehicle has relinquished possession of freight and collected the amount of tariff charges represented in a freight bill presented by it as the total amount of such charges, and another freight bill for additional charges is thereafter presented to the shipper, the carrier may extend credit in the amount of such additional charges for a period of 30 calendar days, to be computed from the first 12 o'clock midnight following the presentation of the subsequently presented freight bill.

§ 1322.3 Period of credit following delivery of freight.

Freight bills for all transportation charges shall be presented to the shippers within 7 calendar days from the first 12 o'clock midnight following delivery of the freight, except that motor common carriers of household goods shall present their freight bills for all transportation charges to the shippers within 15 calendar days, excluding Saturday, Sundays and holidays, from the first 12 o'clock midnight following delivery of the freight.

§ 1322.4 Freight bills may be presented by mail.

Shippers may elect to have their freight bills presented by means of the United States mails, and when the mail service is so used the time of mailing by the carrier shall be deemed to be the time of presentation of the bills. In case of dispute as to the time of mailing, the postmark shall be accepted as showing such time.

§ 1322.5 Payment by checks, drafts, or money orders.

The mailing by the shipper of valid checks, drafts, or money orders, which are satisfactory to the carrier, in payment of freight charges within the credit period allowed such shipper, may be deemed to be the collection of the tarff charges within the credit period for the purposes of the rules in this part. In case of dispute as to the time of mailing, the postmark shall be accepted as showing such time.

PART 1323—SETTLEMENT OF RATES AND CHARGES OF COMMON CARRIERS BY WATER

Sec.

1323.1 Relinquishment of freight in advance of payment of charges.
1323.2 Extension of credit for 48-hour period.
1323.3 Extension of credit for 96-hour period.
1323.4 Computation of credit period.
1323.5 Presentation of freight bills; mailing.
1323.6 Extension of credit for additional charges.
1323.7 Extension of credit for demurrage charges.
1323.8 Collection of freight charges; mailing.

AUTHORITY: The provisions of this Part 1323 issued under secs. 304, 318, 54 Stat. 933, 949; 49 U.S.C. 904, 918.

§ 1323.1 Relinquishment of freight in advance of payment of charges.

All common carriers of property by water subject to Part III of the Interstate Commerce Act, after having taken precautions deemed by them to be sufficient to assure payment of their freight charges within the credit periods hereinafter specified, such as examination of the credit rating of the person or persons undertaking to pay the freight charges or the obtaining of satisfactory surety bonds, are hereby authorized to relinquish possession of freight at destination or in advance of the payment of the tariff charges lawfully due thereon and to extend credit to those who undertake to pay such charges, as hereinafter authorized.

§ 1323.2 Extension of credit for 48-hour period.

Except as otherwise provided in § 1323.3, credit may be extended for a period not exceeding 48 hours, computed as provided in § 1323.4.

§ 1323.3 Extension of credit for 96-hour period.

When retention of possession of freight by the carrier until the tariff rates and charges thereon have been paid will retard prompt delivery or will retard prompt release of equipment or terminal facilities of the carrier, credit may be extended for a period not exceeding 96 hours, computed as provided in § 1323.4.

§ 1323.4 Computation of credit period.

(a) When the freight bill is presented to the person or persons undertaking to pay the charges prior to, or at the time of, delivery of the freight, the 48-hour and 96-hour periods of credit shall run from the first 12 o'clock midnight following delivery of the freight.

(b) When the freight bill is presented to the person or persons undertaking to pay the charges subsequent to the time the freight is delivered, the 48-hour and 96-hour periods of credit shall run from the first 12 o'clock midnight following presentation of the freight bill.

(c) In the computation of the various periods of credit Saturdays, Sundays, and legal holidays may be excluded, and where the time for presentation of freight bills for transportation and related charges falls on Saturday, Sunday or a legal holiday such bills may be presented prior to 12 o'clock midnight of the next succeeding regular work day.

§ 1323.5 Presentation of freight bills; mailing.

(a) Except as otherwise provided in paragraph (b) of this section and in §§ 1323.4, 1323.6, and 1323.7, carriers shall present freight bills for all transportation charges to the person or persons undertaking to pay those charges as promptly as practicable but in every case prior to the second 12 o'clock midnight following delivery of the freight.

(b) When information sufficient to enable the carrier to compute the tariff charges is not available to the carrier at the point where it computes the charges, presentation of the freight bill may be delayed until such information is available. In such cases it shall be the duty of the shipper (or consignee, as the case may be) to present, and of the carrier to obtain, the information as promptly as practicable. If, in any case, the necessary information has not become available to the carrier at the point where it computes the charges within 15 days after delivery of the freight, carrier shall present the freight bill and collect charges based upon the best information in its possession and arrange for correction later when detailed information is furnished.

(c) The person or persons undertaking to pay freight charges may elect to have their freight bills presented by means of the United States mails. When mail service is so used, the time of mailing by the carrier shall be deemed to be the presentation of the bills. In case of dispute as to the time of mailing, the post mark shall be accepted as showing such time.

§ 1323.6 Extension of credit for additional charges.

Where carrier has relinquished possession of freight and collected the amount of tariff charges represented in a freight bill presented by it as the total amount of such charges and another freight bill for additional charges is thereafter presented to the shipper the carrier may extend credit in the amount of such additional charges for a period of 30 days, to be computed as herein set forth, from the date of the presentation of the subsequently presented freight bill.

§ 1323.7 Extension of credit for demurrage charges.

Where the amount of demurrage charges is determinable under average agreements made in accordance with tariff provisions the carrier may delay the presentation of bills for such demurrage charges for a period not to exceed 15 days from the expiration of the authorized demurrage period and may extend credit in the amount of the demurrage charges accruing during the demurrage period for 15 days from the presentation of the bill for such charges.

§ 1323.8 Collection of freight charges; mailing.

Mailing by the person or persons paying the freight charges of valid checks, drafts, or money orders, which are satisfactory to the carrier, in pay-

ment of freight charges within the credit periods allowed, may be deemed to be the collection of the tariff charges within the credit period. In case of dispute as to the time of mailing, the post mark shall be accepted as showing such time.

PART 1324—SETTLEMENT OF FREIGHT CHARGES BY FREIGHT FORWARDERS

§ 1324.1 Credit for freight charges on forwarder freight by freight forwarders subject to part IV of the Interstate Commerce Act and by common carriers by motor vehicle subject to part II of that act collecting charges for such forwarders.

The rules and regulations prescribed in Part 1322 of this chapter, governing the extension of credit for freight charges by common carriers by motor vehicle in case of service subject to part II of the Interstate Commerce Act, shall apply on and after August 14, 1942, to freight forwarders subject to part IV of the Interstate Commerce Act and to common carriers by motor vehicle subject to part II of that act when collecting charges for such forwarders, in the case of service subject to part IV of that act.

(Secs. 403, 414, 56 Stat. 285; 296; 49 U.S.C. 1003, 1014)

PARTS 1330–1339—GENERAL

PART 1330—FILING QUOTATIONS FOR GOVERNMENT SHIPMENTS AT REDUCED RATES

Sec.
1330.1 Applicability.
1330.5 Manner of submitting quotations.

AUTHORITY: The provisions of this Part 1330 issued under sec. 12, 24 Stat. 383, sec. 22, 24 Stat. 387; 49 U.S.C. 12, 22.

§ 1330.1 Applicability.

The provisions of this part shall apply to copies of quotations or tenders made by all common carriers by railroad, including express and sleeping-car companies, by pipeline, by motor vehicle, and by water, and freight forwarders, to the United States Government, or any agency or department thereof, for the transportation, storage or handling of property or the transportation of persons free or at reduced rates as permitted by section 22 of the Interstate Commerce Act, as amended, except quotations or tenders which, as indicated by the United States Government or any department or agency thereof to any carrier or carriers, involves information the disclosure of which would endanger the national security.

§ 1330.5 Manner of submitting quotations.

(a) *General.* Copies of all quotations or tenders by common carriers to which this part applies, concerning rates, fares, or charges for the transportation, storage, or handling of property, or the transportation of persons free or at reduced rates, including quotations or tenders for retroactive application whether negotiated or renegotiated after the services have been performed, which are submitted to the Interstate Commerce Commission on and after the effective date of this part in conformity with the provisions of paragraph (2) of section 22 of the Interstate Commerce Act (49 U. S. C. 22) shall conform to the provisions of paragraphs (b), (c), (d), (e), (f) and (g) of this section.

(b) *Copies to be submitted concurrently with submittal to government agencies.* Exact copies of the quotation or tender shall be submitted to the Commission concurrently with the submittal of the quotation or tender to the Federal department or agency for whose account the quotation or tender is offered or the proposed services are to be rendered.

(c) *Filing in duplicate required.* All quotations or tenders shall be filed in duplicate, one copy of which will be maintained at the Washington office of this Commission for public inspection. One of such copies shall be signed and both shall clearly indicate the name and official title of the officer executing the document.

(d) *Filing procedure.* Both copies of the quotations or tenders shall be filed together with a letter of transmittal which clearly indicates that they are being filed in accordance with the requirements of section 22, as amended. They must be addressed to the "Interstate Commerce Commission, Washington, D.C. 20523," with the envelope marked as containing "Section 22 Quotations", and delivered free of all charges. If receipt for the accompanying documents is desired, the letter of transmittal must be sent in duplicate, and one copy showing date of receipt by the Commission will be returned to the sender.

(e) *Numbering.* The copies of quotations or tenders which are filed with this Commission by each carrier or agent shall be numbered consecutively in a series maintained by such carrier or agent beginning with the number "1".

(f) *Quotation or tender superseding prior one.* A quotation or tender which supersedes a prior quotation or tender shall, by a statement shown immediately under the number of the new document, cancel the prior document by number.

(g) *Amendments or supplements to quotations or tenders.* When amendments or supplements are filed to quotations or tenders issued prior to August 31, 1957, copies of the original quotations or tenders, and any prior amendments thereto, must be filed with the amendments or supplements.

PART 1331—SECTION 5a APPLICATIONS

APPLICATIONS FOR AUTHORITY TO ESTABLISH OR CONTROL AGREEMENTS BETWEEN OR AMONG CARRIERS

Sec.
1331.1 Form and contents of application.
1331.2 Required exhibits.
1331.3 Procedure.
1331.4 New parties to an agreement.
1331.5 Public notice.

AUTHORITY: The provisions of this Part 1331 issued under sec. 12, 24 Stat. 383, as amended; 62 Stat. 472; 49 U.S.C. 5b, 12.

§ 1331.1 Form and contents of application.

The application and supporting exhibits shall conform to Rule 15 of the general rules of practice (§ 1100.15 of this chapter) and shall show, in the order indicated, with the following paragraph designations, the following information:

(a) Full and correct name and business address (street and number, city and ZIP Code, county and State) of the carrier applicant or applicants (hereinafter called applicant); whether applicant is a corporation, individual, or partnership; if a corporation, the government, State or territory under the laws of which the applicant was organized and received its present charter, and if a partnership, the names of the partners and date of formation of the partnership.

(b) Full and correct name and business address (city and State) of each carrier on whose behalf the application is filed and whether it is a corporation, individual, or partnership.

(c) Whether applicant and each carrier on whose behalf the application is filed is a carrier by railroad, motor vehicle, or water, a freight forwarder, or express, sleeping-car, or pipe-line company.

(d) If the agreement of which approval is sought pertains to a conference, bureau, committee, or other organization, a complete description of such organization, including any sub-units, and of its or their functions and methods of operation, together with a description of the territorial scope of such operations; and, if such organization has a working or other arrangement or relationship with any other organization, a complete description of such arrangement or relationship. If the agreement is of any other character, a precise statement of its nature and scope and the mode of procedure thereunder.

(e) The facts and circumstances relied upon to establish that the agreement will be in furtherance of the national transportation policy declared in the Interstate Commerce Act, as amended.

(f) The name, title, and post office address of counsel, officer, or other person to whom correspondence in regard to the application is to be addressed.

§ 1331.2 Required exhibits.

There shall be filed with and made a part of each original application, and each copy, the following exhibits:

(a) As Exhibit 1, a true copy of the agreement.

(b) As Exhibit 2, if the agreement pertains to a conference, bureau, committee, or other organization, a copy of the constitution, by-laws, or other documents or writings, specifying the organization's powers, duties, and procedures, unless incorporated in the agreement filed as Exhibit 1.

(c) As Exhibit 3, if the agreement relates to a conference, bureau, committee, or other organization, an organization chart.

(d) As Exhibit 4, if the agreement relates to a conference, bureau, committee, or other organization, a schedule of its charges to members or, where expenses are divided among the members, a statement showing how the expenses are divided.

(e) As Exhibit 5, opinion of counsel for applicant that the application made meets the requirements of law as set forth in section 5a of the Interstate Commerce Act, as amended, and will be legally authorized if approved by the Commission, with specific reference to any specially pertinent provisions of articles of incorporation or association.

§ 1331.3 Procedure.

The following procedure shall govern the execution, filing, and disposition of the application:

(a) The original application shall be made under oath and shall be signed in ink by applicant, if an individual; by all partners, if a partnership; and if a corporation, by an executive officer having knowledge of the matters therein contained; and shall show, among other things, that the affiant is duly authorized to verify and file the application.

(b) The original application and supporting papers and twenty copies thereof for the use of the Commission shall be filed with the Secretary of the Interstate Commerce Commission, Washington, D.C. 20423. Each copy shall bear the dates and signatures that appear in the original and shall be complete in itself, but the signatures in the copies may be stamped or typed, and the officer's seal may be omitted.

(c) A copy of the application shall be served by applicant by first-class mail upon the regulatory body having jurisdiction as to rates, fares, or charges of each State, territory, or district embraced within the scope of the agreement, and the original application filed with the Commission shall include a certificate naming the bodies upon whom the application has been so served.

(d) A public notice will be issued by the Commission and filed with the Director of the Federal Register stating the fact that an application has been filed under these rules and indicate how a hearing on such application may be obtained.

(e) A protest against the granting of an application should be filed in accordance with Rule 40 of the general rules of practice (§ 100.40 of this chapter).

(f) To the extent that matters of procedure are not covered by these special rules, the Commission's general rules of practice shall apply.

§ 1331.4 New parties to an agreement.

Where a carrier becomes a party to an agreement which has been approved by the Commission, such approval will extend and be applicable to such carrier upon the filing with the Commission by the carrier or its authorized agent of a verified statement that it has become a party to the agreement, which statement shall show the information required by § 1331.1(b): *Provided* (a) That such carrier is not, under the agreement, to act with carriers of a different class, within the meaning of section 5a (4) of the Interstate Commerce Act, except as the agreement relates to transportation under joint rates or over through routes, and (b) that no change is made in the agreement except the addition of such carrier.

§ 1331.5 Public notice.

When independent action is announced and tariff publication is to be made by a publishing agent operating pursuant to an agreement under section 5a of the Interstate Commerce Act, notification thereof will be given by the agent to the same extent and in the same manner that the agent gives notice of actions proposed under procedures for collective consideration of the parties to the agreement; and no other joint or collective procedures under the agreement are thereby invoked.

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