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Federal Register

Thursday
May 8, 1986

Selected Subjects

Authority Delegations (Government Agencies)
Food and Drug Administration

Aviation Safety
Federal Aviation Administration

Bridges
Coast Guard

Claims
Agency for International Development

Credit
Farm Credit Administration

Fisheries
National Oceanic and Atmospheric Administration

Food Additives
Food and Drug Administration

Loan Programs—Business
Small Business Administration

Marine Safety
Coast Guard

Navigation (Water)
Coast Guard

Postal Service
Postal Service

Quarantine
Animal and Plant Health Inspection Service

CONTINUED INSIDE

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Selected Subjects

Radio
Federal Communications Commission

Radio Broadcasting
Federal Communications Commission

Reporting and Recordkeeping Requirements
Federal Maritime Commission

Supplemental Security Income
Social Security Administration

Telephone
Rural Electrification Administration

Uniform System of Accounts
Urban Mass Transportation Administration

Waterways
Coast Guard

Contents

Federal Register

Vol. 51, No. 89

Thursday, May 8, 1986

Agency for International Development
PROPOSED RULES
Federal claims collection, 17068

Agriculture Department
See Animal and Plant Health Inspection Service; Cooperative State Research Service; Forest Service; Rural Electrification Administration; Soil Conservation Service

Air Force Department
NOTICES
Meetings:
Scientific Advisory Board, 17077, 17078 (3 documents)

Animal and Plant Health Inspection Service
RULES
Interstate transportation of animals and animal products (quarantine):
Tuberculosis; State and area designations, 17001
Plant-related quarantine, domestic:
Gypsy moth, 16993

Architectural and Transportation Barriers Compliance Board
NOTICES
Meetings, 17076

Army Department
See Engineers Corps

Arts and Humanities, National Foundation
See National Foundation on Arts and Humanities

Centers for Disease Control
NOTICES
Meetings:
Evaluation of brake drum service controls, NIOSH, 17098
Mine Health Research Advisory Committee (NIOSH), 17098

Coast Guard
RULES
Drawbridge operations:
North Carolina, 17012
Inland waterways navigation regulations:
Lake Huron to Lake Erie, connecting waters, 17013
Ports and waterways safety:
Detroit River, MI; safety zone, 17016
Regattas and marine parades:
Harvard-Yale Regatta, 17012
PROPOSED RULES
Drawbridge operations:
Maryland, 17070
Ports and waterways safety:
Port access routes—
San Francisco Bay entrance, 17071

Commerce Department
See also National Oceanic and Atmospheric Administration
NOTICES
Agency information collection activities under OMB review, 17076

Commodity Futures Trading Commission
NOTICES
Contract market proposals:
Coffee, Sugar & Cocoa Exchange, Inc.—
Coffee "C", 17077

Cooperative State Research Service
NOTICES
Grants; availability, etc.:
Rangeland research, 17165

Defense Department
See Air Force Department; Engineers Corps

Education Department
NOTICES
Grants; availability, etc.:
Handicapped children's early education program—
Funding priorities, 17161

Energy Department
See Federal Energy Regulatory Commission

Engineers Corps
NOTICES
Environmental statements; availability, etc.:
Lake Darling, ND, 17078

Farm Credit Administration
PROPOSED RULES
Farm credit system:
Stockholder/borrower rights, mergers and consolidations, conservatorships and receiverships, etc., 17035

Federal Aviation Administration
RULES
Airworthiness directives:
Boeing, 17005–17006 (2 documents)
British Aerospace, 17007
McDonnell Douglas, 17007
Short Brothers, Ltd., 17009
Sikorsky, 17009
PROPOSED RULES
Airworthiness directives:
Boeing, 17049, 17052 (2 documents)
McDonnell Douglas, 17053–17056 (3 documents)
NOTICES
Air traffic rules, special:
Special airport traffic area; Navy Willow Grove, PA; determination, 17128

Federal Communications Commission
RULES
Common carrier services:
MTS and WATS market structure, etc.—
Average schedule companies, 17026

Radio broadcasting:
FM technical regulations review, 17027
Radio services, special:
Amateur service—
Rebroadcasts of transmissions of nonbroadcast radio stations; emergency communication definition, 17029
PROPOSED RULES
Radio services, special:
Amateur service—
Novice operators; use of amateur frequencies, 17074
NOTICES
Common carrier services:
Access charges; NTS cost recovery guidelines, 17093
International and domestic record service; Western Union rates investigation, 17095
International and domestic record service; Western Union rates prescription, 17095
Applications, hearings, determinations, etc.:
Crook, Linda, et al., 17096
FM 105, Inc., et al., 17096
Fort Bragg Broadcasting Co. et al., 17096

Federal Deposit Insurance Corporation
NOTICES
Meetings; Sunshine Act, 17140
(3 documents)

Federal Election Commission
NOTICES
Meetings; Sunshine Act, 17141

Federal Energy Regulatory Commission
NOTICES
Electric rate and corporate regulation filings:
Arizona Public Service Co. et al., 17089
Southern California Edison Co. et al., 17091
Environmental statements; availability, etc.:
Transcontinental Gas Pipe Line Corp., 17078
Hydroelectric applications, 17079
Natural gas certificate filings:
Southern Natural Gas Co. et al., 17081
Applications, hearings, determinations, etc.:
Bonneville Power Administration, 17083
Sungar James, 17086
Texas Gas Transmission Corp., 17086
Walker River Irrigation District, 17088
Western Transmission Corp., 17088
Williston Basin Interstate Pipeline Co., 17089

Federal Maritime Commission
RULES
Maritime carriers and related activities in foreign commerce:
Tug and barge operators; financial reports, 17025

Federal Reserve System
NOTICES
Applications, hearings, determinations, etc.:
Iowa State Bank Holding Co., 17097
Putnam Bancshares, Inc., 17097
Texas Valley Bancshares, Inc., et al., 17097

Food and Drug Administration
RULES
Food additives:
Paper and paperboard components—
Cationic soy protein (soy protein isolate modified by treatment with 3-chloro 2-hydroxypropyltrimethylammonium chloride), 17011
Organization and authority delegations:
Director and Deputy Director, Center for Drugs and Biologics et al.; chlorofluorocarbon petitions, 17010
NOTICES
Food additive petitions:
Monsanto Co., 17098
Medical devices; premarket approval:
Sharplan Model 702 Nd; YAG Laser, 17099
Meetings:
Advisory committees, panels, etc., 17100

Forest Service
NOTICES
Meetings:
Mono Basin National Forest Scenic Area Advisory Board, 17076

Health and Human Services Department
See Centers for Disease Control; Food and Drug Administration; National Institutes of Health; Social Security Administration

Interior Department
See Land Management Bureau; Minerals Management Service

International Development Cooperation Agency
See Agency for International Development

Interstate Commerce Commission
NOTICES
Agency information collection activities under OMB review, 17110
Railroad operation, acquisition, construction, etc.:
Chesapeake & Ohio Railway Co., 17110
Railroad services abandonment:
Illinois Central Railroad Co., 17110
Seaboard System Railroad, Inc., 17110

Justice Department
NOTICES
Pollution control; consent judgments:
Lamotte, 17111

Land Management Bureau
NOTICES
Alaska Native claims selection:
Akutan Corp., 17107
Kuskokwim Corp., 17104
Ouzinkie Native Corp., 17106
Unga Corp., 17107
Closure of public lands:
Wyoming, 17105
Coal leases, exploration licenses, etc.:
Wyoming, 17108
Environmental statements; availability, etc.:
Medicine Lodge Resource Management Plan, ID, 17108
Mud Springs Canyon Wilderness Study Area, UT, 17106
Meetings:
Battle Mountain District Advisory Council, 17106
Cedar City District Advisory Council, 17106

Realty actions; sales, leases, etc.:
Arizona, 17104
California; correction, 17105
Montana, 17105
Wyoming, 17105
Withdrawal and reservation of lands:
New Mexico; meeting, 17107

Minerals Management Service
NOTICES
Meetings:
Royalty Management Advisory Committee, 17108, 17109
(3 documents)

National Foundation on Arts and Humanities
NOTICES
Meetings:
Museum Advisory Panel, 17111

National Institute for Occupational Safety and Health
See Centers for Disease Control

National Institutes of Health
NOTICES
Meetings:
General Research Support Review Committee, 17100
National Cancer Institute, 17100, 17101
(3 documents)
National Eye Institute, 17101
National Institute of Allergy and Infectious Diseases, 17101
National Institute of Arthritis and Musculoskeletal and Skin Diseases and National Institute of Diabetes and Digestive and Kidney Diseases, 17102
National Institute of Child Health and Human Development, 17102
(2 documents)
National Institute of Diabetes and Digestive and Kidney Diseases, 17103
National Library of Medicine, 17103

National Oceanic and Atmospheric Administration
RULES
Fishery conservation and management:
Pacific Coast groundfish; foreign fishing, 17030
PROPOSED RULES
Fishery conservation and management:
Gulf of Mexico stone crab, 17075

National Science Foundation
NOTICES
Meetings:
Development Biology Advisory Panel, 17112
Earth Sciences Advisory Committee, 17111
Eukaryotic Genetics Program Advisory Panel, 17112

Nuclear Regulatory Commission
NOTICES
Environmental statements; availability, etc.:
Niagara Mohawk Power Corp., 17117
Meetings:
Reactor Safeguards Advisory Committee, 17118–17120
(3 documents)
Senior Executive Service:
Performance Review Board; membership, 17120
Applications, hearings, determinations, etc.:
Bloomington Hospital, IN, 17112
Commonwealth Edison Co., 17114
Georgia Power Co. et al., 17116, 17117
(2 documents)

Postal Rate Commission
NOTICES
Meetings; Sunshine Act, 17141

Postal Service
RULES
Domestic Mail Manual:
Plant-load operations, 17019
International Mail Manual:
Priority Air Mail Service, 17017
PROPOSED RULES
International Mail Manual:
Express Mail Service—
Guyana, Nigeria, Oman, 17073

Public Health Service
See Centers for Disease Control; Food and Drug Administration; National Institutes of Health

Rural Electrification Administration
PROPOSED RULES
Telephone borrowers:
Lien accommodation and subordination policy, 17034

Securities and Exchange Commission
NOTICES
Self-regulatory organizations; proposed rule changes:
American Stock Exchange, Inc., et al., 17120
Midwest Securities Trust Co., 17121
Philadelphia Stock Exchange, Inc., 17122
Applications, hearings, determinations, etc.:
ACF Industries, Inc., 17126
MONY Series Fund, Inc., 17124
Public utility holding company filings (AEP Generating Co. et al.), 17123

Small Business Administration
RULES
Business loan policy:
Liquidation of loans and security; homestead protection for farmers and ranchers, 17002
NOTICES
Meetings; regional advisory councils:
California, 17126, 17127
(2 documents)
Hawaii, 17127
Vermont, 17127
Washington, 17127

Social Security Administration
PROPOSED RULES
Supplemental security income:
Suspensions, terminations, and advance notice of unfavorable determination, 17057

Soil Conservation Service
NOTICES
Watershed projects; deauthorization of funds:
Fish Bayou Watershed, AR, 17076

Tennessee Valley Authority
NOTICES
Meetings; Sunshine Act, 17141

Transportation Department
See also Coast Guard; Federal Aviation Administration; Urban Mass Transportation Administration
NOTICES
Aviation proceedings:
Hearings, etc.—
Chicago Airlines, Inc., 17127
LA Helicopter, Inc., 17127

Treasury Department
NOTICES
Bonds, Treasury:
2016 series, 17135
Notes, Treasury:
C-1996 series, 17131
R-1989 series, 17129

Urban Mass Transportation Administration
PROPOSED RULES
Uniform system of accounts and records and reporting system:
General revision, 17144
Section 15 requirements, 17145

Separate Parts In This Issue

Part II
Department of Transportation, Urban Mass Transportation Administration, 17144

Part III
Department of Education , 17161

Part IV
Department of Agriculture, Cooperative State Research Service, 17165

Reader Aids
Additional information, including a list of public laws, telephone numbers, and finding aids, appears in the Reader Aids section at the end of this issue.

CFR PARTS AFFECTED IN THIS ISSUE

A cumulative list of the parts affected this month can be found in the Reader Aids section at the end of this issue.

7 CFR
301 16993
Proposed Rules:
1747 17034

9 CFR
77 17001

12 CFR
Proposed Rules:
611 17035
614 17035
615 17035
618 17035

13 CFR
120 17002
123 17002

14 CFR
39 (6 documents) 17005–17009
Proposed Rules:
39 (5 documents) 17049–17056

20 CFR
Proposed Rules:
416 17057

21 CFR
5 17010
176 17011

22 CFR
Proposed Rules:
213 17068

33 CFR
100 17012
117 17012
162 17013
165 17016
Proposed Rules:
117 17070
166 17071
167 17071

39 CFR
10 17017
111 17019
Proposed Rules:
10 17073

46 CFR
552 17025

47 CFR
69 17026
73 17027
97 17029
Proposed Rules:
97 17074

49 CFR
Proposed Rules:
630 (2 documents) 17144, 17145

50 CFR
611 17030
Proposed Rules:
654 17075

Rules and Regulations

Federal Register
Vol. 51, No. 89
Thursday, May 8, 1986

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.
The Code of Federal Regulations is sold by the Superintendent of Documents. Prices of new books are listed in the first FEDERAL REGISTER issue of each week.

DEPARTMENT OF AGRICULTURE

Animal and Plant Inspection Service

7 CFR Part 301

[Docket No. 85-343]

Gypsy Moth Regulated Areas

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Interim rule.

SUMMARY: This document amends the Gypsy Moth and Browntail Moth Quarantine and Regulations by making changes relating to the gypsy moth. The quarantine and regulations are amended (1) by adding Illinois, Indiana, Minnesota, Ohio, and Wisconsin to the list of States quarantined because of the gypsy moth; (2) by designating previously nonregulated areas in Illinois, Indiana, Maine, Minnesota, Ohio, Oregon, Virginia, and Wisconsin as gypsy moth low-risk areas; (3) by redesignating areas in Delaware, Maine, Maryland, Michigan, and Virginia from gypsy moth low-risk areas to gypsy moth high-risk areas; (4) by designating previously nonregulated areas in Oregon as gypsy moth high-risk areas; and (5) by removing portions of regulated areas in Michigan and Washington from the list of gypsy moth regulated areas. The quarantine and regulations impose restrictions on the interstate movement of certain articles from gypsy moth high-risk areas and gypsy moth low-risk areas. This amendment is necessary as an emergency measure in order to prevent the artificial spread interstate of gypsy moth and remove unnecessary restrictions of the interstate movement of certain articles.

DATES: The effective date of this document is May 8, 1986. Written comments concerning this interim rule must be received on or before July 7, 1986.

ADDRESSES: Written comments concerning this document should be submitted to Thomas O. Gessel, Director, Regulatory Coordination Staff, USDA, APHIS, Room 728, Federal Building, 6505 Belcrest Road, Hyattsville, MD 20782. Comments should state that they are in response to Docket Number 85-343. Written comments received may be inspected at Room 728 of the Federal Building between 8 a.m. and 4:30 p.m., Monday through Friday, except holidays.

FOR FURTHER INFORMATION CONTACT: Gary E. Moorehead, Staff Officer, Field Operations Support Staff, Plant Protection and Quarantine, Animal and Plant Health Inspection Service, U.S. Department of Agriculture, Room 663 Federal Building, 6505 Belcrest Road, Hyattsville, MD 20782, 301-436-8295.

SUPPLEMENTARY INFORMATION:

Background

The gypsy moth, *Lymantria dispar* (Linnaeus), is a highly destructive pest of forest trees. The Gypsy Moth and Browntail Moth Quarantine and Regulations (contained in 7 CFR 301.45 *et seq.* and referred to below as the regulations), among other things quarantine certain States because of the gypsy moth, and restrict the interstate movement from regulated areas of certain articles because of the gypsy moth. Such restrictions are necessary for the purpose of preventing the artificial spread of the gypsy moth.

Areas designated as gypsy moth regulated areas are areas in which a gypsy moth infestation has been found by an inspector, or areas which are necessary to regulate because of proximity to gypsy moth infestation or inseparability for quarantine enforcement purposes from infested localities. Regulated areas are divided into high-risk areas and low-risk areas. Under the regulations there is a basis for designating an area as a high-risk area when an inspector determines that regulated articles exists within or adjacent to an area where defoliation has occurred or where an inspector has reason to believe that 50 or more egg masses per acre of the gypsy moth are present. Low-risk areas are those portions of regulated areas that are not designated as high-risk areas.

Section 301.45-11 of the regulations impose the following conditions on the interstate movement of outdoor household articles from gypsy moth high-risk areas:

(a) No outdoor household article shall be moved interstate from a gypsy moth high-risk area into or through any nonregulated area unless:

(1) Such outdoor household article is free from all life stages of the gypsy moth at the time of the interstate movement; or

(2) Such outdoor household article is accompanied by an OHA document issued by a qualified certified applicator in accordance with the provisions of §§ 301.45-12 and 301.45-13 within five calendar days of the interstate movement from a gyspy moth high-risk area; or

(3) Such outdoor household articles are brought in by vacationers to the gypsy moth high-risk areas.

These regulations are designed to restrict the interstate movement of outdoor household articles in those circumstances where there would be a significant risk of spread of the gypsy moth.

Section 301.45-3 of the regulations imposes the following conditions on the movement of regulated articles from gypsy moth regulated areas:

(a) A regulated article shall not be moved interstate from any high-risk area into or through any nonregulated area unless a certificate or permit has been issued and attached to such regulated articles in accordance with §§ 301.45-4 and 301.45-7.

(b) A regulated article shall not be moved interstate from any low-risk area into or through any nonregulated area when it is determined by an inspector that any life stage of the gypsy moth or browntail moth is on the regulated article, and the person in possession thereof has been so notified by an inspector, unless a certificate or permit has been issued and attached to such articles in accordance with §§ 301.45-4 and 301.45-7.

(c) A regulated article originating outside of any high-risk area, except any regulated article in any low-risk area determined by an inspector to present a hazard of spreading the gypsy moth or browntail moth pursuant to paragraph (b) of this section, may be moved interstate directly through any high-risk area without a certificate or permit, if the point of origin of the article is clearly indicated by shipping documents, their identity has been maintained, and they

have been safeguarded against infestation while in any high-risk area. These regulations are designed to restrict the interstate movement of regulated articles in those circumstances where there would be a significant risk of spread of gypsy moth. A certificate or limited permit is authorized to be issued based on treatment of a regulated article or based on a determination that movement of a regulated article without treatment would not result in the spread of the gypsy moth.

Quarantined States and Designation of Areas as Low-risk Areas

This document, as an emergency measure, quarantines the States of Illinois, Indiana, Minnesota, Ohio, and Wisconsin and designates the following portions of Illinois, Indiana, Minnesota, Ohio, and Wisconsin as low-risk areas because of gypsy moth:

Illinois

Kane County. SE¼ sec. 3 and NE¼ sec. 10, T. 39 N., R. 8 E.

Lake County. SE¼ sec. 28, T. 43 N., R. 10 E.

Peoria County. Sec. 28, T. 9 N., R. 8 E.

Indiana

Allen County. SE¼ sec. 32, T. 30 N., R. 13 E.

Marion County. SE¼ sec. 20, T. 17 N., R. 3 E.

Minnesota

Dakota County. NW¼ sec. 21, T. 115 N., R. 20 W.; NE¼ sec. 16, T. 115 N., R. 20 W.; and NE¼ sec. 18, T. 114 N., R. 20 W.

Ohio

Allen County. S½ sec. 9, T. 3 S., R. 5 E.

Ashtabula County. That portion of the county bounded by a line beginning at the intersection of State Route 45 and the north boundary line of the village of Rock Creek; then east along said line to its intersection with the east boundary line of the village of Rock Creek; then south along said line to its intersection with the south boundary line of the village of Rock Creek; then continuing south along an imaginary line to its intersection with Rome-Rock Creek Road; then south along said road to its intersection with Callender Road; then west along said road to its intersection with Windsor-Mechanicsville Road; then north along said road to its intersection with Cork-Cold Springs Road; then east along said road to its intersection with State Route 45; then south along State Route 45 to the point of beginning.

That portion of the county bounded by a line beginning at the intersection of U.S. Route 6 and Windsor-Mechanicsville Road; then south along said road to its intersection with Montgomery Road; then west along said road to its intersection with Nobel Road; then south along said road to its intersection with Stoneville Road; then west along said road to its intersection with State Route 534; then north along State Route 534 to its intersection with U.S. Route 6; then east along U.S. Route 6 to the point of beginning.

That portion of the county bonded by a line beginning at the intersection of State Route 7 and Ayers Road; then west along said road to its intersection with Hayes Road; then northwest along said road to its intersection with Marrian Road; then west along said road to its intersection with State Route 193; then north along State Route 193 to its intersection with Tower Road; then east along said road to its intersection with Stanhope-Kelloggsville Road; then south along said road to its intersection with Footville-Richmond Road; then east along said road to its intersection with U.S. Route 6, then south along U.S. Route 6 to the point of beginning.

That portion of the county bounded by a line beginning at the intersection of U.S. Route 6 and Stanhope-Kelloggsville Road; then south along said road to its intersection with Gibbs Road; then east along said road to its intersection with State Route 7; then south along State Route 7 to its intersection with Slater Road; then west along said road to its intersection with Creek Road; then north along said road to its intersection with U.S. Route 6; then east along U.S. Route 6 to the point of beginning.

Lucus County. That portion of the city of Sylvania bounded by a line beginning at the intersection of the Michigan-Ohio State line and Flanders Road; then south along said road to Janet Avenue; then west along Janet Avenue to its intersection with Artwell Drive; then north along Artwell Drive to its intersection with the Michigan-Ohio State line; then east along said State line to the point of beginning.

Darke County. That portion of Richland Township bounded by a line beginning at the intersection of Reed Road and Greenville-Celina Road; then south along Greenville-Celina Road to its intersection with Union City Road; then west along said road to its intersection with Kesler-Byard Road; then north along said road to its intersection with Reed Road; then east along said road to the point of beginning.

Wayne County. T½ sec. 23 and W½ sec. 24, T. 16 N., R. 13 W.

Wisconsin

Dane County. Sec. 17, T. 7 N., R. 10 E.

Washington County. Sec. 15, T. 9 N., R. 19 E.

Also, as an emergency measure, the following areas in Maine, Oregon, and Virginia which were previously nonregulated areas, are designated as gypsy moth low-risk areas:

Maine

Aroostook County. Townships of Bancroft, Benedicta, Macwahoc Plantation, North Yarmouth Academy Grant, Reed Plantation, Silver Ridge, Upper Molunkus, Weston, and 1 R5 WELS.

Penobscot County. The townships of Carroll Plantation, Drew Plantation, Grindstone, Hersey Town, Kingman, Lakeville, Prentiss Plantation, Seboeis Plantation, Soldiertown, Springfield, Webster Plantation, 1 R8 WELS, 2 R8 WELS, 2 R8 NWP, 2 R9 NWP, 3 R9 NWP, and 5 R1 NBPP.

Piscataquis County. The townships of Barnard, Blanchard Plantation, Bowerbank, Brownville, Lakeview Plantation, Monson, Williamsburg, Williamantic, 2 R9 WELS, 4 R9 NWP, and 5 R9 NWP.

Somerset County. The townships of Bald Mountain Carrying Place, Carrying Place, Carrying Place Town, and Dead River.

Washington County. The townships of Brookton, Codyville Plantation, Danforth, Dyer, Grand Lake Stream Plantation, Forest, Forest City, Fowler, Indian, Kassuth, Lambert Lake, Talmage, Topsfield, Vanceboro, Waite, 6 R1, NBPP, 6 ND BPP, 8 R3 NBPP, 8 R4 NBPP, and 11 R3 NBPP.

Oregon

Douglas County. S ½ of sec. 9 and 10; E ½ of sec. 7, 18, and 19; sec. 8, 15, 16, 17, 20, 21, and 22, T. 26 S., R. 4 W.

Multnomah County. That portion of the county bounded on the north by Glisan Street; on the west by 92nd Avenue; on the south by Holgate Boulevard; and on the east by 130th Avenue.

Virginia

Accomack County. That portion of the county south of a line beginning at the intersection of State Road 695 and the Chesapeake Bay on the west; then easterly along State Road 695 to its intersection with State Road 679; then north along State Road 679 to its intersection with State Road 695; then easterly along State Road 695 to its intersection with Powells Bay; then east from said intersection along an

imaginary line to its intersection with the Atlantic Ocean.

Caroline County. The entire county.

Gloucester County. The entire county.

Greene County. The entire county.

Harrisonburg City. The entire city.

King George County. The entire county.

Lancaster County. The entire county.

Madison County. That portion of the county south of a line beginning at the intersection of State Route 615 and the Greene-Madison County line; then easterly along State Route 615 to its intersection with State Route 662; then northerly along State Route 662 to the boundary of the Shenandoah National Park; then northerly along the Shenandoah National Park boundary to its intersection with State Route 672; then east along State Route 672 to its intersection with State Route 649; then northeast along State Route 649 to its intersection with State Route 670; then southeasterly along State Route 670 to its intersection with State Route 231; then southeasterly along State Route 231 to its intersection with State Route 609; then easterly along State Route 609 to its intersection with the Madison-Culpeper County line.

Mathews County. The entire county.

Middlesex County. The entire county.

Northampton County. The entire County.

Northumberland County. The entire county.

Orange County. The entire county.

Richmond County. The entire county.

Rockingham County. The entire county.

Spotsylvania County. The entire county.

Westmoreland County. The entire county.

Based on recent surveys, inspectors have determined that infestations of gypsy moth occur in these areas designated as gypsy moth low-risk areas, but that the number of egg masses per acre is not high enough to meet the criteria referred to above for gypsy moth high-risk areas.

As noted above, restrictions concerning the gypsy moth are imposed on movements of regulated articles from gypsy moth low-risk areas only if it is determined by an inspector that any life stage of the gypsy moth is on the regulated article, and the person in possession thereof has been so notified by an inspector, unless a certificate or permit has been issued and attached to such regulated article in accordance with §§ 301.45 and 301.45–7 of the regulations. In this connection, it is necessary as an emergency measure to designate such areas as gypsy moth low-risk areas in order to advise persons of the likelihood that inspectors would conduct inspections in such areas and that based on their findings of life stages of gypsy moth, restrictions could apply to the movement of regulated articles from such areas.

Designations of Areas as High-Risk Areas

This document, as an emergency measure, redesignates the following areas in Delaware, Maine, Maryland, Michigan, and Virginia from gypsy moth low-risk areas to gypsy moth high-risk areas:

Delaware

Sussex County. The entire county.

Maine

Penobscot County. Township of Burlington.

Maryland

Caroline County. That portion of the county bounded by a line beginning at a point where State Highway 404 intersects the Caroline County-Queen Annes County line; then southerly along said line to its intersection with the Caroline County-Talbot County line; then southerly along the Caroline County-Talbot County line to its intersection with the Caroline County-Dorchester County line; then easterly along the Caroline County-Dorchester County line to the Maryland-Delaware State line; then north along the Maryland-Delaware State line to its intersection with State Highway 404; then northwesterly along said highway to the point of beginning.

Garrett County. That portion of the county bounded by a line beginning at a point where State Highway 669 intersects with the Maryland-Pennsylvania State line; then west along said line to its intersection with the Maryland-West Virginia State line; then south and northeasterly along said line to its intersection with the Garrett County-Allegany County line; then north along said line to its intersection with State Highway 135; then westerly along said highway to its intersection with State Highway 495; then northerly along said highway to its intersection with U.S. Highway 40; then west along said highway to its intersection with State Highway 669; then north on said highway to the point of beginning.

Montgomery County. The entire county.

Michigan

Clare County. Township of Lincoln.

Isabella County. Portions of Chippewa and Lincoln Townships and the entire townships of Denver and Gilmore.

Midland County. A portion of Greendale Township and the entire townships of Geneva, Homer, Ingersoll, Jasper, Jerome, Lee, Lincoln, Midland, Mount Haley, and Porter.

Oakland County. Portions of Bloomfield, Highland, and Troy Townships.

Virginia

Fauquier County. That portion of the county north of a line beginning at the junction of U.S. Highway 211 and the Culpeper-Fauquier County line; then easterly along U.S. Highway 211 to a point of junction with U.S. Highways 17, 15, and 29; then northerly along U.S. Highways 17, 15, and 29 to a point of junction with U.S. Highway 15 and 29; then northeast and east along U.S. Highways 15 and 29 to a point of junction with the Fauquier-Prince William County line.

Page County. That portion of the county north of a line beginning at the junction of U.S. Highway 211 and the Shenandoah-Page County line; then easterly along U.S. Highway 211 and 211 Bypass to a point of junction with the Page-Rappahannock County line.

Prince William County. The entire county.

Rappahannock County. That portion of the county north of a line beginning at the junction of U.S. Highway 211 and the Page-Rappahannock County line; then easterly along U.S. Highway 211 to a point of junction with the Rappahannock-Culpeper County line.

Shenandoah County. That portion of the county which lies north and east of State Route 675.

Warren County. The entire county.

This document, as an emergency measure, expands the previously designated gypsy moth high-risk area of Lane County in Oregon to also include a previously nonregulated area as set forth below.

Previously, the following portion of Lane County in Oregon, was included as a gypsy moth high-risk area: "Beginning at the point where Interstate 5 intersects with Interstate 105; then easterly on Interstate 105 to its intersection with Highway 126; then easterly on said highway to its intersection with Deerhorn Road; then easterly on said road to its intersection with Booth Kelly Road; then easterly on Booth Kelly Road to its intersection with the north boundary of sec. 27, T. 17 S., R. 1 E.; then due east along an imaginary line to the northeast corner of sec. 26, T. 17 S., R. 3 E.; then due south along an imaginary line to the north boundary of sec. 1, T. 20

S., R. 4 E.; then due west along said boundary to the northwest corner of said section; then due south along an imaginary line to the southeast corner of sec. 26, T. 22 S., R. 3 E.; then due west along an imaginary line to the northwest corner of sec. 31, T. 22 S., R. 2 E.; then due south along the west boundary of said section to the northeast corner of sec. 36, T. 22 S., R. 1 E.; then due west along an imaginary line to the southwest corner of sec. 28, T. 22 S., R. 1 W.; then due north along an imaginary line to the northwest corner of said section; then due west along an imaginary line to the northwest corner of said section; then due west along an imaginary line to the northwest corner of sec. 30, T. 22 S., R. 1 W.; then due south along the west boundary of said section to the northeast corner of sec. 25, T. 22 S., R. 2 W.; then due west along an imaginary line to the northwest corner of sec. 29, T. 22 S., R. 2 W.; then due north along an imaginary line to the northwest corner of sec. 17, T. 22 S., R. 2 W.; then due west along the north boundary of said section to the east boundary of sec. 13, T. 22 S., R. 3 W.; then due north along said boundary to the northeast corner of said section; then due west along an imaginary line to the northwest corner of sec. 18, T. 22 S., R. 3 W.; then due north along an imaginary line to the northwest corner of sec. 30, T. 21 S., R. 3 W.; then due east along the north boundary of said section to the northeast corner of said section; then due north along an imaginary line to the northwest corner of sec. 29, T. 20 S., R. 3 W.; then due east along the north boundary of said section to the northeast corner of said section; then due north along an imaginary line to the northwest corner of sec. 9, T. 20 S., R. 3 W.; then due east along the north boundary of said section to the northeast corner of said section; then due north along an imaginary line to the intersection of said line and Camas Swale Road; then westerly along said road to its intersection with the west boundary of sec. 13, T. 19 S., R. 4 W.; then due north along an imaginary line to its intersection with Fox Hollow Road; then westerly along said road to its intersection with McBeth Road; then northerly along McBeth Road to its intersection with the west boundary of sec. 23, T. 18 S., R. 4 W.; then due north along the west boundary of said section to the northwest corner of said section; then due west along an imaginary line to the southwest corner of sec. 16, T. 18 S., R. 4 W.; then due north along an imaginary line to the intersection of said line with Highway 126; then westerly along said highway to its intersection with Territorial Highway; then due south along Territorial Highway to its intersection with the south boundary of sec. 36, T. 17 S., R. 6 W.; then due west along an imaginary line to the southwest corner of sec. 34, T. 17 S., R. 6 W.; then due east along the north boundary of said section to the northeast corner of said section; then due north along an imaginary line to the northwest corner of sec. 14, T. 16 S., R. 6 W.; then due east along an imaginary line to its intersection with Siegman-Smyth Road; then northerly along said road to its intersection with High Pass Road; then easterly along High Pass Road to the northwest corner of sec. 1, T. 16 S., R. 5 W.; then due south along an imaginary line to the southwest corner of sec. 12, T. 16 S., R. 5 W.; then due east along the south boundary of said section to Vogt Road; then southerly along said road to its intersection with Meadowview Road West; then due east along Meadowview Road West to its intersection with Highway 99; then southeasterly along said highway to its intersection with Belt Line Highway; then easterly along Belt Line Highway to its intersection with the west boundary of sec. 18, T. 17 S., R. 3 W.; then due north along said boundary to the northwest corner of said section; then due east along an imaginary line to the northeast corner of sec. 17, T. 17 S., R. 3 W.; then due south along the east boundary of said section to its intersection with Belt Line Highway; then easterly along said highway to its intersection with Interstate 5; then southerly along Interstate 5 to the point of beginning."

This document expands the previously designated gypsy moth high-risk area in Lane County in Oregon as follows: "That portion of the county beginning at a point in the northwest corner of sec. 11, T. 16 S., R. 3 E.; then south along an imaginary line to the northeast corner of sec. 26, T. 21 S., R. 3 E.; then west along an imaginary line to the northeast corner of sec. 25, T. 21 S., R. 1 W.; then south along the east boundary of said section to its intersection with Lower Brice Creek Road; then west along said road to its junction with Row River Road; then northwest along Row River Road to Dorena Dam; then south across the Dorena Dam Spillway to a point intersecting the north boundary of sec. 5, T. 21 S., R. 2 W.; then west along an imaginary line to the southwest corner of sec. 31, T. 20 S., R. 5 W.; then north along an imaginary line to the northeast corner of sec. 1, T. 18 S., R. 6 W.; then west along an imaginary line to the northeast corner of sec. 4, T. 18 S., R. 6 W.; then north along an imaginary line to the northeast corner of sec. 33, T. 16 S., R. 6 W.; then east along an imaginary line to the northwest corner of sec. 34, T. 16 S., R. 6 W.; then north along an imaginary line to the northeast corner of sec. 15, T. 16 S., R. 6 W.; then east along an imaginary line to its intersection with Siegman-Smyth Road; then northerly along said road to its intersection with High Pass Road; then easterly along High Pass Road to the northwest corner of sec. 1, T. 16 S., R. 5 W.; then due north along Washburn Lane to a point ¼ mile north of the intersection of Washburn Road and Cock Butte Road; then due easterly along an imaginary line to Love Lake Road; then south along an imaginary line to its intersection with U.S. Highway 99; then southerly along U.S. Highway 99 to its intersection with Belt Line Highway; then east along an imaginary line to its intersection with Interstate Highway 5, near the northeast corner of sec. 16, T. 17 S., R. 3 W.; then north along Interstate 5 to a point intersecting the north boundary of sec. 4, T. 17 S., R. 3 W.; then east along an imaginary line to the northeast corner of sec. 5, T. 17 S., R. 1 E.; then north along an imaginary line to the northeast corner of sec. 20, T. 16 S., R. 1 E.; then east along an imaginary line to the northeast corner of sec. 23, T. 16 S., R. 2 E.; then north along an imaginary line to the northeast corner of sec. 11, T. 16 S., R. 2 E.; then east along an imaginary line to the point of beginning."

Based on recent surveys, inspectors have determined with respect to all of the areas added to the list of gypsy moth high-risk areas, that defoliation has occurred in these areas because of the gypsy moth or that there is reason to believe that 50 or more egg masses per acre of the gypsy moth are present in these areas. Also, outdoor household articles and regulated articles exist within or adjacent to these areas. Accordingly, there is a substantial risk of artifically spreading the gypsy moth by unrestricted interstate movement of such articles. Therefore, as an emergency measure, it is necessary to designate such areas as gypsy moth high-risk areas and impose restrictions on the interstate movement of outdoor household articles and regulated articles from these areas in accordance with the regulations in order to prevent the artificial spread of the gypsy moth.

Removal of State From Quarantine and Deletion of Areas From List of Regulated Areas

Prior to the effective date of this document the following areas in North Carolina, Michigan, and Washington were designated as gypsy moth low-risk

regulated areas. This document removes these areas from the list of gypsy moth low-risk regulated areas and removes North Carolina as a quarantined State.

North Carolina

Carteret County. "That area bounded by a line beginning at a point on the northern shoreline of Taylors Creek and running north on an imaginary course to the intersection of State Secondary Road 1310 and State Secondary Road 1311; then northerly along State Secondary Road 1311 to its ending; then northerly along an imaginary line to its intersection with North River; then southwesterly along North River shoreline to its junction with Taylors Creek; then westerly along Taylors Creek to the point of beginning."

Michigan

Monroe County. "The entire county."

Washington

Pierce County. "The entire county."

Based on treatments with insecticides and subsequent negative surveys in accordance with the quarantine and regulations, it has been determined that the gypsy moth no longer occurs in the above-described areas. Accordingly, there is no longer a basis for continuing to list such areas as regulated areas for the purpose of preventing the artificial spread interstate of gypsy moth. Therefore, as an emergency measure, it is necessary to delete those areas from the list of regulated areas in order to delete unnecessary restrictions on the movement of gypsy moth regulated articles.

Further, the effect of deleting the above-described area in North Carolina from the list of gypsy moth regulated areas is to remove all areas in North Carolina from the list of regulated areas. As a result, there is no longer a basis for quarantining North Carolina for gypsy moth. Therefore, this amendment also deletes North Carolina from the list of States quarantined because of gypsy moth in § 301.45(a).

In addition, this document amends the regulations by making several nonsubstantive editorial changes.

Emergency Action

Harvey L. Ford, Deputy Administrator of the Animal and Plant Health Inspection Service for Plant Protection and Quarantine, has determined that an emergency situation exists which warrants publication without prior opportunity for a public comment period on this interim rule. Because of the possibility that the gypsy moth could be spread artificially to noninfested areas of the United States, a situation exists requiring immediate action to better control the spread of this pest. Also, where gypsy moth no longer occurs, or when there is reason to believe that the density of egg masses per acre has decreased sufficiently to remove the area from a gypsy moth high-risk area and gypsy moth low-risk area classification, immediate action is needed to delete unnecessary restrictions on the interstate movement of regulated articles.

Further, pursuant to the administrative procedure provisions of 5 U.S.C. 553, it is found upon good cause that prior notice and other public procedures with respect to this interim rule are impracticable and contrary to the public interest; and good cause is found for making this interim rule effective less than 30 days after publication of this document in the **Federal Register**. Comments are being solicited for 60 days after publication of this document, and a final document discussing comments received and any amendments required will be published in the **Federal Register**.

Executive Order 12291 and Regulatory Flexibility Act

This interim rule is issued in conformance with Executive Order 12291 and has been determined to be not a "major rule." Based on information compiled by the Department, it has been determined that this interim rule will have an estimated annual effect on the economy of approximately $135,500; will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; and will not cause significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

For this action, the Office of Management and Budget has waived the review process required by Executive Order 12291.

This action affects the interstate movement of regulated articles from specified areas in the States of Delaware, Illinois, Indiana, Maine, Maryland, Michigan, Minnesota, Ohio, Oregon, Virginia, Washington, and Wisconsin. Based on information compiled by the U.S. Department of Agriculture it has been determined that there are many hundreds of small entities that move regulated articles interstate from such States and many thousands of small entities that move regulated articles interstate from other States. However, based on such information, it has been determined that only approximately 659 small entities move regulated articles interstate from the specified areas affected by this action. Further, the annual overall economic impact from this action is estimated to be less than $135,500.

Under these circumstances, the Administrator of the Animal and Plant Health Inspection Service has determined that this action will not have a significant economic impact on a substantial number of small entities.

Executive Order 12372

This program/activity is listed in the Catalog of Federal Domestic Assistance under No. 10.025 and is subject to the provisions of Executive Order 12372 which requires intergovernmental consultation with State and local officials. (See 7 CFR Part 3015, Subpart V.)

List of Subjects in 7 CFR Part 301

Agricultural commodities, Plant diseases, Plant pests, Plants (Agriculture), Quarantine, Transportation, Gypsy moth.

PART 301—DOMESTIC QUARANTINE NOTICES

Under the circumstances referred to above, the "Gypsy Moth and Browntail Moth" quarantine and regulations (contained in 7 CFR 301.45 *et seq.*) are amended as follows:

1. The authority citation for Part 301 continues to read as follows:

Authority: 7 U.S.C. 150dd, 150ee, 150ff, 161, 162 and 164–167; 7 CFR 2.17, 2.51, and 371.2(c).

§ 301.45 [Amended]

2. Section 301.45(a) is amended by removing the reference to "North Carolina".

3. Section 301.45–2a is revised to read as follows:

§ 301.45–2a Regulated areas; high-risk and low-risk areas.

(a) The areas described below are designated as gypsy moth regulated areas, and such regulated areas are divided into high-risk areas or low-risk areas as follows:

Connecticut

(1) *High-risk area.* The entire State.
(2) *Low-risk area.* None.

Delaware

(1) *High-risk area.* The entire State.
(2) *Low-risk area.* None.

District of Columbia

(1) *High-risk area.* The entire District.
(2) *Low-risk area.* None.

Illinois

(1) *High-risk area.* None.
(2) *Low-risk area.*
Kane County. SE¼ sec. 3 and NE¼ sec. 10, T. 39 N., R. 8 E.
Lake County. SE¼ sec. 28, T. 43 N., R. 10 E.
Peoria County. Sec. 28, T. 9 N., R. 8 E.

Indiana

(1) *High-risk area.* None.
(2) *Low-risk area.*
Allen County. SE¼ sec. 32, T. 30 N., R. 13 E.
Marion County. SE¼ sec. 20, T. 17 N., R. 3 E.

Maine

(1) *High-risk area.*
Androscoggin County. The entire county.
Cumberland County. The entire county.
Franklin County. The townships of Avon, Carthage, Chesterville, Farmington, Industry, Jay, New Sharon, New Vineyard, Perkins, Strong, Temple, Washington, Weld, and Wilton.
Hancock County. The entire county.
Kennebec County. The entire county.
Knox County. The entire county.
Lincoln County. The entire county.
Oxford County. The townships of Albany, Batchelders Grant, Bethel, Brownfield, Buckfield, Canton, Denmark, Dixfield, Fryeburg, Greenwood, Hanover, Hartford, Hebron, Hiram, Lovell, Mason Plantation, Mexico, Milton Plantation, Norway, Oxford, Paris, Peru, Porter, Rumford, Stoneham, Stow, Sumner, Sweden, Waterford, and Woodstock.
Penobscot County. The townships of Alton, Argyle, Bangor City, Bradford, Bradley, Brewer City, Burlington, Carmel, Charleston, Clifton, Corinna, Cornith, Dexter, Dixmont, Edinburg, Enfield, Etna, Exeter, Garland, Glenburn, Grand Falls Plantation, Greenbush, Greenfield, Hampden, Hermon, Holden, Howland, Hudson, Kenduskeag, La Grange, Levant, Lincoln, Lowell, Mattamiscontis, Maxfield, Milford, Newburg, Newport, Old Town City, Orono, Orrington, Pasadumkeag, Plymouth, Stetson, Summit, Veazie-Eddington, and 1 ND.
Piscataquis County. The townships of Atkinson, Medford, Milo, and Orneville.
Sagadahoc County. The entire county.
Somerset County. The townships of Anson, Athens, Cambridge, Canaan, Cornville, Detroit, Embden, Fairfield, Harmony, Hartland, Madison, Mercer, New Portland, Norridgewock, Palmyra, Pittsfield, Ripley, Skowhegan, Smithfield, Solon, St. Albans, and Starks.
Waldo County. The entire county.
Washington County. The townships of Addison, Beals, Beddington, Centerville, Cherryfield, Columbia, Columbia Falls, Crawford, Deblois, East-Machias, Harrington, Jonesborro, Jonesport, Machias, Machiasport, Marshfield, Milbridge, Northfield, Rogue Bluffs, Steuben, Wesley, Whitneyville, 5 ND, 18 ED, 18 MD, 19 ED, 19 MD, 24 MD, 25 MD, 26 ED, 27 ED, 29 MD, 30 MD, 31 MD, 36 MD, 37 MD, 42 MD, and 43 MD.
York County. The entire county.
(2) *Low-risk area.*
Aroostook County. Townships of Bancroft, Benedicta, Macwahoc Plantation, Molunkus, North Yarmouth Academy Grant, Reed Plantation, Silver Ridge, Upper Molunkus, Weston, and 1 R5 WELS.
Franklin County. The townships of Crockertown, Dallas Plantation, Freeman, Jerusalem, Kingfield, Madrid, Mount Abraham, Phillips, Rangeley Plantation, Redington, Salem, Sandy River Plantation, 6, E, and D.
Oxford County. The townships of Andover, Andover North, Andover West, Byron, Gilead, Grafton, Magalloway Plantation, Newry, Richardsontown, Riley, Roxbury, Upton, C, and C Surplus.
Penobscot County. The townships of Carroll Plantation, Chester, Drew Plantation, E. Millinocket, Grindstone, Hersey Town, Hopkins Academy Grant, Indian Purchase, Kingman, Lakeville, Lee, Long A, Mattawamkeag, Medway, Millinocket, Prentiss Plantation, Seboeis Plantation, Soldiertown, Springfield, Webster Plantation, Winn, Woodville, Veazie Gore, AR 7, AR 8 & 9, 3 R1, 1 R6 WELS, 1 R8 WELS, 2 R8 WELS, 2 R8 NWP, 2 R9 NWP, 3 R9 NWP, and 5 R1 NBPP.
Piscataquis County. The townships of Abbott, Barnard, Blanchard Plantation, Bowerbank, Brownville, Dover-Foxcroft, Guilford, Kingsbury Plantation, Lakeview Plantation, Monson, Parkman, Sangeville, Sebec, Williamsburg, Willimantic, Wellington, 1 R9, 2 R9 WELS, 4 R9 NWP, and 5 R9 NWP.
Somerset County. The townships of Bald Mountain, Bingham, Brighton Plantation, Caratunk, Carrying Place, Carrying Place Town, Concord Plantation, Dead River, Highland Plantation, Lexington Plantation, Mayfield, Moscow, and Pleasant Ridge Plantation.
Washington County. The townships of Alexander, Baileyville, Baring, Brookton, Calais, Codyville Plantation, Cooper, Charlotte, Cutler, Danforth, Dennysville, Dyer, Eastport, Edmonds, Forest, Forest City, Fowler, Grand Lake Stream Plantation, Indian, Kossuth, Lambert Lake, Lubec, Marion, Meddybemps, Pembroke, Perry, Princeton, Robbinston, Talmage, Topsfield, Trescott, Vanceboro, Waite, Whiting, Plantation 14, Plantation 21, 6 R1 NBPP, 6 ND BPP, 8 R3 NBPP, 8 R4 NBPP, 11 R3 NBPP.

Maryland

(1) *High-risk area.*
Allegany County. The entire county.
Baltimore City. The entire city.
Baltimore County. The entire county.
Caroline County. The entire county.
Carroll County. The entire county.
Cecil County. The entire county.
Frederick County. The entire county.
Garrett County. The entire county.
Harford County. The entire county.
Howard County. The entire county.
Kent County. The entire county.
Montgomery County. The entire county.
Queen Annes County. The entire county.
Washington County. The entire county.
(2) *Low-risk area.*
Anne Arundel County. The entire county.
Dorchester County. The entire county.
Prince Georges County. The entire county.
Talbot County. The entire county.
Wicomico County. The entire county.
Worcester County. The entire county.

Massachusetts

(1) *High-risk area.* The entire State.
(2) *Low-risk area.* None.

Michigan

(1) *High-risk area.*
Clare County. The township of Lincoln.
Isabella County. The townships of Chippewa, Denver, Gilmore, and Lincoln.
Midland County. The townships of Geneva, Greendale, Homer, Ingersoll, Jasper, Jerome, Lee, Lincoln, Midland, Mount Haley, and Porter.
Oakland County. The townships of Bloomfield, Highland, and Troy.
(2) *Low-risk area.*
Arenac County. The entire county.
Bay County. The entire county.
Branch County. The entire county.
Calhoun County. The entire county.
Clare County. The entire county, *except* Lincoln township.
Clinton County. The entire county.
Eaton County. The entire county.
Genesee County. The entire county.
Gladwin County. The entire county.
Gratiot County. The entire county.
Huron County. The entire county.
Ingham County. The entire county.
Ionia County. The entire county.
Iosco County. The entire county.
Isabella County. The entire county *except* the townships of Chippewa, Denver, Gilmore, and Lincoln.
Jackson County. The entire county.
Lapeer County. The entire county.
Lenawee County. The entire county.
Livingston County. The entire county.
Macomb County. The entire county.
Mecosta County. The entire county.
Midland County. The townships of Edenville, Hope, Larkin, Mills, and Warren.
Missaukee County. The entire county.
Montcalm County. The entire county.
Newaygo County. The entire county.
Oakland County. The entire county *except* the townships of Bloomfield, Highland, and Troy.
Ogemaw County. The entire county.
Osceola County. The entire county.
Roscommon County. The entire county.
Saginaw County. The entire county.
St. Clair County. The entire county.
Sanilac County. The entire county.
Shiawasee County. The entire county.
Tuscola County. The entire county.
Washtenaw County. The entire county.
Wayne County. The entire county.

Minnesota

(1) *High-risk area.* None.
(2) *Low-risk area.*
Dakota County. NW¼ sec. 21, T. 115 N., R. 20 W.; NE¼ sec. 16, T. 115 N., R. 20 W.; and NE¼ sec. 18, T. 114 N., R. 20 W.

New Hampshire

(1) *High-risk area.*
Belknap County. The entire county.
Carroll County. The entire county.
Cheshire County. The entire county.
Grafton County. The entire county.
Hillsboro County. The entire county.
Merrimack County. The entire county.
Rockingham County. The entire county.
Strafford County. The entire county.
Sullivan County. The entire county.
(2) *Low-risk area.*

Coos County. The entire county.

New Jersey

(1) *High-risk area.* The entire State.
(2) *Low-risk area.* None.

New York

(1) *High-risk area.*
Albany County. The entire county.
Allegany County. The entire county.
Bronx County. The entire county.
Broome County. The entire county.
Cattaraugus County. The entire county.
Cayuga County. The towns of Fleming, Genoa, Ledyard, Locke, Moravia, Niles, Owasco, Scipio, Sempronius, Springport, Sterling, Summer Hill, and Venice.
Chautauqua County. The entire county.
Chemung County. The entire county.
Chenango County. The towns of Afton, Bainbridge, Coventry, German, Greene, Guilford, McDonough, New Berlin, North Norwich, Norwich, Oxford, Pharsalia, Pitcher, Plymouth, Preston, Smithville, and the city of Norwich.
Clinton County. The entire county.
Columbia County. The entire county.
Cortland County. The towns of Cincinnatus, Cortlandville, Freetown, Hartford, Lapeer, Marathon, Solon, Taylor, Virgil, Willet, and the city of Cortland.
Delaware County. The entire county.
Dutchess County. The entire county.
Erie County. The towns of Aurora, Boston, Brant, Cattaraugus, Colden, Collins, Concord, Eden, Evans, Hamburg, Holland, North Collins, Orchard Park, Sardinia, and Wales.
Essex County. The entire county.
Franklin County. The entire county.
Fulton County. The entire county.
Greene County. The entire county.
Hamilton County. The entire county.
Herkimer County. The entire county.
Jefferson County. The towns of Alexandria, Antwerp, Brownville, Cape Vincent, Clayton, and Theresa.
Kings County. The entire county.
Livingston County. The towns of Conesus, Lima, North Dansville, Ossian, Sparta, Springwater, and West Sparta.
Madison County. The town of Sullivan.
Monroe County. The entire county.
Montgomery County. The entire county.
Nassau County. The entire county.
New York County. The entire county.
Oneida County. The towns of Annsville, Camden, Deerfield, Lee, Marcy, New Hartford, Rome City, Utica City Verona, Vienna, Western, Westmoreland, and Whitestown.
Onondaga County. The towns of Clay, Lafayette, and Otisco.
Ontario County. The towns of Naples and South Bristol.
Orange County. The entire county.
Otsego County. The entire county.
Oswego County. The towns of Constantia, Hastings, Palermo, Schroeppel, Volney, and West Monroe.
Putnam County. The entire county.
Queens County. The entire county.
Rensselaer County. The entire county.
Richmond County. The entire county.
Rockland County. The entire county.
Saratoga County. The entire county.
Schenectady County. The entire county.
Schoharie County. The entire county.
Schuyler County. The entire county.
Seneca County. The towns of Covert, Lodi, Ovid, Romulus, and Varick.
St. Lawrence County. The towns of Brasher, Hammond, Hopkinson, Lawrence, Louisville, Macomb, Massena, Norfolk, Rossie, and Stockholm.
Steuben County. The entire county.
Suffolk County. The entire county.
Sullivan County. The entire county.
Tioga County. The entire county.
Tompkins County. The entire county.
Ulster County. The entire county.
Warren County. The entire county.
Washington County. The entire county.
Westchester County. The entire county.
Yates County. The entire county.
(2) *Low-risk area.*
Cayuga County. The towns of Aurelius, Brutus, Cato, Conquest, Ira, Mentz, Montezuma, Sennett, Throop, and Victory.
Chenango County. The towns of Columbus, Linchklaen, Otselie, Smyrna, and Sherburne.
Cortland County. The towns of Cuyler, Homer, Preble, Scott, and Truxton.
Erie County. The towns of Amherst, Alden, Cheektowaga, Clarence, Elma, Grand Island, Lancaster, Marilla, New Stead, Tonawanda, West Seneca, and the cities of Buffalo, Lackawana, and Tonawanda.
Genesee County. The entire county.
Jefferson County. The towns of Adams, Champion, Ellisburg, Henderson, Hounsfield, LeRay, Lorraine, Lyme, Orleans, Pamelia, Philadelphia, Rodman, Rutland, Wilma, Worth, Watertown, and Watertown City.
Lewis County. The entire county.
Livingston County. The towns of Avon, Caledonia, Geneseo, Groveland, Leicester, Livonia, Mount Morris, Nunda, Portage, and York.
Madison County. The entire county *except* the town of Sullivan.
Niagara County. The entire county.
Oneida County. The towns of Augusta, Ava, Boonville, Bridgewater, Florence, Floyd, Forestport, Kirkland, Marshall, Paris, Remsen, Sangerfield, Steuben, Trenton, and Vernon.
Onondaga County. The entire county *except* the towns of Clay, Lafayette, and Otisco.
Ontario County. The entire county *except* the towns of Naples and South Bristol.
Orleans County. The entire county.
Oswego County. The entire county *except* the towns of Constantia, Hastings, Palermo, Schroeppel, Volney, and West Monroe.
Seneca County. The towns of Fayette, Junus, Seneca Falls, Tyre, and Waterloo.
St. Lawrence County. The entire county *except* the towns of Brasher, Hammond, Hopkinson, Lawrence, Louisville, Macomb, Massena, Norfolk, Rossie, and Stockholm.
Wayne County. The entire county.
Wyoming County. The entire county.

Ohio

(1) *High-risk area.* None.
(2) *Low-risk area.*
Allen County. S½ sec. 9, T. 3 S., R. 5 E.
Ashtabula County. That portion of the county bounded by a line beginning at the intersection of State Route 45 and the north boundary line of the village of Rock Creek; then east along said line to its intersection with the east boundary line of the village of Rock Creek; then south along said line to its intersection with the south boundary line of the village of Rock Creek; then continuing south along an imaginary line to its intersection with Rome-Rock Creek Road; then south along said road to its intersection with Callender Road; then west along said road to its intersection with Windsor-Mechanicsville Road; then north along said road to its intersection with Cork-Cold Springs Road; then east along said road to its intersection with State Route 45; then south along State Route 45 to the point of beginning.

That portion of the county bounded by a line beginning at the intersection of U.S. Route 6 and Windsor-Mechanicsville Road; then south along said road to its intersection with Montgomery Road; then west along said road to its intersection with Noble Road; then south along said road to its intersection with Stoneville Road; then west along said road to its intersection with State Route 534; then north along State Route 534 to its intersection with U.S. Route 6; then east along U.S. Route 6 to the point of beginning.

That portion of the county bounded by a line beginning at the intersection of State Route 7 and Ayers Road; then west along said road to its intersection with Hayes Road; then northwest along said road to its intersection with Marrian Road; then west along said road to its intersection with State Route 193; then north along State Route 193 to its intersection with Tower Road; then east along said road to its intersection with Stanhope-Kelloggsville Road; then south along said road to its intersection with Footville-Richmond Road; then east along said road to its intersection with U.S. Route 6; then south along U.S. Route 6 to the point of beginning.

That portion of the county bounded by a line beginning at the intersection of U.S. Route 6 and Stanhope-Kelloggsville Road; then south along said road to its intersection with Gibbs Road; then east along said road to its intersection with State Route 7; then south along state Route 7 to its intersection with Slater Road; then west along said road to its intersection with Creek Road; then north along said road to its intersection with U.S. Route 6; then east along U.S. Route 6 to the point of beginning.

Lucus County. That portion of the city of Sylvania bounded by a line beginning at the intersection of the Michigan-Ohio State line and Flanders Road; then south along said road to Janet Avenue; then west along Janet Avenue to its intersection with Artwell Drive; then north along Artwell Drive to its intersection with the Michigan-Ohio State line; then east along said State line to the point of beginning.

Darke County. That portion of Richland Township bounded by a line beginning at the intersection of Reed Road and Greenville-Celina Road; then south along Greenville-Celina Road to its intersection with Union City Road; then west along said road to its intersection with Kesler-Byard Road; then north along said road to its intersection with Reed Road; then east along said road to the point of beginning.

Wayne County. E½ sec. 23 and W½ sec. 24, T. 16 N., R. 13 W.

Oregon

(1) *High-risk area.*

Lane County. That portion of the county beginning at a point in the northeast corner of sec. 11, T. 16 S., R. 3 E.; then south along an imaginary line to the northeast corner of sec. 26, T. 21 S., R. 3 E.; then west along an imaginary line to the northeast corner of sec. 25, T. 21 S., R. 1 W.; then south along the east boundary of said section to its intersection with Lower Brice Creek Road; then west along said road to its junction with Row River Road; then northwest along Row River Road to Dorena Dam; then south across the Dorena Dam Spillway to a point intersecting the north boundary of sec. 5, T. 21 S., R. 2 W.; then west along an imaginary line to the southwest corner of sec. 31, T. 20 S., R. 5 W.; then north along an imaginary line to the northeast corner of sec. 1, T. 18 S., R. 6 W.; then west along an imaginary line to the northeast corner of sec. 4, T. 18 S., R. 6 W.; then north along an imaginary line to the northeast corner of sec. 33, T. 16 S., R. 6 W.; then east along an imaginary line to the northeast corner of sec. 34, T. 16 S., R. 6 W.; then north along an imaginary line to the northeast corner of sec. 15, T. 16 S., R. 6 W.; then east along an imaginary line to its intersection with Siegman-Smyth Road; then northerly along said road to its intersection with High Pass Road; then easterly along High Pass Road to the northwest corner of sec. 1, T. 16 S., R. 5 W.; then due north along Washburn Lane to a point ¼ mile north of the intersection of Washburn Road and Cock Butte Road; then due easterly along an imaginary line to Love Lake Road; then south along an imaginary line to its intersection with U.S. Highway 99; then southerly along U.S. Highway 99 to its intersection with Belt Line Highway; then east along an imaginary line to its intersection with Interstate Highway 5, near the northeast corner of sec. 16, T. 17 S., R. 3 W.; then north along Interstate 5 to a point intersecting the north boundary of sec. 4, T. 17 S., R. 3 W.; then east along an imaginary line to the northeast corner of sec. 5, T. 17 S., R. 1 E.; then north along an imaginary line to the northeast corner of sec. 20, T. 16 S., R. 1 E.; then east along an imaginary line to the northeast corner of sec. 23, T. 16 S., R. 2 E.; then north along an imaginary line to the northeast corner of sec. 11, T. 16 S., R. 2 E.; then east along an imaginary line to the point of beginning.

(2) *Low-risk area.*

Douglas County. S½ of sec. 9 and 10; E½ of sec. 7, 18, and 19; sec. 8, 15, 16, 17, 20, 21, and 22, T. 26 S., R. 4 W.

Multnomah County. That portion of the county bounded on the north by Glisan Street; on the west by 92nd Avenue; on the south by Holgate Boulevard; and on the east by 130th Avenue.

Pennsylvania

(1) *High-risk area.*

Adams County. The entire county.
Bedford County. The entire county.
Berks County. The entire county.
Blair County. The entire county.
Bradford County. The entire county.
Bucks County. The entire county.
Cambria County. The entire county.
Cameron County. The entire county.
Carbon County. The entire county.
Centre County. The entire county.
Chester County. The entire county.
Clarion County. The entire county.
Clearfield County. The entire county.
Clinton County. The entire county.
Columbia County. The entire county.
Cumberland County. The entire county.
Dauphin County. The entire county.
Delaware County. The entire county.
Elk County. The entire county.
Forest County. The entire county.
Franklin County. The entire county.
Fulton County. The entire county.
Huntingdon County. The entire county.
Indiana County. The entire county.
Jefferson County. The entire county.
Juniata County. The entire county.
Lackawanna County. The entire county.
Lancaster County. The entire county.
Lebanon County. The entire county.
Lehigh County. The entire county.
Luzerne County. The entire county.
Lycoming County. The entire county.
McKean County. The entire county.
Mifflin County. The entire county.
Monroe County. The entire county.
Montgomery County. The entire county.
Montour County. The entire county.
Northampton County. The entire county.
Northumberland County. The entire county.
Perry County. The entire county.
Philadelphia County. The entire county.
Pike County. The entire county.
Potter County. The entire county.
Schuylkill County. The entire county.
Somerset County. The entire county.
Snyder County. The entire county.
Sullivan County. The entire county.
Susquehanna County. The entire county.
Tioga County. The entire county.
Union County. The entire county.
Venango County. The entire county.
Warren County. The entire county.
Wayne County. The entire county.
Westmoreland County. The entire county.
Wyoming County. The entire county.
York County. The entire county.

(2) *Low-risk area.* Counties not designated as high-risk area.

Rhode Island

(1) *High-risk area.* The entire State.
(2) *Low-risk area.* None.

Vermont

(1) *High-risk area.*

Addison County. The entire county.
Bennington County. The entire county.
Chittenden County. The entire county.
Franklin County. The entire county.
Grand Isle County. The entire county.
Rutland County. The entire county.
Windham County. The entire county.
Windsor County. The entire county.

(2) *Low-risk area.*

Caledonia County. The entire county.
Essex County. The entire county.
Lamoille County. The entire county.
Orange County. The entire county.
Orleans County. The entire county.
Washington County. The entire county.

Virginia

(1) *High-risk area.*

Arlington County. The entire county.
City of Alexandria. The entire city.
City of Fairfax. The entire city.
City of Falls Church. The entire city.
City of Manassas. The entire city.
City of Winchester. The entire city.
Clarke County. The entire county.
Fairfax County. The entire county.
Fauquier County. That portion of the county north of a line beginning at the junction of U.S. Highway 211 and the Culpeper-Fauquier County line; then easterly along U.S. Highway 211 to a point of junction with U.S. Highways 17, 15, and 29; then northerly along U.S. Highways 17, 15, and 29 to a point of junction with U.S. Highways 15 and 29; then northeast and east along U.S. Highways 15 and 29 to a point of junction with the Fauquier-Prince William County line.
Frederick County. The entire county.
Loudoun County. The entire county.
Page County. That portion of the county north of a line beginning at the junction of U.S. Highway 211 and the Shenandoah-Page County line; then easterly along U.S. Highway 211 and 211 Bypass to a point of junction with the Page-Rappahannock County line.
Prince William County. The entire county.
Rappahannock County. That portion of the county north of a line beginning at the junction of U.S. Highway 211 and the Page-Rappahannock County line; then easterly along U.S. Highway 211 to a point of junction with the Rappahannock-Culpeper County line.
Shenandoah County. The entire county.
Warren County. The entire county.

(2) *Low-risk area.*

Accomack County. The entire county.
Caroline County. The entire county.
Culpeper County. The entire county.
Fauquier County. That portion of the county south of a line beginning at the junction of U.S. Highway 211 and the Culpeper-Fauquier County line; then easterly along U.S Highway 211 to a point of junction with U.S. Highways 17, 15, and 29; then northerly along U.S. Highways 17, 15, and 29 to a point of junction with U.S. Highways 15 and 29; then northeast and east along U.S. Highways 15 and 29 to a point of junction with the Fauquier-Prince William County line.
Gloucester County. The entire county.
Greene County. The entire county.
Harrisonburg City. The entire city.
King George County. The entire county.
Lancaster County. The entire county.
Madison County. The entire county.
Mathews County. The entire county.
Middlesex County. The entire county.
Northampton County. The entire county.
Northumberland County. The entire county.
Orange County. The entire county.
Page County. That portion of the county south of a line beginning at the junction of

U.S. Highway 211 and the Shenandoah-Page County line; then easterly along U.S. Highway 211 and 211 Bypass to a point of junction with the Page-Rappahannock County line.

Rappahannock County. That portion of the county south of a line beginning at the junction of U.S Highway 211 and the Page-Rappahannock County line; then easterly along U.S Highway 211 to a point of junction with the Rappahannock-Culpeper County line.

Richmond County. The entire county.
Rockingham County. The entire county.
Spotsylvania County. The entire county.
Stafford County. The entire county.
Westmoreland County. The entire county.

Washington

(1) *High-risk area.* None.
(2) *Low-risk area.*
Clark County. That portion of the county bounded by a line beginning at a point where NE 29th Avenue and 179th Street NE intersect; then easterly along 179th Street NE to its intersection with NE 72nd Avenue; then southerly on NE 72nd Avenue to its intersection with 160th Street NE; then westerly on 160th Street NE to its end; then westerly along an imaginary line projected from the end of 160th Street NE to its intersection with NE 29th Avenue; then northerly on NE 29th Avenue to the point of beginning.

Kitsap County. The entire county.
Whatcom County. That portion of the county bounded by a line beginning at a point where the Skagit-Whatcom County line intersects the Bellingham-Samish Bays; then easterly along said line to its intersection with State Highway 9; then northerly along said highway to its intersection with State Highway 542; then westerly from said intersection along an imaginary line to its intersection with the easterly most point of Gushen Road; then westerly along Gushen Road to its intersection with Axton Road; then westerly along Axton Road to its intersection with the Nooksack River; then southerly along the Nooksack River to Bellingham Bay; then southerly along Bellingham Bay to the point of beginning.

West Virginia

(1) *High Risk area.*
Berkeley County. The entire county.
Jefferson County. The entire county.
Morgan County. The entire county.
(2) *Low-risk area.*
Grant County. That portion of the county lying north of State Highway 93 and west of State Highway 42 and U.S. Highway 50.
Hampshire County. The entire county.
Mineral County. The entire county.

Wisconsin

(1) *High-risk area.* None.
(2) *Low-risk area.*
Dane County. Sec. 17, T. 7 N., R. 10 E.
Washington County. Sec. 15, T. 9 N., R. 19 E.

Done at Washington, DC, this 5th day of May, 1986.

William F. Helms,

Acting Deputy Administrator, Plant Protection and Quarantine, Animal and Plant Health Inspection Service.

[FR Doc. 86-10385 Filed 5-7-86; 8:45 am]
BILLING CODE 3410-34-M

Animal and Plant Health Inspection Service

9 CFR Part 77

[Docket No. 86-047]

Tuberculosis in Cattle; State Designations

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Interim rule.

SUMMARY: This document amends the regulations governing the interstate movement of cattle because of tuberculosis by raising the designation of Iowa from a modified accredited area to an accredited-free State. It has been determined that Iowa meets the criteria for designation as an accredited-free State.

The regulations do not impose restrictions on the interstate movement of cattle not known to be affected with or exposed to tuberculosis from either accredited-free States or modified accredited areas. However, the designation for any given jurisdiction can affect the marketability of cattle from that jurisdiction, since some prospective cattle buyers prefer to buy cattle from accredited-free States.

DATES: Effective date of the interim rule is May 8, 1986. Written comments must be received on or before July 7, 1986.

ADDRESSES: Written comments should be submitted to Thomas O. Gessel, Director, Regulatory Coordination Staff, APHIS, USDA, Room 728, Federal Building, 6505 Belcrest Road, Hyattsville, MD 20782. Comments should state that they are in response to Docket Number 86-047. Written comments may be inspected at Room 728 of the Federal Building between 8 a.m. and 4:30 p.m, Monday through Friday, except holidays.

FOR FURTHER INFORMATION CONTACT: Dr. Ralph L. Hosker, Cattle Diseases Staff, VS, APHIS, USDA, Room 818, Federal Building, 6505 Belcrest Road, Hyattsville, MD 20782, 301-436-8715.

SUPPLEMENTARY INFORMATION:

Background

The "Tuberculosis in Cattle" regulations (contained in 9 CFR Part 77 and referred to below as the regulations) regulate the interstate movement of cattle because of tuberculosis. The requirements of the regulations concerning the interstate movement of cattle not known to be affected with or exposed to tuberculosis are based on whether the cattle are moved from jurisdictions designated as accredited-free States, modified accredited areas, or nonmodified accredited areas. The criteria for determining the status of States (the term State is defined to mean any State, territory, the District of Columbia, or Puerto Rico) or portions of States is contained in the document captioned "Uniform Methods and Rules—Bovine Tuberculosis Eradication," which has been made part of the regulations by incorporation by reference. Generally the status of States or portions of States is determined based on the rate of tuberculosis infection present and the effectiveness of a tuberculosis control and eradication program.

Sections 77.7 and 77.8 of the regulations provide the following with respect to the interstate movement of cattle not known to be affected with or exposed to tuberculosis:

§ 77.7 Movement from accredited-free States and modified accredited areas.

Cattle not known to be affected with or exposed to tuberculosis, originating in an accredited free State or a modified accredited area, may be moved interstate without restriction.

§ 77.8 Movement from nonmodified accredited areas.

Cattle not known to be affected with or exposed to tuberculosis, originating in a nonmodified accredited area, shall only be moved interstate if:

(a) Such cattle are accompanied by a certificate stating that such cattle have been classified negative to an official tuberculin test, which was conductd within 30 days prior to the date of movement. All cattle not individually identified by a registration name and number shall be individually identified by a Veterinary Services approved metal eartag or tattoo; or

(b) Such cattle are from an accredited herd and they are accompanied by a certificate showing the cattle to be from such a herd; or

(c) Such cattle are moved interstate directly to slaughter to an establishment operating under the provisions of the Federal Meat Inspection Act (21 U.S.C. 601 *et seq.*) or to a State inspection slaughtering establishment which has inspection by a State inspector at the time of slaughter.

Prior to the effective date of this document, Iowa, among other States, was designated under § 77.5 of the regulations as a modified accredited area. The Deputy Administrator has determined that Iowa meets the criteria

for designation as an accredited-free State. Therefore, this document amends the regulations by adding Iowa to the list of accredited-free States in § 77.4.

As noted above, the regulations do not impose restrictions on the interstate movement of cattle not known to be affected with or exposed to tuberculosis from accredited-free States or modified accredited areas. However, the designation for any given jurisdiction can affect the marketability of cattle from that jurisdiction, since some prospective cattle buyers often prefer to buy cattle from accredited free States.

Executive Order and Regulatory Flexibility Act

This rule is issued in conformance with Executive Order 12291 and has been determined to be not a major rule. Based on information compiled by the Department, it has been determined that this rule will not have a significant effect on the economy; will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; and will not have any significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

For this action, the Office of Management and Budget has waived its review process required by Executive Order 12291.

Cattle moved interstate are moved for slaughter, for use as breeding stock, or for feeding. Changing the status of the State of Iowa will not cause a significant effect on marketing patterns and will not have a significant economic impact on those persons affected by this document.

Under these circumstances, the Administrator of the Animal and Plant Health Inspection Service has determined that this action will not have a significant impact on a substantial number of small entities.

Executive Order 12372

This program/activity is listed in the Catalog of Federal Domestic Assistance under No. 10.025 and is subject to the provisions of Executive Order 12372 which requires intergovernmental consultation with State and local officials. (See 7 CFR Part 3015, Subpart V).

Emergency Action

Dr. John K. Atwell, Deputy Administrator of the Animal and Plant Health Inspection Service for Veterinary Services, has determined that an emergency situation exists which warrants publication of this interim rule without prior opportunity for public comment. It is necessary to change the regulations immediately so that they accurately reflect the current tuberculosis status of Iowa and thereby provide prospective cattle buyers with accurate and up-to-date information which may affect the marketability of cattle.

Further, pursuant to the administrative procedure provisions in 5 U.S.C. 553, it is found upon good cause that prior notice and other public procedures with respect to this interim rule are impracticable and contrary to the public interest, and good cause is found for making this interim rule effective less than 30 days after publication of this document in the **Federal Register**. Comments have been solicited for 60 days after publication of this document. A document discussing comments received and any amendments required will be published in the **Federal Register**.

List of Subjects in 9 CFR Part 77

Animal diseases, Cattle, Transportation, Tuberculosis.

PART 77—TUBERCULOSIS IN CATTLE

Accordingly, 9 CFR 77 is amended as follows:

1. The authority citation for Part 77 continues to read as set forth below:

Authority: 21 U.S.C. 111, 114, 114a, 115–117, 120, 121, 134b, 134f; 7 CFR 2.17, 2.51, and 371.2(d).

2. In § 77.4, paragraph (b) is revised to read as follows:

§ 77.4 Accredited-free States.

* * * * *

(b) The following States are hereby designated accredited-free States: Alaska, Arizona, Colorado, Connecticut, Delaware, Indiana, Iowa, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Dakota, Oklahoma, Pennsylvania, Rhode Island, South Carolina, South Dakota, Utah, Vermont, Wyoming, and the Virgin Islands of the United States.

Done At Washington, D.C., this 29th day of April 1986.

Gerald J. Fichtner,

Acting Deputy Administrator, Veterinary Service.

[FR Doc. 86–10384 Filed 5–7–86; 8:45 am]

BILLING CODE 3410-34-M

SMALL BUSINESS ADMINISTRATION

13 CFR Parts 120 and 123

Liquidation of Loans and Security

AGENCY: Small Business Administration.

ACTION: Interim Final Rule with requests for comments.

SUMMARY: When SBA is the foreclosing party or when SBA acquires a farm or ranch through any other means, the borrower may be eligible for the homestead protection which is set forth in Section 1321 of the Food Security Act of 1985, (Pub. L. 99–198). Therefore, the Small Business Administration (SBA) amends its regulations to provide that borrowers may occupy farm homestead property during and after liquidation of the collateral securing an SBA loan. The borrower may be allowed to lease the homestead property, with an option to purchase, from SBA following either a forced or voluntary liquidation of the farm property for a period which is not less than three nor more than five years. These new regulations are being implemented to comply with Section 1321 of the Food Security Act of 1985, (Pub. L. 99–198). The major effect will be to assist certain borrowers that have lost or are losing their farms and have an immediate need for housing during their transition from farming to other occupations.

DATES: Interim Final Rule effective May 8, 1986. Comments must be submitted by June 9, 1986.

ADDRESS: Submit written comments, in duplicate, to Mr. Fred Hanus, Financial Analyst, Office of Finance and Investment, Small Business Administration, 1441 "L" Street, NW., Washington, DC, 20416. All timely written comments will be available for public inspection during regular working hours at the above address.

FOR FURTHER INFORMATION CONTACT: Mr. Fred Hanus, Financial Analyst, Office of Portfolio Management, Small Business Administration, 1441 "L" Street, NW., Washington, DC, 20416, (202) 653–6900.

SUPPLEMENTARY INFORMATION:

Discussion of Interim Rule

SBA is implementing this interim rule immediately with a 30 day comment period. The "Food and Security Act of 1985," (Pub. L. 99–198) (Act) provided for homestead protection for farm loan borrowers. It is essential that this provision of the Act be implemented at once to provide immediate housing assistance for financially pressed farmers who have lost or will lose their

residence through foreclosure, voluntary conveyance, or bankruptcy proceedings. This provision in the regulations will only provide assistance to those farmers that do not own other suitable housing. The SBA must provide immediate guidance to its field offices by revising the regulations in 13 CFR Part 120. It is urgent that these regulations become effective on publication so these farmers and their families can make plans for the transition to other occupations and have a place to live in the interim period and some of the emotional stress involved in such a drastic change in lifestyle is removed. Further, pursuant to the administrative procedure provisions in 5 U.S.C. 553, it is found upon good cause that notice and other public procedure with respect to this interim rule action are impractical, and therefore, this interim rule is effective immediately upon publication in the **Federal Register**.

Applications must be filed at the SBA Office which serviced the farm loan.

Regulatory Flexibility

SBA certifies pursuant to § 608 of the Regulatory Flexibility Act, (5 U.S.C. 608) that this interim final rule is being published pursuant to an emergency for the reasons stated in the preceding section. It is estimated that this regulation may have a significant impact on a number of small entities. SBA estimates that some 500 borrowers may be eligible to participate in the homestead protection program.

It is necessary that SBA promulgate these regulations in order to comply with and implement section 1321 of the Food Security Act of 1985 (Pub. L. 99–198). There is no alternative to these regulations which would have less economic impact or be less costly. These regulations do not duplicate, overlap, or conflict with any existing Federal Rules.

SBA has determined that this regulation is not a major rule for the purposes of Executive Order 12291. It will not result in an annual economic effect of $100,000,000 or more since SBA estimates that only approximately 500 borrowers may be eligible for the homestead protection program. There will not be a major increase in costs for consumers, individual industries, Federal, State or local government agencies, or geographic regions. There will also be no significant adverse affects on competition, employment, investment, productivity, innovation, or on the ability of U.S.-based business to compete with foreign-based business in domestic or export markets.

This regulation contains reporting requirements which are subject to approval by the Office of Management and Budget (OMB) under the Paperwork Reduction Act, (44 U.S.C. Ch. 35). These reporting requirements are noted in the text of the regulation and will be submitted to OMB for approval at the earliest possible date.

Highlights

The SBA amends its liquidation of loan and security regulations to implement the applicable provision of Section 1321 of the "Food Security Act of 1985" (Pub. L. 99–198) to provide homestead protection for farmers and ranchers. These amendments will apply to both SBA farm business and disaster loans. This homestead protection program shall apply to all farm loans made or guaranteed under the Small Business Act (15 U.S.C. 631 *et seq.*) where a farm has been or will be acquired by the SBA as a result of foreclosure, voluntary conveyance or conveyance from a Trustee in bankruptcy, with the borrower still in possession of the residence. A farm loan borrower meeting the eligibility requirements may apply to lease, with an option to purchase, the homestead property and a reasonable amount of adjoining land:

The applicant must have had gross annual farm sales of at least $40,000 in at least 2 calendar years during the 5 year period from January 1, 1981, through December 31, 1985.

The applicant and spouse, if the applicant is married, must have received at least 60 percent of his (their) gross annual income from the farming or ranching operation during at least 2 years of the 5 year period.

The applicant must have possessed and occupied the residence and engaged in farming or ranching operations during the 5 year period.

The applicant must personally occupy the residence as his/her principal residence and must not own other suitable housing. Other eligibility requirements are set out in the regulation.

List of Subjects in 13 CFR Parts 120 and 123

Loan programs—business, General provisions, Loan making policy, Loan administration, Loan participants, Preferred Lenders Program, Central registration for secondary markets, Pooling of SBA guaranteed portions, and individual SBA guaranteed portion sold in secondary market.

Accordingly, 13 CFR Part 120 is amended as follows:

PART 120—BUSINESS LOAN POLICY

1. The authority citation for Part 120 is revised to read as follows:

Authority: Secs 5(b)(6), 7(a) and 7(h) of the Small Business Act, as amended, 15 U.S.C. 634(b)(6), 636(a) and (h), and Pub. L. 99–198.

2. Section 120.204–2 is amended by redesignating paragraphs (b), (c), and (d), as (c), (d), and (e) respectively, and adding a new paragraph (b) to read as follows:

§ 120.204–2 Foreclosure of collateral.

* * * * *

(b) *Homestead Protection for Farmers*

Residences and a reasonable amount of adjoining real property that are presently collateral purchased by the SBA (COLPUR) and which were acquired by SBA as a result of a foreclosure, a voluntary conveyance, or a conveyance to the Government by a Trustee in bankruptcy and which are still occupied by the borrower of the farm loan (see § 120.204–2(b)(1) below), may be leased by SBA to the borrower under the terms of this section.

(1) Definitions:

"Farm loan" means any loan made or guaranteed by the Administrator under the Small Business Act (15 U.S.C. 631 *et seq.*) for any of the purposes authorized for loans under subtitles A or B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 *et seq*) including emergency loans, farm/ranch operating loans, farm/ranch ownership loans and soil and water loans; or any disaster loan made to an agricultural enterprise as defined in 13 CFR 123.17.

"Homestead property" means the principal residence and a reasonable amount of adjoining property possessed and occupied by a farm loan borrower.

"Reasonable amount of adjoining property" means that amount of land which is necessary for family maintenance, but not more than 5 acres, unless local codes require a larger size lot, or additional land is needed for access to the property, to assure a source of water or to provide for sanitation facilities.

(2) Eligibility—In order to be an eligible applicant to occupy honestead property under a lease from SBA, a borrower of a farm loan made or guaranteed by the Administrator must meet all of the following eligibility requirements:

(i) apply for such occupancy during the three-year period beginning on December 22, 1985, and ending at the close of business on December 21, 1988, to the SBA branch or district office which services the farm loan.

(ii) provide evidence of gross annual farm or ranch sales of at least $40,000 in at least 2 calendar years during the 5-year period beginning on January 1, 1981, and ending December 31, 1985, (or the equivalent crop or fiscal years).

(iii) the applicant and his/her spouse, if the applicant is married, must have received at least 60 percent of his (their) gross annual income from farming or ranching during at least 2 years of the 5-year period beginning on January 1, 1981, and ending December 31, 1985, (or the equivalent crop of fiscal years).

(iv) the applicant must have possessed and occupied the residence and engaged in farming or ranching operations on adjoining land, or other land controlled by the borrower during the 5-year period beginning on January 1, 1981, and ending December 31, 1985, (or the equivalent crop or fiscal years).

(v) the applicant must have sufficient income to make rental payments, maintain the property in good condition and agree to all terms and conditions as set forth in this section and in the lease agreement entered into between the successful applicant and the SBA.

(vi) the applicant must be an individual who was personally liable for the farm loan. The farm loan could have been made to an individual or an entity, so long as the applicant was personally liable for the debt.

(vii) The applicant must personally occupy the residence as his/her personal residence during the term of the lease and must not own other suitable housing.

(viii) The borrower of the farm loan must have exhausted all remedies, as determined by SBA, for the extension or restructuring of such loan(s).

(ix) When more than one member of an entity, such as a corporation or a partnership, each possessed and occupied a separate homestead property, each may apply for homestead protection for his individual residence.

(x) The applicant must have been released from liability or have compromised or settled the SBA debt(s) or the debt(s) must have been discharged in bankruptcy.

(3) *Appeal rights.* If the application for homestead protection is denied by the SBA branch or district office which serviced the loan, the borrower shall be notified in writing of the decision to deny homestead protection. The borrower may then appeal the decision to the Regional Administrator having jurisdiction over the SBA branch or district office which initially denied the application for homestead protection. The property will not be leased or sold until any such appeal is concluded.

(4) *Requirements of lease.* (i) The lease between SBA and the successful applicant may cover only the residence and a reasonable amount of land that is necessary for family maintenance. Not more than 5 acres of land will be leased with the residence unless local codes require a larger size lot, or additional land is needed for access to the residence, to assure a source of water or provide for sanitation facilities. Sources of water, power lines, utility lines, sanitation facilities and/or access to property may be located outside the land to be included with the residence provided appropriate rights or easements are obtained. Appropriate arrangements will be made for continued use of water sources, utilities, and sanitation facilities that will be jointly used. A right of entry and egress to a public way must exist or be provided to the homestead property.

(ii) No lease will be approved if upon exercise of the option to purchase (see (6) below), the remaining COLPUR is not provided with entry and egress to a public way.

(iii) A survey and legal description of the property to be leased and/or purchased will be obtained by SBA. The cost of the survey will be charged to the COLPUR account.

(5) *Appraisal.* The market value of the property, as improved, will be determined by an independent appraisal made within 6 months after the borrower makes a successful application for homestead protection. The cost of the appraisal will be charged to the COLPUR account.

(6) *Rates and terms.* The lease will be offered for a period of not less than 3 years nor more than 5 years and will contain an option to purchase. A lease of less than 5 years may be renewed, but not beyond 5 years from the date of the original lease. This requirement will be added as a stipulation to any homestead lease.

(i) The amount of the lease will be based upon equivalent rents charged for similar residential properties in the area in which the residence is located. The SBA will document in its COLPUR file a sufficient number of equivalent rents charged in the area for such properties to support the lease amount.

(ii) Lease payments will be retained by the Government and remitted according to SBA instructions contained within the lease.

(iii) Failure to make lease payments as scheduled or to maintain the property in good condition shall constitute cause for the termination of all rights of the lessee to possession and occupancy of the homestead property under this section.

(iv) Any interference by the lessee with the Government's efforts to lease or sell the remainder of the COLPUR shall constitute cause for the termination of all rights of the lessee to possession and occupancy of the residence and adjoining property under this section. This stipulation shall be a condition of all leases of homestead property made under this section.

(7) *Exercising the option to purchase.* (i) The lessee may exercise the option to purchase the homestead property in writing at any time prior to the expiration date of the lease. Failure to exercise the option within the lease period will terminate the lessee's rights to purchase the property.

(ii) The option price to the lessee will be the appraised market value of the residence as established by the independent appraisal set forth in paragraph (b)(5) of this section.

(iii) Any sale pursuant to the exercise of the option will be handled as a sale of collateral under the regulations set forth in § 120.204–2(c).

§ 120.204–2 [Amended]

3. Newly redesignated § 120.204–2(c) is amended to add the following phrase before the first sentence:

(c) *Disposal of Collateral.* Except as to property covered by paragraph (b) of this section * * *

PART 123—[AMENDED]

4. The authority citation for Part 123 continues to read as follows:

Authority: Sec. 7 (b), (c), (f) of Small Business Act, 15 U.S.C. 636 (b), (c), (f), sec. 5(b)(6), 15 U.S.C. 634(b)(6). Pub. L. 98–270, Title III, unless otherwise noted.

§ 123.13 [Amended]

4. Section 123.13(a) is amended to remove the phrase "§§ 122.20 through 122.25" in the last sentence and replace it with § 120.204".

Dated: April 24, 1986.

Charles L. Heatherly,

Acting Administrator.

[FR Doc. 86–9774 Filed 5–7–86; 8:45 am]

BILLING CODE 8025–01–M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 86-FM-62-AD; Amdt. 39-5306]

Airworthiness Directives; Boeing Model 747 Series Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This amendment supersedes an existing airworthiness directive (AD) which requires inspection for cracking and corrosion in lower body longitudinal skin lap joints and cracking in lower lobe body frames on certain Boeing Model 747 series airplanes, and repair if necessary. This AD increases the areas to be inspected. This action is prompted by recent reports of cracking of lower lobe body frames adjacent to fuselage skin lap joints. This action is necessary since lower body frame cracking adjacent to fuselage skin lap joint corrosion, if not corrected, could result in separation of the lap joint and rapid decompression of the airplane.

EFFECTIVE DATE: May 27, 1986.

ADDRESSES: Information on the required inspection and copies of the appropriate service bulletins may be obtained from the Boeing Commercial Airplane Company, P.O. Box 3707, Seattle, Washington 98124-2207. This information may be examined at the FAA, Northwest Mountain Region, 17900 Pacific Highway South, Seattle, Washington, or the Seattle Aircraft Certification Office, FAA, Northwest Mountain Region, 9010 East Marginal Way South, Seattle, Washington.

FOR FURTHER INFORMATION CONTACT: Mr. Owen E. Schrader, Airframe Branch, ANM-120S; telephone (206) 431-2923. Mailing address: FAA, Northwest Mountain Region, 17900 Pacific Highway South, C-68966, Seattle, Washington 98168.

SUPPLEMENTARY INFORMATION: AD 76-05-05, Amendment 39-2538 (41 CF 9298), as amended by Amendments 39-2698), (41 FR 36487, Amendment 39-2961 (42 FR 36242), and Amendment 39-3430 (44 FR 12635), requires inspection for cracking and corrosion of certain fuselage lap splices. There have been new reports of cracking of lower lobe body frames in areas adjacent to the lower body longitudinal skin lap joints.

Although lap joint corrosion and body frame fatigue cracking are not primarily related, they may occur in close proximity. Continued operation with the cracked or broken frames adjacent to an area of lap joint corrosion could result in separation of the lap joint and rapid decompression of the airplane.

Boeing has issued Alert Bulletin 747-53A2267, dated March 28, 1986, that provides a procedure for inspection of lap splice corrosion and body frame cracking, and repair, as necessary.

Since this condition is likely to exist or develop on other airplanes of this same type design, an airworthiness directive is being issued which requires inspection for cracking and corrosion in lower body longitudinal skin lap joints, cracking in lower lobe body frames, and repair, if necessary, in accordance with Boeing Alert Service Bulletin 747-53A2267.

Further, since a situation exists that requires immediate adoption of this regulation, it is found that notice and public procedure hereon are impracticable, and good cause exists for making this amendment effective in less than 30 days.

The FAA determined that this regulation is an emergency regulation that is not considered to be major under Executive Order 12291. It is impracticable for the agency to follow the procedures of Order 12291 with respect to this rule since the rule must be issued immediately to correct an unsafe condition in aircraft. It has been further determined that this document involves an emergency under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979). If this action is subsequently determined to involve a significant/major regulation, a final regulatory evaluation or analysis, as appropriate, will be prepared and placed in the regulatory docket (otherwise, an evaluation or analysis is not required).

List of Subjects in 14 CFR Part 39

Aviation safety, Aircraft.

Adoption of the Amendment

PART 39—[AMENDED]

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration amends § 39.13 of Part 39 of the Federal Aviation Regulations as follows:

1. The authority citation for Part 39 continues to read as follows:

Authority: 49 U.S.C. 1354(a), 1421 and 1423; 49 U.S.C. 106(g) (Revised Pub. L. 97-449, January 12, 1983); and 14 CFR 11.89.

§ 39.13 [Amended]

2. By adding the following new airworthiness directive:

Boeing: Applies to Model 747 series airplanes listed in Boeing Alert Service Bulletin 747-53A2267, dated March 28, 1986, certificated in any category.

To prevent a condition that could lead to depressurization of the airplane accomplish the following, unless already accomplished:

A. Perform an external visual inspection of lower longitudinal lap joint areas for corrosion in accordance with Boeing Alert Service Bulletin 747-53A2267, dated March 28, 1986, or later FAA-approved revision.

1. Inspections are to commence in accordance with the following schedule after the effective date of this AD:

a. For airplanes with 12,000 flight hours or more, within the next 100 landings after the effective date of this AD, or within 4,000 flight hours or 15 months from the last inspection of each lap joint area, provided no corrosion was found at that inspection, whichever is later.

b. For airplanes with less than 12,000 flight hours, within the next 1,000 flight hours after the effective date of this AD, or prior to the accumulation of 12,000 flight hours, whichever is later.

2. If corrosion is found and is associated with cracks, skin penetration, or missing fasteners; or if it exceeds a total length of 20 inches along any 40-inch distance; repair before further flight in accordance with paragraph C., below. Reinspect airplanes with less severe corrosion at intervals not to exceed 1,000 flight hours or 6 months, whichever is sooner.

3. If no corrosion is found, reinspect at intervals not to exceed 4,000 flight hours or 15 months, whichever is sooner.

B. If corrosion is found in the longitudinal lap joint area, perform an internal inspection of the body frames for cracking in the vicinity of each corroded lap joint area before further flight in accordance with Boeing Alert Service Bulletin 747-53A2267, dated March 28, 1986, or later FAA-approved revision, unless already accomplished within the last 1,000 landings. Repeat the frame inspections thereafter at intervals not to exceed 1,000 landings until terminating action is performed on the lap joints in accordance with paragraph C., below. Repair cracks before further flight in accordance with an FAA-approved method.

C. Terminating action for the repetitive inspections of paragraphs A. and B., above, is repair of the lap joints in accordance with Boeing Service Bulletin 747-53A2267, dated March 28, 1986, or later FAA-approved revision.

D. Apply organic corrosion inhibiting compound to each lap joint after each inspection.

E. For the purposes of complying with this AD, the number of landings may be determined to equal the number of pressurization cycles where the cabin pressure differential was greater than 2.0 psi.

F. An alternate means of compliance or adjustment of the compliance time, which provides an acceptable level of safety, may be used when approved by the Manager, Seattle Aircraft Certification Office, FAA, Northwest Mountain Region.

G. Special flight permits may be issued in accordance with FAR 21.197 and 21.199 to operate airplanes unpressurized to a base for the accomplishment of inspections and/or modifications required by this AD.

H. For Boeing Model 747SR airplanes only, based on continued mixed operation of cabin pressure differentials, the reinspection intervals specified in paragraph B. of this AD may be multiplied by a 1.2 adjustement factor.

All persons affected by this proposal who have not already received the appropriate service information from the manufacturer may obtain copies upon request to the Boeing Commercial Airplane Company, P.O. Box 3707, Seattle, Washington 98124-2207. These documents may be examined at the FAA, Northwest Mountain Region, 17900 Pacific Highway South, Seattle, Washington, or the Seattle Aircraft Certification Office, 9010 East Marginal Way South, Seattle, Washington.

This supersedes AD 76-05-05, Amendment 39-2538, as amended by Amendments 39-2698, 39-2961, and 39-3430.

This amendment becomes effective May 27, 1986.

Issued in Seattle, Washington, on April 30, 1986.

Wayne J. Barlow,

Acting Director Northwest Mountain Region.

[FR Doc. 86-10254 Filed 5-7-86; 8:45 am]

BILLING CODE 4910-13-M

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14 CFR Part 39

[Docket No. 86-NM-59-AD; Amdt. 39-5304]

Airworthiness Directives; Boeing Model 757-200 Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule, request for comments.

SUMMARY: This amendment adds a new airworthiness directive (AD) applicable to certain Boeing Model 757-200 airplanes which requires modification of escape slide pack release cable assemblies to increase the effective length of the cable. The current cable length could cause premature release of the slide pack during aggressive or powered opening of certain doors. If released early, the slide pack could drop out of its container inside the airplane and prevent further door opening. This situation, if not corrected, could jeopardize successful evacuation of the airplane.

DATES: Effective May 30, 1986.

Comments must be received by May 30, 1986.

ADDRESSES: Send comments in duplicate to FAA, Northwest Mountain Region, Office of Regional Counsel, ANM-7, Attention: Airworthiness Rules Docket No. 85-NM-59-AD, 17900 Pacific Highway South, C-68966, Seattle, Washington 98168. This service bulletin specified in this AD may be obtained upon request to the Boeing Commercial Airplane Company, P.O. Box 3707, Seattle, Washington 98124. It may be examined at the FAA, Northwest Mountain Region, 17900 Pacific Highway South, Seattle, Washington, or the Seattle Aircraft Certification Office, FAA, Northwest Mountain Region, 9010 East Marginal Way South, Seattle, Washington.

FOR FURTHER INFORMATION CONTACT: Mr. Jeff Gardlin, Airframe Branch, ANM-120S; telephone (206) 431-2932. Mailing address: FAA, Northwest Mountain Region, 17900 Pacific Highway South, C-68966, Seattle, Washington 98168.

SUPPLEMENTARY INFORMATION: During recent escape slide testing, the No. 2 left hand door became jammed during the initial attempt to open the exit. The door was returned to its original condition and a second attempt was made to open the exit; once again the door jammed. Investigation revealed that the slide had detached from the door while inside the airplane, causing the slide pack container to open and jam in the doorway, and preventing outward motion of the door. The cause of the premature slide detachment has been traced to the length of the slide pack release cable. This cable is designed to release the slide pack during outward motion of the door after the door has cleared its cutout. If the door is opened in the powered mode, or aggressively in the unpowered mode, the cable can release the slide pack early, causing potential jamming of the exit and rendering it unusable for evacuation. The design resulting in this situation exists on the left and right No. 1 and No. 2 doors on Model 757-200.

Boeing issued Service Bulletin 757-25A0058 on April 18, 1986, which describes a modification of the escape slide release cable/strap assembly to add extension links. The Boeing service bulletin incorporates by reference Air Cruisers Service Bulletin 105-25-17, which makes the link installation compatible with the escape slide pack by adding a guide ring for cable/strap routing.

Since this condition is likely to exist or develop on other airplanes of this model, the FAA has determined that an AD is necessary which requires modification of slide pack release cable/strap assemblies in accordance with Boeing Service Bulletin 757-25A0058, dated April 18, 1986.

Further, since a situation exists that requires immediate adoption of this regulation, it is found that notice and public procedure hereon are impracticable, and good cause exists for making this amendment effective in less than 30 days.

Although this action is in the form of a final rule, which involves an emergency and, thus, was not preceded by notice and public procedure, interested persons are invited to submit such written data, views, or arguments as they may desire regarding this AD. Communications should identify the docket number and be submitted in duplicate to the Federal Aviation Administration, Northwest Mountain Region, Office of the Regional Counsel, Attention: Airworthiness Rules Docket No. 86-NM-59-AD, 17900 Pacific Highway South, C-68966, Seattle, Washington 98168. All communications received before the closing date will be considered by the Administrator, and the AD may be changed in light of the comments received.

The FAA has determined that this regulation is an emergency regulation that is not considered to be major under Executive Order 12291. It is impracticable for the agency to follow the procedures of Order 12291 with respect to this rule since the rule must be issued immediately to correct an unsafe condition in aircraft. It has been further determined that this document involves an emergency regulation under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979). If this action is subsequently determined to involve a significant/major regulation, a final regulatory evaluation or analysis, as appropriate, will be prepared and placed in the regulatory docket (otherwise, an evaluation or analysis is not required).

List of Subjects in 14 CFR Part 39

Aviation safety, Aircraft.

Adoption of the Amendment

PART 39—[AMENDED]

Accordingly, pursuant to the authority delegated to me by the Administrator, Federal Aviation Administration amends § 39.13 of Part 39 of the Federal Aviation Regulations as follows:

1. The authority citation for Part 39 continues to read as follows:

Authority: 49 U.S.C. 1354(a), 1421 and 1423; 49 U.S.C. 106(g) (Revised Pub. L. 97-449, January 12, 1983); and 14 CFR 11.89.

§ 39.13 [Amended]

2. By adding the following new airworthiness directive:

Boeing: Applies to Boeing Model 757–200 airplanes, listed in Boeing Service Bulletin 757–25A0058, dated April 18, 1986, certificated in any category. Compliance required within 45 days after the effective date of this amendment, unless already accomplished.

To ensure proper door opening and escape slide deployment accomplish the following:

A. Modify slide pack release cable assemblies on Doors No. 1 and No. 2, left and right, in accordance with Boeing Service Bulletin 757–25A0058, dated April 18, 1986, or later FAA–approved revisions.

B. An alternate means of compliance or adjustment of the compliance time, which provides an acceptable level of safety, may be used when approved by the Manager, Seattle Aircraft Certification Office, FAA, Northwest Mountain Region.

C. Special flight permits may be issued in accordance with FAR 21.197 and 21.199 to operate airplanes to a base for the accomplishment of inspections and/or modifications required by this AD.

All persons affected by this AD who have not already received copies of the service bulletin cited herein may obtain copies upon request from the Boeing Commercial Airplane Company, P.O. Box 3707, Seattle, Washington 98124. This document may be examined at the FAA, Northwest Mountain Region, 17900 Pacific Highway South, Seattle, Washington, or the Seattle Aircraft Certification Office, 9010 East Marginal Way South, Seattle, Washington.

This amendment becomes effective May 30, 1986.

Issued in Seattle, Washington, on April 30, 1986.

Wayne J. Barlow,

Acting Director, Northwest Mountain Region.

[FR Doc. 86–10251 Filed 5–7–86; 8:45 am]

BILLING CODE 4910–13–M

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14 CFR Part 39

[Docket No. 85–NM–84–AD; Amdt. 39–5303]

Airworthiness Directives; British Aerospace Aircraft Group Model HS 748 Series Airplanes.

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This amendment adds a new airworthiness directive (AD) that requires modifications to the overwing escape hatches on all British Aerospace (BAe) Model HS 748 series airplanes. This action is prompted by reports of hatches opening and detaching in flight, and is necessary to prevent the inadvertent opening of these hatches.

EFFECTIVE DATE: June 16, 1986.

ADDRESSES: The service bulletin specified in this AD may be obtained upon request to British Aerospace, Inc., Librarian, Box 17414, Dulles International Airport, Washington, D.C. 20041. This information may be examined at the FAA, Northwest Mountain Region, 17900 Pacific Highway South, Seattle, Washington, or the Seattle Aircraft Certification Office, 9010 East Marginal Way South, Seattle, Washington.

FOR FURTHER INFORMATION CONTACT: Ms. Judy Golder, Standardization Branch, ANM–113; telephone (206) 431–2909. Mailing address: FAA Northwest Mountain Region, 17900 Pacific Highway South, C–68966, Seattle, Washington 98168.

SUPPLEMENTARY INFORMATION: A proposal to amend Part 39 of the Federal Aviation Regulations to include an airworthiness directive which requires modifications to the overwing escape hatches to prevent opening and detachment in flight was published in the **Federal Register** on September 5, 1985 (50 FR 36099).

Interested parties have been afforded an opportunity to participate in the making of this amendment. No comments were received.

After careful review of the available data, the FAA has determined that air safety and the public interest require the adoption of the rule as proposed.

It is estimated that 4 airplanes of U.S. registry will be affected by this AD, that it will take approximately 32 manhours per airplane to accomplish the required actions, and that the average labor cost will be $40 per manhour. Modification parts are estimated to be $1200 per airplane. Based on these figures, the total cost impact of this AD to U.S. operators is estimated to be $9,920.

For the reasons discussed above, the FAA has determined that this regulation is not considered to be major under Executive Order 12291 or significant under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979) and it is further certified under the criteria of the Regulatory Flexibility Act that this rule will not have a significant economic effect on a substantial number of small entities because of the minimal cost of compliance per airplane ($2,480.). A final evaluation has been prepared for this regulation and has been placed in the docket.

List of Subjects in 14 CFR Part 39

Aviation safety, Aircraft.

Adoption of the Amendment

PART 39—[AMENDED]

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration amends § 39.13 of Part 39 of the Federal Aviation Regulations as follows:

1. The authority citation for Part 39 continues to read as follows:

Authority: 49 U.S.C. 1354(a), 1421 and 1423; 49 U.S.C. 106(g) (Revised Pub. L. 97–449, January 12, 1983); and 14 CFR 11.89.

2. By adding the following new airworthiness directive:

British Aerospace Aircraft Group: Applies to all BAe Model HS 748 airplanes, certificated in any category. Compliance is required within 60 days after the effective date of this AD. To prevent the overwing escape hatches from opening and becoming detached during flight, accomplish the following, unless already accomplished:

A. Modify the overwing escape hatches in accordance with BAe Service Bulletin 52/115, dated July 4, 1984.

B. An alternate means of compliance or adjustment of the compliance time, which provides an acceptable level of safety may be used when approved by the Manager, Standardization Branch, ANM–113, FAA, Northwest Mountain Region.

C. Special flight permits may be issued in accordance with FAR 21.197 and 21.199 to operate airplanes to a base for the accomplishment of inspections and/or modifications required by this AD.

All persons affected by this directive who have not already received the appropriate document from the manufacturer may obtain copies upon request to British Aerospace, Inc., Librarian, Box 17414, Dulles International Airport, Washington, DC 20041. This document may be examined at the FAA, Northwest Mountain Region, 17900 Pacific Highway South, Seattle, Washington, or the Seattle Aircraft Certification Office, 9010 East Marginal Way South, Seattle, Washington.

This amendment becomes effective June 16, 1986.

Issued in Seattle, Washington, on April 30, 1986.

Wayne J. Barlow,

Acting Director, Northwest Mountain Region.

[FR Doc. 86–10252 Filed 5–7–86; 8:45 am]

BILLING CODE 4910–13–M

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14 CFR Part 39

[Docket No. 86–NM–95–AD; Amdt. 39–5305]

Airworthiness Directives; McDonnell Douglas Corporation Model DC–10 and KC–10A (Military) Series Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new airworthiness directive (AD) which requires purging and grease packing of wing spar mounted and aft fuselage mounted fuel fire shutoff valves on McDonnell Douglas Model DC-10 and KC-10A (Military) airplanes. This AD is prompted by reports of restricted movement of emergency fire handles that are necessary to discharge the fire agent. This AD is necessary to reduce the potential unsafe condition resulting from the loss of fuel shutoff and fire extinguishing capabilities.

DATE: Effective May 27, 1986.

Compliance schedule as prescribed in the body of the AD, unless already accomplished.

ADDRESSES: The applicable service information may be obtained from McDonnell Douglas Corporation, 3855 Lakewood Boulevard, Long Beach, California 90846, Attention: Director, Publications and Training, C1-L65 (54-60). This information may also be examined at the FAA, Northwest Mountain Region, 17900 Pacific Highway South, Seattle, Washington, or at 4344 Donald Douglas Drive, Long Beach, California 90808.

FOR FURTHER INFORMATION CONTACT: Mr. Romy L. Santiago, Aerospace Engineer, Propulsion Branch, ANM-140L, FAA, Northwest Mountain Region, Los Angeles Aircraft Certification Office, 4344 Donald Douglas Drive, Long Beach, California 90808; telephone (213) 514-6327.

SUPPLEMENTARY INFORMATION: Eight incidents have been reported recently where the No. 2 engine aft fuselage mounted fuel fire shutoff valve could not be closed. Investigation revealed that water, which is usually present in the fuel, can accumulate and freeze in the value mechanism cavity. In addition, four operators reported twenty-three instances where the wing spar mounted fuel fire shutoff could not be closed. Nineteen instances occurred on engine No. 2 and four on engine No. 1. Examination of these valves revealed that water in the fuel can accumulate and freeze in the actuating mechanism cavity and valve gate groove. Ice formation in either one of these locations can prevent the valve from closing completely. Partial closure of the valve can prevent full travel of the flight compartment emergency fire handle, which is necessary to engage the electrical switch used to discharge the fire agent. Inability to discharge the firex bottles due to malfunction of the fuel fire shutoff valve could result in an uncontrolled engine fire. This AD requires modifications which will minimize the possibility of ice forming in the valve actuating mechanism body. Further regulatory action will be considered at a later time to address ice accumulation in the valve gate groove.

McDonnell Douglas Alert Service Bulletin A28-168, dated March 14, 1986, and Alert Service Bulletin A28-55, dated April 3, 1986, have recently been issued to provide operators with instructions on how to purge and grease pack the fuel fire shutoff valves. McDonnell Douglas Service Bulletin 28-168 was issued April 16, 1986, and describes a modification of the aft fuselage mounted fuel fire shutoff valves. McDonnell Douglas Service Bulletin 28-55, dated April 23, 1976, describes procedure to rotate the engine No. 1 and No. 2 wing spar mounted fuel fire shutoff valves.

Since this situation is likely to exist or develop on other airplanes of the same type design, this AD requires repetitive modification of the fuel fire shutoff valves in accordance with the Alert Service Bulletins mentioned above, and provides for terminating action in accordance with McDonnell Douglas Service Bulletin 28-168, dated April 16, 1986, and McDonnell Douglas Service Bulletin 28-55, dated April 23, 1976, as appropriate.

Further, since a situation exists that requires immediate adoption of this regulation, it is found that notice and public procedure hereon are impracticable, and good cause exists for making this amendment effective in less than 30 days.

The Federal Aviation Administration has determined that this regulation is an emergency regulation that is not considered to be major under Executive Order 12291. It is impracticable for the agency to follow the procedures of Order 12291 with respect to this rule since the rule must be issued immediately to correct an unsafe condition in aircraft. It has been further determined that this document involves an emergency regulation under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979). If this action is subsequently determined to involve a significant/major regulation, a final regulatory evaluation or analysis, as appropriate, will be prepared and placed in the regulatory docket (otherwise, an evaluation or analysis is not required).

List of Subjects in 14 CFR Part 39

Aviation safety, Aircraft.

Adoption of the Amendment

PART 39—[AMENDED]

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration amends § 39.13 of Part 39 of the Federal Aviation Regulation as follows:

1. The authority citation for Part 39 continues to read as follows:

Authority: 49 U.S.C. 1354(a), 1421 and 1423; 49 U.S.C. 106(g) (Revised, Pub. L. 97-449, January 12, 1983); and 14 CFR 11.89.

§ 39.13 [Amended]

2. By adding the following new AD:

McDonnell Douglas: Applies to McDonnell Douglas Model DC-10 and KC-10A (Military) series airplanes, certificated in any category. To preclude a potential unsafe condition resulting from loss of fuel shutoff and fire extinguishing capabilities, accomplish the following within the next 300 flight hours after the effective date of this AD, unless already accomplished:

A. Modify engine No. 2 aft fuselage mounted fuel fire shutoff valve, ITT Part Number AV16A1323B or Whittaker Part Number 233865, in accordance with the accomplishment instructions of McDonnell Douglas DC-10/KC10A Alert Service Bulletin A28-168, dated March 14, 1986, or later revisions approved by the Manager, Los Angeles Aircraft Certification Office, FAA, Northwest Mountain Region. Repeat this modification at intervals not to exceed six (6) months. Modification of the aft fuselage mounted fuel fire shutoff valves in accordance with McDonnell Douglas Service Bulletin 28-168, dated April 16, 1986, by machining an elongated drain hole in the valve body constitutes terminating action for this item.

B. Modify engine No. 1 and engine No. 2 wing spar mounted fuel fire shutoff valves, ITT Part Number AV16A1323B, in accordance with the accomplishment instructions of McDonnell Douglas DC-10 Alert Service Bulletin A28-55, dated April 4, 1986, or later revisions approved by the Manager, Los Angeles Aircraft Certification Office, FAA, Northwest Mountain Region. Repeat this modification at intervals not to exceed six (6) months. Rotation of engine No. 1 and No. 2 wing spar mounted fuel fire shutoff valves in accordance with the Accomplishment Instructions of McDonnell Douglas Service Bulletin 28-55, dated April 23, 1976, or later revisions, constitutes terminating action for this item.

C. An alternate means of compliance with this AD which provides an acceptable level of safety may be used when approved by the Manager, Los Angeles Aircraft Certification Office, FAA, Northwest Mountain Region.

D. Special flight permits may be issued in accordance with FAR 21.197 and 21.199 to operate the airplane to a base for accomplishment of the requirements of this AD.

All persons affected by this directive who have not already received the appropriate documents from the manufacturer may obtain copies upon request to McDonnell Douglas Corporation, 3855 Lakewood Boulevard, Long Beach, California 90846, Attention: Director, Publications and Training, C1-

L65 (54–60). These documents may be examined at the FAA, Northwest Mountain Region, 17900 Pacific Highway South, Seattle, Washington or the Los Angeles Aircraft Certification Office, 4344 Donald Douglas Drive, Long Beach, California.

This Amendment becomes effective May 27, 1986.

Issued in Seattle, Washington, on April 30, 1986.

Wayne J. Barlow,

Acting Director, Northwest Mountain Region.

[FR Doc. 86–10259 Filed 5–7–86; 8:45 am]

BILLING CODE 4910–13–M

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14 CFR Part 39

[Docket No. 85–NM–82–AD; Amdt. 39–5302]

Airworthiness Directives; Short Brothers, Ltd., Model SD3–60 Series Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This amendment adds a new airworthiness directive (AD) that requires the inspection and repair, as necessary, of the main fitting of the nose landing gear on Short Brothers, Ltd., Model SD3–60 series airplanes. This action is required to detect forging defects which have been reported in the wall of the fitting. Defects could lead to failure of the nose landing gear.

EFFECTIVE DATE: June 16, 1986.

ADDRESSES: The service bulletin specified in this AD may be obtained upon request to Shorts Brothers Aircraft, 2011 Crystal Drive, Suite 713, Arlington, Virginia 22202–3702. This information may be examined at the FAA, Northwest Mountain Region, 17900 Pacific Highway South, Seattle, Washington, or the Seattle Aircraft Certification Office, 9010 East Marginal Way South, Seattle, Washington.

FOR FURTHER INFORMATION CONTACT: Ms. Judy Golder, Standardization Branch, ANM–113; telephone (206) 431–2909. Mailing address: FAA, Northwest Mountain Region, 17900 Pacific Highway South, C–68966, Seattle, Washington 98168.

SUPPLEMENTARY INFORMATION: A proposal to amend Part 39 of the Federal Aviation Regulations to include an airworthiness directive which requires inspection and repair, as necessary, of the main fitting of the nose landing gear was published in the **Federal Register** on September 30, 1985 (50 FR 39712).

Interested parties have been afforded an opportunity to participate in the making of this amendment. No comments were received.

After careful review of the available data, the FAA has determined that air safety and the public interest require the adoption of the rule as proposed.

It is estimated that 33 airplanes of U.S. registry will be affected by this AD, that it will take approximately 2 manhours per airplane to accomplish the required actions, and that the average labor cost will be $40 per manhour. Based on these figures, the total cost impact of this AD of U.S. operators is estimated to be $2,640.

For the reasons discussed above, the FAA has determined that this regulation is not considered to be major under Executive Order 12291 or significant under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979) and it is further certified under the criteria of the Regulatory Flexibility Act that this rule will not have a significant economic effect on a substantial number of small entities because of the minimal cost of compliance per airplane ($80.). A final evaluation has been prepared for this regulation and has been placed in the docket.

List of Subjects in 14 CFR Part 39

Aviation safety, Aircraft.

Adoption of the Amendment

PART 39—[AMENDED]

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration amends § 39.13 of Part 39 of the Federal Aviation Regulations as follows:

1. The authority citation for Part 39 continues to read as follows:

Authority: 49 U.S.C. 1354(a), 1421 and 1423; 49 U.S.C. 106(g) (Revised Pub. L. 97–449, January 12, 1983); and 14 CFR 11.89.

§ 39.13 [Amended]

2. By adding the following new airworthiness directive:

Short Brothers, Ltd.: Applies to certain Model SD3–60 airplanes, as described in Short Brothers, Ltd., Service Bulletin SD360–32–19, dated March 1985, certificated in any category.

To prevent the failure of the nose landing gear main fitting, accomplish the following within 90 days after the effective date of this AD, unless previously accomplished:

1. Inspect using eddy current methods and rework, as necessary, the main fitting of the nose landing gear in accordance with Dowty Rotol Service Bulletin 32–26SD, dated December 19, 1984.

2. An alternate means of compliance or adjustment of the compliance time, which provides an acceptable level of safety may be used when approved by the Manager, Standardization Branch, ANM–113, FAA, Northwest Mountain Region.

3. Special flight permits may be issued in accordance with FAR 21.197 and 21.199 to operate airplanes to a base for the accomplishment of inspections and/or modifications required by this AD.

All persons affected by this directive who have not already received the appropriate service document from the manufacturer may obtain copies upon request to Shorts Brothers Aircraft, 2011 Crystall Drive, Arlington, Virginia 22202–3702. This document may be examined at the FAA, Northwest Mountain Region, 17900 Pacific Highway South, Seattle, Washington, or the Seattle Aircraft Certification Office, 9010 East Marginal Way South, Seattle, Washington.

This amendment becomes effective June 16, 1986.

Issued in Seattle, Washington, on April 30, 1986.

Wayne J. Barlow,

Acting Director, Northwest Mountain Region.

[FR Doc. 86–10253 Filed 5–7–86; 8:45 am]

BILLING CODE 4910–13–M

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14 CFR Part 39

[Docket No. 86–ASW–12, Amdt. 39–5298]

Airworthiness Directives; Sikorsky Model S–76A Helicopters

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule, request for comments.

SUMMARY: This amendment adopts a new airworthiness directive (AD) which requires a service life limit be placed on certain landing gear components on Sikorsky Model S–76A helicopters. The AD is needed to prevent fatigue failure of these components which could result in landing gear failure.

DATES: Effective date: May 14, 1986.

Comment Deadline Date: May 29, 1986.

Compliance: As prescribed in the body of the AD.

ADDRESSES: Comments on the amendment may be mailed in duplicate to: FAA, Southwest Region, Office of the Regional Counsel, 4400 Blue Mound Road, Fort Worth, Texas 76106, or delivered in duplicate to the above address, Room 158, Building 3B.

Comments delivered must be marked: Docket No. 86–ASW–12.

Comments may be inspected at Room 158, Building 3B, between the hours of 8 a.m. and 4:30 p.m. weekdays, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Cheryl McCabe, Airframe Branch, ANE–

152, Boston Aircraft Certification Office, New England Region, FAA, 12 New England Executive Park, Burlington, Massachusetts 01803, telephone (617) 273-7112.

SUPPLEMENTARY INFORMATION: The FAA has determined that certain Sikorsky S-76A landing gear components are service life limited. Landing gear component fatigue failure could result in landing gear failure. Since this condition exists on all Model S-76A helicopters, an AD is being issued which requires service life limits be placed on certain landing gear components on Sikorsky Model S-76A rotorcraft.

The FAA landing gear component service life limit approval for the individual components described in the AD are based on safety considerations and landing gear fatigue analysis.

Since these components were not service life limited at the time of helicopter type certification, some of the components are not marked with a serial number; however, all the components are marked with part numbers. Therefore, the operator may elect to do a rotorcraft record search to determine the usage time for the components listed in the AD.

Sikorsky Alert Service Bulletin 76-32-20 covers the subject of serialization and current usage determination. The manufacturer has serialized the production components and listed the component retirement times in Chapter 4, Airworthiness Limitations Section of Sikorsky Maintenance Manual No. SA4047-76-2-1, Revision 16.

Since a situation exists that requires the immediate adoption of this regulation, it is found that notice and public procedure hereon are impracticable and good cause exists for making this amendment effective in less than 30 days.

Request for Comments on the Rule

Although this action is in the form of a final rule which involves requirements affecting immediate flight safety and, thus, was not preceded by notice and public procedure, comments are invited on the rule. When the comment period ends, the FAA will use the comments submitted, together with other available information, to review the regulation. After the review, if the FAA finds that changes are appropriate, it will initiate rulemaking proceedings to amend the regulation. Comments that provide the factual basis supporting the views and suggestions presented are particularly helpful in evaluating the effects of the rule and determining whether additional rulemaking is needed. Comments are specifically invited on the overall regulatory, economic, environmental, and energy aspects of the rule that might suggest a need to modify the rule.

The FAA has determined that this regulation is an emergency regulation that is not considered to be major under Executive Order 12291. It is impracticable for the agency to follow the procedures of Executive Order 12291 with respect to this rule since the rule must be issued immediately to correct an unsafe condition in aircraft. It has been further determined that this action involves an emergency regulation under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979). If this action is subsequently determined to involve a significant/major regulation, a final regulatory evaluation or analysis, as appropriate, will be prepared and placed in the regulatory docket (otherwise, an evaluation or analysis is not required). A copy of it, when filed, may be obtained by contacting the person identified under the caption **"FOR FURTHER INFORMATION CONTACT."**

List of Subjects in 14 CFR Part 39

Air transportation, Aircraft, Aviation safety, Safety.

Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me, the Federal Aviation Administration amends § 39.13 of Part 39 of the Federal Aviation Regulations (FAR) as follows:

1. The authority citation for Part 39 continues to read as follows:

Authority: 49 U.S.C. 1354(a), 1421, and 1423; 49 U.S.C. 106(g) (Revised Pub. L. 97-449, January 12, 1983); and 14 CFR 11.89.

2. By adding the following new AD:

Sikorsky Aircraft: Applies to Model S-76A helicopters certificated in any category.

Compliance is required as indicated unless already accomplished.

To preclude possible fatigue failures of the main and nose landing gear components, accomplish the following:

(a) Within the next 100 hours' time in service after the effective date of this AD or before the accumulation of the component hours' time in service listed below, whichever occurs later, replace the following components with new or airworthy components that have not exceeded the component listed hours's time in service. Thereafter, replace the following components with new or airworthy components before the accumulation of the components hours' time in service listed below:

Component	Part No.	Replacement time/hours
Nose Landing Gear:		
Fork	1944E60	42,500
Cylinder	1944E2,1944C2	18,500
Retraction Actuator		
Cylinder Terminal	1944D201	28,800
Piston Rod	1944E204	25,000
Main Landing Gear:		
Cylinder	1945E2	30,300
Axle Support Fitting	1945C12	9,600
Pin, Universal to Cylinder	1945C29	23,800
Drag Brace Rod End	1945E35	38,200
Upper Torque Arm	1945E46	37,900
Lower Torque Arm	1945C47	16,200
Axle	1945E85	7,200
Rod End, Positioning Rod	1945E235	19,100
Retraction Actuator		
Outer Cylinder	1945E302	7,100
Piston	1945E314	33,300
Piston Rod End	01-747-061	6,000

(b) Operators who have not kept records of hours' time in service on individual component parts that were installed at time of issuance of the intital rotorcraft airworthiness certificate shall substitute rotrorcraft hours' time in service in lieu thereof.

(c) For purposes of complying with this AD, the hours' time in service for individual components that were not installed at the time of issuance of the initial rotorcraft airworthiness certificate must be determined from operator's rotorcraft records.

(d) Upon request, an alternate means of compliance which provides a level of safety equivalent to the requirements of this AD may be used when approved by the Manager, Boston Aircraft Certification Office, 12 New England Executive Park, Burlington, Massachusetts 01803, telephone (617) 273-7118.

(e) Upon submission of substantiating data by an owner or operator through an FAA maintenance inspector, the Manager, Boston Aircraft Certification Office, 12 New England Executive Park, Burlington, Massachusetts 01803, telephone (617) 237-7118, may adjust the compliance time specified in this AD.

Note.—Sikorsky Alert Service Bulletin 76-32-20 applies to this subject.

This amendment becomes effective on May 14, 1986.

Issued in Fort Worth, Texas, on April 23, 1986.

Don P. Watson,

Acting Director, Southwest Region.

[FR Doc. 86-10258 Filed 5-7-86; 8:45 am]

BILLING CODE 4910-13-M

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 5

Delegations of Authority and Organization; Citizen Petitions Concerning Chlorofluorocarbons

AGENCY: Food and Drug Administration.

ACTION: Final rule.

SUMMARY: The Food and Drug Administration (FDA) is amending the regulations for delegations of authority regarding citizen petitions submitted under Part 10. This amendment will delegate authority to the Director and Deputy Director, Center for Drugs and Biologics (CDB), and to the Director and Deputy Director, Center for Veterinary Medicine, to grant or deny certain citizen petitions concerning chlorofluorocarbons.

EFFECTIVE DATE: May 8, 1986.

FOR FURTHER INFORMATION CONTACT: Melissa M. Moncavage, Office of Management and Operations (HFA–340), Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857, 301–443–4976.

SUPPLEMENTARY INFORMATION: FDA is revising § 5.31(f) (21 CFR 5.31(f)) to delegate authority to the Director and Deputy Director, CDB, and the Director and Deputy Director, CVM, respectively, to grant or deny citizen petitions submitted under § 2.125(j) (21 CFR 2.125(j)) from sponsors of investigational new drug applications (IND's) and sponsors of investigational new animal drug applications (INAD's) who want to ship in interstate commerce a drug product containing a chlorofluorocarbon. Currently, authority to act on these petitions is with the Commissioner's office. FDA is delegating additional authority because the decision to permit a study of a drug with chlorofluorocarbons does not reflect new policy issues and because the Director and Deputy Director, CDB, and the Director and Deputy Director, CVM, already have delegated to them similar authority concerning IND's and INAD's, respectively.

Further redelegation of the authority delegated is not authorized. Authority delegated to a position by title may be exercised by a person officially designated to serve in such position in an acting capacity or on a temporary basis.

List of Subjects in 21 CFR Part 5

Authority delegations (Government agencies), Organization and functions (Government agencies).

Therefore, under the Federal Food, Drug, and Cosmetic Act and under authority delegated to the Commissioner of Food and Drugs, Part 5 is amended as follows:

PART 5—DELEGATIONS OF AUTHORITY AND ORGANIZATION

1. The authority citation for 21 CFR Part 5 continues to read as follows:

Authority: Sec. 701(a), 52 Stat. 1055 (21 U.S.C. 371(a)); 21 CFR 5.10.

2. Section 5.31 is amended by adding new paragraphs (f) (4) and (5) to read as follows:

§ 5.31 Petitions under Part 10.

* * * * *

(f) * * *

(4) The Director and Deputy Director, CDB, are authorized to issue responses to citizen petitions submitted under § 10.30 of this chapter from sponsors of an investigational new drug application who request approval to ship in interstate commerce, in accordance with § 2.125(j) of this chapter, an investigational new drug for human use containing a chlorofluorocarbon.

(5) The Director and Deputy Director, CVM, are authorized to issue responses to citizen petitions submitted under § 10.30 of this chapter from sponsors of an investigational new animal drug application who request approval to ship in interstate commerce, in accordance with § 2.125(j) of this chapter, an investigational new animal drug for animal use containing a chlorofluorocarbon.

Dated: May 1, 1986.

Joseph P. Hile,

Associate Commissioner for Regulatory Affairs.

[FR Doc. 86–10283 Filed 5–7–86; 8:45 am]

BILLING CODE 4160–01–M

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21 CFR Part 176

[Docket No. 85F–0261]

Indirect Food Additives; Paper and Paperboard Components

AGENCY: Food and Drug Administration.

ACTION: Final rule.

SUMMARY: The Food and Drug Administration (FDA) is amending the food additive regulations to provide for the safe use of cationic soy protein (soy protein isolate modified by treatment with 3-chloro 2-hydroxypropyltrimethylammonium chloride) in the manufacture of paper and paperboard used in the packaging of dry food. This action responds to a petition filed by Ralston Purina Co.

DATES: Effective May 8, 1986; objections by June 9, 1986.

ADDRESS: Written objections to the Dockets Management Branch (HFA–305), Food and Drug Administration, Rm. 4–62, 5600 Fishers Lane, Rockville, MD 20857.

FOR FURTHER INFORMATION CONTACT: Edward J. Machuga, Center for Food Safety and Applied Nutrition (HFF/335), Food and Drug Administration, 200 C St. SW., Washington, DC 20204, 202–472–5690.

SUPPLEMENTARY INFORMATION: In a notice published in the **Federal Register** of June 25, 1985 (50 FR 26270), FDA announced that a petition (FAP 5B3866) had been filed by Ralston Purina Co., Checkerboard Square, St. Louis, MO 63164, proposing that § 176.180 *Components of paper and paperboard in contact with dry food* (21 CFR 176.180) be amended to provide for the safe use of cationic soy protein (soy protein isolate modified by treatment with 3-chloro-2-hydroxypropyltrimethylammonium chloride) in the manufacture of paper and paperboard used in the packaging of dry food.

FDA has evaluated the data in the petition and other relevant material. The agency concludes that the proposed food additive use is safe, and that the regulations should be amended as set forth below.

In accordance with § 171.1(h) (21 CFR 171.1(h)), the petition and the documents that FDA considered and relied upon in reaching its decision to approve the petition are available for inspection at the Center for Food Safety and Applied Nutrition (address above) by appointment with the information contact person listed above. As provided in 21 CFR 171.1(h), the agency will delete from the documents any materials that are not available for public disclosure before making the documents available for inspection.

The agency has carefully considered the potential environmental effects of this action and has concluded that the action will not have a significant impact on the human environment and that an environmental impact statement is not required. The agency's finding of no significant impact and the evidence supporting that finding may be seen in the Dockets Management Branch (address above) between 9 a.m. and 4 p.m. Monday through Friday. FDA's regulations implementing the National Environmental Policy Act (21 CFR Part 25) have been replaced by a rule published in the **Federal Register** of April 26, 1985 (50 FR 16636, effective July 25, 1985). Under the new rule, an action of this type would require an abbreviated environmental assessment under 21 CFR 25.31a(b)(1).

Any person who will be adversely affected by this regulation may at any time on or before June 9, 1986 file with the Dockets Management Branch (address above) written objections

thereto. Each objection shall be separately numbered, and each numbered objection shall specify with particularity the provisions of the regulation to which objection is made and the grounds for the objection. Each numbered objection on which a hearing is requested shall specifically so state. Failure to request a hearing for any particular objection shall constitute a waiver of the right to a hearing on that objection. Each numbered objection for which a hearing is requested shall include a detailed description and analysis of the specific factual information intended to be presented in support of the objection in the event that a hearing is held. Failure to include such a description and analysis for any particular objection shall constitute a waiver of the right to a hearing on the objection. Three copies of all documents shall be submitted and shall be identified with the docket number found in brackets in the heading of this document. Any objections received in response to the regulation may be seen in the Dockets Management Branch between 9 a.m. and 4 p.m., Monday through Friday.

List of Subjects in 21 CFR Part 176

Food additives, Food packaging.

Therefore, under the Federal Food, Drug, and Cosmetic Act and under authority delegated to the Commissioner of Food and Drugs and redelegated to the Director of the Center for Food Safety and Applied Nutrition, Part 176 is amended as follows:

PART 176—INDIRECT FOOD ADDITIVES: PAPER AND PAPERBOARD COMPONENTS

1. The authority citation for 21 CFR Part 176 continues to read as follows:

Authority: Secs. 201(s), 409, 72 Stat. 1784–1788 as amended (21 U.S.C. 321(s), 348); 21 CFR 5.10 and 5.61.

2. In § 176.180(b)(2) by alphabetically inserting a new item in the list of substances to read as follows:

§ 176.180 Components of paper and paperboard in contact with dry food.

* * * * *

(b) * * *

(2) * * *

List of substances	Limitations
* * *	* *
Cationic soy protein (soy protein isolate modified by treatment with 3-chloro-2-hydroxypropyl-trimethyl-ammonium chloride)	For use only as a coating adhesive, pigment structuring agent, and fiber retention aid.
* * *	* *

Dated: April 29, 1986.

Richard J. Ronk,

Acting Director, Center for Food Safety and Applied Nutrition.

[FR Doc. 86–10285 Filed 5–7–86; 8:45 am]

BILLING CODE 4160–01–M

DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Part 100

[CGD3 86–13]

Temporary Regatta Regulation; Harvard-Yale Regatta, Thames River, New London, CT

AGENCY: Coast Guard, DOT.

ACTION: Temporary regulation.

SUMMARY: This temporary rule provides notice that the 1986 Harvard-Yale Regatta will he held June 7, 1986 beginning at 4:30 p.m. and ending at 7:30 p.m. The permanent regulation for this regatta sets the effective period for this annual event as either the first or second Saturday in June as published in the Third District Local Notice to Mariners and in a **Federal Register** notice. This document notifies the affected public of the effective period for the 1986 regatta.

DATES: This temporary regulation becomes effective on June 7, 1986 at 4:30 p.m. and terminates the same day at 7:30 p.m.

FOR FURTHER INFORMATION CONTACT: Mr. Lucas A. Dlhopolsky (212) 668–7974.

SUPPLEMENTARY INFORMATION: In accordance with 5 U.S.C. 553, a notice of proposed rulemaking has not been published for this regulation. Following normal rulemaking procedures is unnecessary. The permanent regulation for this regatta (33 CFR 100.304) specifies that the regatta will be held on either the first or second Saturday in June and that the effective date will be published in the Third District Local Notice to Mariners and in a **Federal Register** notice. This final rule simply provides notice of the specific date and times for the 1986 regatta which will be held on the first Saturday in June this year.

Drafting Information

The drafters of this notice are Mr. Lucas A. DLHOPOLSKY, Project Officer, Boating Safety Office, and Ms. MaryAnn ARISMAN, Project Attorney, Third Coast Guard District Legal Office.

Discussion of Regulation

This year's Harvard-Yale crew race event will be held again on the Thames River in New London, Connecticut following the same procedures as in 1985. The Special Local Regulations for this regatta are set forth in 33 CFR 100.304. Only the effective period will be different from last year as provided in this temporary rule.

List of Subjects in 33 CFR Part 100

Marine safety, Navigation (water).

Temporary Regulation

PART 100—[AMENDED]

In consideration of the foregoing, Part 100 of Title 33, Code of Federal Regulations is amended as follows:

1. The authority citation for Part 100 continues to read as follows:

Authority: 33 U.S.C. 1233; 49 CFR 1.46 and 33 CFR 100.35.

2. Section 100.304(b) is revised to read as follows for June 7, 1986. Because this is a temporary rule, this revision will not appear in the Code of Federal Regulations:

§ 100.304 Harvard-Yale Regatta, Thames River, New London, CT.

* * * * *

(b) *Effective Period:* This regulation will be effective from 4:30 p.m. to 7:30 p.m. on June 7, 1986. In case of postponement due to weather, this regulation will be in effect on June 8, 1986 beginning at 9:00 a.m.

* * * * *

Dated: April 21, 1986.

P.A. Yost,

Vice Admiral, U.S. Coast Guard Commander, Third Coast Guard District.

[FR Doc. 86–10374 Filed 5–7–86; 8:45 am]

BILLING CODE 4910–14–M

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33 CFR Part 117

[CGD5–84–07]

Drawbridge Operation Regulations; Beaufort Channel, NC

AGENCY: Coast Guard, DOT.

ACTION: Final rule.

SUMMARY: At the request of the North Carolina Department of Transportation, Division of Highways, the Coast Guard is amending the regulations that govern the operation of the drawbridge across Beaufort Channel, mile 0.1 at Beaufort, North Carolina. This change will provide an hourly opening schedule for pleasure craft during the boating season. This drawbridge currently is required to open

on signal. This change is being made in order to alleviate highway traffic congestion in the vicinity of the drawbridge. This action will reduce the number of draw openings and still provide for the reasonable needs of navigation.

EFFECTIVE DATE: These regulations become effective on June 9, 1986.

FOR FURTHER INFORMATION CONTACT: Wayne J. Creed, Bridge Administrator, Aids to Navigation Branch, Fifth Coast Guard District, Federal Building, 431 Crawford Street, Portsmouth, Virginia 23704–5004, (804) 398–6227.

SUPPLEMENTARY INFORMATION: On April 18, 1985 the Coast Guard published a proposed rule (50 FR 15461) concerning this amendment. The Commander, Fifth Coast Guard District, also published this proposal in Public Notice (5–593) dated April 24, 1985. Interested persons were requested to submit comments by May 24, 1985.

Drafting Information:

The drafter of these regulations is W.J. Creed, project officer, and the project attorney is Lt W.A. Mitchell.

Discussion of Comments

The Carteret County Planning Director submitted the only comment. It was his opinion that the 8:00 a.m. opening should be delayed until 8:15 a.m. to further facilitate the clearing of highway traffic congestion. This was considered, but was not approved because the highway traffic data contained in the record does not support a delayed opening at this time.

Economic Assessment and Certification

These regulations are considered to be non-major under Executive Order 12291 on Federal Regulation and nonsignificant under Department of Transportation regulatory policies and procedures (44 FR 11034; February 26, 1979).

The economic impact has been found to be so minimal that a full regulatory evaluation is unnecessary. This conclusion is based on the fact that these regulations will have no effect on commercial navigation or on any industries that depend on waterborne transportation. Since the economic impact of these regulations is expected to be minimal, the Coast Guard certifies that they will not have a significant economic impact on a substantial number of small entities.

List of Subjects in 33 CFR Part 117

Bridges.

Regulations

In consideration of the foregoing, Part 117 of Title 33, Code of Federal Regulations, is amended as follows:

PART 117—DRAWBRIDGE OPERATION REGULATIONS

1. The authority citation for Part 117 continues to read as follows:

Authority: 33 U.S.C. 499; 49 CFR 1.46; 33 CFR 1.05–1(g).

2. Section 117.822 is added to read as follows:

117.822 Beaufort Channel, North Carolina.

From May 1 to October 31, the draw shall open on the hour from 7 a.m. to 7 p.m. for the passage of pleasure craft. To accommodate approaching pleasure craft, the hourly opening may be delayed up to 10 minutes past the hour. Public vessels of the United States, commercial vessels, and any vessel in an emergency involving danger to life or property shall be passed at any time.

Dated: April 28, 1986.

P.A. Welling,

Captain, U.S. Coast Guard, Acting Commander, Fifth Coast Guard District.

[FR Doc. 86–10376 Filed 5–7–86; 8:45 am]

BILLING CODE 4910–14–M

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33 CFR Part 162

[CGD 85–060]

Inland Waterways Navigation Regulation; Connecting Waters From Lake Huron to Lake Erie

AGENCY: Coast Guard, DOT.

ACTION: Final rule.

SUMMARY: This rule amends the existing Inland Waterways Navigation Regulations for the connecting waters between Lake Huron and Lake Erie. This amendment results from the Coast Guard's commitment to industry to review the reporting point requirements after a period of experience of two seasons of operation under the current rules. The amendment will maintain the existing level of safety while reducing the burden of compliance on marines and ship owners.

EFFECTIVE DATE: May 28, 1986.

FOR FURTHER INFORMATION CONTACT: Mr. Michael J. Powers, (202) 426–4958.

SUPPLEMENTARY INFORMATION: The responsibility for regulations governing the movement of vessels over the connecting waters from Lake Huron to Lake Erie were transferred from the U.S. Army Corps of Engineers to the Coast Guard by a memorandum of understanding, signed on May 3, 1977, as a result of the enactment of the Ports and Waterways Safety Act of 1972. These regulations were added to Title 33, Code of Federal Regulations on September 29, 1977 (42 FR 51758) and were amended on April 30, 1984 (49 FR 19297).

Upon publication of the final rule, the Coast Guard stated that it would be willing to consider changes to the reporting points if operational experience showed a need for such changes. Since publication, comments have been received regarding the number of and location of reporting points and the excessive communications traffic from small recreational boaters. As a result of these comments and meetings between the U.S. and Canadian Coast Guards, changes to the regulations were proposed in a Notice of Proposed Rulemaking (NPRM) on January 6, 1986 (51 FR 402), with a 45 day comment period.

Drafting Information

The principal persons involved in drafting this final rule are Mr. Michael J. Powers, Project Manager, Office of Marine Environment and Systems, and Mr. Stanley Colby, Project Attorney, Office of Chief Counsel.

Discussion of Comments

In response to the NPRM a total of eleven comments were received, four of which supported the proposed changes to the regulations.

Four commenters objected to the existence and application of these regulations in their entirety. They state that the present regulations should be replaced with the regulations in existence prior to April 30, 1984. The Coast Guard believes the regulations in conjunction with the present vessel traffic system provide a level of safety that would not exist if the regulations were not in place. The regulations assist in maintaining an orderly flow of traffic through a constrained waterway and act as a coordinating point for the U.S. and Canadian Coast Guards during hazardous navigation conditions. For these reasons the Coast Guard does not intend to issue regulations which rescind the existing safety system.

One commenter stated opposition to these regulations in their entirety if the Canadian Government charged user fees to support the operation of Sarnia Traffic Center. The Coast Guard understands that there is no intention of imposing user fees to support any

Canadian Vessel Traffic Center. If it is decided at some future date to impose user fees it would not be done without full consultation with the system users and the U.S. government.

One commenter stated that future rulings should include input from the people doing the work. The Coast Guard believes individuals who work with or are affected by these regulations have had ample opportunity to participate in their development. This belief is based on the following: The original NPRM (June 6, 1983, 48 FR 25231) provided a 90 day comment period. A notice of public hearing was published in the Federal Register on October 7, 1983 (48 FR 45798). The hearing was held in Detroit, Michigan on November 15, 1983 and an extension of the comment period was provided by this notice until November 30, 1983. The present proposal provided a 45 day comment period after soliciting comments on the application of these regulations after one operating season through a notice in the Commander, Ninth Coast Guard District Local Notice to Mariners No. 34/84 (November 2, 1984). The Canadian Coast Guard also held public hearings and solicited comments from their industry.

One commenter requested that hearings on these regulations be reopened and include all interest Great Lakes personnel. When the Coast Guard holds a public hearing, it is open to the public, so the implication that the earlier public hearing somehow excluded Great Lakes personnel is in error. In addition, the NPRM indicated that a public hearing may be held if it is determined that oral presentations will aid in the rulemaking process. Since there was no indication by the commenter of what issues he intended to raise and why an oral presentation was the best way of doing so, the Coast Guard had no way of determining if the oral presentation would aid in the rulemaking process.

One commenter noted that the people who work at Sarnia Traffic Center do not have the expertise or local knowledge equivalent to that of the controllers of the St. Lawrence Seaway, Welland Canal, St. Mary's Falls Canal, and the St. Mary's River. The Coast Guard understands that personnel working at Sarnia Traffic Center receive the same type and amount of training as personnel at other Canadian Vessel Traffic Centers. The Canadian Coast Guard has informed the Coast Guard that their qualification training requires ship rides through applicable traffic systems, on-the-job watchstanding training, and formal classroom training on local and national VTS operations. Qualification takes five to eight months. Once qualified, personnel participate in annual refresher training as well as riding vessels through the traffic system. Of the twenty-two persons at Sarnia Traffic Center, approximately one-third have worked there since 1974, another third have worked there for at least five years, while the remaining third have worked there less than five years. Accordingly, the Coast Guard does not agree with the commenter.

One commenter stated that Sarnia Traffic Center does not have the manpower or radio equipment to monitor VHF Ch. 16. The monitoring is maintained in accordance with the Agreement between Canada and the United States of America for Promotion of Safety on the Great Lakes by means of Radio, 1973, and is independent of this rulemaking. The Coast Guard understands that the monitoring of Ch. 16 is performed by a shoreside radio station that is collocated with the operations center at Sarnia. Also, VHF Ch. 16 is monitored jointly by other U.S. and Canadian shore stations in the area. Information received over Ch. 16 regarding movements in the traffic system requiring action is passed to the VTS center. Accordingly, the Coast Guard does not agree with this comment.

Two commenters recommended that "Captain of the Port" (COTP) should not be omitted from proposed § 162.130(e) because that officer is the key to making local arrangements. The delegation to the District Commander is not limited. The District Commander may redelegate this authority to the COTP or other appropriate officer, or may utilize the COTP to negotiate with Canadian Officials while retaining final approval. This is properly left to the District Commander's discretion. The change was not intended to indicate that the COTP would be completely eliminated from the process.

One commenter recommended that two additional downbound reports be made at Lake Huron Cut Light Buoy "11" and Lake Huron Cut Light Buoy "1". A report at these buoys would not provide as sufficient notice of traffic to be encountered as would a report 30 minutes north of these buoys. Although downbound vessels reporting their position 30 minutes north of Buoy "11" may slow down or even depart area anchorages later than reported, the advance report would provide a better indication of traffic expected in the vicinity of the Blue Water Bridge prior to entering the traffic system at Buoy "11". Further, three pilotage associations note that a report at Buoy "11" would be a distraction because it is a pilot change point. Because of the report 30 minutes north of Buoy "11" and at Buoy "7" a call at Buoy "1" is not necessary considering a call had just previously been made at Buoy "7". For these reasons the Coast Guard does not agree with the recommended change.

One commenter recommended that Belle Isle remain an upbound reporting point. The Coast Guard believes that the visibility of ships moving upbound through Fleming Channel and past Peach Island Light to ships moving downbound is adequate and does not warrant an additional report. Furthermore, the channel in this area is more than adequate for safe two-way traffic. It is therefore believed that there is no need for a report under these circumstances. In situations of reduced visibility downbound ships will be aware of upbound ships having reported at Grassy Island Light. Vessels are encouraged to supplement their reports where necessary with security calls. Therefore, the Coast Guard will not act on this recommendation.

The same commenter recommended that an upbound report at Light "23" at Grande Pointe should be maintained since mariners are always asking each other when they will reach that point. This report would indicate clearing the sharp bend at Light "13". The Coast Guard believes that a report approaching the sharp bend at Light "13" is more critical than an additional one on departure. Downbound vessels announce their departure from the St. Clair Cutoff, Light "13", and South Channel area when they report at Lake St. Clair Light and upbound vessels announce of their departure from this area when they report at Marine City Salt Dock Light. Accordingly, the Coast Guard does not accept this recommendation.

One commenter recommended changing the proposed reporting points in Table 1. The upbound reporting points recommended include those proposed in Table 1, except the reports at Lake St. Clair Light and Marine City Salt Dock Light. An upbound report at Lake St. Clair Light is needed to announce the change of radiotelephone frequencies (from VHF Channel 12 to Channel 11 and vice versa). An upbound report at Marine City Salt Dock Light is needed to announce departure from the "no overtaking area" in the South Channel. This information also establishes a pattern for upbound vessels leaving the "no overtaking area" and proceeding to the one way area in Port Huron/Sarnia. Accordingly, the Coast Guard rejects this recommendation. The downbound reporting points recommended include

those proposed in Table 1 and reports at Lake Huron Cut Buoy "11", Willow Point Light, and the Ambassador Bridge. Downbound reporting points the commenter recommends deleting include Marine City Salt Dock Light, Lake St. Clair Light, Grassy Island Light, and the Detroit River Light.

The disadvantages of a downbound reporting point at Lake Huron Cut Buoy "11" have been previously discussed.

A downbound report at Marine City Salt Dock Light is needed because it gives notice a vessel will be entering the South Channel. It is located in an area where a vessel is not making a course change. The Coast Guard believes that this report offers a more useful indication of a downbound vessels position in the traffic system than at Willow Point Light, and the recommendation is rejected.

A downbound call at Willow Point Light is not needed, given the call at Marine City Salt Dock Light. Also, a call at Willow Point Light is at a location where a pilot, master, or ship operator may be preparing to make a course change.

A downbound report at Lake St. Clair Light is needed because it is notice that a vessel has departed the St. Clair Cutoff/Light "13" area and will be changing radio frequencies from VHF Ch. 12 to Ch. 11.

A downbound report at Grassy Island Light is needed to announce a vessel is about to enter the area of Fighting Island Channel, Ballards Reef, and Livingstone Channel.

A downbound report at the Detroit River Light is notice a vessel has departed the Detroit River and the traffic system. This information is more timely in notifying of a departure from the constraints of the waterway than a final report at the Ambassador Bridge. Therefore, for the preceding reasons, the recommended changes to the reporting points are not accepted.

Additional recommendations to the reports proposed in the NPRM include traffic reports 15 minutes before departing a berth in the River Rouge and as departing a berth in the River Rouge. The Coast Guard believes that both additional reports while in the River Rouge are unnecessary because a report 20 minutes before entering or departing the River Rouge is considered by the Coast Guard to be sufficient notice to vessels proceeding downbound or upbound in the Detroit River. In addition, various commenters to this NPRM and the earlier NPRM stated that they considered information of movements within the River Rouge unnecessary but information of movements into or out of the Detroit River was considered necessary. Consequently, the recommendation was not accepted.

Two comments recommended all vessels anchoring in the connecting waters should report upon mooring, docking, or anchoring. Although the Coast Guard believes such reports would be of some benefit to users of the traffic system, the recommendation is in addition to the reports proposed in the NPRM. Concern over excessive reporting was one of the factors considered when proposing these rules. Under § 162.132(d)(2) reports must include the name of the vessel, location, intended course of action, and estimated time of arrival at next reporting point. If a vessel is in the traffic system and its intended course of action changes, then it must report this change of operation to comply with this requirement. Thus, some advance knowledge of a vessel mooring, docking, or anchoring is obtained under the present reports. Therefore, this recommendation will not be implemented.

One comment recommended ships anchoring in the connecting waters monitor the appropriate VHF sector frequency. The Coast Guard believes such a requirement would be helpful but is part of a larger concern involving all navigable waters. This recommendation should be looked at initially for all waters where necessary for the safety of other vessels and not just the Detroit/St. Clair Rivers. Because of this the Coast Guard will not implement this change.

One commenter recommended that a dedicated bridge to bridge radiotelephone frequency over VHF Channel 13 be established. As stated in the preamble of the NPRM (51 FR 403) the U.S. and Canadian Coast Guards have embarked on a program to recognize Ch. 13 as the Great Lakes bridge to bridge radiotelephone frequency. When this occurs, the public will be notified by a notice in the **Federal Register**

One commenter stated that mariners should continue to use the VHF radiotelephone as a one-to-one communication link and security calls should be made at appropriate times and places on Ch. 13 instead of to a third party traffic control center. The Coast Guard believes the operation of the traffic system supports the efforts of monitoring the one-way traffic area in Port Huron/Sarnia. It also acts as a coordination center for the U.S. and Canadian Coast Guards during hazardous navigation conditions. Such coordination will allow all ships in the waterway to be aware of any special situations that may effect them or other vessels. Pilots, masters, and vessel operators are responsible for listening and making security calls as necessary in addition to participating in the traffic system.

One commenter opposed Sarnia Traffic Center monitoring vessel movements except in the constricted waterway from Marysville Dock to Buoys "11" & "12" and near the fuel docks in Sarnia. The Coast Guard believes one of the major benefits of the existing traffic system is the promotion of the orderly flow of traffic throughout the connecting waters particularly the one-way area on Port Huron/Sarnia. The traffic center is able to monitor ship movements throughout the area and relay information when needed regarding emergencies.

Two commenters noted that Marine Salt Dock Light in proposed Table I should read Marine City Salt Dock Light or Salt Dock Light. The Coast Guard agrees and corrected the reference to "Marine City Salt Dock Light."

One commenter noted that Grand Point Light "23" in proposed Table I should read "Grande Point Light "23"." The Coast Guard also made this correction.

One commenter noted that Belle Island Light in proposed Table I should read "Belle Isle Light." The Coast Guard also made this correction.

One commenter noted that Lake Huron Cut Light Buoy "7" has been replaced by "Lake Huron Cut Light "7"." The Coast Guard also made this correction.

Additional Information

In order to bring this final rule into effect simultaneously with the Canadian regulations for the waterway, and in order to have them in effect before the height of the shipping season on the Great Lakes, this final rule is being made effective less than 30 days after publication. It has been determined that good cause exists, under 5 U.S.C. 553, for making this rule effective in less than 30 days after publication.

Regulatory Evaluation

These regulatory changes are considered to be non-major under Executive Order 12291 and non-significant under the DOT regulatory policies and procedures (44 FR 11034; February 26, 1979). The economic impact of this amendment has been found to be so minimal that further evaluation is unnecessary. Although these changes realign and reduce existing operational reporting requirements they have no cost impact. Since the economic impact is expected to be minimal, the Coast Guard certifies that this rule, if

promulgated, will not have a significant economic impact on a substantial number of small entities.

List of Subjects in 33 CFR Part 162

Navigation (water), Waterways.

Regulations

In consideration of the foregoing, Part 162 of Title 33 of the Code of Federal Regulations is amended as follows:

PART 162—INLAND WATERWAYS NAVIGATION REGULATIONS

1. The authority citation for Part 162 is revised to read as follows:

Authority: 33 U.S.C. 1231; 49 CFR 1.46(n)(4).

2. By amending § 162.130(c) by removing the definitions of "Harbor Master", "Lake St. Clair", and "Regional Director General" and adding the following definition in alphabetical order:

§ 162.130 Connecting waters from Lake Huron to Lake Erie; general rules.

* * * * *

(c) * * *

* * * * *

"District Commander" means, Commander, Ninth Coast Guard District, Cleveland, Ohio.

* * * * *

3. By revising § 162.130(e) to read as follows:

§ 162.130 Connecting Waters from Lake Huron to Lake Erie; General Rules.

* * * * *

(e) *Delegations.* The District Commander, in coordination with appropriate Canadian officials, may make local arrangements that do not conflict with these regulations in the interest of safety of operations, to facilitate traffic movement and anchorage, to avoid disputes as to jurisdiction and to take necessary action to render assistance in emergencies. This authority may be redelegated.

4. By amending § 162.132 by revising paragraph (e), (f)(1) and (f)(3) to read as follows:

§ 162.132 Connecting Waters from Lake Huron to Lake Erie; communication rules.

* * * * *

(e) *Permanent Reporting Points.* The master of each vessel to which this section applies shall report as required by paragraph (d) of this section at the location indicated in Table I.

TABLE I

Downbound vessels	Reporting points	Upbound vessels
Report	30 Minutes North of Lake Huron Cut Lighted Horn Buoy "11".	
Report	Luke Huron Cut Light "7"	
	Lake Huron Cut Lighted Buoy "1".	Report.
Report	Black River Entrance Light	Report.
	Stag Island Upper Light	Report.
Report	Marine City Salt Light	Report.
Report	Grande Pointe Light "23"	
	St. Clair Flats Canal Light "2"	Report.
Report	Lake St. Clair Light	Report.
Report	Belle Isle Light	
Report	Grassy Island Light	Report.
Report	Detroit River Light	Report.

* * * * *

(f) *Additional Traffic Reports.*

(1) A report shall be made upon leaving any dock, mooring, or anchorage, in the Detroit River, Lake St. Clair, and the St. Clair River except for—

(i) Ferries on regular runs; and

(ii) Vessels in the River Rouge.

* * * * *

(3) A report shall be made—

(i) 20 minutes before entering or departing the River Rouge; and

(ii) Immendiately before entering or departing the River Rouge.

* * * * *

5. By revising the note following § 162.136(a) to read as follows:

§ 162.136 Connecting Waters from Lake Huron to Lake Erie; anchorage grounds.

(a) * * *

Note.—There is an authorized anchorage in Canadian waters just above Fighting Island and an authorized anchorage in U.S. waters south of Belle Isle (33 CFR 110.206).

* * * * *

Peter J. Rots,

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

May 5, 1986.

[FR Doc. 86-10371 Filed 5-7-86; 8:45 am]

BILLING CODE 4910-14-M

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33 CFR Part 165

[Regulation 86-01]

COTP Detroit, MI, Regulation 86-01, Safety Zone Regulations; Detroit River, Detroit, MI

AGENCY: Coast Guard, DOT.

ACTION: Emergency rule.

SUMMARY: The Coast Guard is establishing a safety zone in the Detroit River, East Rockwood, Michigan. This zone is needed to protect watercraft from possible damage during blasting operations in the Detroit River. Entry into this zone is prohibited unless authorized by the Captain of the Port.

EFFECTIVE DATES: This regulation becomes effective at 0700 A.M., Eastern Daylight Time, 28 April 1986. It terminates at 1900 P.M., Eastern Daylight Time, 31 July 1986.

FOR FURTHER INFORMATION CONTACT: Lieutenant M.J. Burrows, Port and Environmental Safety Officer, Coast Guard Marine Safety Office, Detroit, Michigan, 48207-4418, (313) 226-7777.

SUPPLEMENTARY INFORMATION: A notice of proposed rulemaking was not published for this regulation and it is being made effective in less than thirty (30) days after **Federal Register** Publication.

Publishing an NPRM and delaying its effective date would be contrary to the public interest since immediate action is needed to safeguard watercraft and their occupants from the associated dangers involved. Notice of the blasting operations was not received from the contractor until 24 April 1986, and therefore, there was insufficient time to publish a NPRM. Although the establishment of this safety zone is a final ruling, comments concerning the establishment or scope of this zone are welcome. Such comments can be forwarded to Commanding Officer, Coast Guard Marine Safety Office, 2660 E. Atwater, Detroit, Michigan, 48207-4418, (313) 226-7777.

Drafting Information

The drafters of this regulation are Lieutenant M.J. Burrows, project officer for the Captain of the Port, and Lieutenant Commander Leone, Project Attorney, Ninth Coast Guard District Legal Office.

Discussion of Regulations

The hazard requiring this regulation will begin on 28 April 1986 and terminate on 31 July 1986. No watercraft will be permitted to remain in, enter, moor in, anchor in, or transit this safety zone unless specifically authorized by the Captain of the Port, Detroit, Michigan.

Drilling and blasting operations by Murray D. Black Co., Inc., are necessary to remove limestone bedrock and overburden to accommodate the installation of a sewage outfall structure at Detroit River Mile 3.9. On one designated day per week during the above stated time period, 505 pounds of Class A explosives will be loaded from the end of Lee Road, East Rockwood, Michigan, Detroit River Mile 3.9 to a designated tug and then shipped to the SPUD Barge Minnesota in the Detroit

River. The barge will store the weekly supply of explosives to be used during that week's blasting operations. United States Coast Guard personnel will be on scene during the weekly loading operations to ensure proper establishment and enforcement of the safety zone, and will conduct periodic safety checks during the blasting operations as a part of the Daily Harbor Patrol. This action is designed to prevent damage to watercraft and possible injury to their occupants should any mishap occur during these operations. This rule is intended to accomplish this purpose by preventing all unauthorized water traffic from entering the safety zone.

List of Subjects in 33 CFR Part 165

Harbors, Marine safety, Navigation (water), Security measures, Vessels and waterways.

PART 165--[AMENDED]

Regulation

In consideration of the foregoing, Part 165 of Title 33, Code of Federal Regulations, is amended as follows:

1. The authority citation for Part 165 continues to read as follows:

Authority: 33 U.S.C. 1225 and 1231; 50 U.S.C. 191; 49 CFR 1.46 and 33 CFR 1.05-1(g), 6.04-1, 6.04-6 and 160.5.

2. A temporary § 165.T901 is added to read as follows:

§ 165.T901 Safety Zone: Detroit River, East Rockwood, MI.

(a) *Location.* The following area is a safety zone: All waters within 250 feet of loading area of Class A Explosives at the end of Lee Road, Rockwood, Michigan, Detroit River Mile 3.9; all waters within 250 feet of tug used to tranship the explosives to the SPUD Barge Minnesota; all waters within 250 feet of the SPUD Barge Minnesota at which times Class A explosives are stored on board and all waters within 250 feet of the daily blasting site. This safety zone affects the area from the end of Lee Road, Rockwood, Michigan, Detroit River Mile 3.9 to a point in the Detroit River at approximately 42°3'8.1" N. 83°9'48.8" W. Warning signs and buoys will be posted at all points of access to the blasting area. Only authorized personnel will be permitted within the immediate blasting area.

(b) *Effective Dates:* 28 April 1986 to 31 July 1986.

(c) *Regulations.* In accordance with the general regulations in § 165.23 of this part, entry into this zone is prohibited unless authorized by the Captain of the Port.

Dated: April 25, 1986.

R.M. Larrabee,

Commander, U.S. Coast Guard, Captain of the Port.

[FR Doc. 86-10372 Filed 5-7-86; 8:45 am]

BILLING CODE 4910-14-M

POSTAL SERVICE

39 CFR Part 10

International Priority Airmail Service

AGENCY: Postal Service.

ACTION: Interim rule with request for comments.

SUMMARY: The Postal Service is introducing a new service called International Priority Airmail Service, which is available to bulk mailers of all categories of international mail other than parcel post items. In order to qualify for the service, mailers must meet specified minimum volume requirements and sort their mailings to the destination countries. The new service is intended to meet an increasing demand by business mailers for an international service that is faster than regular airmail. The rate for this new service is $6.80 per pound. Service is available to all foreign countries, except Canada.

Interim implementing regulations have been developed and are set forth below for comment and suggested revision prior to adoption in final form.

DATE: The interim regulations will take effect on May 18, 1986. Comments must be received on or before June 7, 1986.

ADDRESS: Written comments should be directed to the General Manager, Market Development Division, U.S. Postal Service, Room 5520, 475 L'Enfant Plaza, SW., Washington, DC 20260-6330. Copies of all written comments will be available for inspection and photocopying between 9:00 a.m. and 4:00 p.m., Monday through Friday, in Room 5520 at the above address.

FOR FURTHER INFORMATION CONTACT: Mr. Peter T. Zeranski, (202) 268-2275.

SUPPLEMENTARY INFORMATION: In the past few years, the Postal Service has become aware of a growing need by mailers for a service which is faster than the current international airmail service and which is more closely tailored to the needs of bulk business mailers. International Priority Airmail service is intended to meet this need. The service, which is operated from those areas where it is operationally feasible and cost effective, is available to all bulk mailers. Collection service will be available in specified areas. A listing of service origin areas will be available from the Postal Service. Except for Canada, which is excluded because of constraints under bilateral postal arrangements, the service is available to all foreign countries.

This service is available for all categories of international mail, other than parcel post. The mailing conditions for individual items sent in this service are the currently applicable conditions for those items. Each item must bear an imprint indicating that United States postage has been paid. Special services are not available for items sent in this service.

In order to qualify for the service, a mailer must have a minimum volume of either 200 items or 10 pounds of qualifying international mail, and must sort this mail to the destination countries. The mailer must package, label, and sack the mail to individual countries in accordance with the regulations set forth below. The Postal Service will provide the necessary sortation information, package labels, sacks, sack tags, and mailing statements. Postage will be paid on the total weight of the mailing and must be paid by affixing stamps or meter strips to the accompanying mailing statement or through an advance deposit account.

In establishing this new service, the Postal Service is taking into account the clearly expressed mailing needs of international bulk mailers along with the economic efficiencies which are associated with handling bulk quantities of mail and the cost savings arising from receiving the mail sorted to destination countries. As proposed, the service is cost effective and the rate is fair and compensatory.

Although exempt from the requirements of the Administrative Procedure Act (5 U.S.C. 553(b), (c)) regarding proposed rule making by 39 U.S.C. 410(a), the Postal Service ordinarily publishes in the **Federal Register** proposed additions or changes to its rules, as contemplated by the Act, when it is deemed necessary or appropriate to receive public comment on them. In this case, in order to make the new service available as soon as possible, the Postal Service is placing its proposed regulations in effect on an interim basis while public comments are received and evaluated. The Postal Service is taking this action to meet an urgent need expressed by certain international mailers for an improved international service. The Postal Service will carefully consider all comments received and make any changes that are necessary or appropriate before adopting final regulations.

For the above reasons, the Postal Service invites comment on the following interim addition to the International Mail Manual, which is incorporated by reference in the Code of Federal Regulations. See 39 CFR 10.1.

List of Subjects in 39 CFR Part 10

Postal Service, International Mail.

PART 10—[AMENDED]

1. The authority citation for Part 10 continues to read as follows:

Authority: 5 U.S.C. 552(a); 39 U.S.C. 401, 404, 407, 408.

Chapter 2—Conditions for Mailing

2. Chapter 2 of the International Mail Manual is revised by adding a new Part 280 to read as follows:

280 INTERNATIONAL PRIORITY AIRMAIL SERVICE

281 Description.

281.1 General.

International Priority Airmail Service is faster than regular international airmail service. It is available to bulk mailers of all LC and AO items sorted by the sender to the individual destination countries.

281.2 Qualifying Mail and Minimum Quantity Requirements.

Any item in the LC or AO classes, as defined in 141.2, which is prepared in compliance with the applicable mailing conditions set forth in this chapter, may be sent in this service. To qualify for the service, the sender must have a minimum volume of 200 items or 10 pounds of items in one or both of these two mail classes. The minimum number or weight criteria apply to the entire mailing and not to each destination country mailing. Items do not have to be of the same size and weight to qualify.

281.3 Dutiable Items.

Dutiable items may be sent in LC letter packages or AO small packets in accordance with the applicable rules set forth for those classes in this chapter. Parcel post items may not be sent in this service.

281.4 Origin and Destination Locations.

The service is available to all bulk mailers and is operated from specified service origin areas to all foreign countries, except Canada. Collection service is available in specified areas. A listing of these areas is available from the Postal Service.

281.5 Special Services Not Available.

The special services provided for in Chapter 3 are not available for items sent in this service.

282 Postage.

282.1 Rate.

The postage rate for this service is $6.80 per pound (or any fraction of a pound). The tare weight of the sack(s) is not included in determining the weight of the mailing for postage calculation purposes.

282.2 Payment of Postage.

Postage must be paid by postage stamps, by postage meter, or through an advance deposit account. Where stamps or a meter are used, the postage must be affixed directly to the statement of mailing.

283 Weight and Size Limits.

The weight and size limits for LC items sent in this service are set forth in 223 and 233. The weight and size limits for AO items sent in this service are set forth in 243, 253, and 263.

284 PREPARATION REQUIREMENTS

284.1 Addressing.

See 122.

284.2 Marking.

.21 Postage Paid Imprint.

Each item sent in this service must bear an imprint indicating that United States postage has been paid. Senders who have one of the permit imprints specified in Exhibit 152.3 may use that permit imprint for items sent in this service. Senders who pay by stamps or meter will be assigned a sequential permit number for International Priority Airmail purposes only. They must also imprint the words "U.S. INTERNATIONAL AIRMAIL POSTAGE PAID" on each item in accordance with one of the imprinting methods specified in DMM 145.3. The imprint may not be typewritten or written by hand.

.22 Airmail.

The sender must mark PAR AVION or affix Label 19, *Airmail* PAR AVION, on the front and back of each item. The red, white, and blue airmail border may also be used for items sent in this service.

.23 Printed Matter.

Each item containing printed matter must be marked with the words "PRINTED MATTER," "PRINTED MATTER—BOOKS," "PRINTED MATTER—SECOND CLASS," etc., as appropriate.

284.3 Sealing.

Any item sent in this service may be sealed at the option of the sender.

284.4 Makeup Requirements for International Priority Airmail.

.41 *Packaging Requirements.*

.411 *Country.* When there are six or more items for the same country (except Great Britain, Federal Republic of Germany and Mexico, see 284.412–.414), they must be made up into a country package of six or more items. Each package must be labeled and faced in accordance with 284.416 and .417.

.412 *Great Britain.* Items for Great Britain must be made up into area packages of six or more items and each package must be labeled as follows:

Package (by area)	Label
London City	Londontown.
Scotland	Glasgow FWD.
Northern Ireland	Belfast FWD.
All Other and Residue	Great Britain, Great Britain.

.413 *Federal Republic of Germany.* Items for the Federal Republic of Germany must be made up into area packages of six or more items and each package must be labeled as follows:

Package (by first digit of post code)	Label
1	Berlin II.
2	Hamburg Flughafen.
3	Hannover Flughafen.
4, uncoded, and residue	Dusseldorf Flughafen.
5	Koeln-Bonn Flughafen.
6	Frankfurt am Main Flughafen.
7	Stuttgart Flughafen.
8	Munich Flughafen.

.414 *Mexico.* Items for Mexico must be made up into packages of six or more items in accordance with sortation instructions from the post office of mailing.

.415 *Residue.* Items remaining after packages have been made up as stated above must be made into mixed-country packages. A mixed-country facing slip must appear on the top copy of each package labeled to the appropriate receiving exchange office. The second line of the facing slip must state "International Priority Airmail—WKG".

.416 *Facing of Pieces Within Package.* All items in a package must be faced the same way with an address visible on the top copy, and facing up on each item.

.417 *Package Labels.* Except as provided in 284.412–415, a facing slip identifying the package as a country or mixed-country package must be placed on the address side of the top item. Pressure sensitive labels and the optional endorsement line used for domestic presort mailings, *must not* be used.

284.5 Physical Characteristics and Requirements for Packages.

.51 *Thickness.* Packages of letter-size pieces should be no thicker than approximately a handful of mail 4 to 6 inches thick.

.52 *Securing.* Each package must be securely tied. Rubber bands placed around the length and girth are the preferred method of securing packages of letter-size mail. Plastic strapping placed around the length and girth are the preferred method of securing packages of flat-size mail.

.53 *Type of Mail.* Letter-size and flat-size mail must be packaged separately. LC and AO mail classes may be commingled in a letter-size or flat-size mail package.

284.6 Sacking Requirements.

.61 *Country (Except Great Britain, Federal Republic of Germany and Mexico,* See 284.63). When there are 10 pounds or more addressed to the same country, the packages must be sacked and labeled, using PS Tag 116, to that country.

.62 *Great Britain, Federal Republic of Germany and Mexico.* When there are 10 pounds or more addressed to Great Britain, the Federal Republic of Germany, or Mexico, the packages must be sacked in blue international airmail pouches and labeled in accordance with the sortation requirements set forth in 284.412, .413 and .414.

.63 *Residue.* When, after all country sacks are prepared (including those for Great Britain, the Federal Republic of Germany and Mexico), there are packages remaining for different country destinations, they must be placed in an orange nylon Priority Mail pouch and labeled as follows:

Top line: Acceptance Post Office.
Middle line: International Priority Airmail.
Bottom line: Mailer.

.64 *Physical Characteristics and Requirements for Sacks.* The weight of the sack must not exceed 66 pounds.

Note: The weight of tying, wrapping, and packaging materials is included in determining the weight of the mail enclosed in a sack. The blue international airmail pouch must be used for direct country sacks; the domestic orange Priority Mail pouch must be used for residue (mixed-country) sacks.

284.7 Customs Forms Requirements.

.71 *Letters, and Letter Packages.* See 224.5.

.72 *Printed Matter.* See 244.6.

.73 *Small Packets.* See 264.5.

A transmittal letter making these changes in the pages of the International Mail Manual will be published in the Federal Register as provided in 39 CFR 10.3 and will be transmitted to subscribers automatically.

Fred Eggleston,

Assistant General Counsel, Legislative Division.

[FR Doc. 86-10382 Filed 5-7-86; 8:45 am]

BILLING CODE 7710-12-M

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39 CFR Part 111

Domestic Mail Manual, Plant-Load Operations

AGENCY: Postal Service.

ACTION: Interim rule.

SUMMARY: This rule establishes interim regulations amending the Domestic Mail Manual (DMM) to implement uniform and comprehensive regulations governing plant-load operations, whereby the Postal Service transports mail from a mailer's plant to a postal processing facility in order to bypass postal handlings that otherwise would be required. These regulations provide procedures for the review of applications to authorize plant-load operations; they make it clear that plant-load applications will be authorized only when the plant load is beneficial to the Postal Service. To ensure more consistent service, and more efficient processing of plant-loaded mail, the regulations require plant-loaded vehicles to be prepared according to the destination of the mail and the class or type of mail plant-loaded. The regulations also require that the Postal Service be reimbursed for charges it incurs in providing nonpostal services to the mailer in connection with plant loading.

EFFECTIVE DATE: May 18, 1986.

FOR FURTHER INFORMATION CONTACT: James E. Orlando, Director, Office of Transportation & International Services, Mail Processing Department, 475 L'Enfant Plaza W., SW., Washington, DC 20260-7130, 202-268-4360.

SUPPLEMENTARY INFORMATION: A detailed explanation of the nature and background of the proposed rule, including the reasons for its proposed adoption and a detailed discussion of the provisions of the proposed rule, accompanied its publication in the **Federal Register** on December 24, 1985 (50 FR 52534).

Six letters were received with comments on the proposed regulations. While all of the commenters favored adoption of uniform and comprehensive regulations for plant-load operations, they questioned certain aspects of the proposed rule. Those comments and the Postal Service's responses are as follows:

1. One commenter questioned the sufficiency of the definition of collection of mail, as distinguished from plant-load operations. The commenter pointed out that an operation could meet the definition of collection and plant-loading at the same time.

Since the intent of the proposed regulations was to provide uniform and comprehensive regulations for plant-load operations and not to make these regulations applicable to the collection of mail, the Postal Service has revised section 154.19 of the DMM to define collection clearly and distinguish it from plant-load operations. Collection is defined as an operation whereby the Postal Service transports mail from a mailer's plant without bypassing any postal handlings and for which a mailing statement is not required, except as defined in DMM 372.2.

2. One commenter requested a definitive interpretation of intra- and inter-service-area movements. Because intra- and inter-service-area movements are defined in DMM 154.13, 154.14 and 154.15, a definitive interpretation is included in the regulation and no further definitions are needed.

3. Two commenters requested that the discretion of local postal officials be maintained to the extent possible. The regulations are designed to provide uniform and comprehensive regulations to administer plant-load operations. The Postal Service believes that the regulations provide sufficient local discretion without compromising the need for procedures governing plant-load operations which are available throughout the United States on a uniform basis. Thus, the proposed rules have not been revised.

4. One commenter requested that the makeup requirements for inter-service-area plant-load movements be made voluntary. In order for plant-load operations to be authorized, the Postal Service must realize a benefit from them. Inter-service-area plant-load vehicles must be made up as provided for in the regulations to maximize the benefit to the Postal Service of providing plant-load operations and to ensure the best and most consistent service. Mandatory make up requirements will allow the Postal Service to achieve these goals; voluntary ones probably would not. Accordingly, proposed section 154.5 has not been revised.

5. Two commenters questioned the procedures under which the Postal Service will calculate reimbursement for the detention of trailers. One commenter requested that "free time" be extended

to 48 hours; the other commenter requested a relaxation of the detention regulations for a mailer which has multiple plant sites in the same area.

The detention regulations will make reimbursement to the Postal Service for detention of trailers uniform, regardless of the mode of transportation utilized. Extending free time to 48 hours would allow mailers to detain Postal Service vehicles beyond the free time the Postal Service is given by many of its transportation contractors. Since the Postal Service believes that it should be reimbursed for the detention of trailers on a uniform basis where trailers are detained due to the action or inaction of mailers, and that 24 hours free time is more than sufficient time to load a vehicle, proposed section 154.6 has not been revised.

Furthermore, the Postal Service believes that it is unnecessary to revise section 154.6 to relax the detention regulations for a mailer which has multiple plant sites in the same area. The Postal Service does not believe that, where a mailer has multiple plant sites in the same area, the mailer's action or inaction should result in a trailer being detained beyond the 24 hour free period since a trailer could either be completely loaded at one plant site or could be partially loaded at two or more plant sites within the 24-hour free period. If detention of trailers is caused by the action or inaction of the Postal Service, the Postal Service will not seek reimbursement under section 154.6. In addition, the Postal Service believes that 24 hours is more than sufficient time to load a trailer even if multiple plant sites are involved.

6. One commenter questioned how a mailer would determine if it qualified for the less stringent makeup requirements of inter-service-area movements set forth in section 154.522 or the more stringent requirements set forth in section 154.521, if it did not know how many mailings it was sending to each destination Bulk Mail Center (BMC). This commenter currently separates mailings by destination BMC. It claims that it cannot make up destination vehicles below the BMC level and does not know how many mailings it sends to each destination BMC. It requests that sections 154.521 and 154.522 be eliminated or modified to meet its concerns.

The intent of proposed sections 154.521 and 154.522 was not to require a mailer of multiple mailings (6 or more mailings) to make up destination vehicles below the BMC level. However, the proposed regulations do not define mailing for plant-load operations. In order to alleviate some of the problems raised by this commenter, section 154.12 is revised to define mailing as the mail of one mailer loaded in one or more vehicles accepted by the Postal Service at the mailer's plant on a calendar day, and (a) covered by a single mailing statement, if required, or (b) with postage affixed to each item, or (c) postage paid by an alternative method using a permit imprint and a single mailing statement and manifest covering the mail plant-loaded. Section 154.423 is revised to conform to section 154.122. In addition, section 154.123 is revised to allow a mailer to combine third- and fourth-class mail in a single vehicle, if the classes of mail are physically separated and a mailing statement is submitted for each class.

The Postal Service believes that these revisions will resolve most of the concerns of this commenter. Moreover, the Postal Service believes that good management of their address lists will enable mailers to make up inter-service-area plant loads in accordance with sections 154.521 and 154.522. If the Postal Service were to eliminate or modify these makeup requirements, the Postal Service could very well not be able to provide consistent and uniform service for inter-service area plant loads. Therefore, the Postal Service declines to eliminate or modify these makeup requirements.

7. One commenter requested that section 154.74 of the proposed regulations be revised so that trailers would be relocated at the convenience of the Postal Service. Proposed section 154.74 provides that the Postal Service will not relocate trailers at a mailer's plant. It is unnecessary to revise this section since the Postal Service believes that it should not provide a service whereby it moves or relocates vehicles for a mailer at a mailer's plant. However, under section 154.74, if a vehicle is at a loading dock when another vehicle arrives to be loaded, the Postal Service *may* decide to relocate the first vehicle in order to have the second vehicle loaded immediately.

In light of the comments received and other intervening changes since publication of the proposed rule, the Postal Service is making the following minor and editorial revisions to the proposed rule:

1. Revise sections 154.22, 154.24 and 154.251 to lengthen from two or three business days to five business days the time reviewing postal officials must act on applications for plant-load operations. This revision will avoid violations of these regulations whenever a reviewing official or designee is not in his or her office for two or three business days.

2. Revise section 154.231 to make it clear that if the mailer desires plant-load operations upon approval of its application, the mailer must enter into the standard Plant-Load Agreement.

3. Revise sections 154.312 and 154.322 by changing the word "vehicle" in the first sentence to the word "mail" so that it is clear the Postal Service will transport mail to the destination postal facility. In addition, revise sections 154.311, 154.312, 154.321 and 154.322 by inserting the word "transportation" to make it clear that the equipment that must be available is transportation equipment.

4. Revise section 154.423e to include Form 3602G, *Mailing Statement*, for Federal agency mailers.

5. Revise section 154.424 by changing the title of the section to "Requirements for Verification at Postal Facility". Revise section 154.424a to provide that the Postal Service will inform the driver of transportation equipment that a placard is required when verification is performed at a Postal facility and to state that the placard must be placed in the vehicle near the right rear door. These revisions will avoid any confusion about how a driver is to be informed that the placard must be attached, and how to standardize the placement in the trailer of the placard.

6. Revise 154.424b to add the word "certified" so that it reads: The TMO must report the certified empty weight of the vehicle to the BMC, ASF, MSC or SCF verification unit prior to the vehicle's arrival at the verification unit." This revision will avoid any disputes as to what is the empty weight of the vehicle.

7. Revise 154.41 to refer to the new Bulk Mail Acceptance Handbook DM-102 and the Penalty Mail Handbook, DM-103.

8. Revise section 154.44 to provide that Federal agency mailers do not have to prepay postage in accordance with 39 U.S.C. 3201 (1) and DMM 137.

9. Revise sections 154.521f and 154.522d by changing the term "residual mail" to "remaining mail" to avoid confusion between residual mail for bulk mail and plant-load operations, and to avoid problems of how to handle remaining mail that is destined to inter- and intra-service areas.

10. Revise section 154.625 by changing the word "vehicle" to the word "trailer" to make it clear that only trailers and not tractors and trailers may be detained.

11. Add section 154.9 to state the implementation deadlines in the regulations, which were stated as

supplementary information in the proposed rule.

The Postal Service is in the process of restructuring its field organizations above the post office level. Such restructuring will not be finalized and effective until June 7, 1986. Until that time, the assignment of responsibilities for plant load operations to Management Sectional Centers (MSCs), Divisions and Regions will not be complete. Because there are no current uniform and comprehensive regulations covering plant-load operations, and because mailers have supported the proposed rules and their early adoption, delaying implementation of the proposed rules until after reorganization would be detrimental and would not serve any useful purpose. Therefore, the Postal Service has decided to adopt these regulations effective May 18, 1986, on an interim basis. These regulations will be revised as needed and made final when the new field structure of the Postal Service becomes effective and the responsibilities of MSCs, Divisions and regions become definite.

For the reasons given and after careful consideration, the Postal Service hereby adopts on an interim basis the following amendments to the Domestic Mail Manual, which is incorporated by reference in the Code of Federal Regulations. See 39 CFR 111.1.

List of Subjects in 39 CFR Part 111

Postal Service.

PART 111—[AMENDED]

1. The authority citation for 39 CFR Part 111 is revised to read as follows:

Authority: 5 U.S.C. 552(a); 39 U.S.C. 101, 401, 404, 407, 408, 3001–3011, 3201–3219, 3403–3405, 3621, 5001; 42 U.S.C. 1973cc-13, 1973cc-14.

2. Revise Part 154 to read as follows:

PART 154 PLANT-LOAD OPERATIONS

154.1 Definitions.

.11 Plant Loading. Plant loading is an operation in which the Postal Service receives mail at a mailer's plant and transports it in order to bypass handling that otherwise would be required at one or more postal facilities. Plant loads are authorized when they result in a benefit to the Postal Service. (See 154.3).

.12 Mailer's Plant and Mailings.

.121 Mailer's Plant. The mailer's plant is the non-Postal Service location where the mail is plant loaded

.122 Plant Load Mailings. A plant load mailing is mail of one mailer consisting of mail loaded in one or more vehicles accepted by the Postal Service at the mailer's plant on a calendar day, when: (a) If required, a single Form 3541, 3541A, 3602, 3602PC, 3602G, or 3605, *Mailing Statement*, is prepared and submitted by the mailer; or (b) appropriate postage is affixed to each item; or (c) an alternative method of paying postage using a permit imprint (i.e. itemized postage) is utilized and a single Form 3605, *Mailing Statement*, and a manifest covering the mailing is prepared and submitted by the mailer.

.123 Mixed Classes of Mail. A mailer may combine in a single vehicle third- and-fourth-class mail, if the classes of mail are physically separated and a mailing statement is submitted for each class.

.13 Service Area.

.131 First- and Second-Class Mail. The service area for plant-loaded First-Class and second-class mail is the service area of the sectional center facility (SCF) in which the mailer's plant is located.

.132 Third- and Fourth-Class Mail. The service area for plant-loaded third- and fourth-class mail is the service area of the bulk mail center (BMC) or auxiliary service facility (ASF) in which the mailer's plant is located.

.14 Intra-Service-Area Plant Loads. Intra-service-area plant loads are movements of mail from the mailer's plant to a mail processing facility located within the service area of the appropriate mail processing facility in which the plant is located. Handling at the local origin post office or other local acceptance facility is bypassed.

.15 Inter-Service-Area Plant Loads. Inter-service-area plant loads are movements of mail from the mailer's plant to a mail processing facility located outside the service area of the appropriate mail processing facility in which the plant is located. Handling at the local origin post office or other local acceptance facility and one or more intermediate processing facilities is bypassed.

.16 Vehicle. A vehicle is a trailer, straight truck, or other container used to transport mail by highway, railroad, or water.

.17 Trailers.

.171 Highway Transportation Trailer. A highway transportation trailer is a trailer owned or leased for any term by the Postal Service or provided by a Postal Service highway transportation contractor for the transportation of mail exclusively over highways.

.172 Rail Transportation Trailer. A rail transportation trailer is a trailer provided by a Postal Service rail transportation contractor for the transportation of mail in whole or in part by rail.

.18 Other Operations.

.181 Bobtailing. Bobtailing is the movement of a tractor without a trailer to or from a mailer's plant.

.182 Deadheading. Deadheading is the movement of a tractor and trailer or other container or straight truck to or from a mailer's plant without transporting any mail.

.183 Waiting/Holding. Waiting/holding occurs when a vehicle waits or is held at a mailer's plant for mail to be loaded into the vehicle.

.19 Collection. Collection of mail is an operation in which the Postal Service transports mail from a mailer's plant or an authorized location other than a postal facility to the local post office or other designated local acceptance point. Collection of mail does not include any mail which both bypasses a handling and requires a mailing statement, except as set forth in DMM 372.2.

Note.—These regulations do not apply to the collection of mail.

154.2 Procedures for Authorization of Plant Loads

.21 Application. A mailer desiring to have mail plant loaded must complete Form 3815, *Application for Plant-Load Authorization*, and submit it to the postmaster of the post office serving the mailer's plant.

.22 Review. The local postmaster must review the application for completeness and forward it to his management sectional center (MSC) manager. The MSC manager must review the application and approve or deny it in accordance with 154.23 or 154.24. If approved, he will forward the application to the transportation management office (TMO) manager. The TMO manager will review the application and approve or deny it in accordance with 154.23 or 154.24. If approved, he will forward the application to the Regional Plant Load Committee. This committee consists of the following officials or their designees: the Regional General Manager, Logistics Division, (chairman), and the Regional General Managers of the Budget and Cost, Accounting and Revenue Protection, Customer Programs, and Delivery Divisions. The Regional Plant Load Committee must review the application and approve or deny it in accordance with 154.23 or 154.24. Each official or group of officials reviewing the application must act upon it within five business days of receipt.

.23 Approval.

.231 Conditions. The application will be approved if it meets all of the requirements set forth in 154.3 for either intra- or inter-service-area plant loads, as appropriate. If the application is

approved and the mailer desires plant-load operations, the mailer must enter into the standard Plant-Load Agreement with the Postal Service.

.232 Failure to Meet Requirements. The local postmaster of the post office which serves the mailer's plant is responsible for monitoring plant-load operations and must notify the Regional Plant Load Committee if, at any time, a mailer fails to meet the requirements set forth in these regulations for two consecutive postal accounting periods, or instead a period set forth in the mailer's plant-load agreement. The plant-load authorization must then be reevaluated by the Regional Committee.

.24 Denial. The application will be denied if it does not meet all of the requirements set forth in 154.3 for either intra- or inter-service-area plant loads, as appropriate. Any official or group of officials denying an application must notify the mailer in writing of the denial and the reasons for it within five business days of the receipt of the application.

.25 Appeal.

.251 Appeal to Regional Plant Load Committee. If the application is denied by the MSC manager or TMO manager, the mailer may appeal in writing to the Regional Plant Load Committee. Such an appeal must be filed with the Chairman of the Regional Plant Load Committee, Regional General Manager Logistics Division, within 10 calendar days of the date of the mailer's receipt of the notice of denial. The Regional Committee must notify the mailer in writing of the action taken on appeal within five business days of receipt of the appeal. If the application is denied, the Regional Committee must also inform the mailer of the reasons for the denial.

.252 Appeal to National Plant Load Policy Committee. If an application is denied by the Regional Plant Load Committee, the mailer may appeal to the National Plant Load Policy Committee at Postal Service Headquarters, which will issue a final ruling on the application. Such an appeal must be filed with the Chairman of the National Committee, the Director, Office of Transportation and International Services, Mail Processing Department, Washington, D.C. 20260–7130, within 10 calendar days of the date of the mailer's receipt of the Regional Plant Load Committee's notice of denial. The National Committee consists of the following officials or their designees: Director, Office of Transportation and International Services, Mail Processing Department, (chairman); Director, Office of In-Plant Systems, Mail Processing Department; Director, Office of Mail Classification, Rates and Classification Department; Director, Office of Fleet Management, Delivery Services Department; Director, Office of Commercial Marketing, Customer Services Department; and Associate General Counsel, Office of Rate and Classification Law, Law Department.

154.3 Requirements for Approval of Plant Load Applications.

.31 Intra-Service Area.

.311 General. An application for an intra-service-area plant load will be approved if transportation equipment is available (154.312) and cost savings to the Postal Service are demonstrated under *either* Alternative 1 (154.313a) *or* Alternative 2 (154.313b).

.312 Equipment Availability. Transportation equipment must be available to transport the mail to the BMC, ASF, MSC, or SCF, in the service area of the mailer's plant. If equipment is not available, sufficient additional transportation equipment must be obtained, if possible. The application will not be granted until additional transportation equipment is obtained.

.313 Cost Savings. The plant load must result in cost savings to the Postal Service. A cost savings can be demonstrated *either* under Alternative 1 (154.313a) *or* Alternative 2 (154.313b) below.

a. Alternative 1: Minimum Volume and Maximum Mileage. The current and future volume of mail to be plant loaded must be at least 50 percent of a vehicle by weight or cube, and the mileage from the mailer's plant to the destination postal facility must be 150 miles or less. For mail verified and accepted at a mailer's plant, the Postal Service may allow mailings verified at the plants of two or more mailers located in the same service area to be combined to meet the minimum volume requirement. For mail verified and accepted at the bulk mail acceptance unit of the origin BMC, ASF, MSC, or SCF, the minimum volume requirement must be met by the mailings of only one mailer. (See 154.423 for requirements for verification at postal facility.)

b. Alternative 2: Detailed Cost Savings Analysis. If the mailer does not meet the criteria in Alternative 1 (154.313a), cost savings to the Postal Service must be demonstrated using the detailed analysis on Form 3815.

.32 Inter-Service-Area.

.321 General. An application for an inter-service-area plant load will be approved if transportation equipment is available (154.322) and cost savings to the Postal Service are demonstrated under *either* Alternative 1 (154.323a) *or* Alternative 2 (154.323b) *or* Alternative 3 (154.323c).

.322 Equipment Availability. Transportation equipment must be available to transport the mail to the BMC, ASF, MSC, or SCF outside the postal facility's service area in which the mailer's plant is located. If equipment is not available, sufficient additional transportation equipment must be obtained, if possible. The application will not be granted until additional transportation equipment is obtained.

.323 Cost Savings. The plant load must result in cost savings to the Postal Service. A cost savings can be demonstrated under *either* Alternative 1 (154.323a) *or* Alternative 2 (154.323b) *or* Alternative 3 (154.323c) below.

a. Alternative 1: Minimum Volume and Maximum Mileage.

(1) Minimum Volume. The current and future volume of mail to be plant loaded must be at least 60 percent of a vehicle by weight or cube. Mailings of two or more mailers located in the same service area may be combined to make up the minimum volume.

(2) Maximum Mileage for Highway.

(a) If the plant-load transportation is via highway and bypasses the origin SCF and at least one BMC, ASF, or ADC, the mileage from the mailer's plant to the destination postal facility must be 275 miles or less.

(b) If the plant-load transportation is by highway and bypasses only the origin SCF, the mileage from the mailer's plant to the destination postal facility must be 150 miles or less.

(c) There is no mileage criterion for plant-load transportation by railroad or water.

b. Alternative 2: Detailed Cost Savings Analysis. If the mailer does not meet the applicable criteria in Alternative 1 (154.323a), cost savings to the Postal Service must be demonstrated by using the detailed analysis on Form 3815.

c. Alternative 3: Mail Processing Capacity. Even if the mailer does not satisfy either Alternative 1 (154.323a) or Alternative 2 (154.323b), the cost savings criteria may be deemed to be satisfied if the local origin postal facility is operating at or near its mail processing capacity for the type of mail plant-loaded. The Regional Plant Load Committee shall determine whether a facility is at or near its mail processing capacity and whether to authorize plant load in such cases. If the Regional Plant Load Committee subsequently determines that the local origin postal facility is operating below its mail processing capacity for the class or type of mail plant-loaded, the Regional

Committee must reevaluate the plant-load authorization.

154.4 Verification and Collection of Postage.

.41 General. All plant-loaded mail must be verified and postage and fees collected in accordance with the Domestic Mail Manual (DMM), Bulk Mail Acceptance Handbook, DM–102, and Penalty Mail Handbook, DM–103, except as provided below.

.42 Verification of Intra-Service-Area Plant Loans.

.421 General. Intra-service-area plant-loaded mail must be verified at the mailer's plant, at the origin MSC or SCF if authorized by the MSC manager, or at the origin BMC or ASF, if authorized by the ASF or BMC manager.

.422 Verification at the Mailer's Plant. Intra-service-area plant-loaded mail must be verified at the plant by a clerk qualified to perform verification procedures unless authorization to verify mail at the origin BMC, ASF, MSC or SCF has been granted under 154.423 and .424.

.423 Verification at Postal Facility. Authorization to verify mail at the origin BMC, ASF, MSC, or SCF may be granted only if all of the following conditions are met:

a. There is no Detached Mail Unit (DMU) at the mailer's plant.

b. The mailer is located within the service area of the BMC, ASF, MSC or SCF where verification will take place.

c. Each vehicle contains the mail of only one mailer.

d. Each vehicle contains no more than five mailings and each mailing is physically separated.

e. If a Form 3541, 3541A, 3602, 3602PC, 3602G, or 3605, *Mailing Statement*, is required to be completed, the original mailing statement must accompany each vehicle if there is only one mailing on the vehicle, or each mailing in the vehicle. Where a single mailing is contained in more than one vehicle, a separate original mailing statement must accompany each vehicle for each mailing segment.

f. If an alternative method of paying postage using permit imprint (i.e. itemized postage) is utilized, an original Form 3605, *Mailing Statement*, and a manifest must accompany each vehicle if there is only one mailing on the vehicle, or each mailing in the vehicle. Where a single mailing is contained in more than one vehicle, a separate original mailing statement and manifest must accompany each vehicle for each mailing segment.

g. The mailer must maintain a plant load control log containing a copy of each mailing statement, numbered sequentially, the number of each vehicle used to transport the plant-loaded mail, and the name of the BMC, ASF, MSC, or SCF where verification will take place.

h. The mail can be physically verified at the BMC, ASF, MSC, or SCF, *i.e.*, the mailing is not shrink-wrapped or otherwise prepared so that an in-depth verification could not be performed.

.424 Requirements for Verification at Postal Facility. If mail is to be verified at the origin BMC, ASF, MSC, or SCF:

a. Before the vehicle leaves the mailer's plant, the mailer must place on the inside wall near the right rear door of the trailer a distinctive placard provided by the Postal Service which indicates that verification is required. The TMO or Logistics Officer must notify the driver not to pick up the vehicle unless this placard is in the vehicle. The mailer may place a second placard on the outside of the trailer door.

b. The TMO must report the certified empty weight of the vehicle to the BMC, ASF, MSC, or SCF verification unit prior to the vehicle's arrival at the verification unit.

.425 Corrective Action. If intra-service-area plant-loaded mail is verified at the BMC, ASF, MSC, or SCF verification unit and the verification shows an error rate of 10 percent or more, the mailer has the following two options:

a. The mailer pays the single-piece rate on that portion of the mailing estimated to be improperly prepared.

b. Within 24 hours, the mailer either transports the mailing or arranges for the Postal Service to transport the mailing to the mailer's plant, at the mailer's expense, for reworking the mailing to comply with the applicable make-up requirements for its class. If the mailer does not transport the mail or request transportation for it within 24 hours, the mailer will reimburse the Postal Service for detention in accordance with 154.6.

.43 Verification of Inter-Service-Area Plant Loads. Inter-service-area plant-loaded mail must be verified at the plant by a clerk qualified to perform verification procedures.

.44 Payment of Postage and Fees. Payment of postage and fees for plant-loaded mail must be made to the origin post office prior to the vehicle being transported from the mailer's plant, except as provided in DMM 137.

154.5 Preparation Requirements for Plant-Loaded Vehicles.

.51 Intra-Service-Area Plant Loads. Intra-service-area plant-loaded vehicles must fill 50 percent or more of a vehicle by weight or cube addressed to that service area.

.52 Inter-Service-Area Plant Loads.

.521 Vehicles Containing Five or Fewer Mailings. Inter-service-area plant-loaded vehicles containing five or fewer mailings must be prepared in accordance with the following preparation requirements for the appropriate class or type of mail.

a. First-Class Mail.

(1) 3-Digit ZIP Code Destination. When mail filling 60 percent or more of a vehicle by weight or by cube is addressed to the same 3-digit ZIP Code, the mailer must prepare a direct vehicle for that 3-digit ZIP Code.

(2) SCF Destination. When, after making up all possible 3-digit vehicles, there is mail filling 60 percent or more of a vehicle by weight or by cube addressed to the same SCF service area, the mailer must prepare a direct vehicle for that SCF.

(3) ADC Destination. When, after making up all possible 3-digit and SCF vehicles, there is mail filling 60 percent or more of a vehicle by weight or by cube addressed to the same area distribution center (ADC) service area, the mailer must prepare a direct vehicle for that ADC.

b. Second-Class Mail.

(1) 3-Digit ZIP Code Destination. When mail filling 60 percent or more of a vehicle by weight or by cube is addressed to the same 3-digit ZIP Code, the mailer must prepare a direct vehicle for that 3-digit ZIP Code.

(2) SCF Destination. When, after making up all possible 3-digit vehicles, there is mail filling 60 percent or more of a vehicle by weight or by cube addressed to the same SCF service area, the mailer must prepare a direct vehicle for that SCF.

(3) SDC Destination. When, after making up all possible 3-digit and SCF vehicles, there is mail filling 60 percent or more of a vehicle by weight or by cube addressed to the same state distribution center (SDC) service area, the mailer must prepare a direct vehicle for that SDC.

(4) Transfer Hubs. When, after making up all possible 3-digit, SCF, and SDC vehicles, there is mail filling 60 percent or more of a vehicle by weight or by cube addressed to the service area of the same transfer hub the mailer must prepare a direct vehicle for that transfer hub.

c. Third-Class and Non-Machinable Fourth-Class Mail.

(1) 3-Digit ZIP Code Destination. When mail filling 60 percent or more of a vehicle by weight or by cube is addressed to the same 3-digit ZIP Code,

the mailer must prepare a direct vehicle for that 3-digit ZIP Code.

(2) SCF Destination. When, after making up all possible 3-digit vehicles, there is mail filling 60 percent or more of a vehicle by weight or by cube addressed to the same SCF service area, the mailer must prepare a direct vehicle for that SCF.

(3) BMC or ASF Destination. When, after making up all possible 3-digit and SCF vehicles, there is mail filling 60 percent or more of a vehicle by weight or by cube addressed to the same BMC or ASF service area, the mailer must prepare a direct vehicle for that BMC or ASF.

d. Machinable Fourth-Class Mail (Except Bound Printed Matter).

(1) 5-Digit ZIP Code Destination. When mail filling 60 percent or more of a vehicle by weight or by cube is addressed to the same 5-digit ZIP Code, the mailer must prepare a direct vehicle for that 5-digit ZIP Code.

(2) BMC or ASF Destination. When, after making up all possible 5-digit vehicles, there is mail filling 60 percent or more of a vehicle by weight or by cube addressed to the same BMC or ASF service area, the mailer must prepare a direct vehicle for that BMC or ASF.

e. Machinable Bound Printed Matter.

(1) SCF Destination. When mail filling 60 percent or more of a vehicle by weight or cube is addressed to the same SCF service area, the mailer must prepare a direct vehicle for that SCF service area.

(2) BMC or ASF Destination. When, after making up all possible SCF vehicles there is mail filling 60 percent or more of a vehicle by weight or by cube addressed to the same BMC or ASF service area, the mailer must prepare a direct vehicle for that BMC or ASF.

f. Remaining Mail. All mail remaining after all of the above preparation requirements for the appropriate class of mail have been met will be transported by the Postal Service, using appropriate transportation, to the postal facility selected by the TMO.

.522 Vehicles Containing Six or More Mailings. Inter-service-area plant-loaded vehicles containing six or more mailings must be prepared in accordance with the following preparation requirements for the appropriate class or type of mail.

a. First-Class Mail. When there is mail filling 60 percent or more of a vehicle by weight or by cube addressed to the same ADC service area, the mailer must prepare a direct vehicle for that ADC.

b. Second-Class Mail. When there is mail filling 60 percent or more of a vehicle by weight or by cube addressed to the service area of the same transfer hub, the mailer must prepare a direct vehicle for that transfer hub.

c. Third-and Fourth-Class Mail. When there is mail filling 60 percent or more of a vehicle by weight or by cube addressed to the same BMC or ASF service area, the mailer must prepare a direct vehicle for that BMC or ASF.

d. Remaining Mail. All mail remaining after all of the above preparation requirements for the appropriate class or type of mail have been met will be transported by the Postal Service, using appropriate transportation, to the postal facility selected by the TMO.

154.6 Reimbursement for Nonpostal Services.

.61 General. The Postal Service will obtain reimbursement from mailers for nonpostal services furnished by the Postal Service in providing plant-load service only as authorized below.

.62 Detention of Trailers.

.621 General. The Postal Service will obtain reimbursement in accordance with 154.622–.625 from plant-load mailers for detention of trailers where trailers furnished by the Postal Service to provide plant-load service are detained as a result of some action or inaction of the mailer.

.622 Request to Detain Trailers.

a. Plant-load mailers desiring to detain trailers longer than the time necessary to load them must make such a request to the Postal Service at least 24 hours in advance of the requested date and time of the trailer's arrival. The mailer must agree to reimburse the Postal Service for the cost of detaining the trailers. The Postal Service must approve the request to detain trailers before the trailers will be sent to the mailer's plant.

b. If the mailer did not submit a timely request to detain trailers, but nevertheless detains trailers longer than the time necessary to load them, the mailer must reimburse the Postal Service for the cost of detaining the trailers.

.623 Non-Reimbursable Detention Period. Plant-load mailers who submit timely requests to detain trailers may do so for 24 hours without reimbursing the Postal Service for detention. The non-reimbursable period begins at the date and time the trailer arrives at the mailer's plant or, at the date and time at which the mailer requested the trailer to arrive, whichever is later, and ends 24 hours later, excluding Saturdays, Sundays, and holidays. For example, if a trailer arrives at 5:00 p.m. Friday, the non-reimbursable period ends 5:00 p.m. Monday, or 5:00 p.m. Tuesday if Monday is a holiday.

.624 Determination of Reimbursable Detention Period.

a. If the plant-load mailer has submitted timely requests to detain trailers, the reimbursable detention period begins at the expiration of the non-reimbursable detention period.

b. If the mailer did not submit timely requests to detain trailers, the reimbursable detention period begins at the date and time the trailer arrives at the plant, or at the date and time at which the mailer requested the trailer to arrive, whichever is later.

c. The reimbursable period ends when the trailer is ready for dispatch and the mailer so notifies the Postal Service.

.625 Calculation of Reimbursement. Reimbursement will be made for each 24 hours, or fraction thereof, of the reimbursable detention period that a trailer is detained. After the non-reimbursable detention period ends, Saturdays, Sundays, and holidays will be included in the calculation of detention reimbursement.

a. Highway Transportation Trailers. Reimbursement for each highway transportation trailer will be equal to the average daily cost to the Postal Service of leasing a trailer in the origin TMO service area during the preceding postal quarter.

b. Rail Transportation Trailers. Reimbursement for each rail transportation trailer will be equal to the demurrage or detention charge payable by the Postal Service under the rail transportation contract under which the trailer is furnished to the Postal Service by the railroad.

.63 Bobtailing, Deadheading, Waiting/Holding Charges. The Postal Service will obtain reimbursement from plant-load mailers for bobtailing, deadheading, or waiting/holding, where such charges are incurred in order to provide plant-load service as a result of some action or inaction by the mailer. Reimbursement will be equal to the charge for such service payable by the Postal Service under the transportation contract.

.64 Non-Reimbursable Charges.

.641 Detention. The Postal Service will not obtain reimbursement from plant-load mailers for detention of trailers which results from some action or inaction of the Postal Service.

.642 Other Operations. The Postal Service will not obtian reimbursement from plant-load mailers where bobtailing, deadheading or waiting/holding charges are incurred as a result of some action or inaction of the Postal Service.

.643 User's Charges. The Postal Service will not obtain reimbursement

from plant-load mailers for user's charges paid by the Postal Service to a railroad contractor for the movement of railroad trailers beyond the commercial zone of the railroad terminus.

154.7 Transportation.

.71 Selection of Mode of Transportation. The TMO will select the least costly mode of transportation that will meet the service objectives for the class of mail plant-loaded. The mode of transportation will *not* be changed at the request of the mailer.

.72 Mailer Transportation. Mailers may not transport their own plant-loaded mail unless there is a highway contract between the Postal Service and the mailer. The awarding of a highway contract to the mailer will not be considered in deciding whether to authorize the plant load.

.73 Holding, Storing, or Delaying Dispatch. The Postal Service will not hold, store, or otherwise delay the dispatch of plant-loaded mail released to the Postal Service, except as provided in the plant-load agreement with the mailer.

.74 Relocation of Trailers. The Postal Service will not relocate trailers at a mailer's plant.

154.8 Service Objectives.

The service objectives that apply to the class of mail being transported will apply to the plant-loaded mail. Plant-loaded mail may have deferred service objectives, if provided for in the plant-load agreement.

154.9 Implementation Deadline.

All mailers desiring the initiate plant-load operations on or after May 18, 1986, must comply with the requirements contained in this Part. Existing plant-load mailers must comply with the provisions of this Part by May 18, 1986, except for the authorization process in 154.2. Each existing plant-load operation will be reviewed in accordance with 154.2 for its compliance with this Part and a decision made whether such operation should continue to be authorized by June 1, 1987.

A transmittal letter making these changes in the pages of the Domestic Mail Manual will be published and will be transmitted to subscribers automatically. Notice of issuance of the transmittal letter will be published in the **Federal Register** as provided in 39 CFR 111.3.

Fred Eggleston,

Assistant General Counsel, Legislative Division.

[FR Doc. 86-10328 Filed 5-7-86; 8:45 am]

BILLING CODE 7710-12-M

FEDERAL MARITIME COMMISSION

46 CFR Part 552

[Docket No. 86-8]

Financial Reports of Tug and Barge Operators in the Domestic Offshore Trades

AGENCY: Federal Maritime Commission.

ACTION: Final rule.

SUMMARY: The Federal Maritime Commission amends its rules governing financial reports required of vessel operating common carriers in the domestic offshore waterborne commerce of the United States. Tug and barge operators have been completing the reporting form (Form FMC-377) based on the accounts prescribed by the Interstate Commerce Commission (ICC) for Carriers by Inland and Coastal Waterways. Since the ICC no longer requires reports from such carriers, it is necessary to define the terms used in the report form.

EFFECTIVE DATE: Effective June 9, 1986.

FOR FURTHER INFORMATION CONTACT: Robert G. Drew, Director, Bureau of Tariffs, Federal Maritime Commission, 1100 L Street, NW., Washington, DC 20573, (202) 523-5796.

SUPPLEMENTARY INFORMATION: The Federal Maritime Commission is required to evaluate the reasonableness of rates filed by vessel operating common carriers in the domestic offshore trades. To provide for the orderly acquisition of data essential to this evaluation, the Commission promulgated what is now 46 CFR Part 552. Tug and barge operators report the required financial and operating data on Form FMC-377, "Statements of Financial and Operating Data." It had been the policy of the Commission to base these statements on the accounts prescribed by the Interstate Commerce Commission (ICC) for Carriers by Inland and Coastal Waterways. The ICC no longer requires reports from such carriers. Consequently, Form FMC-377 will now contain a glossary.

A proposed rule was published in the **Federal Register** on February 26, 1986 (51 FR 6760) with comments due on March 28, 1986. No comments were received. Therefore, the Commission intends to adopt the rule as final.

The Commission has determined that this rule is not a "major rule" as defined in Executive Order 12291, February 27, 1981, because it will not result in:

(1) An annual effect on the economy of $100 million or more;

(2) A major increase in costs or prices for consumers, individual industries, Federal, State or local government agencies, or geographic regions, or;

(3) Significant adverse effect on competition, employment, investment productivity, innovations, or on the ability of United States based enterprises to compete in domestic or export markets.

The Chairman of the Federal Maritime Commission certifies pursuant to section 605(b) of the Regulatory Flexibility Act, 5 U.S.C. 605(b), that this rule will not have a significant economic impact on a substantial number of small entities, including small businesses, small organizational units or small governmental organizations. The primary economic impact of this rule would be on ocean common carriers which generally are not small entities. A secondary impact may fall on shippers, some of whom may be small entities, but that impact is not considered to be significant.

The collection of information requirements contained in original Part 552 were approved by the Office of Management and Budget (OMB) under the provisions of the Paperwork Reduction Act of 1980 (Pub. L. 96-511) and have been assigned control number 3072-0008. The amendments in this rulemaking are technical in nature and will not result in any substantive modification of the financial reporting requirements contained in the Commission's request for extension of clearance.

List of Subjects in 46 CFR Part 552

Cargo vessels, Freight, Maritime carriers, Rates and fares, Report and recordkeeping requirements, Uniform system of accounts.

PART 552—[AMENDED]

Therefore, for the reasons set forth above, Part 552 of Title 46, Code of Federal Regulations, is amended as follows:

1. The authority citation to Part 552 continues to read:

Authority: 5 U.S.C. 553; 46 U.S.C. app. 817(a), 820, 841a, 843, 844, 845, 845a, and 847.

2. Paragraph (o) of § 552.5 is revised to read as follows:

§ 552.5 Definitions.

* * * * *

(o) *"Voyage Expense"* means:

(1) For carriers required to file Form FMC-378: the total of Vessel Operating, Vessel Port Call and Cargo Handling Expenses less Other Shipping Operations Revenue.

(2) For carriers required to file Form FMC–377: the total of Transportation, Terminal and Traffic Expenses.

* * * * *

3. Section 552.6 is amended by removing paragraph (b)(7) and redesignating (b)(8), (9), and (10) as (b)(7), (8), and (9); revising paragraphs (a)(2), (b)(6), newly redesignated (b)(8) heading and (iii) and (iv), and newly redesignated (b)(7), (b)(9), (c)(2) introductory text and (c)(2)(iii), (c)(3), (c)(9); and revising heading of paragrah (b) (4) as follows:

§ 552.6 Forms.

(a) *General.* * * *

(2) Statements containing the required exhibits and schedules, are described in paragraphs (b), (c), (d), (e) and (f) of this section and are available upon request from the Commission. The required General Information, schedules and exhibits are contained in Forms FMC–377 and FMC–378. For carriers required to file Form FMC–378, the statements are based on the *Uniform Financial Reporting Requirements* prescribed by the Maritime Administration, U.S. Department of Transportation. For carriers required to file Form FMC–377, the statements are based on definitions contained therein. The schedules contained in these statements are distinguished from those contained in the Form FMC–378 statements by the suffix "A" (e.g., Schedule A–IV(A)).

(b) *Rate Base (Exhibits A and A(A)).* * * *

(4) *Investment in Other Property and Equipment; Accumulated Depreciation Other Property and Equipment (Schedules A–IV and A–IV(A)).*

* * * * *

(6) *Working Capital (Schedule A–V(A)).*

Working capital for tug and barge operators shall be determined as the average monthly expense. Average monthly expense shall be equal to one-twelfth of the expense of the carrier during the relevant 12-month period, computed by adding Voyage Expense, Administrative and General Expense, Interest Expense, and Inactive Vessel Expense, each as allocated to the Trade, and dividing the total by 12.

(7) *Property and Equipment of Related Companies.*

Property and equipment of related companies used by the filing carrier in the Trade shall be reported in accordance with paragraphs (b)(1), (b)(2) and (b)(4) of this section. The cost of such assets shall be that which is recorded on the books of the related company. Where such assets are included in the rate base, the profits or losses from intercompany transactions related to such assets are to be eliminated in accordance with paragraph (c)(11) of this section.

(8) *Capitalization of Interest During Construction (Schedules A–VI and A–VI (A)).*

* * * * *

(iii) A detailed description of the interest calculations shall be submitted for each capital asset included in the rate base of the carrier in the first year of its inclusion. Such description shall be set forth on Schedule A–VI or A–VI(A), "Capitalization of Interest During Construction." Capitalized interest shall be included in the rate base when the asset is included in the rate base, in accordance with paragraph (b) of this section, and in the same allocable amounts as the asset. A schedule shall be provided each time a rate base statement is submitted, setting forth the year in which an interest calculation statement was submitted for each asset which included capitalized construction interest in the rate base.

(iv) The effects of the interest-during construction provisions shall be applicable to all work completed after December 31, 1977.

(9) *Capitalization of Leases (Schedules (A–VIII and A–VII (A)).*

Leased assets which are capitalized on the carrier's books and which meet the AICPA guidelines for capitalization may also be included in rate base. Schedule A–VII or A–VII(A), "Capitalization of Leases," shall be submitted setting forth pertinent information relating to the lease and the details of the capitalization schedule. Allocations to the Trade shall follow the requirements of paragraphs (b)(1) and (b)(4) of this section.

(c) *Income Account (Exhibits B and B (A)).* * * *

(2) *Voyage Expense (Schedule B–II).* This schedule shall be submitted by vessel operators for any period in which any cargo was carried in the Service. Allocations to the Trade shall be on the following basis:

* * * * *

(iii) Other Shipping Operations Revenue shall be deducted from Gross Voyage Expense. Other Shipping Operations Revenue should be assigned directly, to the extent possible, or otherwise allocated on the basis of cargo cube loaded and discharged at each port. Any direct assignments shall be fully set forth and explained.

(3) *Voyage Expense (Schedule B–II(A)).* This schedule shall be submitted by tug and barge operators:

(i) For all voyages in the Service, transportation expense shall be allocated to the Trade in the cargo-cube mile or cargo-cube relationship, as appropriate. Should any elements of transportation expense be directly allocable to specific cargo, such direct allocations shall be made and explained.

(ii) Terminal and traffic expenses shall be assigned directly, to the extent possible, by ports at which incurred, to the Trade and Other Cargo, or otherwise allocated on the basis of cargo cube loaded and discharged at each port.

(iii) Where multiple barge units are towed by a single tug, voyage expense shall be allocated on the basis of the cargo-cube relationship.

* * * * *

(9) *Other Revenue or Expense (Schedules B–VIII and B–VII(A)).*

(i) Any other elements of revenue or expense, wholly or partially applicable to the Trade, shall be fully explained by a schedule showing details of allocation.

(ii) Operating-differential subsidy refunds under section 605(a) of the Merchant Marine Act, 1936, shall not be allocated to the Trade.

* * * * *

By the Commission.

John Robert Ewers,

Secretary.

[FR Doc. 86–10211 Filed 5–7–86; 8:45 am]

BILLING CODE 6730–01–M

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 69

[CC Docket No. 78–72; Phase I; FCC 86–177]

MTS and WATS Market Structure: Average Schedule Companies

AGENCY: Federal Communications Commission.

ACTION: Report and Order. Final rule.

SUMMARY: The Commission has approved revisions to the average schedules that were proposed by the National Exchange Carrier Association ("NECA") on September 17, 1985. The Commission ordered NECA to file, on not less than ninety (90) days notice, proposed formulae that are to have a scheduled effective date of January 1, 1987. The Commission also is amending two portions of § 69.605(c) of its rules. Section 69.605(c)(1) is amended to prohibit affiliated exchange carriers with combined annual operating revenues of $40,000,000 or more from receiving, after December 31, 1987, average schedule and cost study compensation. Section 69.605(c)(2) is

amended to prohibit an exchange carrier from receiving, after December 31, 1987, compensation under the average schedules and compensation on the basis of cost studies.

EFFECTIVE DATES: The changes to the Commission's rules are effective on January 1, 1988. The revisions to the average schedules that were proposed by NECA are effective June 1, 1986.

ADDRESS: Federal Communications Commission, Washington, DC 20554.

FOR FURTHER INFORMATION CONTACT: Kent R. Nilsson, Common Carrier Bureau, (202) 632–6363.

SUPPLEMENTARY INFORMATION: MTS and WATS Market Structure; CC Docket No. 78–72. Average Schedule Companies; Phase I.

This is a summary of the commissions' report and order, CC Docket 78–72, Phase I, adopted April 1, 1986, and released April 18, 1986.

The full texts of commission decisions are available for inspection and copying during normal business hours in the FCC Dockets Branch (Room 230), 1919 M Street, Northwest, Washington, DC. The complete text of this decision may also be purchased from the Commission's Copy Contractor, International Transcription Service, (202) 857–3800, 2100 M Street, Northwest, Suite 140, Washington, DC 20037.

Summary of Report and Order

1. On September 17, 1985, the National Exchange Carrier Association ("NECA") filed proposed revisions to the Schedule A and Schedule B portions of the average schedules. The "average schedules" determine the compensation that is received by exchange carriers that do not receive compensation on the basis of the actual costs of using their facilities in originating and terminating interstate telecommunications services. In this *Report and Order*, the Commission concluded that the revisions proposed by NECA are an improvement over the existing schedules and approved the proposed revisions with an effective date of June 1, 1986. The Commission also required that NECA file proposed revisions to update the average schedule formulas that apply to Schedule C and special access compensation arrangements. Those revisions are to have a scheduled effective date of January 1, 1987, and are to be filed on not less than ninety (90) days notice.

2. The Commission also reaffirmed its policy of prohibiting individuals and affiliated exchange carriers from receiving compensation on the basis of the average schedules while receiving compensation on the basis of cost studies. In reaffirming that policy, the Commission amended §§ 69.605(c) (1)–(2) of its rules: (1) To prohibit affiliated exchange carriers with combined annual operating revenues of $40,000,000 or more from receiving compensation that is determined on the basis of cost and studies while also receiving compensation under the average schedule; and (2) to prohibit individual exchange carriers from being compensated partially on the basis of cost studies and partially on the basis of the average schedules. Those rules are effective January 1, 1988. The amendments were made: (1) To prevent charges for interstate services from being artificially inflated; (2) to afford affected carriers sufficient time to determine whether compensation on a cost study or average schedule basis would be more appropriate; and (3) to reduce the burden upon small affiliated exchange carriers (*i.e.*, those affiliates that collectively have less than $40,000,000 in annual revenues) that would otherwise have occurred under § 69.605(c)(1) of the Commissions rules. *See* 47 CFR 64.605(c)(1) 1984). Pursuant to Section 605(b) of Regulatory Flexibility Act of 1980, 5 U.S.C. 605(b), certified that the final rule does not have a significant economic impact on a substantial number of small entities.

Ordering Clauses:

3. Accordingly, it is ordered, Pursuant to the authority that is contained in sections 1, 201–205, and 211 of the Communications Act of 1934, that the revisions to the average schedules that have been proposed by the National Exchange Carrier Association are approved.

4. It is further ordered, Pursuant to sections 1, and 201–205 of the Communications Act, that NECA shall file, on not less than ninety (90) days notice, proposed revisions to the schedule C and special access compensation formulae that are to have a scheduled effective date of January 1, 1987.

5. It is further ordered, Pursuant to sections 1, 201, 202, and 205 of the Communications Act, that § 69.605(c) is modified as set forth below, effective January 1, 1988.

6. It is further ordered That the Secretary shall cause a summary of this Report and order to be published in the **Federal Register.**

Federal Communications Commission.

William Tricarico,

Secretary.

PART 69—[AMENDED]

Part 69 of Title 47 of the Code of Federal Regulations is amended as follows:

The authority citation for 47 CFR Part 69 continues to read:

Authority: Sections 1, 201–202, 205, 218, 403 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 201–202, 205, 218, 403.

Section 69.605 is amended by revising (c)(1) and (c)(2) to read as follows:

§ 69.605 Distribution of Carrier Common Line revenues.

* * * * *

(c) * * *

(1) After December 31, 1987, any company that directly or indirectly controls, is directly or indirectly controlled by, is under direct or indirect control with, or merges with a telephone company that did not participate in average schedule settlements on December 1, 1982, shall not be deemed to be an average schedule company except that this provision shall not apply to affiliated exchange carrier that collectively have less than forty million dollars in annual operating revenues.

(2) Any company that does not join in association tariffs for all access elements shall not be deemed to be an average schedule company. That notwithstanding, average schedule companies may elect to settle on a cost basis for line haul and special access services through December 31, 1987, while retaining average schedule status for all other settlement purposes. However, such an election does not waive the requirement that each average schedule company receiving compensation under the average schedule join in all Association tariffs.

* * * * *

[FR Doc. 86–10105 Filed 5–7–86; 8:45 am]

BILLING CODE 6712–01–M

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47 CFR Part 73

[MM Docket No. 85–325; FCC 86–211]

Radio Broadcasting; Review of Technical and Operational Regulations

AGENCY: Federal Communications Commission.

ACTION: Final rule.

SUMMARY: This action deletes from the Commission's Rules, certain FM technical rules which no longer serve their original purpose. It also modifies other FM technical rules which are obsolete or inappropriate in their present form. Specifically, this action:

(1) Deletes FM stereophonic technical signal quality standards, (2) removes specifications inhibiting alternative methods of stereo transmission, (3) deletes FM minimum performance standards for FM subsidiary communications transmissions, (4) deletes safety and operational requirements for FM transmission systems, and (5) deletes noncommercial educational FM regulations which are duplicated elsewhere in the Commission's Rules. This action is needed to update these rules and thus make them more responsive to the current needs of the FM service.

EFFECTIVE DATE: June 9, 1986.

FOR FURTHER INFORMATION CONTACT: Michael A. Lewis, Mass Media Bureau, (202) 632-9660.

SUPPLEMENTARY INFORMATION: This is a Summary of the Commission's Report and Order, MM Docket 85-325, adopted April 25, 1986, and released May 1, 1986.

The full text of Commission decisions are available for inspection and copying during normal business hours in the FCC Dockets Branch (room 230), 1919 M Street, Northwest, Washington, DC. The complete text of this decision may also be purchased from the Commission's copy contractor, International Transcription Service, (202) 857-3800, 2100 M Street, Northwest, Suite 140, Washington, DC 20037.

Summary of Report and Order

1. The *Report and Order (Report)* discussed in this summary deregulated the technical operating requirements for FM stations. Our purpose was to remove rules which were no longer needed to prevent interference or which restrict marketplace competition.

2. The *Report* removed minimum performance standards for the technical signal quality of FM stereophonic transmissions. This was done because the Commission believes that the marketplace contains incentives for broadcasters to transmit stereo signals of sufficient quality. The *Report* also removed specifications which inhibit alternative methods of stereophonic transmission. Thus, the introduction of alternative FM stereophonic transmission systems incompatible with the current standard is now permitted. To protect the many existing receivers designed for the current standard, the Commission adopted criteria to ensure that these receivers would not respond to incompatible formats.

3. The *Report* also deregulated the technical requirements for subsidiary communication transmission systems by removing rules which limit the amount of interference the subsidiary service can cause to the main channel broadcast. Marketplace forces which provide broadcasters with the necessary incentives to deliver signals of sufficient technical quality were again the reason for this rule change. Further, the *Order* removed several provisions of § 73.317 pertaining to the installation of FM broadcast transmission systems. These rules specified safety devices (bleeder resistors, proper grounding of transmission lines, etc.) to be installed in the transmission system. They were deleted because workplace safety is not the primary regulatory concern of the Commission. Other agencies more appropriately oversee this area. Also deleted were requirements concerning the electrical properties of the transmitter. The Commission deleted these rules because they are not needed to prevent interference. Finally, the *Order* removed several rule sections which were duplicated elsewhere to streamline and condense the Commission's Rules as much as possible.

4. Pursuant to the Regulatory Flexibility Act of 1980, 5 U.S.C. 604, a final regulatory flexibility analysis has been prepared. It is available for public inspection as part of the full text of this decision, which may be obtained from the Commission or its copy contractor.

5. The amendments adopted in this document have been analyzed with respect to the Paperwork Reduction Act of 1980 and found to contain no new or modified form, information collection and/or record keeping, labeling, disclosure, or record retention requirements; and will not increase or decrease burden hours on the public.

6. Accordingly, it is ordered, pursuant to the authority contained in sections 4 and 303 of the Communications Act of 1934, as amended, that Part 73 of the Commission's Rules is amended, effective June 9, 1986, as set forth below.

7. It is further ordered that this proceeding is terminated.

List of Subjects in 47 CFR Part 73

Radio broadcasting.

PART 73—[AMENDED]

Chapter I, Title 47, Part 73 of the Code of Federal Regulations is amended as follows:

8. The authority citation for Part 73 continues to read as follows:

Authority: 47 U.S.C. 154 and 303.

9. 47 CFR 73.293, is revised to read as follows:

§ 73.293 Use of FM multiplex subcarriers.

Licensees of FM broadcast stations may transmit, without further authorization, subcarrier communication services in accordance with the provisions of §§ 73.319 and 73.322.

§ 73.316 [Amended]

10. 47 CFR 73.316, FM antenna systems, is amended by removing paragraph (b) and by redesignating paragraphs (c) through (j) as paragraphs (b) through (i) respectively.

11. 47 CFR 73.317, is revised to read as follows:

§ 73.317 FM transmission system requirements.

(a) FM broadcast stations employing transmitters authorized after January 1, 1960, must maintain the bandwidth occupied by their emissions in accordance with the specification detailed below. FM broadcast stations employing transmitters installed or type accepted before January 1, 1960, must achieve the highest degree of compliance with these specifications practicable with their existing equipment. In either case, should harmful interference to other authorized stations occur, the licensee shall correct the problem promptly or cease operation.

(b) Any emission appearing on a frequency removed from the carrier by between 120 kHz and 240 kHz inclusive must be attenuated at least 25 dB below the level of the unmodulated carrier. Compliance with this requirement will be deemed to show the occupied bandwidth to be 240 kHz or less.

(c) Any emission appearing on a frequency removed from the carrier by more than 240 kHz and up to and including 600 kHz must be attenuated at least 35 dB below the level of the unmodulated carrier.

(d) Any emission appearing on a frequency removed from the carrier by more than 600 kHz must be attenuated at least $43 + 10 \log_{10}$ (Power, in watts) dB below the level of the unmodulated carrier, or 80 dB, whichever is the lesser attenuation.

(e) Preemphasis shall not be greater than the impedance-frequency characteristics of a series inductance resistance network having a time constant of 75 microseconds. (See upper curve of Figure 2 of § 73.333.)

12. 47 CFR 73.319 is amended by revising paragraphs (b); by removing paragraphs (e), (f), and (i); by redesignating paragraphs (g) and (h) as new paragraphs (e) and (f) and by revising new (f) to read as follows:

§ 73.319 FM multiplex subcarrier transmission technical standards.

* * * * *

(b) *Modulation.* Any form of modulation may be used for subcarrier operation.

* * * * *

(f) Stations installing multiplex subcarrier transmitting equipment must ensure the proper suppression of spurious or harmonic radiations. See §§ 73.317, 73.1590 and 73.1690. If the subcarrier operation causes the station's transmissions not to comply with the technical provisions for FM broadcast stations or causes harmful interference to other communication services, the licensee or permittee must correct the problem promptly or cease operation. The licensee may be required to verify the corrective measures with supporting data. Such data must be retained at the station and be made available to the FCC upon request.

13. 47 CFR 73.322 is revised to read as follows:

§ 73.322 FM stereophonic sound transmission standards.

(a) An FM broadcast station shall not use 19 kHz ±20 Hz, except as the stereophonic pilot frequency in a transmission system meeting the following parameters:

(1) The modulating signal for the main channel consists of the sum of the right and left signals.

(2) The pilot subcarrier at 19 kHz ±2 Hz, must frequency modulate the main carrier between the limits of 8 and 10 percent.

(3) One stereophonic subcarrier must be the second harmonic of the pilot subcarrier (i.e. 38 kHz) and must cross the time axis with a positive slope simultaneously with each crossing of the time axis by the pilot subcarrier. Additional stereophomic subcarriers are not precluded.

(4) Double sideband, suppressed-carrier, amplitude modulation of the stereophonic subcarrier at 38 kHz must be used.

(5) The stereophonic subcarrier at 38 kHz must be suppressed to a level less than 1% modulation of the main carrier.

(6) The modulating signal for the required stereophonic subcarrier must be equal to the difference of the left and right signals.

(7) The following modulation levels apply:

(i) When a signal exists in only one channel of a two channel (biphonic) sound transmission, modulation of the carrier by audio components within the baseband range of 50 Hz to 15 kHz shall not exceed 45% and modulation of the carrier by the sum of the amplitude modulated subcarrier in the baseband range of 23 kHz to 53 kHz shall not exceed 45%.

(ii) When a signal exists in only one channel of a stereophonic sound transmission having more than one stereophonic subcarrier in the baseband, the modulation of the carrier by audio components within the audio baseband range of 23 kHz to 99 kHz shall not exceed 53% with total modulation not to exceed 90%.

(b) Stations not transmitting stereo with the method described in (a), must limit the main carrier deviation caused by any modulating signals occupying the band 19 kHz ±20 Hz to 125 Hz.

(c) All stations, regardless of the stereophonic transmission system used, must not exceed the maximum modulation limits specified in § 73.1570(b)(2). Stations not using the method described in (a), must limit the modulation of the carrier by audio components within the audio baseband range of 23 kHz to 99 kHz to not exceed 53%.

14. 47 CFR 73.558 is revised to read as follows:

§ 73.558 Indicating instruments.

The requirements for indicating instruments described in § 73.258 are applicable to all educational FM broadcast stations licensed with a transmitter power greater than 0.01 kw.

15. 47 CFR 73.597 is revised to read as follows:

§ 73.597 FM stereophonic sound broadcasting.

A noncommercial educational FM broadcast station may, without specific authority from the FCC, transmit stereophonic sound programs upon installation of stereophonic sound transmitting equipment under the provisions of §§ 2.977, 2.1001, 73.322, and 73.1590 of the FCC's Rules.

§ 73.1225 [Amended]

16. 47 CFR 73.1225, Station inspections by FCC, is amended by removing paragraph (c)(2)(iii).

William J. Tricarico,

Secretary.

[FR Doc. 86-10296 Filed 5-7-86; 8:45 am]

BILLING CODE 6712-01-M

47 CFR Part 97

[BC Docket No. 79-47; RM-2830; FCC 86-159]

Amateur Radio Service; Definition of Emergency Communication

AGENCY: Federal Communications Commission.

ACTION: Final rule; Grant of Petitions for Reconsideration.

SUMMARY: This document amends § 97.3(w) of the amateur rules to rescind the definition of "emergency communication" adopted in the Report and Order. This action is being taken to eliminate apparent confusion regarding amateur emergency communications.

EFFECTIVE DATE: June 20, 1986.

ADDRESS: Federal Communications Commission; 1919 M Street, NW.; Washington, D.C. 20554.

FOR FURTHER INFORMATION CONTACT: John J. Borkowski; Private Radio Bureau; Washington, D.C. 20554; (202) 632-4964.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's Memorandum Opinion and Order, BC Docket 79-47, adopted April 2, 1986 and released April 11, 1986. The full text of this Commission decision is available for inspection and copying during normal business hours in the FCC Dockets Branch (Room 230), 1919 M Street NW., Washington, D.C. The complete text of this decision may also be purchased from the Commission's copy contractors, International Transcription Service, (202) 857-3800, 2100 M Street, NW., Suite 140, Washington, DC 20037.

Summary of Memorandum Opinion and Order 1.

In the Report and Order in this proceeding, 50 FR 25241, June 18, 1985, the FCC revised its rules concerning rebroadcast of non-broadcast radio transmissions to eliminate unnecessary restrictions and administrative procedures and to conform them to new provisions of the Communications Act of 1934, as amended. It also revised its amateur rules to emphasize the separation between the Amateur service and the broadcast services.

2. By this Memorandum Opinion and Order the FCC acted upon two petitions for reconsideration which addressed the revisions we made to the amateur rules. The American Radio Relay League, Incorporated (ARRL) filed a Petition for Partial Reconsideration which sought to reinstate the former definition of "emergency communication" in § 97.3(w) of the amateur rules. David B.

Popkin filed a Petition for Reconsideration which sought several modifications to the adopted amateur rules. Responses were filed by Frederick G. Roberts and jointly by the National Association of Broadcasters (NAB) and the Radio-Television News Directors Association (RTNDA).

3. Popkin claimed that failure to use the word "automatically" before "retransmit" in § 97.113(c) resulted in the prohibition of certain formerly permissible manual retransmissions. However, the FCC ruled that these retransmissions were prohibited under the old rules and continue to be prohibited under the new rules.

4. Popkin also alleged that there is a conflict between the amateur rules and the broadcast rules, because: "If an amateur station may *never* be used for any activity related to broadcast program production or news gathering, then there *never* can be any way that a broadcast station can rebroadcast a message originated by an amateur station." The FCC disagreed. Neither amateur operators nor broadcast stations may use amateur radio as a production or news gathering tool, but broadcast stations may retransmit normal amateur communications for whatever purpose they wish.

5. Popkin's other concerns, and those of the ARRL, NAB–RTNDA and Roberts, related to the use of amateur radio for emergency communications. In the *Report and Order, supra,* we redefined "emergency communication" in § 97.3(w) of the rules. The ARRL sought a return to the previous definition or to a definition like the previous definition.

6. The ARRL and Popkin were concerned that the new definition may have made an unintended change in the nature of permissible amateur emergency communications. In order to resolve any ambiguity on this point, the FCC rescinded the new definition of "emergency communication" adopted in the *Report and Order, supra,* and reverted to the previous definition.

7. Popkin also sought insertion of the phase "except for emergency communications" at the end of § 97.113(b) in order to codify paragraph 22 of the *Report and Order, supra.* However, the FCC noted that activities related to program production and news gathering may involve a wide variety of business-related activities, from live interviews to ordering equipment and even arranging accommodations. The FCC determined to maintain an absolute ban on communications of this sort from the Amateur service as inconsistent with its nature and purpose, and therefore declined to include the phrase "except for emergency communications" in § 97.113(b).

8. The NAB–RTNDA response to the Petitions for Reconsideration urged adoption of the position NAB and RTNDA took in their comments, i.e., to increase the scope of permitted broadcast use of amateur radio in broadly defined emergency situations, and to do so clearly in the rules rather than by *dicta* in the *Report and Order, supra.* The FCC held that NAB and RTNDA raised no new issues, and reaffirmed its decision on those issues.

9. The rule change adopted in this Memorandum Opinion and Order has been analyzed with respect to the Paperwork Reduction Act of 1980 and found to contain no new or modified form, information collection and/or record keeping, labeling, disclosure, or record retention requirements; and will not increase or decrease burden hours imposed on the public.

10. In accordance with section 605 of the Regulatory Flexibility Act of 1980 (5 U.S.C. 605), the FCC certified that this rule change does not have a significant impact on a substantial number of small entities, because it merely reverts to the former definition of "emergency communication" and because these entities may not use the Amateur Radio Service for commercial radio communication. (See 47 CFR 97.3(b).)

Ordering Clauses

11. Accordingly, it is ordered that the Petition for Partial Reconsideration filed by the American Radio Relay League is granted in part consistent with this *Memorandum Opinion and Order.*

12. It is further ordered that the Petition for Reconsideration filed by David P. Popkin is granted in part consistent with this *Memorandum Opinion and Order.*

13. It is further ordered that paragraph (w) of § 97.3 of the Commission's rules is amended as set forth at the end of this document, effective June 20, 1986.

14. These actions are taken pursuant to § 1.429 of the Commission's rules [47 CFR 1.429) and sections 4(i) and 303(r) of the Communications Act of 1934, as amended [47 U.S.C. 154(i) and 303(r)].

15. It is further ordered that this proceeding is terminated.

List of Subjects in 47 CFR Part 97

Amateur radio, Emergency communications, Radio.

Federal Communications Commission.

William J. Tricarico.

Secretary.

Part 97 of Chapter I of Title 47 of the Code of Federal Regulations is amended as follows:

PART 97—AMATEUR RADIO SERVICE

1. The authority citation for Part 97 continues to read:

Authority: 48 Stat. 1066, 1082, as amended; 47 U.S.C. 154, 303. Interpret or apply 48 Stat. 1064–1068, 1081–1105, as amended; 47 U.S.C. 151–155, 301–609, unless otherwise noted.

2. Paragraph (w) of § 97.3 is revised to read:

§ 97.3 Definitions.

* * * * *

(w) *Emergency communication.* Any amateur radio communication directly relating to the immediate safety of life of individuals or the immediate protection of property.

* * * * *

[FR Doc. 86–10290 Filed 5–7–86; 8:45 am]

BILLING CODE 6712-01-M

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 611

[Docket No. 60582-6082]

Pacific Coast Groundfish Fishery

AGENCY: National Marine Fisheries Service (NMFS), NOAA, Commerce.

ACTION: Final rule; technical amendment.

SUMMARY: NMFS announces modifications to regulations which govern foreign and joint venture fishing for groundfish off Washington, Oregon, and California (WA, OR, and CA). These changes provide continuity with other recently revised regulations which govern foreign fishing in all U.S. waters. These changes all are technical or clarifying in nature, maintain historical management practices for the fishery off WA, OR, and CA, and establish consistency with foreign fishing regulations wherever practicable.

DATE: This action will be effective on May 5, 1986. Comments will be accepted through May 20, 1986.

ADDRESSES: Send comments to Rolland A. Schmitten, Director, Northwest Region, National Marine Fisheries Service, 7600 Sand Point Way NE, BIN C15700, Seattle, WA 98115; or E.C. Fullerton, Director, Southwest Region, National Marine Fisheries Service, 300 South Ferry Street, Terminal Island, CA 90731.

FOR FURTHER INFORMATION CONTACT: R.A. Schmitten, 206–526–6150; or E.C. Fullerton, 213–548–2575.

SUPPLEMENTARY INFORMATION: Foreign fishing operations in the Pacific coast groundfish fishery are governed by regulations at 50 CFR Part 611, Subparts A and B, § 611.1 through § 611.22, which apply to foreign fishing vessels anywhere in the U.S. fishery conservation zone (FCZ) and at 50 CFR Part 611, Subpart E, § 611.70, which implement applicable provisions to foreign fishing in the Pacific Coast Groundfish Fishery Management Plan (FMP) for ocean waters off WA, OR, and CA. Revisions to Subparts A and B (50 FR 34964, August 28, 1985) substantially clarified and standardized these foreign fishing regulations throughout the FCZ. Subpart E may modify or be more or less restrictive than the general foreign fishing regulations in order to reflect the needs of the particular fishery, as acknowledged in the preamble to the revised Subparts A and B. Many, but not all, of the provisions which had been included in the Pacific coast groundfish regulations at § 611.70 were incorporated into the revised Subparts A and B, and some parts of § 611.70 were deleted. As a result, § 611.70 itself needs revision to assure clarity, continuity with established management practices off WA, OR, and CA, and consistency with the current Subparts A and B wherever practicable.

Even though large portions of § 611.70 are revised by this amendment, all the changes are technical; no changes in fishing operations will result. Definitions, terminology, and citations to regulations are updated to match Subparts A and B. The many provisions dealing with reports and vessel logs currently in Subparts A and B are now redundant and are deleted from § 611.70. A few provisions which are necessary for continuity with past data collection practices in the Pacific coast groundfish fishery are not required in other fisheries, notably that incidental species be reported to the nearest hundredth rather than tenth of a metric ton; that salmonids, Pacific halibut, and Dungeness crab be reported in numbers of individuals rather than by weight; that joint venture discards be recorded; and that duplicate log pages be submitted to NMFS. These provisions are maintained but are reorganized and rewritten. The revisions to § 611.70, the reasons for maintaining those provisions that are not required in other fisheries and/or which deviate from Subparts A and B, and the current and superseding regulatory citations (where applicable) are summarized below.

The definitions at § 611.70(b) are revised as follows:

"Directed fishing" is changed to be the same as the definition in § 611.2 so that it refers only to fishing in which foreign vessels both catch and process fish, and not to target fishing.

"Target fishing" is clarified so that it is not confused with directed fishing.

"Foregin fishing vessel" is added and is the same as in § 611.2.

"Incidental catch" is changed to "incidental species" and is clarified to refer to species in both joint venture and directed fisheries.

"Joint venture processing" was split into separate definitions for "joint venture" and for "processing," the same as in § 611.2.

"Prohibited species" is revised to include species whose quotas have been reached, as stated in § 611.2.

"Regional Director" is revised to read the same as in § 611.2.

The various weights used in reporting catch, "round weight", "product weight", and "factory weight" are defined.

Section 611.70(i) is clarified so that "target fishing" and "directed fishing" are not confused, and is based on the revisions to these two definitions in § 611.70(b).

Section 611.70(j) on reports and recordkeeping is substantially revised and reorganized, and the reasons for maintaining those few provisions *not* incorporated into Subpart A are given in the following paragraphs.

The requirement to record in the daily logs the weight of incidental species to the nearest hundredth of a metric ton rather than to the nearest tenth of a metric ton as specified in Subpart A is redesignated. Past experience has shown that rounding to the nearest tenth of a metric ton (220 pounds) often results in catches of incidental species not being reported if less than this amount. If 220 pounds of a species were not recorded in each haul (or even on a daily basis), the unreported catch of that species could be significant, expecially when incidental limits in the groundfish fishery are very small (e.g., 33 metric tons of Pacific ocean perch in the directed fishery in 1985). Requiring recordkeeping to the nearest hundredth of a metric ton (22 pounds) has resolved this problem since 1982. This requirement, currently stated at § 611.70(j)(5)(xi), becomes § 611.70(j)(4)(v). It is permissible to submit weights of incidental species to the nearest tenth of a metric ton in the weekly Telex reports, however, because these reports are based on data which were maintained to the nearest hundredth of a metric ton.

The requirement to record numbers of individuals (rather than weights) for salmonids, Pacific halibut, and Dungeness crab in the logs and weekly reports was partly deleted when Subpart A was revised, and is respecified in § 611.70. This requirement, currently stated, for the logs, at § 611.70(j)(5)(xii), becomes § 611.70(j)(4)(v); for the weekly reports, at § 611.9(e) until August 28, 1985, and in the conditions and restrictions of the vessels' permits, becomes § 611.70(j)(1)(i).

The requirement that discards (and retained species) be reported in the weekly receipt reports from the joint venture vessels is restated for this fishery. These data, required in the daily logs, provide valuable information about incidental species caught by U.S. vessels in the whiting fishery that otherwise is not available. As a result, species received by joint venture processors must be reported either as discarded, retained, or returned to a U.S. vessel. This provision will augment Subpart A. This requirement, currently stated at Appendix G to Subpart A, paragraph A.5., is restated at § 611.70(j)(1)(ii), which modifies § 611.4(f)(3) and the disposition codes in Appendix G to Subpart A.

For clarity and accuracy in filling out logs, the explanation is maintained of the types of weights (round, factory, and product weights) to be used in each log. Confusion has resulted in the past if types of weights are not specified. This explanation, currently stated at § 611.70 (j)(4)(v), (j)(5)(viii), and (j)(7), becomes § 611.70(j)(4)(v).

The provision that logs must be recorded in duplicate, that the duplicate pages may be removed by an authorized officer, and that pages not so removed must be submitted to the Regional Director within three weeks after the end of the fishery is being restated. Logbooks have been submitted to the Northwest Region, NMFS, since 1981, providing an opportunity for close comparison with observer data and thus providing a strong incentive for maintaining accurate logs. This provision, currently stated at § 611.70(j)(4)(v), is restated throughout § 611.70(j)(4).

This is a technical amendment to a final rule and as such is not a rulemaking requiring review under Executive Order 12291.

There are no additional Federal requests for information resulting from this amendment. The reporting requirements now in § 611.70(j) were approved by the Office of Management and Budget under control number 0648-0075.

List of Subjects in 50 CFR Part 611

Fisheries, Foreign relations, Reporting and recordkeeping requirements.

Dated: May 2, 1986.

James E. Douglas, Jr.,

Acting Deputy Assistant Administrator for Fisheries, National Marine Fisheries Service.

For the reasons set out in the preamble, 50 CFR 611.70 is amended as follows.

PART 611—[AMENDED]

1. The authority citation for Part 611 continues to read as follows:

Authority: 16 U.S.C. 1801 *et seq.*

2. In § 611.70, paragraph (b), (i), and (j) are revised and paragraph (k) is removed, to read as follows:

§ 611.70 Pacific coast groundfish fishery.

* * * * *

(b) *Definitions.* For purposes of this section, the following terms are defined:

(1) *Directed fishing* means any fishing by the vessels of a foreign nation for allocations of fish granted that nation under § 611.21.

(2) *Factory weight* means the product weight converted to round weight.

(3) *Foreign fishing vessel (FFV)* means any fishing vessel other than a vessel of the United States, except those foreign vessels engaged in recreational fishing, as defined in § 611.2.

(4) *Incidental species* means groundfish species which are unavoidably caught while fishing for allocated or authorized species.

(5) *Joint venture* means any operation by a foreign vessel assisting fishing by U.S. fishing vessels, including catching, scouting, processing and/or support. (A joint venture generally entails a foreign vessel processing fish received from U.S. fishing vessels and conducting associated support activities.)

(6) *Processing* means any operation by an FFV to receive fish from foreign or U.S. fishing vessels and/or the preparation of fish, including but not limited to cleaning, cooking, canning, smoking, salting, drying or freezing, either on the FFV's behalf or to assist other foreign or U.S. fishing vessels.

(7) *Product weight* means the weight of the fish after processing and is explained further at § 611.9(j)(2).

(8) *Prohibited species*, with respect to any vessel, means salmonids, Pacific halibut, Dungeness crab, and any species of fish which that vessel is not specifically allocated or authorized to retain, including fish caught or received in excess of any allocation or authorization.

(9) *Regional Director* means the Director, Northwest Region, National Marine Fisheries Service, 7600 Sand Point Way NE., BIN C15700, Seattle, Washington 98115 or a designee.

(10) *Round weight* means the weight of the whole fish before processing.

(11) *Secretary* means the Secretary of Commerce or a designee.

(12) *Target fishing* means fishing for the primary purpose of catching a particular species (the target species). The only legal target species are those specifically allocated under § 611.21 for the directed fishery or authorized for joint venture receipt under a foreign fishing permit.

* * * * *

(i) *Target fishing—directed fisheries.*

(1) It is unlawful for any operator or owner of a foreign fishing vessel to conduct target fishing for any species or species complex for which that nation does not have an allocation of TALFF.

(2) It is a rebuttable presumption that any trawl that contains more than 50 percent by weight of any species or species complex (such as "other species") was conducted for the purpose of catching that species or species complex and therefore constitutes target fishing for that species or species complex.

(j) *Reports and recordkeeping.*

(1) *Weekly reports.* The requirements at § 611.4(f) are modified as follows:

(i) Catch estimates. In the weekly catch report (CATREP) and weekly receipts report (RECREP), catches of salmonids, Pacific halibut, and Dungeness crab must be recorded in numbers of individuals.

(ii) Weekly receipts report.

(A) In addition to the requirements at §§ 611.4(f)(3) and 611.70(j)(1)(i), the weekly receipts reports (RECREP) must contain amounts of fish that are discarded or retained by an FFV operating in a joint venture off Washington, Oregon, and California, for each species and fishing area, to the nearest tenth of a metric ton (0.1 mt) round weight (except for salmonids, Pacific halibut and Dungeness crab which are recorded in numbers of individuals), and must be followed either by the letter "D" (for discarded) and the confirmation code, or by the letter "K" (for retained or kept) and the confirmation code.

(B) For the purposes of this § 611.70, the product disposition code "P" (referenced in Appendix G to Subpart A) must *not* be used in the RECREP. The only disposition codes required in this report are "D" (for discarded), "K" (for retained), if specifically authorized in the vessel permit conditions and restrictions, and "R" (for fish that are returned to a U.S. vessel).

(iii) Any weekly catch report (CATREP) submitted under § 611.4(f)(2) or weekly receipts report (RECREP) submitted under § 611.4(f)(3) must state if it pertains to target species other than Pacific whiting by following the word "CATREP" or "RECREP" with the name of the target species. If more than one target fishery is conducted in the same week, a separate CATREP or RECREP must be submitted for each fishery.

(2) *Daily reports.* From the time the Secretary estimates that 90 percent of JVP, an incidental retention allowance, a nation's fishing allocation, or incidental catch allowance of any species or species complex has been reached, and so notifies the designated representative of the nation(s) involved, the weekly catch report (CATREP) and the weekly receipts report (RECREP) must be submitted on a daily basis and must reach the Regional Director no later than three days after the reported fishing day.

(3) *Annual report.* Each nation with fishing vessels conducting directed fishery operations must report annual catch and effort statistics by May 31 of the following year in tabular form as follows:

(i) Effort in hours trawled, by vessel class, by gear type, by months, by ½° latitude by 1° longitude statistical areas.

(ii) Catch by vessel class, by gear type, by month, by ½° latitude by 1° longitude statistical areas:

(A) To the nearest tenth of a metric ton (0.1 mt round weight), any species for which that nation has a fishing allocation or incidental catch allowance; and

(B) The numbers of salmonids, Pacific halibut, and Dungeness crab.

(4) *Logs.*

(i) The owner and operator of each foreign fishing vessel must maintain logs in accordance with the requirements of § 611.9 as modified by the regulations in this § 11.70 and the conditions and restrictions of that vessel's foreign fishing permit.

(ii) These logs are the basis for all reports required under §§ 611.4, 611.9, and 611.70.

(iii) Required data must be recorded clearly and concisely, in duplicate, and in English.

(iv) An authorized officer may remove the duplicate pages at any time. All duplicate pages of the logs not removed by an authorized officer must be submitted to the Regional Director within three weeks (21 days) after termination of a fishery due either to closure of the fishery, departure of a vessel from the grounds for the remainder of the season, or expiration of

the fishing permit. The original logs must be retained on the foreign fishing vessel whenever it is in the FCZ for three years after the end of the permit period, as stated at § 611.9(a)(2).

(v) Measurements.

(A) Estimates of discards in Section 2—Catch of the daily fishing and joint venture logs are on-deck estimates of round weight to at least the nearest tenth of a metric ton (0.1 mt) for Pacific whiting and to the nearest hundredth of a metric ton (0.01 mt) for incidental species.

(B) Transfer logs and Section 3—Production of the daily fishing and joint venture logs must be in product weights to the nearest 0.01 mt.

(C) Section 2—Catch of the daily fishing and joint venture logs (for processed fish) must be in factory weights to at least the nearest 0.1 mt for Pacific whiting, and to the nearest 0.01 mt for incidental species.

(D) *Numbers of individuals.* Salmonids, Pacific halibut, and Dungeness crab must be recorded in numbers of whole individuals.

(vi) If more than one target fishery is conducted, information for each fishery must be maintained in a separate log. If the target species is not Pacific whiting, the name of the target species must be entered after the title Section Two—Catch in the daily fishing or daily joint venture logs.

[FR Doc. 86-10393 Filed 5-5-86; 4:35 am]

BILLING CODE 3510-22-M

Proposed Rules

Federal Register
Vol. 51, No. 89
Thursday, May 8, 1986

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

DEPARTMENT OF AGRICULTURE

Rural Electrification Administration

7 CFR Part 1747

Lien Accommodation and Subordination Policy (Telephone Program)

AGENCY: Rural Electrification Administration, USDA.

ACTION: Proposed rule.

SUMMARY: The Rural Electrification Administration (REA) hereby proposes to add Part 1747, Lien Accommodations, to 7 CFR Chapter XVII. This new part contains the lien accomodation and subordination policy of the REA telephone program and the Rural Telephone Bank (RTB). The primary objective of the proposal is to enable telephone borrowers to attract the outside capital necessary to finance projects related to expansion and modernization of basic telephone services and other telecommunications facilities. Certain standards and limitations will apply. The proposal will impact all present and future REA telephone borrowers.

DATE: Comments concerning this proposed rule must be received on or before June 9, 1986.

ADDRESS: Comments may be mailed to Bill E. Musgrave II, Assistant to the Administrator, Rural Electrification Administration, Room 4037, South Building, U.S. Department of Agriculture, Washington, DC 20250. Comments received may be inspected at Room 4037 between 8:15 a.m. and 4:45 p.m.

FOR FURTHER INFORMATION CONTACT: Bill E. Musgrave II, Assistant to the Administrator, Rural Electrification Administration, Room 4037, South Building, U.S. Department of Agriculture, Washington, DC 20250, telephone number (202) 382-1007. The Draft Regulatory Impact Analysis describing the options considered in developing this rule is available on request from the above-named individual.

SUPPLEMENTARY INFORMATION: This rule will be issued in conformance with Executive Order 12291, Federal Regulation. The action will not (1) have an annual effect on the economy of $100 million or more; (2) result in a major increase in costs or prices for customers, individual industries, Federal, State or local government agencies; or (3) result in significant adverse effects on competition, employment, investment or productivity, and therefore has been determined to be "not major."

This program is listed in the Catalog of Federal Domestic Assistance as 10.851—Rural Telephone Loans and Loan Guarantees, and 10.852—Rural Telephone Bank Loans. For the reasons set forth in the final rule related Notice to 7 CFR Part 3015 Subpart V in 50 FR 47034, November 14, 1985, this program is excluded from the scope of Executive Order 12372 which requires intergovernmental consultation with state and local officials.

This action does not fall within the scope of the Regulatory Flexibility Act. REA has concluded that promulgation of this rule would not represent a major Federal action significantly affecting the quality of the human environment under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq. 1976) and, therefore, does not require an environmental impact statement or an environmental assessment.

Background

Currently REA encourages borrowers to submit requests for accommodations or subordinations of the Govenment's liens or mortgages for purposes provided in the RE Act. REA has considered such requests on a case by case basis. REA has not encouraged borrowers to submit requests that REA accommodate the Government's liens on the borrowers' system for projects not eligible for financing under the RE Act. This proposed rule establishes criteria under which REA will consider accommodating or subordinating the Government's lien in order that borrowers may more easily obtain financing elsewhere for expansion and modernization of basic telephone services and other telecommunication projects.

List of Subjects in 8 CFR Part 1747

Loan programs—communications, telephone.

Therefore, REA proposes to amend 7 CFR Chapter XVII by adding the following New Part 1747:

PART 1747—LIEN ACCOMMODATIONS AND SUBORDINATION POLICY

Sec.
1747.1 General.
1747.2 Definitions.
1747.3–1747.9 [Reserved]
1747.10 Act purposes.
1747.11–1747.19 [Reserved]
1747.20 Non-act purposes.
1747.21–1747.29 [Reserved]
1747.30 Application procedures.

Authority: 7 U.S.C. 901 et seq., 1921 et seq.

§ 1747.1 General.

Recent changes in the telephone industry, including deregulation and technological developments, have caused REA borrowers and other organizations providing telephone services to consider undertaking expansion and modernization of basic telephone service and other telecommunications projects. Although expansion and modernization of basic telephone service and other telecommunications projects may not be eligible for financing under the Act, the projects may nevertheless advance Act objectives where the borrower finances the project through other lending organizations. To facilitate such financing, REA is willing to consider accommodating the Government's lien on telephone borrowers' systems or subordinating the Government's lien on after acquired property of telephone borrowers. This part sets forth REA policy with respect to such lien accommodations and subordinations.

§ 1747.2 Definitions.

(a) "Act" means the Rural Electrification Act of 1936, as amended (7 U.S.C. 901 et seq.)

(b) "Accommodation" means sharing the Government's lien on a pari passu or pro rata basis with another leader.

(c) "Subordination" means granting the lien which another lender has on specific property priority over the Government's lien on such property.

(d) "After-acquired property" means property which was not financed by REA or the RTB, is to be acquired by the borrower and which would be sut ject to

the lien of the Government's mortgage when acquired.

(e) "Telecommunication project" means any project which has, as its purpose, (1) provisions or maintenance of facilities for the transmisson, emission, or reception of signals, sounds, images, or intelligence of any nature by optical waveguide, wire, radio, or other electromagnetic systems, (2) the sales, distribution, development, or manufacture of such facilities, or (3) the provision of any other services directly related to such facilities.

§§ 1747.3—1747.9 [Reserved]

§ 1747.10 Act purposes.

(a) Borrowers are encouraged to submit requests for accommodation of the Government's lien on the borrower's system in order to facilitate obtaining private financing for purposes provided in the Act.

(b) The Administrator will consider requests for the subordination of the Government's lien on after-acquired property in order to enable borrowers to obtain private financing for purposes provided in the Act provided, however, that property integral to the operation of projects financed with loans made or guaranteed by REA shall be financed with funds obtained through lien accommodations instead of lien subordinations, unless the Administrator determines that it is in the Government's interest to do otherwise.

§§ 1747.11—1747.19 [Reserved]

§ 1747.20 Non-act purposes.

(a) The Administrator will consider requests for the accommodation of the Government's lien on the borrower's system or the subordination of the Government's lien on after-acquired property in order to enable the borrowers to obtain private financing for telecommunication projects which may not be eligible for financing under the Act if the Administrator is satisfied that:

(1) The borrower will have the ability to repay its existing and proposed indebtedness;

(2) The security for outstanding Government loans and guarantees is reasonably adequate and will not be adversely affected by the accommodation or subordination; and

(3) Approval of the request is in the interests of the Government.

(b) In determining that the security for outstanding Government loans and guarantees is reasonably adequate and will not be adversely affected by the accommodation or subordination, the Administrator shall consider, among other matters, the following:

(1) Market forecasts for the project;

(2) Projected revenues, expenses and net income of the borrower's existing system and the project;

(3) Maximum debt service or indebtedness of both the system and the project;

(4) Projected rate of return on the borrower's investment in the project;

(5) Fair market value of property acquired by the borrower as part of the project;

(6) Impact of the project on the ratio of the borrower's secured debt to assets;

(7) Projected growth in system and project equity; and

(8) Amount of funds available for plant additions, replacements and other similar costs of the system and the project.

(c) In determining whether the accommodation or subordination is in the interests of the Government, the Administrator may consider, among other matters, whether the project will improve the borrower's financial strength.

§§ 1747.21—1747.29 [Reserved]

§ 1747.30 Application procedures.

(a) Requests for information regarding applications for lien accommodations or subordination under this Part should be addressed to the Assistant Administrator-Telephone, Rural Electrification Administration, Washington, DC 20250.

(b) An application for a lien accommodation or subordination shall include the following supporting information:

(1) A board Resolution from the applicant requesting the lien accommodation or subordination and stating the general purpose for which the funds from the other lender will be used, the proposed amount of the loan, and the proposed terms and conditions of the loan;

(2) An opinion from counsel representing the borrower that the borrower has the authority under its articles of incorporation, bylaws, and under applicable state law to undertake the project;

(3) Engineering and pertinent studies related to the projects or purposes to be financed;

(4) Feasibility studies with pro forma financial statements showing the ability to repay the loan and provide an appropriate margin or net income;

(5) Such information regarding the environmental impacts of the project as may be required pursuant to 7 CFR Part 1794; and

(6) Any other information or documentation deemed pertinent by the borrower or the Administrator in support of the application.

(c) When the Administrator makes a determination that an application for an accommodation or subordination will not be approved, the Administrator shall set forth the reasons therefore in writing and furnish such determination and reasons to the borrower within 30 days of the determination.

Dated: April 11, 1986.

Jack Van Mark,

Acting Administrator.

[FR Doc. 86-10330 Filed 5-7-86; 8:45 am]

BILLING CODE 3410-15-M

FARM CREDIT ADMINISTRATION

12 CFR Parts 611, 614, 615, and 618

Farm Credit System: Provisions Miscellaneous

AGENCY: Farm Credit Administration.

ACTION: Proposed rule.

SUMMARY: The Farm Credit Administration (FCA), by the Acting Chairman of the Farm Credit Administration Board (Board), publishes for comment proposed regulations implementing recently enacted provisions of its enabling statute relating to matters involving stockholder/borrower rights; mergers, consolidations, and territory transfers; and conservatorships and receiverships. The Farm Credit Amendments Act of 1985 (1985 Amendments) amended a number of sections of the Farm Credit Act of 1971 (Act) relating to the topics of stockholder/borrower rights; mergers, consolidations, and territory transfers; and conservatorships and receiverships.

DATE: Written comments must be received on or before June 6, 1986.

ADDRESSES: Submit any comments in writing to Chairman, Farm Credit Administration, 1501 Farm Credit Drive, McLean, VA 22102-5090. Copies of all communications received will be available for examination by interested parties in the Office of Director, Congressional and Public Affairs Division, Office of Administration, Farm Credit Administration.

FOR FURTHER INFORMATION CONTACT: Gary L. Norton, Senior Attorney, Office of General Counsel, Farm Credit Administration, 1501 Farm Credit Drive, McLean, VA 22102-5090, (703) 883-4020.

SUPPLEMENTARY INFORMATION: The Farm Credit Amendments Act of 1985

(1985 Amendments) amended a number of sections of the Farm Credit Act of 1971 (Act) relating to the topics of stockholder/borrower rights; mergers, consolidations, and territory transfers; and conservatorships and receiverships.

I. Stockholder/Borrower Rights

The 1985 Amendments amended several sections of the Act to require the FCA to issue regulations to require Farm Credit System (System) institutions to provide their borrowers and stockholders with certain information in connection with their dealings with System institutions and to follow specific procedures in conducting certain aspects of their operations. These proposed regulations cover the areas of forbearance policies; disclosure of loan documents; access to stockholder lists; practices related to loan applications and review of denials; disclosure of loan terms; and notice of stock retirement.

Section 4.13(b) of the Act, as added by the 1985 Amendments, requires each System institution, in accordance with FCA regulations, to develop a policy governing forbearance. Proposed regulation 12 CFR 614.4513 provides guidance to System institutions regarding the content of their forbearance policies and clarifies the limits of their legal obligation to compromise indebtedness. Section 614.4513, and the proposed regulation concerning denials of loan applications (§ 614.4440), clarify that the loan application regulations apply only to new borrowers or borrowers seeking additional funds for a new purpose. The loan application regulations do not apply to borrowers who are seeking to renew or refinance loans on which the borrower is or will soon be in default. Such borrowers must look to the institution's policies developed in accordance with the forbearance regulation for any special consideration.

The 1985 Amendments added a new section 4.13A to the Act which directs the FCA to issue regulations that require System institutions to provide copies of loan documents and other related documents to their borrower/stockholders. Section 4.13A does not specify whether such documents should only be provided upon the initial application for a loan or whether they should also be provided upon subsequent amendments or renewals of an existing loan. In the case of both the initial application and the subsequent modifications to the loan contract, the signing of new documents typically entails a change in that person's legal rights and responsibilities. In light of the underlying intent of Congress, the agency concluded that the regulations should require System institutions to provide borrowers with copies of any documents they sign at the time the loan is made, as well as documents related to subsequent modifications of the contract and that borrowers should be able, at any time, to request and obtain copies of such documents.

Consistent with the intent of Congress, the term "borrower" is defined broadly to include any person who signs the loan contract and any person who assumes either primary or secondary liability on the loan, including guarantors, endorsers, and cosigners. If a person is subject to legal liability on the contract, that person is entitled under the regulation to a copy of the document creating such obligation.

Proposed regulation § 618.8310 addresses the circumstances under which institutions must provide stockholders with stockholder lists. There has been considerable controversy over this issue in the past arising from various interpretations of FCA regulations governing the release of information by System institutions (12 CFR Part 618, Subpart G). The FCA has taken the position that existing FCA regulations do not prohibit release of stockholder lists to stockholders, and that such matters are governed by general principles of corporate law. In light of the numerous provisions in the 1985 Amendments that emphasize borrower access to certain types of documents and information, the FCA determined that the regulations should be amended to set forth the specific circumstances and conditions under which stockholders must be afforded access to stockholder lists.

Proposed regulation § 618.8310 is divided into two subsections. The first restates and clarifies the current regulation authorizing borrower lists to be released to parties who deal in commodities or goods where such transactions could involve collateral pledged to an institution. The second subsection provides for the disclosure of stockholder lists to a stockholder seeking to communicate with other stockholders regarding the business operations of the bank or association. This provision incorporates the basic rule of corporate law, that stockholders must be given access to stockholder lists in order to communicate with other stockholders on matters related to the business of the corporation.

In light of the unique operating characteristics of System institutions, it was determined that some restrictions should be placed on the distribution of stockholder lists. The FCA recognizes that a list of stockholders of a System institution is also a list of its borrower/customers and, as such, is an important corporate asset. The unrestricted disclosure of such lists could have negative effects on the financial health of the institution. Additionally, FCA regulations have implicitly recognized a privacy interest of individual borrowers against unrestricted disclosure of their names to third parties. The proposed regulation balances the interests of stockholders in acess to this information with the need to protect the institution and its stockholders from the unauthorized disclosure of its stockholder list.

The proposed regulation prohibits the disclosure of stockholder lists except in connection with "matters relating to the business operations of the institution." This is defined to include discussions of the effectiveness of management, waste of corporate assets, performance of directors, and other related matters. Lists need not be disclosed to persons who will use the list for the purpose of giving another institution a competitive advantage or in furtherance of a social or political cause.

Proposed regulation § 618.8310 provides that as an alternative to disclosure of the list, the institution may, with the agreement of the requesting stockholder, mail a communication to its stockholders on behalf of a requesting stockholder. The stockholder must, however, agree to defray the institution's reasonable costs in providing such communication and the communication must be related to the business operations of the institution. This regulation does not apply to Federal land banks, Federal intermediate credit banks, and the Capital Corporation, whose stockholders are other System institutions.

The 1985 Amendments amended existing provisions of the Act regarding the internal procedures of System institutions concerning review of denials on loan applications. As amended, section 4.14 requires System institutions to establish credit review committees, which must include at least one member of its institution's board of directors. Proposed regulations §§ 614.4440–614.4444 implement these statutory provisions. The activities of the credit review committees relate solely to the denial of credit applications by persons who are not current borrowers and by current borrowers applying for a new loan. They do not include credit to persons seeking forbearance through requests for renewals, deferrals, reamortizations, etc., of existing loans

that have matured or will soon mature. Reviews of such requests are governed by the proposed forbearance regulation at § 614.4513.

This distinction is consistent with prior FCA regulations and congressional intent. The language in sections 4.13B and 4.14 of the Act refers to a "loan application," a term that implies a request for a new loan. The FCA has previously interpreted the term "loan application" under old sections 4.13 and 4.14 to exclude amendments or modifications of preexisting loans. The provisions of the 1985 Amendments which amended section 4.13 to require institutions to develop forebearance policies for use with existing loans reinforce this interpretation since most forbearance actions involve requests for deferrals, reamortizations, etc., of existing loans.

The statutory requirement for board representation on review committees presents special operating difficulties for System districts that have only one or very few production credit associations (PCAs) or Federal land bank associations (FLBAs). Such districts have a small number of directors in relation to the potential number of decisions to be reviewed by the credit review committees. Required board attendance at every review session could present a serious burden to the board members and interfere with the efficient functioning of the board. Generally, a System institution's board of directors, like any other corporate board, has the authority to delegate many functions to other officials of the institution. However, in light of the special concerns of Congress regarding board input into review decisions, the FCA determined that a unanimous vote of the association board is required in order for the board member on the committee to delegate his or her duties to another person.

Section 4.14 of the Act requires each institution to establish credit review committees. Since only PCAs and Federal land banks (FLBs) are primary lenders to individual (noncooperative) borrowers, the proposed regulations do not apply to banks for cooperatives, which do not make loans to individuals; or to the Capital Corporation, which does not take applications from borrowers. Additionally, to accommodate the unique relationship between FLBs and FLBAs, the proposed regulations provide that the FLB shall establish guidelines under which the FLBA boards establish their committees and provide further that the FLB can, at its discretion, have representation on such boards.

Section 4.13 of the Act, as added by the 1985 Amendments, requires the FCA to issue regulations governing access to certain loan information by borrowers. Proposed regulations §§ 614.4366–614.4367 implementing this section apply to all System institutions, including the Capital Corporation. The proposed regulations require System institutions to disclose the interest rates charged borrowers, explain whether the rates are subject to change, and describe the standard factors affecting the rate, in accordance with the specific requirements for such disclosures contained in the Act. In addition, the proposed regulations require that, not later than 10 days prior to an adjustment on a variable rate loan, the institution must disclose the effective date of the new rate and a statement of the factors, other than standard factors, used in computing the rate. The proposed regulations also require System institutions to send interest rate notices to current borrowers within 90 days after the effective date of the regulations. The appendix to § 614.4367 contains model forms that System institutions may use to satisfy the disclosure requirements contained in the regulation.

Section 615.5255 is the proposed regulation implementing the provision of the 1985 Amendments that requires PCAs and FLBAs to provide notice to borrowers whose loans are in default prior to retiring their stock. The proposed regulation sets forth the procedure FLBAs and PCAs must follow prior to retiring a borrower's stock.

II. Mergers, Consolidations, and Territorial Transfers

The proposed regulations contain numerous amendments to §§ 611.1090–611.1125 regarding mergers, consolidations, and territory transfers of banks and associations. Section 5.17(a)(2) of the Act, as amended by the 1985 Amendments, requires that territorial adjustments initiated by institutions receive stockholder approval. That section also contains new prohibitions against unequal treatment of associations that decline to participate in mergers or consolidations.

The 1985 Amendments did not affect the authority of the FCA under sections 1.3, 1.13, 2.0, 2.10, 3.0, and 5.17(a)(2) of the Act and § 611.1120(c) to amend charters and transfer territories on its own initiative.

The proposed amendments to § 611.1124 address the requirement for stockholder approval of territory transfers involving associations. The regulation establishes disclosure requirements for territorial transfers that are based on existing disclosure requirements relating to mergers, but without the same requirements for detailed financial information. The purpose of the disclosure is to appraise borrowers of how the transfer will affect them personally and the future operations of their institution.

In accordance with the 1985 Amendments, the proposed regulations do not require the approval of the district bank as a precondition to FCA approval. However, the proposed regulation provides that the FCA will consider the bank's position on the transfer prior to granting or denying approval. The FCA will communicate directly with the associations involved in territorial transfers and provide the bank with copies of such communications. Similar changes to the merger regulations are proposed that also will provide for direct communication between the FCA and the institutions proposing to merge. Consistent with the amendment to section 5.17(a)(2) of the Act, an amendment has been proposed to § 611.1090 that requires stockholder approval in connection with transfers of territories between banks or districts.

The 1985 Amendments contain several provisions (such as section 5.17(a)(2)) that emphasize a strong congressional intent that decisions regarding mergers of System institutions are to be decided by the stockholders of the affected institutions. Existing regulation § 611.1123(7) requires that a merger or consolidation agreement must contain a statement of the rights of the constituent associations to terminate the agreement before the effective date of the merger. As written, this provision is subject to abuse and could result in the board of an association or bank arbitrarily overriding the vote of the stockholders of an institution. In order to prevent such abuse, the regulation is amended to limit the circumstances in which a merger or consolidation can be terminated after a favorable stockholder vote.

The proposed regulation limits the authority of association directors to terminate a merger or consolidation that has been approved by stockholders to circumstances where: (1) The information disclosed to stocholders contained material errors, (2) misrepresentations were made to stockholders regarding the impact of the merger or consolidation, (3) fraudulent activities were used to obtain stockholder approval, or (4) any other intervening event of a significant nature occurred subsequent to a stockholder vote that could have had an impact on

that stockholder vote. To ensure compliance with these limitations, the proposed regulation requires that any decision by an association board to withdraw from a merger that was agreed to by the stockholders shall not be effective until approved by the FCA.

Existing § 611.1122(2)(3) contains procedures applicable to the merger or consolidation of associations. Consistent with principles of general corporate law, the regulation provides that any proposed merger or consolidation request must be approved by the boards of directors of each association involved. The requirement for board approval does not present problems for mergers or consolidations involing only a few associations, since such mergers or consolidations are generally initiated by the association boards. However, the requirement for director approval could cause some operational problems when associations are involved in districtwide or statewide reorganizations. Under the present regulations, even if stockholders have indicated a willingness to participate in a districtwide merger, they would not have an opportunity to vote on the merger unless their board passed a resolution supporting the merger.

This provision has created the potential for problems in connection with two districtwide mergers. In addition, several provisions in the 1985 Amendments emphasize the need for stockholders to have a greater say in the operations of their associations. In view of this, the proposed amendment to § 611.1122(a) eliminates the requirement for association directors to approve mergers or consolidations that are initiated by the district bank and endorsed by a district board resolution. In such cases, the association board would include a statement either endorsing or opposing the merger in the stockholder disclosure statement.

Proposed amemdments to §§ 611.1121–611.1123 provide for direct communications between the FCA and associations that have proposed mergers or other types of charter amendments. These amendments are consistent with similar provisions contained in § 611.1124 regarding territorial adjustments.

III. Receiverships and Conservatorships

The 1985 Amendments completely revised section 4.12(b) relating to conservators and receivers for System institutions. In accordance with the statutory changes, the existing regulations governing liquidation and receivership have been reorganized and amended. The reorganization provides for a new Subpart K—Appointment of Conservators and Receivers, and a New Subpart N—Conservator of Banks and Associations.

New Subpart K contains provisions common to both conservators and receivers, such as grounds for their appointment and actions for their removal. New Subpart N contains those provisions applicable to conservators of both banks and associations.

Proposed regulation § 611.1156, which concerns the grounds for the appointment of a conservator or receiver, adopts the terminology used in the Act, with additional language explaining the definition of the term "insolvency." The regulation establishes that insolvency may only be determined pursuant to an examination conducted or adopted by the FCA. In addition, the provision clarifies that even though member stock is "capital," for purposes of this regulation it is considered an "obligation" of the institution. Thus, under the statutory standard, an institution is insolvent when its stock is impaired. The definition of obligation includes all stock and participation certificates, but does not include other member "equities" such as retained earnings.

Section 611.1157 describes the purpose, responsibilities, and powers of conservators and receivers. This section clarifies that a conservator is directed to operate an institution as a continuing business whereas a receiver is appointed to wind up the affairs of an institution, sell assets, and distribute proceeds to creditors and stockholders. Section 611.1158 set forth the procedure that must be followed by an institution in seeking the removal of a conservator or receiver.

Section 611.1160 of Subpart L is amended to delete the provision establishing a preference for the appointment of a district bank as the receiver of an association. A conforming change was made to § 611.1161 to delete the reference to a district bank's authority to adopt procedures governing its operations as a receiver.

Section 611.1165 is amended to provide that a receiver may sell loans to the Capital Corporation.

The provisions of §§ 611.1167 and 611.1175 relating to the FCA's examination of an association or bank in receivership were amended to conform with amended section 5.19 of the Act, which deleted the authority of the FCA to delegate the examination function to an independent auditor. The proposed regulation retains the authority of the FCA to either conduct audits of associations and banks in receivership or, at its discretion, delegate such audits.

New § 611.1180 of Subpart N parallels §§ 611.1160 and 611.1170. This section provides for: the grounds and procedures for the appointment of a conservator for a System bank, association, or service organization; notice to the institution and its borrowers of the conservatorship; the vesting of the institution's powers exclusively in the conservator; and subjecting the conservator to the direction and supervision of the FCA. Section 611.1181 grants conservators most of the power granted to receivers, but provides that certain of those powers are subject to the prior approval of the FCA. The action subject to approval are those that involve economic decisions that can have a significant financial impact on the institution. These powers are divided into three categories. First, are the conservator's powers, which are identical to those possessed by a receiver, that may be exercised at his or her sole discretion. These include the power to: borrow funds for the conservatorship; execute any instrument necessary for the conservatorship; pay the costs and expenses of the conservatorship from the institution's assets; exercise any power necessary and incident to a specific power; and possess any additional powers, privileges, rights, and responsibilities as FCA may direct.

Second, are the powers identical to the receiver's except that such powers may not be exercised without the prior approval of the FCA. These include the power to: hire employees necessary for the proper administration of the conservatorship; sell any real or personal, tangible or intangible property of the institution; release any assets or property of the institution or repudiate, for cause, any lease or executory contract of the institution; settle or release any claims or demands by or against the institution or the conservator; and pay all approved claims of indebtedness from the assets of the institution.

Third, are the powers comparable to the powers of a receiver except that certain specific actions require the prior approval of the FCA or are carried out under the supervision of the FCA General Counsel. These include the power to: exercise all powers of the institution's board of directors, officers, and employees, except that dividends may not be declared or paid without the prior approval of the FCA; pay any sums necessary to protect the institution's property, except that improvements to property may not be made without the prior approval of the FCA; extend credit

to existing borrowers and, unlike in a receivership, to new borrowers; investigate any matter relating to the business affairs of the institution and, under the supervision of the General Cousel of the FCA, institute and defend legal actions affecting the interests of the institution; purchase property and services and lease property for less than a year necessary to the conservatorship and, with the prior approval of the FCA, enter into leases for longer than 1 year; and take such other action as the conservator deems necessary to the conservatorship.

Section 611.1182 provides for the conservator to make an inventory of the assets and liabilities of the institution in accordance with this regulation. The provision also provides for the FCA to conduct examinations and audits of institutions in conservatorship.

Section 611.1183 specifies the conditions for the final discharge of a conservator. The provision is similar to §§ 611.1168 and 611.1176, which provide for the final discharge of a receiver.

List of Subjects in 12 CFR Parts 611, 614, 615 and 618

Accounting, Agriculture, Archives and records, Banks, Banking, Credit, Government securities, Investments, Organization and functions (Government agencies), Rural areas.

As stated in the preamble, it is proposed that Parts 611, 614, 615 and 618 of Chapter VI, Title 12, of the Code of Federal Regulations, be amended as follows:

PART 611—ORGANIZATION

1. The authority citation for Part 611 is revised to read as follows, and any other authority citations in the part are removed.

Authority: Secs. 1.13, 2.10, 4.11, 4.12, 4.28A–4.28L, 5.9, 5.10, 5.15, and 5.17, Pub. L. 99–205, 99 Stat. 1678.

Subpart F—General Rules for Districts

2. Section 611.1090 is revised to read as follows:

§ 611.1090 Request for district changes—general.

District boards may recommend the merger of two or more districts, the transfer of territories between districts, or a change in the name of a district. The recommendation and justification for the recommendation shall be submitted by the district boards to the Farm Credit Administration for preliminary approval by the Farm Credit Administration Board before they are submitted for stockholder approval. Following approval by the stockholders, the proposed change shall again be submitted to the Farm Credit Administration for final approval by the Farm Credit Administration Board. District name changes do not require stockholder approval.

Subpart G—Mergers, Consolidations, and Charter Amendments of Associations

3. Section 611.1121 is amended by revising paragraphs (b), (c), and (d) to read as follows:

§ 611.1121 Charter amendment procedures.

This section shall apply to any request by an association to amend its charter.

* * * * *

(b) Upon receipt of a proposed amendment from an association, the district bank shall review the materials submitted and provide the association with its analysis of the proposal within a reasonable period of time. Concurrently, the bank shall communicate its recommendation on the proposal to the Farm Credit Administration, including the reasons for the recommendation, and any analysis the bank believes appropriate. Following review by the bank, the association shall transmit the proposed amendment with attachments to the Farm Credit Administration.

(c) Upon receipt of an association's request for a charter amendment, the Farm Credit Administration shall review the materials submitted and either approve or disapprove the request. The Farm Credit Administration may require submission of any supplemental materials it deems appropriate.

(d) The Farm Credit Administration shall notify the association of its approval or disapproval of the amendment request, and provide a copy of such communication to the bank. A notification of approval shall be accompanied by a copy of the charter, as amended.

4. Section 611.1122 is amended by revising paragraphs (a), introductory text, (a)(3), (b), (c), (e), introductory text, (e)(4), (g), and (i) to read as follows:

§ 611.1122 Requirements for mergers or consolidations.

* * * * *

(a) Where two or more associations plan to merger or consolidate, or where the district board has adopted a reorganization plan for the associations in the district, the associations involved shall jointly submit a request to the district bank containing the following:

* * * * *

(3)(i) A certified copy of the resolution of the board of directors of each association recommending approval of the merger or consolidation; or

(ii) Where the board of an association disapproves the merger or consolidation and the merger or consolidation is part of a district reorganization plan, a certified copy of the resolution of the district board recommending approval of the proposal.

* * * * *

(b) Upon receipt of a request for approval of an association merger or consolidation, the district bank shall review the materials submitted to determine whether they comply with the requirements of these regulations and shall communicate with the associations concerning any deficiency. When the bank approves the request to merge or consolidate it shall notify the associations and the Farm Credit Administration of its approval together with the reasons for its approval and any supporting analysis the bank deems appropriate. The associations shall jointly submit the proposal together with required documentation to the Farm Credit Administration for preliminary approval.

(c) Upon receipt of an association merger or consolidation request, the Farm Credit Administration shall review the request and either deny or give its preliminary approval to the request. When a request is denied, written notice stating the reasons for the denial shall be transmitted to the associations and a copy provided to the bank. When a request is preliminarily approved, written notice of the preliminary approval shall be given to the associations and a copy provided to the bank. Preliminary approval by the Farm Credit Administration shall not constitute approval of the merger or consolidation. Approval of a merger or consolidation shall be only pursuant to paragraph (g) of this section

* * * * *

(e) Notice of the meeting to consider and act upon a proposed merger or consolidation of associations shall be accompanied by the following information covering each constituent association.

* * * * *

(4) A brief statement by the boards of directors of the constituent associations setting forth the basis for the board's recommendation on the merger or consolidation.

* * * * *

(g) Upon approval of a proposed merger or consolidation by the stockholders of the constituent

associations, a certified copy of the stockholders' resolution shall be forwarded to the Farm Credit Administration. The merger or consolidation shall be effective when thereafter finally approved and on the date as specified by the Farm Credit Administration. Notice of final approval shall be transmitted to the associations and a copy provided to the bank.

* * * * *

(i) The notice and accompanying information required under paragraphs (e) of this section shall not be sent to stockholders until preliminary approval of the merger or consolidation has been given by the Farm Credit Administration.

* * * * *

5. Section 611.1123 is amended by revising paragraphs (a) introductory text and (a)(7) to read as follows:

§ 611.1123 Merger or consolidation agreements.

(a) Associations operating under the same title of the Act may merge or consolidate voluntarily only pursuant to a written agreement. The agreement shall set forth all of the terms of the transaction, including, but not limited to, the following:

* * * * *

(7) A statement that the board of directors of each constituent association can terminate the agreement before the effective date upon a determination by an association, with the concurrence of the Farm Credit Administration, that:

(i) The information disclosed to stockholders contained material errors or omissions;

(ii) Material misrepresentations were made to stockholders regarding the impact of the merger or consolidation;

(iii) Fraudulent activities were used to obtain stockholder's approval; or

(iv) An event occurred between the time of the vote and the merger that would have a significant adverse impact on the future viability of the continuing institution.

* * * * *

6. Section 611.1124 is revised to read as follows:

§ 611.1124 Territorial adjustments.

This section shall apply to any request submitted to the Farm Credit Administration to modify association charters for the purpose of transferring territory from one association to another.

(a) Territorial adjustments, except as specified in paragraph (m) of this section, require approval of a majority of the voting stockholders of each association present and voting or voting by written proxy at a duly authorized meeting at which a quorum is present.

(b) When two or more associations agree to transfer territory, each association shall submit a proposal to its district bank containing the following:

(1) A statement of the reasons for the proposed transfer and the impact the transfer will have on its stockholders and holders of participation certificates;

(2) A certified copy of the resolution of the board of directors or each association approving the proposed territory transfer;

(3) A copy of the agreement to transfer territory that contains the following information:

(i) A description of the territory to be transferred.

(ii) Transferor association's plan to transfer loans and the types of loans to be transferred.

(iii) Transferor association's plan to retire and transferee association's plan to issue equities held by holders of stock, participation certificates, and allocated equities, if any, and a statement that the book value of the equities is at least equal to par.

(iv) An inventory of the assets to be sold by the transferor association and purchased by the transferee association.

(v) An inventory of the liabilities to be assumed from the transferor association by the transferee association.

(vi) A statement that the holders of stock and participation certificates whose loans are subject to transfer have 60 days from the effective date of the territory transfer to inform the transferor association of their decision to remain with the transferor association for normal servicing until the current loan is paid.

(vii) A statement that the transfer is conditioned upon the approval of the stockholders of each constituent association.

(viii) The effective date of the proposed territory transfer.

(4) A copy of the stockholder disclosure statement provided for in paragraph (f) of this section; and

(5) Any additional relevant information or documents that the association wishes to submit in support of its request or that may be required by the Farm Credit Administration.

(c) Upon receipt of documents supporting a proposed territory transfer, the district bank shall review the materials submitted and provide the associations with its analysis of the proposal within a reasonable period of time. The bank shall concurrently advise the Farm Credit Administration of its recommendation regarding the proposed territory transfer. Following review by the bank, the associations shall transmit the proposal to the Farm Credit Administration together with all required documents.

(d) Upon receipt of an association's request to transfer territory, the Farm Credit Administration shall review the request and either deny or give preliminary approval to the request. When a request is denied, written notice stating the reasons for the denial shall be transmitted to the associations, and a copy provided to the bank. When a request is preliminarily approved, written notice of the preliminary approval shall be transmitted to the associations, and a copy provided to the bank. Preliminary approval by the Farm Credit Administration shall not constitute approval of the territory transfer. Final approval shall be granted only in accordance with paragraph (h) of this section.

(e) Upon recept of preliminary approval by the Farm Credit Administration, each constituent association shall, by written notice, and in accordance with its bylaws, call a meeting of its voting stockholders. The affirmative vote of a majority of the voting stockholders of each association present and voting or voting by written proxy at a meeting at which a quorum is present shall be required for stockholder approval of a territory transfer.

(f) Notice of the meeting to consider and act upon a proposed territory transfer shall be accompanied by the following information covering each constituent association:

(1) A statement either on the first page of the materials or on the notice of the stockholders' meeting, in capital letters and bold face type, that:

THE FARM CREDIT ADMINISTRATION HAS NEITHER APPROVED NOR PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION ACCOMPANYING THE NOTICE OF MEETING OR PRESENTED AT THE MEETING AND NO REPRESENTATION TO THE CONTRARY SHALL BE MADE OR RELIED UPON.

(2) A copy of the Agreement to Transfer Territory and a summary of the major provisions of the Agreement.

(3) The reason the territory transfer is proposed.

(4) A map of the association's territory as it would look after the transfer.

(5) A summary of the differences, if any, between the transfer and transferee associations' interest rates, interest rate policies, collection policies, service fees, bylaws, and any other items of interest that would impact a borrower's lending relationship with the institution.

(6) A statement that all loans of the transferor association that finance operations located in the transferred

territory shall be transferred to the transferee association except as otherwise provided for in this section or in accordance with agreements between the associations as provided for in § 614.4070 of this chapter.

(7) Where proxies are to be solicited, a form of written proxy, together with instructions on the purpose and authority for its use, and the proper method for signature by the stockholders.

(8) A statement that the financial statements and related information and bylaws of the association are available on request.

(g) No bank or association, or director, officer, or employee thereof, shall make any untrue or misleading statement of a material fact, or fail to disclose any material fact necessary under the circumstances to make statements made not misleading, to a stockholder of any association in connection with a territory transfer.

(h) Upon approval of a proposed territory transfer by the stockholders of the constituent associations, a certified copy of the stockholders' resolution and one executed Agreement to Transfer Territory for each constituent association shall be forwarded to the Farm Credit Administration. The territory transfer shall be effective when thereafter finally approved and on the date as specified by the Farm Credit Administration. Notice of final approval shall be transmitted to the associations and a copy provided to the bank.

(i) No director, officer, or employee of a bank or an association shall make an oral or written representation to any person that a preliminary or final approval by the Farm Credit Administration of territory transfer constitutes, directly or indirectly, either a recommendation on the merits of the transaction or an assurance concerning the adequacy or accuracy of any information provided to any association's stockholders in connection therewith.

(j) The notice and accompanying information required under paragraph (f) of this section shall not be sent to stockholders until preliminary approval of the territory transfer has been granted by the Farm Credit Administration.

(k) Where a territory transfer is proposed simultaneously with a merger or consolidation, both transactions may be voted on by stockholders at the same meeting. Only stockholders of a transferee or transferor association shall vote on a territory transfer.

(l) All borrowers whose real estate or operations are located in adjusted territories shall be informed in writing of the territory adjustment and the transfer of their loans to and exchange of related equities for equities of like kinds and amounts in the transferee association. If a like kind of equity is not available in the transferee association, similar equities shall be offered that will not adversely affect the interest of the owner. This Notice of Territory Transfer shall give borrowers 60 days from the effective date of the territory transfer to notify the transferor association in writing if the borrower decides to stay with the transferor association for normal servicing until the current loan is paid. Any application by the borrower for renewal or for additional credit shall be made to the transferee association, except as otherwise provided for any an agreement between associations in accordance with § 614.4070 of this chapter. This notice shall be made immediately after the Farm Credit Administration has given final approval of the territory transfer.

(m) This section shall not apply to territory transfers initiated by order of the Chairman of the Farm Credit Administration or to territory transfer due to the liquidation of the transferor association.

7. Section 611.1125 is revised to read as follows:

§ 611.1125 Treatment of associations not approving districtwide mergers.

(a) *Issuance of charters.* When issuing charters or certificates of territory for districtwide mergers or consolidations of associations, the Farm Credit Administration will not issue any charters or certificates of territory that include the territory of one or more associations whose stockholders voted to disapprove the merger or consolidation.

(b) District banks shall not take any of the following actions with respect to an association that has determined to not participate in a districtwide merger:

(1) Discriminate in the provision of any financial service and assistance, including, but not limited to, access to loan funds and rates of interest on loans and discounts offered by a district bank to the association and their member/borrowers;

(2) Discriminate in the provision of any financially related services that are offered by a district bank to the associations and their member/borrowers;

(3) Discriminate in the provision of any professional assistance that may be normally provided by the bank to its associations; or

(4) Discriminate in the provision of any technical assistance that may be normally provided by the bank to its associations.

(c) This regulation does not prohibit a district bank from charging differential rates of interest or differential costs for other services to an association and its members if such costs are warranted based on additional risks and servicing costs incurred by the district bank in dealing with the association. Such differential costs charged shall be based on a fully documented analysis which supports the additional costs.

8. Part 611 is amended by adding Subpart K, Appointment of Conservators and Receivers, to read as follows:

Subpart K—Appointment of Conservators and Receivers

Sec.

611.1155 General.
611.1156 Grounds for appointment of conservators and receivers.
611.1157 Conservators and receivers.
611.1158 Actions for removal of conservator or receiver.

Subpart K—Appointment of Conservators and Receivers

§ 611.1155 General.

The Farm Credit Administration has exclusive authority to appoint conservators or receivers for System institutions and to establish the procedures under which conservatorships and receiverships are operated. This subpart sets forth the basis for the appointment of conservators and receivers and establishes general guidance for the operations of conservatorships and receiverships. Subparts L and M of this part set forth the specific powers and procedures for receivers of associations and banks, respectively. Subpart N of this part sets forth the powers and procedures applicable to conservatorships of banks and associations.

§ 611.1156 Grounds for appointment of conservators and receivers.

(a) Upon a determination by the Farm Credit Administration of the existence of one or more of the factors set forth in paragraph (b) of this section, with respect to any bank, association, or other institution of the System, the Farm Credit Administration may, at its discretion, appoint a conservator or receiver for such institution.

(b) The grounds for the appointment of a conservator or receiver for a System institution are:

(1) The Institution is insolvent. For purposes of this paragraph, "insolvent" means that the assets of the institution are less than its obligations to its creditors and others, including its

members. A determination of insolvency is made when a examination conducted or adopted by the Farm Credit Administration reveals that the capital stock or participation certificates of an institution are worth less than their par or stated value;

(2) There has been a substantial dissipation of the assets or earnings of the institution due to the violation of any law, rule, or regulation, or the conduct of an unsafe or unsound practice;

(3) The institution is in an unsafe or unsound condition to transact business;

(4) The institution has commited a willful violation of a final cease-and-desist order issued by the Farm Credit Administration; or

(5) The institution is concealing its books, papers, records, or assets, or is refusing to submit its books, papers, records, assets, or other material relating to the affairs of the institution for inspection to any examiner or to any lawful agent of the Farm Credit Administration.

§ 611.1157 Conservators and receivers.

(a) A Farm Credit Administration conservator is a person appointed by the Chairman of the Farm Credit Administration pursuant to section 4.12(b) of the Act and § 611.1156 of the regulations to take possession of an institution in accordance with the terms of the appointment. Upon appointment, a conservator shall direct the institution's further operation until the Farm Credit Administration decides either to liquidate the institution, or, on the correction or resolution of the problem or condition that provided the basis for the appointment and upon a determination by the Farm Credit Administration that the institution can be returned to normal operations, the institution may be turned over to such management as the Farm Credit Administration may direct. A conservator shall exercise all powers necessary to continue the ongoing operations of the institution, to conserve and preserve the institution's assets and property, and otherwise protect the interests of the institution, its stockholders, and creditors as provided in Subpart N of this part.

(b) A Farm Credit Administration receiver is a person appointed by the Chairman of the Farm Credit Administration pursuant to section 4.12(b) of the Act and § 611.1156 of the regulations to take possession of a System institution in order to wind up the business operations of such institution, collect the debts owed to the institution, liquidate its property and assets, pay its creditors, and distribute the remaining proceeds to its stockholders. A receiver shall exercise all powers necessary to the efficient termination of an institution's operation, as provided for a Subparts L and M of this Part.

§ 611.1158 Action for removal of conservator or receiver.

Upon the appointment of a conservator or receiver to a System institution by the Farm Credit Administration, the institution may, within 30 days of such appointment, bring an action in the United States District Court for the judicial district in which the home office of the institution is located, or in the United States District Court for the District of Columbia, for an order requiring the Farm Credit Administration to remove such conservator or receiver. Notwithstanding any other provisions of Subparts L, M, or N of this part, the institution's board of directors is empowered to meet subsequent to such appointment and authorize the filing of a action for removal. An action for removal may only be authorized by such institution's board of directors.

9. Subpart L of Part 611 is revised to read as follows:

Subpart L—Liquidation of Associations

Sec.

611.1160 Appointment of receiver.
611.1161 Powers and duties of the receiver.
611.1165 Sale and transfer of loans.
611.1167 Inventory, examination, audit, and report to stockholders.

Subpart L—Liquidation of Associations

§ 611.1160 Appointment of receiver.

(a) The board of directors of an association, by the adoption of an appropriate resolution, may vote to liquidate the association, and upon approval of the resolution by the Farm Credit Administration after consultation with the supervisory bank, the Chairman by order may place the association in receivership and appoint a receiver.

(b) The Farm Credit Administration may, at its discretion, appoint a receiver for any System association in accordance with the grounds for appointment set forth in § 611.1156.

(c) Upon the appointment of a receiver and acceptance by the receiver of the appointment, the Chairman shall immediately notify the institution and its supervsiory bank and notice of the appointment shall be published in the **Federal Register.**

(d) Upon the issuance of the order placing an association in liquidation, all rights, privileges, and powers of the board of directors, officers, and employees of the association are vested exclusively in the receiver, and said individuals are suspended except as provided for in paragraph (g) of this section.

(e) The voluntary or involuntary liquidation of an association shall be conducted by the receiver as agent of the Farm Credit Administration. The receiver shall be responsible for collecting the assets, paying the creditors, and paying any liquidating dividend to stockholders of the association. Upon completion of the liquidation and discharge of the receiver by the Farm Administration, the Chairman will cancel the charter of the association.

(f) The Chairman may at any time remove or replace the receiver or may terminate the receivership and direct the receiver to turn over the association to its previous management or such other management as the Chairman may order, in which event the provisions of this subpart shall no longer apply.

(g) In the case of the voluntary liquidation of an association where grounds for the appointment of a receiver pursuant to § 611.1156 do not exist, the Chairman may appoint a receiver, taking into consideration the recommendations of the board of directors of the liquidating association. The board of directors of the association may, at the discretion of the Chairman, remain in office to provide advice and recommendations to the receiver during the pendency of the liquidation.

§ 611.1161 Powers and duties of the receiver.

The receiver of an association serves as the trustee of the receivership estate and conducts its operations for the benefit of the creditors and stockholders of the association. In this capacity, as trustee of the estate, the receiver is an agent of and is subject to the specific procedures and approval requirements established by the Farm Credit Administration and enjoys the same immunities against personal liability that exist for all employees and agents of the Farm Credit Administration. As the agency of the Farm Credit Administration and acting on behalf of the association in receivership, the receiver is authorized and empowered to:

(a) Exercise all powers as are conferred upon the officers and directors of the association under law and the charter, articles, and bylaws of the association.

(b) Take any action the receiver considers appropriate or expedient to

carry on the business of the association during the process of liquidating its assets and winding up its affairs..

(c) Extend credit to existing borrowers as necessary to honor existing commitments and to effectuate the purposes of the receivership.

(d) Borrow such sums as necessary to effectuate the purposes of the receivership.

(e) Pay any sum the receiver deems necessary or advisable to preserve, conserve, or protect the association's assets or property, or rehabilitate or improve such property and assets.

(f) Pay any sum the receiver deems necessary or advisable to preserve, conserve, or protect any asset or property on which the association has a lien or in which the association has a financial or property interest, and pay off and discharge any liens, claims, or charges of any nature against such property.

(g) Investigate any matter related to the conduct of the business of the association, including, but not limited to, any claim of the association against any individual or entity, and institute appropriate legal or other proceedings in the name of the association to prosecute such claims.

(h) Institute, prosecute, maintain, defend, intervene, and otherwise participate in the name of the association in any legal proceeding by or against the association or in which the association or its creditors or members have any interest, and represent in every way the association, its members, and creditors.

(i) Employ attorneys, accountants, appraisers, and other professionals to give advice and assistance to the receivership generally or on particular matters, and pay their retainers, compensation, and expenses, including litigation costs.

(j) Hire any employees necessary for proper administration of the receivership, which employees shall be covered by a bond satisfactory to the receiver and the Farm Credit Administration;

(k) Execute, acknowledge, and deliver, in person or through a general of specific delegation, any instrument necessary for any authorized purpose, and any instrument executed under this paragraph shall be valid and effectual as if it had been executed by the association's officers by authority of its board of directors.

(l) Sell for cash or otherwise, any mortgage, deed of trust, chose in action, note, contract, judgment or decree, stock, or debt owed to the association, or any property (real or personal, tangible or intangible).

(m) Purchase or lease office space, automobiles, furniture, equipment, and supplies, and purchase insurance, professional, and technical services necessary for the conduct of the receivership.

(n) Release any assets or property of any nature, regardless of whether the subject of pending litigation, and repudiate, with cause, any lease or executory contract the receiver considers burdensome.

(o) Settle, release, or obtain release of, for cash or other consideration, claims and demands against or in favor of the association or the receiver.

(p) Pay out of the assets of the association, all expenses of the receivership and all costs of carrying out or exercising the rights, powers, privileges, and duties as receiver.

(q) Pay out of the assets of the association, all approved claims of indebtedness in accordance with priorities established in this subpart.

(r) Take all actions in the name of the association in receivership, and have such rights, powers, and privileges as are necessary and incident to the exercise of any specific power.

(s) Take such actions, and have such additional rights, powers, privileges, immunities, and duties as the Farm Credit Administration authorizes, directs, confers, or imposes by order or by amendment of any order or by regulation.

§ 611.1165 Sale and transfer of loans.

(a) The receiver is authorized to sell loans to the Capital Corporation or to any commercial lending institution at fair market value (including any amount borrowed to purchase stock in the association). All loans not purchased by other Farm Credit System institutions are eligible for purchase by the Capital Corporation.

(b) The receiver is authorized to sell loans to an association (hereafter referred to as "purchasing association") that has been authorized, by charter amendment, agreement, or otherwise, to make loans in the territory heretofore served by the association in liquidation only on the following basis:

(1) A loan may be sold at not less than its fair market value (including the amount borrowed to purchase stock or participation certificates in the liquidating association) and the borrower will immediately make the required capital investment in the purchasing association by providing cash sufficient therefor or by increasing the loan by an amount necessary to make such capital investment.

(2) The loan may be sold at not less than its fair market value (including the amount borrowed to purchase stock or participation certificates in the liquidating association) in conjunction with an agreement between the borrower, the receiver, the supervising bank, and the purchasing association, which provides for a loan from the supervising bank to the borrower or the purchasing association in the amount of the required capital investment in the purchasing association, to be repaid on or before the completion of the liquidation of the association, or terms set forth in the agreement.

(c) An association to which the receiver proposes to sell a loan shall have not less than 90 days to purchase the loan. The association may purchase any such loan at its discretion provided that the borrower agrees to buy stock and become a member of the association.

§ 611.1167 Inventory, examination, audit, and report to stockholders.

(a) As soon as practicable after taking possession of an association, the receiver shall make an inventory of the assets and liabilities as of the date possession was taken. Such inventory shall include the book value and the fair market value of the association's assets. The method of listing assets must provide such information to the satisfaction of the Farm Credit Administration. One copy of the inventory shall be filed with the Farm Credit Administration.

(b) The association in receivership shall be examined on an annual basis by the Farm Credit Administration. The association shall be audited by the Farm Credit Administration or, at the discretion of the Farm Credit Administration, by an independent certified public accountant at such times as the Farm Credit Administration determines. The cost of such examination and audit, as determined by the Farm Credit Administration, shall be paid from the assets of the association in receivership.

(c) The Farm Credit Administration may from time to time prescribe accounting practices to be followed and require such audit or other reports covering any matters related to the operations of the association or the receivership as it deems appropriate on such forms as it may prescribe. One copy of the reports required by this section shall be filed with the Office of Examination and Supervision, Farm Credit Administration, and one copy shall be retained in the receiver's principal office.

(d) The receiver shall cause to be sent to each stockholder of record of the

association, not later than 90 days following the end of each fiscal year, a report on the financial condition of the association in receivership. Upon the final liquidation of the association, the receiver shall cause to be sent to each stockholder of record, a report summarizing the activities of the receiver and describing the disposition of the assets of the receivership and claims against the receivership.

10. Subpart M of Part 611 is revised to read as follows:

Subpart M—Liquidation of Banks

Sec.
611.1170 Appointment of receiver.
611.1175 Inventory, examination, and audit.

Subpart M—Liquidation of Banks

§ 611.1170 Appointment of receiver.

(a) The board of directors of a bank, by the adoption of appropriate resolution, may vote to liquidate the bank, and upon approval of the resolution by the Farm Credit Administration, the Chairman may, by order, place the bank in receivership and appoint a receiver.

(b) The Farm Credit Administration may, at its discretion, appoint a receiver for any System bank in accordance with the grounds for appointment set forth in § 611.1156.

(c) Upon the issuance of an order placing a bank in liquidation, all rights, privileges, and powers of the board of directors, officers, and employees of the bank are vested exclusively in the receiver, and such individuals are suspended, except as provided for in paragraph (g) of this section.

(d) Upon the appointment of a receiver, and acceptance by the receiver of the appointment, the Chairman shall immediately notify the institution, and notice of the appointment shall be published in the **Federal Register.**

(e) A voluntary or involuntary liquidation of a bank shall be conducted by the receiver, as agent of the Farm Credit Administration. The receiver shall be responsible for collecting the assets, paying the creditors, paying any liquidating dividend to stockholders, and winding up the affairs of the bank. Upon completion of the liquidation, the Chairman will revoke the charter of the bank.

(f) The Chairman may at any time remove and replace the receiver or may direct the receiver to return the bank to the previous management or such other management as the Chairman may order, in which event the provisions of this subpart shall no longer apply.

(g) In the case of the voluntary liquidation of a bank, where the grounds for the appointment of a receiver pursuant to § 611.1156 do not exist, the Chairman may appoint a receiver, taking into consideration the recommendations of the board of directors of the liquidating bank. The board of directors may at the discretion of the Chairman, remain in office to provide advice and recommendations to the receiver during the pendency of the liquidation.

(h) For purposes of this subpart, the term "bank" includes each bank, the Farm Credit System Capital Corporation, and any service organization chartered pursuant to Part D of Title IV of the Act.

§ 611.1175 Inventory, examination, and audit.

(a) As soon as practicable after taking possession of a bank, the receiver shall make an inventory of the assets and liabilities of the bank as of the date possession was taken. Such inventory shall include the book value and fair market value of the bank's assets and the book value of the bank's liabilities and any security therefor. The method of listing assets and liabilities must provide such information to the satisfaction of the Farm Credit Administration. One copy of the inventory shall be filed with the Farm Credit Administration.

(b) The Bank in receivership shall be examined on an annual basis by the Farm Credit Administration. The bank shall be audited by the Farm Credit Administration or, at the discretion of the Farm Credit Administration, by an independent certified public accountant at such times as the Farm Credit Administration determines. The cost of such examination and audit, as determined by the Farm Credit Administration, shall be paid from the assets of the bank in receivership.

(c) The Farm Credit Administration may from time to time prescribe accounting practices to be followed and require such audit or other reports covering any matters related to the operations of the bank or the receivership as it deems appropriate on such forms as it may prescribe. One ocpy of the reports required by this section shall be filed with the Office of Examination and Supervision, Farm Credit Administration, and one copy shall be retained in the receiver's principal office.

11. Part 611 is amended by adding a new Subpart N, Conservators and Conservatorships of Banks and Associations, to read as follows:

Subpart N—Conservators and Conservatorships of Banks and Associations.

Sec.
611.1180 Appointment of a conservator.
611.1181 Powers and duties of conservators.
611.1182 Inventory, examination and audits, accounting practices.
611.1183 Final discharge and release of conservator.

Subpart N—Conservators and Conservatorships of Banks and Associations

§ 611.1180 Appointment of a conservator.

(a) The Farm Credit Administration may appoint ex parte and without notice a conservator for any Farm Credit System institution provided the grounds for appointment as set forth in § 611.1156 exist.

(b) Upon the appointment of a conservator and acceptance by the conservator of the appointment, the Chairman of the Farm Credit Administration shall immediately notify the institution and, in the case of an association, the district bank, and notice of the appointment shall be published in the **Federal Register.** As soon as practicable after the conservator takes possession of the institution, the conservator shall notify, by first class mail, each holder of stock and participation certificates in the institution of the establishment of the conservatorship and shall describe the effect of the conservatorship on the institution's operations and on the borrower's loan and equity holdings.

(c) Upon the issuance of the order placing a Farm Credit System institution in conservatorship, all rights, privileges, and powers of the members, board of directors, officers, and employees of the institution are vested exclusively in the conservator.

(d) The conservatorship of a Farm Credit System institution shall be conducted by the conservator as agent of the Farm Credit Administration. The conservator, under the direction and supervision of the Farm Credit Administration, shall be responsibile for conserving and preserving the assets of the institution and continuing the ongoing operations of the institution until the conservationship is terminated by order of the Chairman.

(e) The Chairman may, at any time, remove or replace the conservator or may terminate the conservatorship and direct the conservator to turn over the institution's operations to such management as the Chairman may designate, in which event the provisions of this subpart shall no longer apply.

(f) For purposes of this subpart, "System institutions" includes each bank, association, the Farm Credit System Capital Corporation, and the service organizations chartered under Part D of Title IV of the Act.

§ 611.1181 Powers and duties of conservators.

(a) The conservator may, with respect to System institutions, exercise the powers that a receiver of an association may exercise under § 611.1161 (d), (k), (p), (r), and (s). The conservator may, with the prior approval of the Farm Credit Administration, exercise the powers that a receiver of a System bank or association may exercise under §§ 611.1161 (i), (j), (l), (n), (o), and (q) and 611.1171. In interpreting those paragraphs for purposes of this section, the term "conservator" and "conservatorship" shall be read for "receiver" and "receivership," and "institution" shall be read for "association."

(b) The conservator may also, subject to the restrictions contained in this section:

(1) Exercise all powers as are conferred upon the officers and directors of the institution under law and the charter, articles, and by-laws of the institution, except that the conservator may not declare, credit, pay, or otherwise distribute dividends on stock or other equities of a System institution without the prior approval of the Farm Credit Administration;

(2) Pay any sum the receiver deems necessary or advisable to preserve, conserve, or protect the institution's assets or property, or with prior approval of the Farm Credit Administration, rehabilitate or improve such property and assets;

(3) Extend credit to new and existing borrowers as is necessary to the continuing operating of the institution and to effectuate the purposes of the conservatorship;

(4) Investigate any matter related to the conduct of the business of the institution including, but not limited to, any claim of the institution against any individual or entity and, under the supervision of the General Counsel of the Farm Credit Administration, institute, prosecute, maintain, defend, intervene, and otherwise participate in legal or other proceedings in the name of the institution in which the institution, its creditors, or stockholders have any interest, and otherwise represent in every way the institution, its creditors, or stockholders;

(5) Purchase or lease, for 1 year or less, property and supplies, and purchase insurance, professional, and technical services necessary for the conduct of the conservatorship, or with the prior approval of the Farm Credit Administration, lease property for greater than 1 year; or

(6) Take any action the conservator considers appropriate or expedient to the continuing operation of the institution subject to the restrictions contained in this section.

§ 611.1182 Inventory, examination and audits, accounting practices.

(a) As soon as practicable after taking possession of a Farm Credit System institution the conservator shall, as may be directed by the Farm Credit Administration, make an inventory of the assets and liabilities of the institution as of the date possession was taken. Such inventory shall include the scheduling of the book value and fair market value of the institution's assets and the book value of the institution's liabilities and any security therefrom. The inventory must be in a form acceptable to the Farm Credit Administration and contain such other information as the Farm Credit Administration may require. One copy of the inventory shall be filed with the Farm Credit Administration.

(b) The institution in conservatorship shall be examined by the Farm Credit Administration on an annual basis. The institution shall also be audited by the Farm Credit Administration or at the discretion of the Farm Credit Administration by an independent certified public accountant at such times as the Farm Credit Administration may determine. The cost of such examination and audit, as determined by the Farm Credit Administration, shall be paid from the assets of the institution in conservatorship unless otherwise ordered by the Farm Credit Administration.

(c) The Farm Credit Administration may from time to time prescribe accounting practices to be followed and require such audit or other reports covering any matters related to the operations of the institution or the conservatorship as it deems appropriate on such forms as it may prescribe. One copy of the reports required by this section shall be filed with the Farm Credit Administration and one copy shall be retained in the conservator's principal office.

§ 611.1183 Final discharge and release of conservator.

(a) *Final report.* At such time as the conservator shall be relieved of the conservatorship duties, the conservator shall file with the Farm Credit Administration a detailed report in a form satisfactory to the Farm Credit Administration.

(b) *Discharge.* At such time as the conservator shall be relieved of the conservatorship duties, the Chairman may direct an examination of the institution and/or an audit of the books and records of the institution in connection with the final report of the conservator. The accounts of the conservator shall be approved or disapproved by the Farm Credit Administration and, if approved, the conservator shall thereupon be completely and finally released.

12. The authority citation for Part 614 is revised to read as follows; and any other authority citations in the part are removed.

Authority: Secs. 4.12, 4.13, 4.13A, 4.13B, 4.14, 5.9, 5.10, and 5.17, Pub. L. 99–205, 99 Stat. 1678.

13. Part 614 is amended by adding a new Subpart K, Disclosure of Loan Information, to read as follows:

Subpart K—Disclosure of Loan Information

Sec.

614.4365 Applicability.
614.4366 Definitions.
614.4367 Required disclosures.

Subpart K—Disclosure of Loan Information

§ 614.4365 Applicability.

This subpart applies only to System institution loans that are not subject to the Truth in Lending Act.

§ 614.4366 Definitions.

For purposes of this subpart, the following definitions shall apply:

(a) "Adjustable rate loan" means a loan on which the interest rate payable over the term of the loan may be changed by a System institution. The term includes loans which are titled "adjustable rate" or "variable rate" or any other similar designation.

(b) "Effective interest rate" means the interest rate applicable to the loan at a point in time adjusted to take into consideration the amount of any stock or participation certificates as a percentage of the initial net proceeds of the loan which the borrower is required to hold in order to obtain the loan.

(c) "Fixed rate loan" means any loan on which the interest rate on the loan is not subject to adjustment or variation over the term of the loan, even though the effective interest rate on the loan may be so subject.

(d) "Interest rate" means the stated rate of interest applicable to the loan at a point in time, excluding any fees

payable by the borrower in obtaining the loan.

(e) The term "standard adjustment factors" are those financial elements, including, but not limited to, an institution's costs of funds, operating expenses, and provision for loan losses, which are typically taken into consideration by an institution in adjusting the interest rate on loans.

§ 614.4367 Required disclosures.

(a) Each association shall furnish the following information in writing to a prospective borrower at or before the time the person executes the loan agreement:

(1) The current interest rate on the loan; and

(2) In the case of an adjustable rate loan:

(i) The amount and frequency by which the interest rate can be adjusted during the term of the loan or, if there are no limitations on the amount or frequency of such adjustments, a statement to that effect; and

(ii) An identification of the specific standard adjustment factors that are taken into account in making adjustments to the interest rate on the loan; and

(3) The current effective interest rate on the loan with one or more representative examples of the impact of stock or participation certificate ownership requirements on the current interest rate computed on an annualized basis.

(b) Not later than 90 days after the effective date of these regulations, each association shall furnish in writing to each of its borrowers the information specified in paragraph (a) of this section with respect to each loan outstanding to that borrower as of the date the information is furnished.

(c) Each association that adjusts the interest rate on an outstanding loan shall furnish the following information in writing to the borrower not later than 10 days before the effective date of such adjustment:

(1) The new interest rate on the loan;

(2) The date on which the new rate is effective; and

(3) A statement of any factors other than standard factors which were taken into account in establishing the new interest rate.

(d) Each association that takes any action that changes the amount of stock or participation certificates that borrowers are required to own and that modifies the effective interest rate on a loan shall furnish the following information in writing to the borrower at least 10 days before the date on which such action takes effect:

(1) The new effective interest rate;

(2) The date on which the new rate is effective; and

(3) A statement of the action(s) taken by the institution that have resulted in the new effective interest rate.

(e) Each bank for cooperatives shall provide to each loan applicant, who is not a borrower, on or before the date of the loan closing, the following information:

(1) The current interest rate; or

(2) In the case of an adjustable rate loan:

(i) The amount and frequency by which the interest rate can be adjusted during the terms of the loan, or if there are no limitations on the amount or frequency of such adjustments, a statement to that effect; and

(ii) An identification of the specific standard adjustment factors that are taken into account in making adjustments to the interest rate on the loan; and

(3) The projected average effective interest rate on the loan for the next 12-month period, taking into consideration:

(i) The current interest rate;

(ii) Current stock requirements;

(iii) Projected allocated patronage distributions; and

(iv) Projected distributions of annual patronage.

(f) Each bank for cooperatives shall provide each borrower, within 90 days after the effective date of this regulation, and thereafter 30 days after the end of each fiscal year, a statement of such borrower's average effective interest rate for such fiscal year, taking into consideration the criteria specified in paragraph (e)(3) of this section.

Appendix to 12 CFR 614.4367—Required Disclosures

Model Disclosure Forms

General

The following are model disclosure forms which System institutions may use to satisfy the notification requirements of section 4.13(a) of the Act and of 12 CFR 614.4367. The forms have been developed in order to give System institutions an idea of the type and extent of information that should be contained therein. It should be understood that System institutions are not required to follow the format of the sample forms. System institutions may develop and use other forms provided the statements contain comparable disclosures in clear, understandable English and otherwise meet the requirements of the Act and regulations.

This loan is *NOT* subject to the Truth in Lending Act, 15 U.S.C. 1601, *et seq.* The following disclosure is made in accordance with section 4.13(a) of the Farm Credit Act of 1971, as amended, 12 U.S.C. _____.

Form 1.—Interest Rate Disclosure

DATE: .....

LENDER: (*Name*)	BORROWER: (*Name*)
STATED: INTEREST RATE The rate of interest currently applicable to your loan (Percentage)	EFFECTIVE INTEREST RATE* The stated rate of interest adjusted to take into account the purchase of stock (Percentage)

Check Applicable Box

☐ This is a FIXED RATE LOAN—the stated rate of interest is not subject to change during the life of the loan.

☐ This is an ADJUSTABLE RATE LOAN—the stated rate of interest is subject to change during the life of the loan.

If an Adjustable Rate Loan—

The interest rate on the loan may be changed (*Period*).

The interest rate may be changed a maximum ± (*Percentage*).

*This if a projection subject to change should particular loan provisions be modified during the term of the loan, such as the amount of stock or participation certifies held or the timing of repayment. You will be notified prior to any change in the effective rate.

The Standard Adjustment Factor(s) which the institution takes into account in making adjustments to the interest rate is (are) (*list the factors*).

The Standard Adjustment Factors may ☐ or may not ☐ be changed during the life of the loan.

See your contract documents for further information on loan terms and conditions.

Should you have any questions concerning the information contained in this form contact us at (*Telephone Number*).

This loan is not subject to the Truth-in-Lending Act, 15 U.S.C. 1601, *et seq.* The following disclosure is made in accordance with section 4.13(a) of the Farm Credit Act of 1971, as amended, 12 U.S.C. _____.

Form 2.—Disclosure of a Change in the Effective Interest Rate

DATE: _____

LENDER: (*Name*) Borrower: (*Name*)

This is to inform you that on (*loan and loan number*),

☐ The effective rate of interest will be adjusted effective (*Date*).

The effective rate of interest on your loan is changed to (*Percentage*) from (*Percentage*).

This change resulted from a:

☐ 1. Change in the amount of stock borrowers are required to hold in the lender to (*Percentage*) from (*Percentage*).

☐ 2. Change in the stated rate of interest on your loan effective (*Date*).

The stated rate of interest on your loan changed to (*Percentage*) from (*Percentage*).

The change was computed based on the:
☐ Standard Adjustment Factors—factors mentioned on the initial interest rate disclosure.
☐ Other—describe.
☐ 3. Change for other reasons—describe.

Should you have any questions concerning the information contained herein, please contact us at (*Telephone Number*).

This loan is not subject to the Truth-in-Lending Act, 15 U.S.C. 1601, *et seq.* The following disclosure is made in accordance with section 4.13(a) of the Farm Credit Act of 1971, as amended, 12 U.S.C _____.

Form 3.—Interest Rate Disclosures—Cooperatives

DATE: .....
LENDER: *(Name)* BORROWER: *(Name)*
.....

CURRENT INTEREST RATE (Percentage)	EFFECTIVE INTEREST RATE* (Percentage)
.....	

Check applicable box
☐ This is a FIXED RATE LOAN
☐ This an ADJUSTABLE RATE LOAN
If an ADJUSTABLE RATE LOAN—
The interest rate on the loan may be changed *(state frequency of changes).*
The interest rate on the loan may be adjusted a maximum of *(limitation).*
The Standard Adjustment Factor(s) which the institution takes into account in making adjustments to the interest rate on the loan is (are) *(list the factors).*
The Standard Adjustment Factors may ☐ may not ☐ be changed during the life of the loan.
*This is a projection of the average effective interest rate for the 12-month period following the execution of the loan.
Should you have any questions concerning the information contained in this form please contact us at *(Telephone Number).*

This loan is not subject to the Truth-in-Lending Act, 15 U.S.C. 1601, *et seq.* The following disclosure is made in accordance with section 4.13(a) of the Farm Credit Act of 1971, as amended, 12 U.S.C _____.

Form 4.—Annual Effective Interest Rate Disclosure—Cooperatives

DATE: _____
LENDER: *(Name)* BORROWER: *(Name)*

This is to inform you that the effective rate of interest for your outstanding loans for the year ended *(Date)* is as follows:

Loan Type	Loan Number	Effective Interest Rate

Should you have any questions concerning the information contained in this form please contact us at *(Telephone Number).*

14. Subpart L of Part 614 is revised to read as follows:

Subpart L—Notice of Action and Review

Sec.
614.4440 Definitions.
614.4441 Notice of action on loan application.
614.4442 Credit review committees.
614.4443 Review process.
614.4444 Records.

Subpart L—Notice of Action and Review

§ 614.4440 Definitions.

For purposes of this subpart, the following definitions shall apply:

(a) "Adverse credit decision" means a decision on a formal loan application to deny the credit applied for, or approve an extension of credit in an amount less than the amount applied for.

(b) "Applicant" means any person who completes and executes a formal application for an extension of credit from a System bank or association. "Applicant" does not include persons seeking forbearance on an existing loan through a request for deferral or rescheduling of the payment of principal or interest or for renewing or extending the terms of an existing loan. Requests for forbearance are governed by § 614.4513.

(c) "System institution" means the following institutions chartered under the Farm Credit Act of 1971, as amended:

(1) Federal land bank associations; and

(2) Production credit associations.

§ 614.4441 Notice of action on loan application.

Each System institution shall render its decision on an applicant's loan application in as expeditious a manner as is practicable. Upon reaching a decision on a loan application, the institution shall provide prompt written notice of its decision to the applicant. When the institution makes an adverse credit decision, the notice shall include:

(a) The reasons for the institution's action;

(b) Notification that the applicant can request a review of the decision;

(c) Notification that any request for review must be made in writing within 30 days after the applicant's receipt of the institution's notice; and

(d) A brief explanation of the process for seeking review of the decision, including the right to appear before the credit review committee.

§ 614.4442 Credit review committees.

(a) Each Federal land bank is the primary lender for loans that originate in the Federal land bank associations in its district. As primary lenders, each Federal land bank shall establish guidelines under which the boards of directors of each Federal land bank association establish one or more credit review committees. Such guidelines shall include, among other things, the required level of Federal land bank representation on each credit review committee. The membership of each committee shall include at least one member of the association board, and a majority of each committee shall be composed or persons who were not involved in making the adverse credit decision under review. The duties of the members of the review committees may not be delegated to any other person, except the duties of the association board member on the committees may be delegated upon the unanimous vote of the association board.

(b) The board of directors of each production credit association shall establish one or more credit review committees. The membership of each committee shall include at least one member of the association board, and a majority of each committeee shall be composed of persons who were not involved in making the adverse credit decision under review. The duties of the members of the review committees may not be delegated to any other person, except that the duties of the association board member on the committees may be delegated upon the unanimous vote of the association board.

§ 614.4443 Review process.

Each applicant who has received an adverse credit decision can request that such decision be reviewed by the institution's credit review committee. The applicant may submit any documents or other evidence which the applicant believes will demonstrate that the loan applied for is an eligible loan that satisfies the credit standards of the institution. The applicant may also appear in person before the committee. The credit review committee shall reach a decision on the application in its sole discretion. The credit review committee shall make every reasonable effort to conduct reviews and render decisions in as expeditious a manner as possible. Upon reaching a decision, the committee shall notify the applicant in writing of its decision and the reasons therefor.

§ 614.4444 Records.

System institutions shall maintain a complete file of all requests for reviews,

including the disposition of the review by the credit review committee, and other written inquiries concerning adverse credit actions. Such file shall not include confidential documents prepared by the institution for the purpose of evaluating the quality of loans.

15. Subpart N of part 614 is amended by revising the table of contents and § 614.4510 (d), and by adding a new § 614.4513 to read as follows:

Subpart N—Loan Servicing Requirements

Sec.
614.4510 General.
614.4511 Federal land bank association compensation.
614.4512 Compromise of indebtedness.
614.4513 Forbearance.

Subpart N—Loan Servicing Requirements

§ 614.4510 General.

* * * * *

(d) In the development of bank and association loan servicing policies and procedures, the following criteria shall be included:

(1) *Term loans.* The objective shall be to provide borrowers with prompt and efficient service with respect to actions in such areas as personal liability, partial release of security, insurance requirements or adjustments, loan division or transfers, or conditional payments. Procedures shall provide for adequate inspections, reanalysis, reappraisal, controls on payment of insurance and taxes (and for payment when necessary), and prompt exercise of legal options to preserve the lender's collateral position or guard against loss. Loan servicing policies for rural home loans shall recognize the inherent differences between agricultural and rural home lending.

(2) *Operating loans.* The objective shall be to service such loans to assure disbursement in accordance with the basis of approval, repayment from the sources obligated or pledged, and to minimize risk exposure to the lender. Procedures shall require:

(i) The procurement of priodic operating data essential for maintaining control, for the proper analysis of such data, and prompt action as needed;

(ii) Inspections, reappraisals; and borrower visits appropriate to the nature and quality of the loan; and

(iii) Controls on insurance, margin requirements, warehousing, and the prompt exercise of legal options to reserve the lender's collateral position and guard against loss.

§ 614.4513 Forbearance.

(a) Each System institution has an obligation to its borrowers, stockholders, and investors in System debt obligations to collect all debts owed to the institution. In pursuit of that obligation, when a borrower is encountering financial difficulties the institution should consider alternative actions that will increase the likelihood of the borrower being able to repay the debt in an orderly fashion or that will improve the ability of the institution to collect the indebtedness.

(b) For purposes of this section, the term "forbearenace" means a voluntary refraining by a System institution from the enforcement of the terms of any loan document relating to a borrower's obligation to make any payment of principal or interest or comply with any other provision of such document, or the exercise by the institution of its rights under those documents or applicable law with respect to the loan. The types of forbearance actions available to an institution include, but are not limited to, the deferral or rescheduling of the payment of principal or interest, or the renewal or extension of the terms of a loan. The term "forbearance" does not include a reduction in the amount or rate of principal or interest due on a loan. Such actions constitute compromises of indebtedness and may only be entered into in accordance with the criteria contained in § 614.4512.

(c) Each district board and the Farm Credit System Capital Corporation board shall develop a written policy regarding the exercise of forbearance. The policy shall address, at a minimum, the following areas:

(1) The general circumstances under which the institutions will consider forbearance;

(2) The general criteria which the institutions will use in deciding whether to engage in forbearance;

(3) The person(s) responsible for making forebearance decision; and

(4) The nature and timing of communications which the institution will provide to a borrower concerning its consideration of a request for forebearance, its decision on whether to forebear, the nature and duration of any forebearance action which it proposes to take, and any change in its decision as to whether to forbear.

(d) Each institution shall provide a copy of the applicable policy to the borrower at least 10 days prior to the commencement of any collection action and shall make a copy of the policy available at its offices to any party upon request.

(e) All Federal land bank association and production credit association procedures concerning forbearance shall be approved by the bank for which the association serves as agent or which is the principal creditor of that association.

(f) Each System institution shall conduct its operations in a manner which is consistent with the applicable forbearance policy. No institution is authorized to take any forbearance action unless it determines, taking into consideration all relevant facts and legal options, including the effect of such action on the liability of cosigners or guarantors, that such action will result in the greatest net return to the institution for the ultimate benefit of its borrowers, stockholders, and investors.

16. The authority citation for Part 615 is revised to read as follows; and any other authority citations in the part are removed.

Authority: Secs. 5.9, 5.10, and 5.17, Pub. L. 99-205, 99 Stat. 1678.

17. Subpart J of Part 615 is amended by revising the table of contents and by adding a new § 615.5255 with the table of contents to read as follows:

Subpart J—Prescription, Subscription, and Retirement of Stock

Sec.
615.5250 Responsibility.
615.5255 Notice of retirement of capital stock.
615.5260 Early retirement of capital stock and alllocated equities of banks for cooperatives.
615.5270 Purchase of class B stock of the Federal intermediate credit bank by production credit associations.
615.5280 Equalization of Federal intermediate credit bank class B stock and allocated reserve owned be production credit associations.
615.5290 Purchase of Federal intermediate credit bank participation certificates by other financing institutions.
615.5320 Retirement of Federal intermediate credit bank class B stock, participation certificates, and allocated legal reserve.

* * * * *

Subpart J—Prescription, Subscription, and Retirement of Stock

§ 615.5255 Notice of retirement of capital stock.

(a) Where the debt of a borrower of a production credit association or Federal land bank association is in default, the association may, but shall not be required to, retire at book value, not exceeding par or face value, all or part of the capital stock or any other equity owned by a borrower on which the association has a lien as collateral for the debt, in total or partial liquidation of the debt.

(b) Any retirements made by a production credit association or Federal

land bank association under this section shall be made only upon the specific approval procedures issued by the district Federal intermediate credit bank or Federal land bank, respectively.

(c) Prior to making any retirement pursuant to this section, the association shall, at least 10 days prior to the retirement, provide the stockholder with written notice of the following matters:

(1) A statement that the association has declared the borrower's loan to be in default;

(2) A statement that the association will retire the stock of the borrower in total or partial liquidation of his or her loan;

(3) A description of the effect of the retirement on the relationship of the borrower to the association;

(4) A listing of the amount that will still be owed the association after the retirement of the stock; and

(5) The date on which the association will retire the stock of the borrower.

18. Authority citation for Part 618 is revised to read as follows:

Authority: Secs. 4.12A, 5.9, 5.10, and 5.17, Pub. L. 99-205, 99 Stat. 1678.

19. Subpart G is amended by revising the table of contents and § 618.8310, and by adding a new § 618.8325 to read as follows:

Subpart G—Releasing Information

Sec.
618.8300 General regulation.
618.8310 Lists of borrowers and stockholders.
618.8320 Data regarding borrowers and loan applicants.
618.8325 Disclosure of loan documents.
618.8330 Director, officer, or employee summoned as a witness.
618.8340 Information regarding personnel.
618.8350 Authority reserved to release information.

Subpart G—Releasing Information

* * * * *

§ 618.8310 Lists of borrowers and stockholders.

(a) Any System institution, for the purpose of protecting the security position of the institution, may provide lists of borrowers to buyers, warehousemen, and others who deal in produce or livestock of the kind that secures such loans. Lists of borrowers or stockholders shall not otherwise be released by any bank or association except in accordance with paragraph (b) of this section.

(b) (1) Each bank for cooperatives, Federal land bank association, and production credit association shall provide a copy of a current list of its stockholders within 10 days of the receipt of a written request by a stockholder. As a condition to providing the list, the bank or association may require that the stockholder agree and certify in writing that he or she will:

(i) Utilize the list exclusively for communicating with stockholders for permissible purposes; and

(ii) Not make the list available to any person, other than the stockholder's attorney or accountant, without first obtaining the written consent of the institution.

(2) A bank or association may, as an alternative to providing a list of its stockholders, mail or otherwise furnish to each stockholder a communication for a permissible purpose on behalf of the requesting stockholder. This alternative may be used only with the consent of the requesting stockholder and the agreement of the requestor to defray the reasonable costs of the communication. The bank or association shall provide the requesting stockholder a written estimate of the costs of handling and mailing the communication as soon as practicable after receipt of the stockholder's request to furnish a communication.

(3) For purposes of paragraph (b) of this section "permissible purpose" is defined to mean matters relating to the business operations of the bank or association. This shall include matters relating to the effectiveness of management, the use of corporate assets, and the performance of directors and officers. This shall not include communications involving commercial, social, political, or charitable causes, communications relating to the enforcement of a personal claim or the redress of a personal grievance, or proposals advocating that the bank or association violate any Federal, State, or local law or regulation.

§ 618.8325 Disclosure of loan documents.

(a) For purposes of this section, the following definitions shall apply:

(1) "Borrower" means any signatory to a loan contract who is either primarily or secondarily liable on such contract, including guarantors, endorsers, cosigners or the like.

(2) "Execution of the loan" means the time at which the borrower and the System bank or association have entered into a legal, binding, and enforceable loan contract and any subsequent amendment or modification of such contract.

(3) "Loan contract" means any written agreement under which a System bank or association loans or agrees to loan funds to a borrower in consideration for, among other things, the borrower's promise to repay the loaned funds at an agreed upon rate of interest.

(4) "Loan document" means any form, application, agreement, contract, instrument, or other writing to which a borrower affixes his or her signature or seal and which the lending bank or association intends to retain in its files as evidence relating to the loan contract entered into between it and the borrower, but shall not include any document related to a loan which the borrower has not signed.

(b) Each System bank and association shall provide copies of all loan documents to the borrower or the borrower's legal representative at the execution of the loan. Subsequently, upon written request of a borrower or a borrower's legal representative, a bank or association shall provide, as soon as practicable, copies of any loan documents signed by the borrower or other documents delivered by such borrower to that bank or association.

(c) Each System bank and association shall have available in its offices, copies of the institution's articles of incorporation or charter, and bylaws for inspection, and shall furnish a copy of such documents to any owner of stock or participation certificates upon request.

(d) The Farm Credit System Capital Corporation (Capital Corporation) shall, upon written request of a borrower or a borrower's legal representative, provide copies of any loan document signed by the borrower or other documents delivered by such borrower to the Capital Corporation.

Kenneth J. Auberger,
Acting Chairman.

[FR Doc. 86-10216 Filed 5-5-86; 2:04 pm]

BILLING CODE 6705-01-M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 85-NM-149-AD]

Airworthiness Directives: Boeing Model 747 Series Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of Proposed Rulemaking (NPRM).

SUMMARY: This notice proposes to adopt an airworthiness directive (AD) that would require inspections and modifications of the Boeing Model 747 emergency escape system including the escape slides. There have been

numerous reports of failures of the Model 747 evacuation system due to installation errors and equipment malfunctions. The proposed inspections and modifications will provide satisfactory overall reliability of the passenger evacuation system and provide corrective action for the malfunctions indentified in the listed service bulletins. Failure of the evacuation system could result in unusable escape slides and jeopardize successful emergency evacuation of an airplane.

DATE: Comments must be received on or before July 29, 1986.

ADDRESSES: Send comments on the proposal in duplicate to the Federal Aviation Administration, Northwest Mountain Region, Office of the Regional Counsel, Attention: Airworthiness Rules Docket No. 85–NM–149–AD, 17900 Pacific Highway South, C–68966, Seattle, Washington 98168. The applicable service information may be obtained from the Boeing Commercial Airplane Company, P.O. Box 3707, Seattle, Washington 98124; BF Goodrich Company, Dept. 1809, 500 South Main Street, Akron, Ohio 44318; and Air Cruisers Company, P.O. Box 180, Belmar, New Jersey 07719. This information may be examined at the FAA, Northwest Mountain Region, 17900 Pacific Highway South, Seattle, Washington, or the Seattle Aircraft Certification Office, 9010 East Marginal Way South, Seattle, Washington.

FOR FURTHER INFORMATION CONTACT: Mr. Roger Young, Airframe Branch, ANM–120S; telephone (206) 431–2929. Mailing address: FAA, Northwest Mountain Region, 17900 Pacific Highway South, C–68966, Seattle, Washington 98168.

SUPPLEMENTARY INFORMATION:

Comments Invited

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 regulatory docket number and be submitted in duplicate to the address specified above. All communications received on or before the closing date for comments specified above will be considered by the Administrator before taking action on the proposed rule. The proposals contained in this notice may be changed in light of the 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. A report summarizing each FAA-public contact concerned with the substance of this proposal will be filed in the Rules Docket.

Availability of NPRM

Any person may obtain a copy of this Notice of Proposed Rulemaking (NPRM) by submitting a request to the FAA, Northwest Mountain Region, Office of the Regional Counsel, Attention: Airworthiness Rules Docket No. 85–NM–149–AD, 17900 Pacific Highway South, C–68966, Seattle, Washington 98168.

Discussion: Recent reports of malfunctions of the Boeing Model 747 emergency escape system have resulted in a review of the past service history and all service bulletins related to the reliability of the Model 747 doors, escape slides, and related hardware. Based on this review, the FAA considers it necessary to propose requirements for inspections and modifications to achieve satisfactory reliability of the escape system. This will decrease the likelihood of malfunctions which could jeopardize successful evacuation of the airplane.

Inspection procedures and service bulletins were developed by the manufacturer as a result of problems discovered in service. These prescribe inspections and corrective actions, as necessary, to address the following problems:

A. There have been numerous reports of escape slide failures due to slide installation errors, door rigging problems, and problems with girt bar engagement. These conditions have resulted in slide failures. The proposed inspections would check the escape system for certain conditions, including installation errors and rigging problems, which may prevent successful operation of the Model 747 main deck escape slides. Boeing Model 747 Maintenance Manual Temporary Revision 52–607 describes these inspections and repairs, if necessary. Incorporation of these inspections into the operators' FAA-approved maintenance inspection program is proposed to detect and correct problems and, thus, achieve satisfactory reliability of the escape system.

B. There have been reports of failure of the off-wing escape slide compartment door to open due to loose control rod jam nuts, excessive movement of control rods, and corrosion of latch components. Failure of the door opening mechanism will prevent deployment of the escape slide. Boeing Model 747 Service Bulletin 25–2083, dated August 12, 1970, describes modifications to the off-wing compartment that will correct these problems.

C. There have been escape slide failures due to a trapped release cable. The release cable was trapped between the cover and the packboard release mechanism during installation, which prevented slide inflation. Boeing Model 747 Service Bulletin 25–2141, Revision 1, dated July 19, 1971, describes modifications to the packboard release mechanism to prevent entrapment of the release cable.

D. Tests of the off-wing escape slides have shown that they may not perform adequately at low temperatures. The slide may not inflate to the minimum operating pressure at low temperatures, which could result in delays in evacuating an aircraft in an emergency. Boeing Service Bulletin 747–25–2332, Revision 2, dated September 2, 1977, describes modifications to the off-wing escape slide inflation system to correct this condition.

E. There have been reports of escape slide failures due to corrosion of the pressure vessel actuator. Corrosion of the actuator will prevent the slide from inflating. Boeing Service Bulletin 747–25–2423, dated August 25, 1978, describes replacement of the actuator assemblies with an actuator made of material less susceptible to corrosion.

F. There have been reports of escape slide failures due to corrosion of the firing cable. This corrosion prevented movement of the firing cable when the slide compartment opens, thus preventing slide inflation. Boeing Service Bulletin 747–25–2501, Revision 1, dated January 11, 1985, describes inspections and replacement, if necessary, to remove corroded cables from service. Repetitive inspections would be required until the cables are replaced with cables less susceptible to corrosion.

G. During testing it was found that upper deck sldies could fail due to the stabilizing strap catching on the packboard. If the strap remains caught during deployment, the slide could tear and would not inflate. Boeing Service Bulletin 747–25–2465, Revision 1, dated May 25, 1982, describes modification of the packboard to prevent the strap from catching.

H. There have been reports of loose slide pack lacing due to the expansion of air trapped in the slide. If the lacing becomes disengaged, it may prevent proper slide deployment. Boeing Service Bulletin 747–25–2525, Revision 1, dated May 22, 1981, describes modification of the slide compartment to prevent air from being trapped in the slide.

I. Upper deck escape slide release cable slider connectors have been found incorrectly installed. Incorrect

installation of slide release cable slider connectors would prevent proper slide deployment. Boeing Service Bulletin 747–25–2529, dated July 10, 1981, describes modification of the slide packboard to preclude incorrect installation.

J. There have been cases of off-wing escape slide latch release and door opening thrusters that did not fire during slide deployment. These failures were due to corrosion and moisture inside the thruster, which prevented the firing pin from striking the primer properly. Failure of the thruster will prevent slide deployment and result in an unusuable slide. Boeing Service Bulletin 747–25–2592, dated June 15, 1982, describes modification of the thrusters to correct the corrosion and moisture problem.

K. There have been reports of contaminated percussion primer in the off-wing slide door deployment thrusters. If the primer is contaminated, the thruster will not fire and the escape slide compartment may not open. Boeing Service Bulletin 747–25–2641, dated October 26, 1984, describes inspection and replacement, if necessary, of the thrusters to remove the suspect primers from service.

L. There have been reports of escape slide failures due to the girt bar at door number 5 detaching from the airplane when the door mode select lever indicated the door was in the automatic mode. This was caused by girt bar misalignment. If the girt bar detaches, the slide is unusable. Boeing Service Bulletin 747–52–2171, Revision 1, dated December 3, 1982, describes adjustment of the floor fittings and installation of new girt bar lifters to prevent the automatic indication if the girt bar is not properly engaged.

The following table lists the approximate number of U.S. registered airplanes that would be affected by this AD and gives an estimate of the manhours and cost of repair parts per airplane that it would take to accomplish each of the proposed inspections.

Item	No. of airplanes	Manhours/Airplanes	Parts
A	165	14	0
B	40	10	$133
C	78	30	2,370
D	0	28	18,380
E	7	8	2,636
F	165	48	1,086
G	12	16	0
H	9	12	243
I	6	7	651
J	165	10	2,040
K	165	4	1,020
L	165	16	2,273

Based on an average labor cost of $40 per manhour, and the table above, the total cost impact of this AD to U.S. operators is estimated to be $2,006,580.

For the reasons discussed above, the FAA has determined that this document (1) involves a proposed regulation which is not major under Executive Order 12291 and (2) is not a significant rule pursuant to the Department of Transportation Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and it is certified under the criteria of the Regulatory Flexibility Act that this proposed rule, if promulgated, will not have a significant economic impact on a substantial number of small entities because few, if any, Boeing Model 747 airplanes are operated by small entities. A copy of a draft regulatory evaluation prepared for this action is contained in the regulatory docket.

List of Subjects in 14 CFR Part 39

Aviation safety, Aircraft.

The Proposed Amendment

PART 39—[AMENDED]

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration proposes to amend § 39.13 of Part 39 of the Federal Aviation Regulations as follows:

§ 39.13 [AMENDED]

1. The authority citation for Part 39 continues to read as follows:

Authority: 49 U.S.C. 1354(a), 1421 and 1423; 49 U.S.C. 106(g) (Revised Pub. L. 97–449, January 12, 1983); and 14 CFR 11.89

2. By adding the following new airworthiness directive:

Boeing: Applies to all Model 747 series airplanes, certificated in any category. The applicability of each requirement is listed in the following paragraphs. Compliance required as indicated in the body of the AD. To detect installation errors and provide satisfactory reliability of the evacuation system, accomplish the following, unless already accomplished:

A. Inspect the Model 747 evacuation system in accordance with the following pages of the Boeing Maintenance Manual Temporary Revision 52–607, dated October 31, 1985, or later FAA-approved revisions, except as noted in 1. and 2. below, within nine months after the effective date of this AD, for airplanes, line number 2 through 630:

Chapter—Section—Subject	Page No.	Date	Code
52-11-07	601	Dec. 25, 1985	01.1
52-11-07	602-663	Dec. 25, 1985	701

1. For airplanes equipped with Air Cruisers slide rafts installed in accordance with STC SA1215EA, the following changes must be made to the inspections:

a. Page 602, Step C: The strap does not require disconnecting.

b. Page 604, Step P(3): The girt lanyard cables must be installed on both forward and aft pulleys in accordance with a Air Cruisers Installation Instructions P–11751.

c. Page 603, Step Q(13): This step may be deleted.

2. For airplanes equipped with BFGoodrich slide/rafts installed in accordance with STC SA574CL or SA575GL, replace page 602, Step C, and page 605, Step Q(13), with the survival kit instructions of BFGoodrich Service Bulletin 25–063.

Airplane evacuation systems that do not meet the inspection criteria must be repaired prior to further flight in accordance with the corrective action procedure listed in the Boeing Maintenance Manual Temporary Revision, or as amended by the Air Cruisers installation instructions.

B. Within the next nine months after the effective date of this AD, incorporate the inspections described in paragraph A., above, or later FAA–approved revisions or FAA-approved equivalent into the FAA-approved maintenance inspection program. These inspections apply to all Model 747 airplanes and must be accomplished at intervals not to exceed 30 months.

Note: Equivalent inspections may be approved by an FAA Principal Maintenance Inspector.

C. Within 18 months after the effective date of this AD, inspect and/or modify the evacuation system in accordance with the following service bulletins, or later FAA-approved revisions.

1. For airplanes listed in Boeing Model 747 Service Bulletin 25–2083, dated August 12, 1970, modify the off-wing escape slide compartment latch system in accordance with that Boeing Service Bulletin.

2. For all Model 747 airplanes equipped with evacuation slide assemblies (Boeing Part Number 60B00006–83 thru–102) and evacuation ramp assemblies (Boeing Part Numbers 60B50076–57 thru–60) modify the slide/ramp packboard release mechanism in accordance with Boeing Model 747 Service Bulletin 25–2141, Revision 1, dated July 19, 1971.

Note: These units may have been installed on airplanes other than those listed in the service bulletin.

3. For airplanes listed in Boeing Service Bulletin 747–25–2332, Revision 2, dated September 2, 1977, modify the off-wing escape slide inflation system in accordance with that Boeing Service Bulletin.

4. For Model 747 airplanes with reservoir assemblies (BFGoodrich Part Numbers 4A3037–12 and –13, 4A3038, and 4A3038–10 and –11) installed at the off-wing location, replace the actuator assembly portion of the reservoir assembly in accordance with Boeing Service Bulletin 747–25–2423, dated August 25, 1978.

Note: These reservoir assemblies may have been installed on airplanes other than those listed in the service bulletin.

5. For model 747 airplanes listed in Boeing Service Bulletin 747–25–2501, Revision 4, dated January 11, 1985, test and inspect the off-wing slide firing cable in accordance with that Boeing Service Bulletin.

a. Cables not meeting the test and inspection criteria must be replaced prior to further flight.

b. Repeat the inspection at intervals not to exceed two years until the cables are replaced in accordance with Paragraph III. J. of Boeing Service Bulletin 747–25–2501, Revision 4, dated January 11, 1985.

6. For Model 747 airplanes equipped with upper deck evacuation slide assemblies (Boeing Part Numbers 60B50072–31, –32, –39, –41 thru –46, –50 thru –52, –59 thru –61, and –63 thru –65), modify the slide assemblies in accordance with Boeing Service Bulletin 747–25–2465, Revision 1, dated May 25, 1982.

Note: These slide assemblies may have been installed on airplanes other than those listed in the service bulletin.

7. For Model 747 airplanes listed in Boeing Service Bulletin 747–25–2525, Revision 1, dated May 22, 1981, modify the off-wing escape slide compartment in accordance with that Boeing Service Bulletin.

8. For Model 747 airplanes equipped with upper deck escape slide packboard assemblies (Boeing Part Number 65B57619–41 and –42), modify the packboard in accordance with Boeing Service Bulletin 747–25–2529, dated July 10, 1981.

Note: These packboards may have been installed on airplanes other than those listed in the service bulletin.

9. For airplanes listed in Boeing Service Bulletin 747–25–2592, dated June 15, 1982, modify the off-wing latch release and door opening thrusters in accordance with that Boeing Service Bulletin.

10. For airplanes listed in Boeing Service Bulletin 747–25–2641, dated October 26, 1984, inspect and replace, if necessary, the off-wing door deployment thruster in accordance with that Boeing Service Bulletin.

D. For all Model 747 airplanes equipped with a combination slide/raft, within two years after the effective date of this AD, replace the Door No. 5 grit bar lifters and adjust the door floor fittings in accordance with Boeing Service Bulletin 747–52–2171, Revision 1, dated December 3, 1982, or later FAA-approved revisions.

E. Except as provided in paragraph B., above, an alternate method of compliance or adjustment of the compliance time, which provides an acceptable level of safety, may be used when approved by the Manager, Seattle Aircraft Certification Office, FAA, Northwest Mountain Region.

F. Upon request of an operator, an FAA Principal Maintenance Inspector, subject to approval by the Manager, Seattle Aircraft Certification Office, FAA, Northwest Mountain Region, may adjust the inspection times specified in this AD to permit compliance at an established inspection period of that operator if the request contains substantiating data to justify the change for that operator.

G. Special flight permits may be issued in accordance with FAR 21.197 and 21.199 to operate airplanes to a base for the accomplishment of inspections and/or modifications required by this AD.

All persons affected by this proposal who have not already received the appropriate service documents from the manufacturer may obtain copies upon request to the Boeing Commercial Airplane Company, P.O. Box 3707, Seattle, Washington 98124–2207; BF Goodrich Company, Dept 1809, 500 South Main Street, Akron, Ohio 44318; and Air Cruisers Company, P.O. Box 180, Belmar, New Jersey 07719. These documents may be examined at the FAA, Northwest Mountain Region, 17900 Pacific Highway South, Seattle, Washington, or the Seattle Aircraft Certification Office, 9010 East Marginal Way South, Seattle, Washington.

Issued in Seattle, Washington, on April 30, 1986.

Wayne J. Barlow,

Acting Director, Northwest Mountain Region.

[FR Doc. 86–10250 Filed 5–7–86; 8:45 am]

BILLING CODE 4910–13–M

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14 CFR Part 39

[Docket No. 86–NM–60–AD]

Airworthiness Directives: Boeing Model 767 Series Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: Ths notice proposes to adopt an airworthiness directive (AD) that would require replacement of the trolley roller and side track roller assemblies and the cable pulleys in the counterbalance system on certain Boeing Model 767 entry/service doors. This action is prompted by reports of component failures, which could prevent the door from opening when required for emergency evacuation.

DATE: Comments must be received on or before June 30, 1986.

ADDRESSES: Send comments on the proposal in duplicate to the Federal Aviation Administration, Northwest Mountain Region, Office of the Regional Counsel, ANM–7, Attention: Airworthiness Rules Docket No. 86–NM–60–AD, 17900 Pacific Highway South, C–68966, Seattle, Washington 98168. The applicable service information may be obtained from the Boeing Commercial Airplane Company, P.O. Box 3707, Seattle, Washington 98124. The information may be examined at the FAA, Northwest Mountain Region, 17900 Pacific Highway South, Seattle, Washington, or the Seattle Aircraft Certification Office, 9010 East Marginal Way South, Seattle, Washington.

FOR FURTHER INFORMATION CONTACT: Mr. Pliny Brestel, Aerospace Engineer, Airframe Branch, ANM–120S; telephone (206) 431–2931. Mailing address: FAA, Northwest Mountain Region, 17900 Pacific Highway South, C–68966, Seattle, Washington 98168.

SUPPLEMENTARY INFORMATION:

Comments Invited

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 regulatory docket number and be submitted in duplicate to the address specified above. All communications received on or before the closing date for comments specified above will be considered by the Administrator before taking action on the proposed rule. The proposals contained in this notice may be changed in light of the 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. A report summarizing each FAA-public contact concerned with the substance of this proposal will be filed in the Rules Docket.

Availability of NPRM

Any person may obtain a copy of this Notice of Proposed Rulemaking (NPRM) by submitting a request to the FAA, Northwest Mountain Region, Office of the Regional Counsel, Attention: Airworthiness Rules Docket No. 86–NM–60–AD, 17900 Pacific Highway South, C–68966, Seattle, Washington 98168.

Discussion: Operators have reported a number of instances in which an entry/service door was difficult to operate or could not be fully opened. Investigation revealed fifteen specific instances of entry/service door trolley roller and/or side track roller assemblies that were either worn, cracked, loose, and/or broken. Three of these reports indicated that the entry/service door jammed to the extent that excessive force was required to open the door, and one report indicated that the door could not be opened. Investigation also revealed two instances in which the spokes of a pulley in the door counterbalance system had broken. The failure allowed the cables to drag against the broken pulley and adjacent structure which resulted in frictional forces that exceeded the design capability of the counterbalance system to open the door.

Boeing issued Service Bulletin No. 767–52–0032 on September 13, 1985, which describes a modification of Model

767 entry/service doors by replacing the existing sintered metal roller assemblies with aluminum-nickel-bronze roller assemblies. Part kits (one kit per airplane) became available beginning October 4, 1985, and production of these kits for domestic and foreign operators will be completed by September 26, 1986.

Boeing issued Service Bulletin No. 767–52–0037 on March 21, 1986, which describes modification of the counterbalance system by replacing the existing cast aluminum pulleys with stronger aluminum alloy pulleys. Part Kits (one kit per airplane) will become available beginning May 9, 1986, and production of these kits for domestic and foreign operators will be completed by November 12, 1986.

Since a situation exists where the failure of door components could result in the entry/service door becoming inoperative during an emergency evacuation, an AD is proposed that would require replacement of certain roller assemblies, and modification of the counterbalance system by replacing the existing cast aluminum pulleys with stronger aluminum alloy pulleys, in accordance with the service bulletins referenced above.

It is estimated that 58 airplanes of U.S. registry would require replacement of the roller assemblies, which would require 56 manhours per airplane to accomplish; 61 airplanes of U.S. registry would require modification of the counterbalance system and would require 10 manhours per airplane to accomplish. At an estimated cost of $40 per manhour, the cost impact of this AD on U.S. operators is estimated to be $154,320.

For the reasons discussed above, the FAA has determined that this document (1) involves a proposed regulation which is not major under Executive Order 12291 and (2) is not a significant rule pursuant to the Department of Transportation Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and it is certified under the criteria of the Regulatory Flexibility Act that this proposed rule, if promulgated, will not have a significant economic impact on a substantial number of small entities because few, if any, Boeing Model 767 airplanes are operated by small entities. A copy of a draft regulatory evaluation prepared for this action is contained in the regulatory docket.

List of Subjects in 14 CFR Part 39

Aviation safety, Aircraft.

The Proposed Amendment

PART 39—[AMENDED]

Accordingly, pursuant to the authority delegated to me by the Administrator the Federal Aviation Administration proposes to amend § 39.13 of Part 39 of the Federal Aviation Regulations as follows:

1. The authority citation for Part 39 continues to read as follows:

Authority: 49 U.S.C. 1354(a), 1421 and 1423; 49 U.S.C. 106(g) (Revised Pub. L. 97–449, January 12, 1983); and 14 CFR 11.89.

§ 39.13 [Amended]

2. By adding the following new airworthiness directive:

Boeing: Applies to the Model 767 series airplanes specified in the Boeing service bulletins listed below, certificated in any category.

To ensure proper entry/service door operation during emergency evacuation, accomplish the following within 9 months after the effective date of this AD, unless previously accomplished:

A. For airplanes listed in Boeing Service Bulletin 767–0032, dated September 13, 1985, remove and replace the entry/service door trolley roller and side track roller assemblies in accordance with Boeing Service Bulletin 767–52–0032, dated September 13, 1985, or later FAA-approved revisions.

B. For airplanes listed in Boeing Service Bulletin 767–52–0037, dated March 21, 1986, replace the counterbalance cable pulleys in accordance with Boeing Service Bulletin 767–52–0037, dated March 21, 1986, or later FAA-approved revisions.

C. An alternate means of compliance or adjustment of the compliance time, which provides an acceptable level of safety, may be used when approved by the Manager, Seattle Aircraft Certification Office, FAA, Northwest Mountain Region.

D. Special flight permits may be issued in accordance with FAR 21.197 and 21.199 to operate airplanes to a base for the accomplishment of inspections and/or modifications required by this AD.

All persons affected by this proposal who have not already received copies of the manufacturer's service bulletins may obtain copies upon request to the Boeing Commercial Airplane Company, P.O. Box 3707, Seattle, Washington 98124–2207. These documents may be examined at the FAA, Northwest Mountain Region, 17900 Pacific Highway South, Seattle, Washington, or the Seattle Aircraft Certification Office, 9010 East Marginal Way South, Seattle, Washington.

Issued in Seattle, Washington, on April 30, 1986.

Wayne J. Barlow,

Acting Director, Northwest Mountain Region.

[FR Doc. 86–10260 Filed 5–7–86; 8:45 am]

BILLING CODE 4910–13–M

14 CFR Part 39

[Docket No. 86–NM–27–AD]

Airworthiness Directives: McDonnell Douglas Model DC–6, –6A, –6B, R6D, and C–118 (Military) Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This notice proposes to amend an existing airworthiness directive (AD), applicable to McDonnell Douglas DC–6, –6A, –6B, R6D, and C–118 (Military) airplanes which requires inspection and repairs, if necessary, of wing lower fittings, stringers, and skin. This amendment defines a more accurate X-ray technique to assure proper coverage and sensitivity. This amendment also revises the inspection intervals as a result of recent service experience.

DATE: Comments must be received no later than June 30, 1986.

ADDRESS: Send comments on the proposal in duplicate to Federal Aviation Administration, Northwest Mountain Region, Office of the Regional Counsel, ANM–7, Attention: Airworthiness Rules Docket No. 86–NM–27–AD, 17900 Pacific Highway South, C–68966, Seattle, Washington 98168. The applicable service information may be obtained from McDonnell Douglas Corporation, 3855 Lakewood Boulevard, Long Beach, California 90846, Attention: Director, Publications and Training, C1–L65 (54–60). This information may be examined at the FAA, Northwest Mountain Region, 17900 Pacific Highway South, Seattle, Washington, or 4344 Donald Douglas Drive, Long Beach, California.

FOR FURTHER INFORMATION CONTACT: Mr. William Roberts, Aerospace Engineer, Airframe Branch, ANM–121L, FAA, Northwest Mountain Region, Los Angeles Aircraft Certification Office, 4344 Donald Douglas Drive, Long Beach, California 90808; telephone (213) 514–6319.

SUPPLEMENTARY INFORMATION:

Comments Invited

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 regulatory docket number and be submitted in duplicate to the address specified above. All communications received on or before the closing date for comments specified

above will be considered by the Administrator before taking action on the proposed rule. The proposal contained in this Notice may be changed in light of the 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. A report summarizing each FAA/public contact concerned with the substance of this proposal will be filed in the Rules Docket.

Availability of NPRM

Any person may obtain a copy of this Notice of Proposed Rulemaking (NPRM) by submitting a request to the FAA, Northwest Mountain Region, Office of the Regional Counsel, Attention: Airworthiness Rules Docket No. 86-NM-27-AD, 17900 Pacific Highway South, C-68966, Seattle, Washington 98168.

Discussion

AD 80-12-02, Amendment 39-3785 (45 FR 37811), requires X-ray, internal visual, and partial external dye penetrant inspections of the left and right wing lower fittings, stringers, and skin to detect cracks on McDonnell Douglas DC-6 series airplanes. Subsequent to issuance of AD 80-12-02, the FAA has determined that the inspections specified by the AD are not effective in detecting cracks in certain of these locations. Such cracks, if not detected, could lead to loss of strength capability of the wing.

McDonnell Douglas issued Report No. MDC-J1946, Revision "A", dated July 26, 1985, which describes an inspection method which will detect such cracking. When using this method of inspection, the FAA has determined that the interval between inspections may be extended and still provide an acceptable level of safety.

Since this situation is likely to exist or develop on other airplanes of the same type design, the FAA proposes to amend AD 80-12-02 to specify a more effective X-ray procedure and extend the time interval between X-ray inspections. In addition, the proposal revises references in the existing AD to FAA officials to conform with current delegations of authority.

It is estimated that 187 airplanes of U.S. registry would be affected by this AD, that it would take approximately 3 manhours per airplane to accomplish the required action, and that the average labor cost would be $40 per manhour. Based on these figures, the total cost impact of the AD on U.S. operators is estimated to be $22,440. Because the inspection interval has been extended from 500 to 1,000 hours, this incremental cost is absorbed, and the AD provides a net savings to the operator.

For these reasons, the FAA has determined that this document (1) involves a proposed regulation which is not major under Executive Order 12291 and (2) is not a significant rule pursuant to the Department of Transportation Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and it is further certified under the criteria of the Regulatory Flexibility Act that this proposed rule, if promulgated, will not have a significant economic impact on a substantial number of small entities because of the number of airplanes and the small size of the inspections added. A copy of a draft regulatory evaluation prepared for this action is contained in the regulatory docket.

List of Subjects in 14 CFR Part 39

Aviation safety, Aircraft.

The Proposed Amendment

PART 39—[AMENDED]

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration proposes to amend § 39.13 of Part 39 of the Federal Aviation Regulations as follows:

1. The authority citation for Part 39 continues to read as follows:

Authority: 49 U.S.C. 1354(a), 1421 and 1423; 49 U.S.C. 106(g) (Revised, Pub. L. 97-449, January 12, 1983); and 14 CFR 11.89.

2. By amending AD 80-12-02, Amendment 39-3785 (45 FR 37811), as follows:

McDonnell Douglas: Applies to McDonnell Douglas Model DC-6, -6A, -6B, R6D and C-118 series aircraft, certificated in any category. Compliance required as indicated, unless previously accomplished.

A. Revise paragraph (b)(2) to read as follows:

"(2) Repair cracks in accordance with Douglas Structural Repair Manual or other repair data approved by the Manager, Los Angeles Aircraft Certification Office, FAA, Northwest Mountain Region."

B. Revise paragraph (c)(1) to read as follows:

"(1) Inspect by X-ray the left and right wing lower skin, stringers, and fittings between wing station 60 to 130 and 167 to 185, from the front spar to the center spar; and inspect by X-ray the wing skin that lies beneath the skate angle at wing station 130 at the inboard edge of the inboard nacelle, both left and right wing, in accordance with Douglas Aircraft Company Report MDC-J1946, "NDI Inspection Techniques for DC-6 Lower Wing Skin at Station 130," Revision "A," dated July 26, 1985, or later revision approved by the Manager, Los Angeles Aircraft Certification Office, FAA, Northwest Mountain Region."

C. Reidentify paragraph (c)(4) as (c)(5), and revise to read as follows:

"(5) Repair cracks prior to further flight in accordance with Douglas Structural Repair Manual or other repair data approved by the Manager, Los Angeles Aircraft Certification Office, FAA, Northwest Mountain Region."

D. Add a new paragraph (c)(4) to read as follows:

"(4) The interval for conducting the X-ray inspection in paragraph (c)(1), above, may be extended from 500 to 1,000 hours time-in-service from the last X-ray inspection, provided that the visual inspection specified in paragraph (c)(2), above, is extended to cover wing stations 60 to 185 from the front spar to the center spar, when the X-ray inspection is not accomplished."

E. Delete paragraphs (d) and (e) and add a new paragraph (d) to read as follows:

"(d) Alternate means of compliance which provide an acceptable level of safety may be used when approved by the Manager, Los Angeles Aircraft Certification Office, FAA, Northwest Mountain Region."

All persons affected by this proposal who have not already received the appropriate service documents from the manufacturer may obtain copies upon request to the Douglas Aircraft Company, P.O. Box 1771, Long Beach, California 90801, Attention: Publications Department, C1-L65 (54-60). These documents also may be examined at the FAA, Northwest Mountain Region, 17900 Pacific Highway South, Seattle, Washington, or at 4344 Donald Douglas Drive, Long Beach, California.

Issued in Seattle, Washington, on April 30, 1986.

Wayne J. Barlow,

Acting Director, Northwest Mountain Region.

[FR Doc. 86-10257 Filed 5-7-86; 8:45 am]

BILLING CODE 4910-13-M

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14 CFR Part 39

[Docket No. 86-NM-31-AD]

Airworthiness Directives: McDonnell Douglas Model DC-9-81 (MD-81) and DC-9-82 (MD-82) Series Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This notice proposes a new airworthiness directive (AD) that would require inspection and replacement, as necessary, of Main Landing Gear Retainer assemblies on McDonnell Douglas DC-9-81 (MD-81) and DC-9-82 (MD-82) series airplanes. This proposal is prompted by a report of a main landing gear (MLG) wheel which became separated from the aircraft during landing. This proposed AD is needed to minimize the possibility of a

wheel assembly separation during the wheel rotation.

DATE: Comments must be received no later than June 30, 1986.

ADDRESS: Send comments on the proposal in duplicate to Federal Aviation Administration, Northwest Mountain Region, Office of the Regional Counsel, ANM-7, Attention: Airworthiness Rules Docket No. 86-NM-31-AD, 17900 Pacific Highway South, C-68966, Seattle, Washington 98168. The applicable service information may be obtained from McDonnell Douglas Corporation, 3855 Lakewood Boulevard, Long Beach, California 90846, Attention: Director, Publications and Training, C1-L65 (54-60). This information also may be examined at the FAA, Northwest Mountain Region, 17900 Pacific Highway South, Seattle, Washington, or 4344 Donald Douglas Drive, Long Beach, California.

FOR FURTHER INFORMATION CONTACT: Mr. Jerald R. Berube, Aviation Safety Inspector, Manufacturing Inspection Branch, ANM-160L, FAA, Northwest Mountain Region, Los Angeles Aircraft Certification Office, 4344 Donald Douglas Drive, Long Beach, California 90808; telephone (213) 514-6341.

SUPPLEMENTARY INFORMATION:

Comments Invited

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 regulatory docket number and be submitted in duplicate to the address specified above. All communications received on or before the closing date for comments specified above will be considered by the Administrator before taking action on the proposed rule. The proposal contained in this Notice may be changed in light of the 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. A report summarizing each FAA/public contact concerned with the substance of this proposal will be filed in the Rules Docket.

Availability of NPRM

Any person may obtain a copy of this Notice of Proposed Rulemaking (NPRM) by submitting a request to the FAA, Northwest Mountain Region, Office of the Regional Counsel, Attention: Airworthiness Rules Docket No. 86-NM-31-AD, 17900 Pacific Highway South, C-68966, Seattle, Washington 98168.

Discussion

One operator has reported one incident where the inboard right main landing gear (MLG) wheel assembly separated from the aircraft during landing. Investigation has revealed that the cause of the separation was a missing axle nut retainer lockpin which serves as an anti-rotation device for the axle nut. Further investigation revealed that the missing lockpin resulted from a non-conforming interference fit between the pin and retainer.

McDonnell Douglas issued Alert Service Bulletin A32-206, dated July 3, 1985, which describes inspection and replacement, if necessary, of axle nut retainer assembly P/N 3937043-1 (four per airplane). Inspecting the retainer assembly will assure that the lockpin is properly installed and aligned with the axle nut and wheel assembly to prevent separation during wheel rotation.

Since this condition is likely to exist or develop on other airplanes of the same type design, an airworthiness directive (AD) is being proposed which would require inspection and replacement, if necessary, of retainer assemblies on the main landing gear on McDonnell Douglas DC-9-81 (MD-81) and DC-9-82 (MD-82) series airplanes in accordance with the service bulletin mentioned above.

It is estimated that 146 airplanes of U.S. registry would be affected by proposed AD, that it would take approximately 4 manhours per airplane to accomplish the required action, and that the average labor cost would be $40 per manhour. Parts required for the modification would be provided by the aircraft manufacturer upon request. Based on these figures, the total cost impact of the AD on U.S. operators is estimated to be $23,360.

For these reasons, the FAA has determined that this document (1) involves a proposed regulation which is not major under Executive Order 12291 and (2) is not a significant rule pursuant to the Department of Transportation Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and it is further certified under the criteria of the Regulatory Flexibility Act that this proposed rule, if promulgated, will not have a significant economic impact on a substantial number of small entities because few, if any, Model DC-9-81 (MD-81) and DC-9-82 (MD-82) series airplanes are operated by small entities. A copy of a draft regulatory evaluation prepared for this action is contained in the regulatory docket.

List of Subjects in 14 CFR Part 39

Aviation safety, Aircraft.

The Proposed Amendment

PART 39—[AMENDED]

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration proposes to amend § 39.13 of Part 39 of the Federal Aviation Regulation as follows:

1. The authority citation for Part 39 continues to read as follows:

Authority: 49 U.S.C. 1354(a); 1421 and 1423; 49 U.S.C. 106(g) (Revised, Pub. L. 97-449, January 12, 1983); and 14 CFR 11.89.

§ 39.13 [AMENDED]

2. By adding the following new airworthiness directive:

McDonnell Douglas: Applies to McDonnell Douglas Model DC-9-81 (MD-81) and DC-9-82 (MD-82) series airplanes, certificated in any category. Compliance requires as indicated, unless previously accomplished.

To preclude the potential of main landing gear wheel assembly separation from the airplane, accomplish the following:

A. Within 6 months after the effective date of this airworthiness directive (AD), inspect and replace, as necessary, the main landing gear axle nut retainer in accordance with the accomplishment instructions of McDonnell Douglas Corporation Alert Service Bulletin A32-206, dated July 3, 1985, or later revisions approved by the Manager, Los Angeles Aircraft Certification Office, FAA, Northwest Mountain Region.

B. Alternate means of compliance which provide an acceptable level of safety may be used when approved by the Manager, Los Angeles Aircraft Certification Office, FAA, Northwest Mountain Region.

C. Special flight permits may be issued in accordance with FAR 21.197 and 21.199 to operate airplanes to a base in order to comply with the requirements of this AD.

All persons affected by this proposal who have not already received the appropriate service documents from the manufacturer may obtain copies upon request to the McDonnell Douglas Corporation, 3855 Lakewood Boulevard, Long Beach, California 90846, Attention: Director, Publications and Training, C1-L65 (54-60). These documents also may be examined at the FAA, Northwest Mountain Region, 17900 Pacific Highway South, Seattle, Washington, or at 4344 Donald Douglas Drive, Long Beach, California.

Issued in Seattle, Washington, on April 30, 1986.

Wayne J. Barlow,

Acting Director, Northwest Mountain Region.

[FR Doc. 86-10255 Filed 5-7-86; 8:45 am]

BILLING CODE 4910-13-M

14 CFR Part 39

[Docket No. 86-NM-28-AD]

Airworthiness Directives: McDonnell Douglas Model DC-10-10, -10F, -15, -30, -30F, and KC-10A (Military) Airplanes, Fuselage Numbers 1 through 412

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This notice proposes a new airworthiness directive (AD) that would require installation of a secondary retention system for the engine core cowl doors on certain McDonnell Douglas DC-10 airplanes. This action is prompted by incidents in which failure occurred to the engine core cowl door latches. This AD is necessary because improper engagement of the engine core cowl door latches, without the secondary retention system, may result in separation of the door, which in turn may cause structural damage to the airplane during flight.

DATE: Comments must be received no later than June 30, 1986.

ADDRESS: Send comments on the proposal in duplicate to Federal Aviation Administration, Northwest Mountain Region, Office of the Regional Counsel, ANM-7, Attention, Airworthiness Rules Docket No. 86-NM-28-AD, 17900 Pacific Highway South, C-68966, Seattle, Washington 98168.

FOR FURTHER INFORMATION CONTACT: Mr. Augusto U. Coo, Aerospace Engineer, Airframe Branch, ANM-121L, FAA, Northwest Mountain Region, Los Angeles Aircraft Certification Office, 4344 Donald Douglas Drive, Long Beach, California 90808; telephone (213) 514-6319.

SUPPLEMENTARY INFORMATION:

Comments Invited

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 regulatory docket number and be submitted in duplicate to the address specified above. All communications received on or before the closing date for comments specified above will be considered by the Administrator before taking action on the proposed rule. The proposal contained in this Notice may be changed in light of the 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. A report summarizing each FAA/public contact concerned with the substance of this proposal will be filed in the Rules Docket.

Availability of NPRM

Any person may obtain a copy of this Notice of Proposed Rulemaking (NPRM) by submitting a request to the FAA, Northwest Mountain Region, Office of the Regional Counsel, ANM-7, Attention, Airworthiness Rules Docket No. 86-NM-28-AD, 17900 Pacific Highway South, C-68966, Seattle, Washington 98168.

Discussion

Nine operators have reported sixteen incidents where McDonnell Douglas Model DC-10 core cowl doors were lost or damaged in flight. Some losses resulted in structural damage to the aircraft. In one recent incident, an airplane lost the forward portion of the right-hand core cowl door of the #3 engine after it had climbed to 17,000 feet altitude. The peeled-off portion of the the cowl door made holes in the wing leading edge, made a four square foot hole in the fuselage, and damaged the vertical stabilizer between the #2 engine and the fuselage. The core cowl door separation was caused by failure of the door forward latch to secure and fair the door's leading edge against the force of the engine fan exhaust. This has also been the cause of failure in a majority of previous similar incidents.

Since this situation is likely to exist or develop on other airplanes of the same type design, this AD would require installation of a secondary retention system for the engine core cowl doors on certain McDonnell Douglas DC-10 airplanes.

It is estimated that 150 airplanes of U.S. registry would be affected by this AD, that it would take approximately 100 manhours per airplane to accomplish the required action, and that the average labor cost would be $40 per manhour. The kit cost per airplane is approximately $2,000. Based on these figures, the total cost impact of the AD is estimated to be $900,000.

For these reasons, the FAA has determined that this document (1) involves a proposed regulation which is not major under Executive Order 12291 and (2) is not a significant rule pursuant to the Department of Transportation Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and it is further certified under the criteria of the Regulatory Flexibility Act that this proposed rule, if promulgated, will not have a significant economic impact on a substantial number of small entities because few, if any, Model DC-10 and KC-10A (Military) series airplanes are operated by small entities. A copy of a draft regulatory evaluation prepared for this action is contained in the regulatory docket.

List of Subjects in 14 CFR Part 39

Aviation safety, Aircraft.

The Proposed Amendment

PART 39—[AMENDED]

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Administration proposes to amend § 39.13 of Part 39 of the Federal Aviation Regulations as follows:

1. The authority citation for Part 39 continues to read as follows:

Authority: 49 U.S.C. 1354(a), 1421 and 1423; 49 U.S.C. 106(g) (Revised, Pub. L. 97-449, January 12, 1983); and 14 CFR 11.89.

§ 39.13 [Amended]

2. By adding the following new airworthiness directive:

McDonnell Douglas: Applies to McDonnell Douglas Model DC-10-10, -10F, -15, -30, -30F, and KC-10A (Military) airplanes, certificated in any category. Compliance required as indicated, unless previously accomplished.

To prevent structural damage to the airplane due to engine core cowl door separation, accomplish the following:

A. Within twelve months after the effective date of this AD, modify the core cowl doors by installing a secondary retention system for the engine core cowl doors in accordance with data approved by the Manager, Los Angeles Aircraft Certification Office, FAA, Northwest Mountain Region.

B. Alternate means of compliance which provide an acceptable level of safety may be used when approved by the Manager, Los Angeles Aircraft Certification Office, FAA, Northwest Mountain Range.

C. Special flight permits may be issued in accordance with FAR 21.197 and 21.199 to operate the airplane to a base for accomplishment of modifications required by this AD.

All persons affected by this proposal who have not already received the appropriate service documents from the manufacturer may obtain copies upon request to the McDonnell Douglas Corporation, 3855 Lakewood Boulevard, Long Beach, California 90846, Attention: Director, Publications and Training, C1-750 (54-60). These documents also may be examined at the FAA, Northwest Mountain Region, 17900 Pacific Highway South, Seattle, Washington, or at 4344 Donald Douglas Drive, Long Beach, California.

Issued in Seattle, Washington, on April 30, 1986.

Wayne J. Barlow,

Acting Director, Northwest Mountain Region.

[FR Doc. 86-10256 Filed 5-7-86; 8:45 am]

BILLING CODE 4910-13-M

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Social Security Administration

20 CFR Part 416

[Regulations No. 16]

Supplemental Security Income for the Aged, Blind, and Disabled; Suspensions, Terminations, and Advance Notice of Unfavorable Determination

AGENCY: Social Security Administration, HHS.

ACTION: Proposed rule.

SUMMARY: The Social Security Administration (SSA) is revising its regulations in Subpart M of Part 416 to include new policies, legislative changes, and to make the regulations clearer and more understandable to the public. These Subpart M rules describe events and circumstances that require SSA to stop the payment of supplemental security income (SSI) benefits to beneficiaries and the procedures followed before reducing or stopping payment of SSI benefits. A beneficiary who is found ineligible for SSI benefits may lose Medicaid coverage depending on the provisions of each State's Medicaid plan. We are also amending Subpart G rules because of the Subpart M policy changes on stopping benefits for not providing SSA with necessary information. Additionally, we are deleting a Subpart P rule that is already contained in Subpart M.

DATE: Comments must be received on or before July 7, 1986.

ADDRESS: Comments should be submitted to the Acting Commissioner of Social Security, Department of Health and Human Services, P.O. Box 1585, Baltimore, Maryland 21203, or delivered to the Office of Regulations, Social Security Administration, 3-A-3 Operations Bldg., 6401 Security Boulevard, Baltimore, MD 21235 between 8:00 a.m. and 4:30 p.m. on regular business days. Comments received may be inspected during those same hours by making arrangements with the contact person shown below.

FOR FURTHER INFORMATION CONTACT: C.H. Campbell, Legal Assistant, Office of Regulations, Social Security Administration, 6401 Security Boulevard, Baltimore, Maryland 21235, (301) 597-3408.

SUPPLEMENTARY INFORMATION: The Subpart M rules are being reorganized and rewritten to: (1) Simplify and clarify their content, (2) delete those provisions which are located in other subparts of this Part in order to better organize the entire Part, and (3) add to and revise those rules which need to be changed. Our revision of a Subpart M rule required us to make a similar amendment to two Subpart G rules. Additionally, we are deleting a Subpart P rule that duplicates a Subpart M rule.

I. Organization of Subpart M

We have added subtitles to Subpart M so that the reader can find specific provisions more easily. The subtitles and subject matter under each subtitle are:

1. "General"—This section introduces the reader to the subpart's subject matter, defines the major terms used in the subpart, explains when we stop presumptive eligibility payments, when we withhold benefits for reasons other than ineligibility and generally discusses reduction, suspension, and termination of benefits under the SSI program.

2. "Suspensions"—This section states which events require SSA to suspend the paying of benefits because of the beneficiary's loss of eligibility for SSI benefits, explains how SSA determines when suspension begins, and explains how and when payment of benefits can be reestablished.

3. "Terminations"—This section states which events will terminate a beneficiary's eligibility for SSI benefits and when a beneficiary's eligibility will end following such events.

4. "Advance Notice and Continuation of Benefits"—This section contains the rules we follow for informing a beneficiary that SSA has made an adverse finding concerning (1) continuing eligibility for benefits (suspension or termination) or (2) the benefit amount (reduction of benefits), and informing him or her of the right to appeal and continue to receive payment at the pre-determination (or prior) level of payment pending a decision at the initial level of appeal.

II. General

We are adding several new sections to Subpart M to be included under the subtitle "General." Also we are deleting two provisions from the current Subpart M because they are included in other subparts.

1. *Introduction*—This section (§§ 416.1300) generally describes the subpart matter covered in Subpart M.

2. *Definitions*—This section (§ 416.1305) defines certain terms used throughout the subpart. We are including in this section a definition of "redetermination." This definition (the same definition contained in Subpart B of this Part) makes clear that a redetermination's scope is limited to deciding a beneficiary's continuing eligibility under the SSI eligibility requirements (other than disability or blindness) and the beneficiary's correct benefit amount.

3. *Stopping Presumptive Eligibility Payments*—This section (§ 416.1310) describes when we will stop a person's presumptive eligibility payments. The term "presumptive eligibility payments" refers to those payments a person may receive based on probable but not established eligibility for SSI benefits. We added to this section a statement that we stop payment of a person's presumptive eligibility benefits based on presumptive blindness if we find that the person is not blind as defined in § 416.931.

4. *Stop-Payment Actions*—This section (§ 416.1315) contains the rules for stop-payment actions. What we call a stop-payment action is referred to in the current rules as a "suspension of payments for administrtive reasons." Under present regulations, a beneficiary's benefits are withheld when the beneficiary cannot be found or there is no one to receive payments on a beneficiary's behalf (i.e., representative payee). Our revised rules are as follows:

(a) A stop-payment only applies if we have to withhold payment of benefits because a beneficiary needs but does not have a representative payee.

(b) A redetermination of eligibility is required before we resume paying benefits after a stop-payment action if there is any indication that a requirement for eligibility is no longer met.

(c) Unless the beneficiary is a medically determined drug addict or alcoholic, legally incompetent, or a child under age 15, we will not withhold benefits after a stop-payment for more than 90 days and, even though a payee is not determined, we will make direct payment to the beneficiary after the 90 days expires.

5. *Reduction of Benefits*—This section (§ 416.1320) identifies those situations requiring the reduction of the benefit amount. The rules for computing the amount of benefit reduction are provided in the other subparts of this Part (mostly in Subpart D).

6. *Suspensions and Terminations*—This section (§ 416.1324) describes suspensions and terminations of SSI benefits. Either a suspension or a termination will occur whenever a beneficiary no longer meets a requirement for SSI benefits. We explain that the major difference between these two actions concerns whether the beneficiary is required to file a new application before benefits can be started again. After suspension, we do not require a new application to reestablish eligibility, and we will reinstate benefits effective either the first day of the month or, if proration applies, the first day within the month the beneficiary is again eligible to receive benefits. After termiantion, we require a new application to reestablish eligibility except where a beneficiary appeals the termination action and eligibility is reestablished during the period the appeal is pending. If a new application is required, we start benefit payments again no earlier than the day in the month in which the new application is filed if the SSI eligibility requirements are again met at that time.

7. *Deletions From the Current Rules*—The reorganized Subpart M does not include the statement, contained in § 416.1321(c) of the current Subpart M, concerning denial of eligibility following a person's receipt of financial emergency payments. Since these payments are paid on a one-time-only basis and suspension and termination rules do not apply, this rule does not belong in Subpart M. Therefore, a statement concerning these payments will be found only in Subpart E of this Part.

We do not include in Subpart M the statement contained in § 416.1324 of the current Subpart M, regarding the countable resource limits for SSI eligibility. We refer the reader to Subpart L of this part which contains the rules on resources and describes the specific limits.

We are deleting § 416.1605 from Subpart P. This section describes the period of time a beneficiary must be present in the United States (U.S.) to receive benefits after having been suspended for being outside the U.S. (see section 1611(f) of the Social Security Act (the Act)). However, this section does not belong in Subpart P since Subpart P concerns the SSI eligibility requirements of U.S. residence and U.S. citizenship or alien status based on either lawful admittance or color of U.S. law (see section 1614(a)(1)(B) of the Act). We are incorporating the current § 416.1605 provisions into § 416.1344 of the attached proposed rules and, consequently, § 416.1605 is superfluous.

III. Suspension of Benefits

We are making changes in the Subpart M rules and in two Subpart G rules on suspension of benefits to reflect statutory enactments and current policies.

1. *Suspension—Beneficiary's Whereabouts are Unknown*—The proposed rule (§ 416.1334) provides that withholding a beneficiary's benefits solely because his or her whereabouts are unknown is a suspension and thus an "initial determination" as defined in § 416.1402. As is the case with other initial determinations, this means that we will now provide appeal rights with respect to the suspension and send a notice to the beneficiary at his or her last known address about the suspension and his or her right to appeal. Also, a beneficiary's eligibility will terminate where benefits have been suspended for 12 continuous months because his or her whereabouts are unknown.

2. *Suspension—The Beneficiary Did Not Provide Information We Needed to Determine Whether Eligibility Continues*—Currently benefits are suspended if the beneficiary fails to provide requested information needed to determine whether eligibility continues. We are revising the Subpart M rule (which is § 416.1332 of the attached recodification) to state that suspension is also required if the requested information is not provided by the beneficiary's—

(a) Representative payee if he or she is the—

(i) Legal guardian; or

(ii) Parent with custody of a minor child beneficiary; or

(b) Sponsor (or his or her living-with spouse) where the beneficiary is an alien.

We make it more explicit that, if we have information that requires suspension of benefits, we require the beneficiary (or in certain cases his or her representative payee or sponsor) to show that it is incorrect. If this information is not shown to be incorrect, we will assume that it is correct and suspend benefits accordingly.

The revisions to the Subpart M rule also require us to revise §§ 416.704 and 416.714(b) of Subpart G. The amended § 416.704 provides that all representative payees have the responsibility for making required reports on their beneficiaries. Paragraph (b) of § 416.714 and § 416.1332 states, however, that a benefit suspension will occur only when the party failing to submit the required evidence is the beneficiary or a payee who has the legal power and duty to care for the beneficiary and manage his or her property and rights such as a payee who is a legal guardian or parent. We will not suspend SSI benefits on the basis of failing to submit the required evidence if the representative payee failing to submit the evidence does not have the legal power and duty to act on the beneficiary's behalf. In this situation, we will obtain the needed evidence from other sources and we will develop for another payee.

3. *Suspension Due to Excess Income*—The current rules state that we usually determine benefit eligibility on a calendar quarter basis and benefit suspension, if required, is usually made beginning in the first month and for all months of the calendar quarter. However, as a result of the retrospective monthly accounting (RMA) provisions (section 1611(c) of the Act as amended by section 2341 of Pub. L. 97-35) we will now make—

(a) The beneficiary's benefit eligibility determination on a monthly basis and suspend benefits each month countable income in that month is found to equal or exceed the benefit rate applicable to the current month; and

(b) The calculation of the beneficiary's current month's benefit amount on the countable income of a retrospective month and suspend benefits if that prior month's countable income equals or exceeds the benefit rate applicable in the current month.

4. *Suspension Due to Excess Resources*—Section 1611(c) of the Act as amended by section 2341 of Pub. L. 97-35, also requires a monthly determination of eligibility based on the resources in a month (rather than a calendar quarter). These proposed regulations reflect this statutory provision by requiring that benefits be suspended for each month that a beneficiary's resources exceed the limits as of the first moment of the month. This has been the policy since April 1, 1982, and is discussed in the proposed rule recodifying the regulations on resources (see 47 FR 50511 of November 8, 1982) and the proposed rule on proration of benefits (see 50 FR 36108 of September 5, 1985). Prior to April 1, 1982, a beneficiary could, under the prior policy, spend down to the limit within a month and be paid for that month.

IV. Resumption of Benefit Payments Following Suspension

These proposed rules contain provisions on benefit resumption following suspension or termination and include the "proration" provision in

section 181 of Pub. L. 97-248 (section 1611(c)(2) of the Act) which generally provides that a beneficiary's reeligibility for benefits in certain cases begins on the day within the month of reeligibility when all the eligibility requirements are again met. In these cases, a "prorated" benefit is payable for that month based on the actual number of days of benefit eligibility within that month. In other cases, reeligibility will begin effective with the first day of the month and the benefit amount in the month of reeligibility will not be prorated.

1. *Resumption after suspension for not providing us with necessary information*—We resume payment of benefits effective with the first day of the month in which we have the necessary information and determine that benefits are again payable. We will pay retroactive benefits for all months that benefits are found payable as established by a redetermination of eligibility.

2. *Resumption after suspension for whereabouts unknown*—We resume paying benefits to a beneficiary after we find him or her. If we find the beneficiary within 31 days after the date his or her whereabouts became unknown, we generally resume benefits effective with the first day of the month in which benefits were suspended and without first redetermining the beneficiary's continuing eligibility for benefits. If we find the beneficiary more than 31 days after the date his or her whereabouts became unknown, we generally resume benefits for all months that benefits are again payable as established by a redetermination of eligibility.

A beneficiary's whereabouts are usually determined to be unknown when a check or letter/notice from the Social Security Administration is returned by the U.S. Postal Service indicating the individual cannot be found or a bank refuses an electronic-funds transfer. Where we cannot locate a beneficiary's whereabouts after a check is returned, we presume that the check's delivery date is the date that the beneficiary's whereabouts are unknown (unless a later date is proven). (Note: Checks are post dated with the expected delivery date and are usually delivered by the date on the check.)

3. *Resumption after suspension for excess countable income*—We resume payment of benefits if benefits are othewise payable to the beneficiary, effective with the first day of the month in which the beneficiary's monthly countable income becomes less than the benefit rate for such month. The income rules are in Subpart K of this Part.

4. *Resumption after suspension for excess countable resources*—We resume payment of benefits if benefits are otherwise payable to the beneficiary, effective with the first day of the *month after the month* during which a beneficiary's countable resources are brought within the prescribed limit. The resources rules are in Subpart L of this Part.

Previously, if a beneficiary's countable resources exceeded the applicable limit as of the first moment of a calendar quarter but he or she spent them down to within the limit during the quarter, we resumed benefits effective with the month during which resources came within the limit. We changed the rule in connection with implementation of section 2341 of Pub. L. 97-35 so that we determine a beneficiary's countable resources as of the first moment of each month and at no other time. That is, we do not take into account changes in resources that take place during a month; rather, we look at such changes as of the first moment of the following month.

5. *Resumption after suspension of payment to a person who is a resident of a public institution*—We resume payment of benefits, if benefits are otherwise payable to the beneficiary, effective on the day on which a beneficiary is no longer a resident of a public institution. We make it clear, however, that the beneficiary's temporary absence from the institution lasting 14 days or less will not change his or her status as an institutional resident and thus suspension applies.

6. *Resumption after suspension for not accepting treatment for drug addiction or alcoholism*—We resume benefits if benefits if benefits are otherwise payable to the beneficiary, effective on the day on which the beneficiary again accepts the required treatment or the beneficiary is found eligible is found eligible for SSI benefits on some other basis independent of drug addiction or acoholism.

7. *Resumption after suspension for leaving the United States (U.S.)*—We resume benefits if benefits are otherwise payable to the beneficiary, effective on—

(a) The day on which the beneficiary returned to the U.S. if he or she was away a full calendar month but less than 30 consecutive days; or

(b) The day after the 30th consecutive day of the beneficiary's continous presence in the U.S. since his or her return to the U.S., if he or she was outside the U.S. for a period of 30 consecutive days or more.

8. *Resumption after suspension for refusing vocational rehabilitation (VR) services*—We resume payment of benefits, if benefits are otherwise payable to the beneficiary, effective on the day on which he or she no longer refuses VR services (if suspension was on this basis), or where "good cause" for refusing VR services is established, or where the beneficiary makes himself or herself available for an examination to evaluate his or her rehabilitation potential (if the suspension was based on refusal to undergo the examination).

9. *Resumption after suspension for not being a U.S. resident, U.S. citizen, lawfully admitted alien or alien permanently residing under color of law*—We resume payment of benefits, if benefits are otherwise payable to the beneficiary, effective on the day on which U.S. residence and either U.S. citizenship or lawful alien status (or alien status based on permanent U.S. residence under color of law) is again established.

10. *Resumption after suspension for failure to file for other benefits*—We resume payment, if benefits are otherwise payable to the beneficiary, effective on the day on which the beneficiary shows that he or she is taking the necessary steps to apply for and obtain other benefits for which he or she may be eligible.

V. Terminations

We made the following revisions and additions to the current Subpart M rules on terminations and resumption of benefits after terminations.

1. *Administrative Termination—12 Months of Continuous Suspension*—We are adding the following provisions to the present rules governing administrative termination of the beneficiary's payment record after 12 months of continuous suspension:

(a) The 12-month suspension period starts with the month in which we should have suspended payment of benefits rather than the month in which we did suspend.

(b) If the beneficiary received advance notice (see § 416.1380) at the time benefits were suspended, we will not give advance notice for the administrative termination of the beneficiary's payment record after 12 months of continuous suspension since we satisfied the advance notice requirement at the time benefits were suspended. In addition, no notice will be sent at the time of termination. However, if the beneficiary had not received advance notice when benefits were suspended, we will send an

advance notice of this administrative termination action.

(c) An administrative termination following 12 months of continuous suspension is rescinded if the preceding suspension determination is revised as the result of a decision on appeal. This statement makes clear that an administrative termination for 12 continuous nonpayment months can be overturned.

2. *Resumption of Benefit Payments After Termination*—We are including rules to state that we will resume benefits effective on the day on which the beneficiary again meets all the requirements for SSI eligibility including the filing of an application.

3. *Reeligibility For Benefits After Voluntary Termination of Eligibility*—We are providing that refiling for benefits after a voluntary termination (see § 416.1360), retroactively cancels the prior termination request if the refiling is within a 60-day period after the date the beneficiary received the termination notice. We made this change because a beneficiary, who expects a decrease in countable income in the future, may request termination and subsequently reapply to obtain a higher benefit amount based on the decreased countable income that is payable effective the month of decreased income. Otherwise, under the retrospective monthly accounting provisions contained in section 1611(c) of the Social Security Act, the higher benefit amount based on the decreased income is generally payable effective in the second month after the month of decreased income. By this rule we will prevent a beneficiary from seeking voluntary termination and subsequently reapplyng to obtain increased monthly benefits beginning the month income decreases.

VI. Advance Notice, Appeal, and Benefit Continuation Pending a Decision on Appeal

We are clarifying and changing our rules on continuing benefits pending the outcome at the initial appeal level of a beneficiary's appeal of an SSA determination that would reduce or stop his or her benefit payments. We make it clear that beneficiaries, pending the outcome at the initial appeal level, are entitled to a benefit increase to their predetermination level of payment whenever such an increase is given under the SSI program. This rule reflects the settlement made in the case of *Morrell* v. *Schweiker* that we will make any required increase in the beneficiary's payments pending the appeal decision. We will also continue our current policy of processing any adverse changes to the benefit amount paid pending an appeal of a determination, with advance notice and the opportunity for payment continuation.

We are eliminating from Subpart M the rules on advance notice, appeal, and benefit continuation for medical cessation cases. We will publish a separate rulemaking document implementing section 7 of Pub. L. 98–460 (The Social Security Disability benefit Reform Act of 1984), that provides for title XVI benefit continuation in medical cessation cases. These rules will be contained in Subpart I of Part 416.

We increased the maximum dollar limit on the benefit amount that we can continue to pay a beneficiary pending a decision being made on the appeal. We are making this change because increased benefit amounts are being paid to beneficiaries as a result of the benefit increases in the SSI program over the years.

Regulatory Procedures

Executive Order 12291

Executive Order 12291 requires that a regulatory impact analysis be prepared for major rules. A major rule is defined in the Order as any rule that has an annual effect on the national economy of $100 million or more—or certain other effects. We conclude that these proposed regulations are not major rules within the meaning of the Executive Order because they do not have an effect on the economy of $100 million or more, or otherwise meet the criteria.

Paperwork Reduction Act

These regulations impose no recordkeeping or reporting burden on the public.

Regulatory Flexibility Act

We certify that these proposed regulations will not, if promulgated, have a significant economic impact on a substantial number of small entities because these rules will affect only individuals.

(Catalog of Federal Domestic Assistance Program No. 13.807, Supplemental Security Income Program)

List of Subjects in 20 CFR Part 416

Administrative practice and procedures, Aged, Blind, Disability benefits, Public assistance programs, Supplemental Security Income (SSI).

Dated: January 8, 1986.

Martha A. McSteen,

Acting Commissioner of Social Security.

Approved: February 28, 1986.

Otis R. Bowen,

Secretary of Health and Human Services.

PART 416—[AMENDED]

Part 416 of Chapter III, title 20 of the Code of Federal Regulations is revised or amended as follows:

1. The authority citation for Subpart G continues to read as follows:

Authority: Secs. 1102, 1611, 1612, 1613, 1614, and 1631 of the Social Security Act, as amended; Sec. 211 of Pub. L. 93–66; 49 Stat. 647, as amended; 86 Stat. 1466, 1468, 1470, 1471, and 1475; 87 Stat. 154; 42 U.S.C. 1302, 1382, 1382a, 1382b, 1382c, and 1383.

2. Section 416.704 is revised as follows:

§ 416.704 Who must make reports.

(a) You are responsible for making required reports to us if you are—

(1) An eligible individual (§ 416.120(c)(13));

(2) An eligible spouse (§ 416.120(c)(14));

(3) An eligible child (§ 416.1856); or

(4) An applicant awaiting a final determination.

(b) You or your representative payee are responsible for making the required reports to us if you have a representative payee but have not been adjudged legally incompetent.

(c) Your sponsor (or his or her living-with spouse) is responsible for making the required report to us if you are an alien claimant.

(d) Your parent having custody of you is responsible for making the required reports to us if you are a minor child.

(e) Your representative payee is responsible for making the required reports to us if you are legally incompetent.

§ 416.714 [Amended]

3. In § 416.714, paragraph (b) is revised as follows:

* * * * *

(b) *We request a report.* We may request a report from you or the person specified in § 416.1332 if we need information to determine your continuing eligibility or the correct amount of your SSI benefits. If you or the person specified in § 416.1332(a)(1) does not report the needed information within 30 days after the date specified in our written request, we may determine that you are ineligible to receive SSI benefits. We will suspend your benefits effective with the month following the month in which we determined that you

are ineligible to receive SSI benefits because of your failure to give us necessary information.

4. 20 CFR Part 416, Subpart M is revised to read as follows:

Subpart M—Suspensions, Terminations and Advance Notice of Unfavorable Determination

General

Sec.
416.1300 Introduction.
416.1305 Definitions.
416.1310 When presumptive eligibility payments will stop.
416.1315 Stop-payment actions.
416.1320 Benefit reduction explained.
416.1324 Suspension and termination explained.

Suspensions

416.1332 Suspension: you do not provide necessary information.
416.1334 Suspension: your whereabouts are unknown.
416.1336 Suspension: you have too much countable income.
416.1338 Suspension: the value of your countable resources exceeds the limit.
416.1340 Suspension: you are a resident of a public institution.
416.1342 Suspension: you do not accept treatment for drug addiction or alcoholism.
416.1344 Suspension: you leave the United States.
416.1346 Suspension: you are no longer a resident of the United States, a United States citizen, an alien lawfully admitted for permanent residence, or an alien permanently residing in the United States under color of law.
416.1348 Suspension: you refuse vocational rehabilitation services.
416.1350 Suspension: you fail to apply for other benefits.
416.1352 Suspension of State supplementary payments: you no longer meet the State residence requirement.

Terminations

416.1360 Termination at your request.
416.1368 Temrination because of your death.
416.1372 Administrative termination because of continuous suspension.
416.1374 Termination of your benefits based on cessation of disability or blindness.
416.1376 Cessation of your disability; you particpate in a vocational rehabilitation program.

Notice of Unfavorable Determination and Continued Payments

416.1380 If you appeal a determination to withhold, reduce, suspend, or terminate benefits; determination other than loss of eligibility because of medical improvement.
416.1390 Exception to continued payment at the previous level; you received two or more checks for one month.
416.1392 Exception to continued payment at the previous level; your check amount exceeds the maximum payment level.

Authority: Secs. 1102, 1601, 1611–1616, 1631 and 1633 of the Social Security Act, as amended, and secs. 211 and 212 of Pub. L. 93–66; 49 Stat. 647, as amended, 86 Stat. 1465–1478; 87 Stat. 154 and 155, 90 stat. 268, 94 stat. 453 (42 U.S.C. 1302, 1381–1382e, 1383, and 1383b).

Subpart M—Suspensions, Terminations and Advance Notice of Unfavorable Determination

General

§ 416.1300 Introduction.

(a) This Subpart contains rules for stopping and reinstating supplemental security income (SST) benefits. These rules describe—

(1) When we will stop presumptive eligibility payments (see § 416.1310);

(2) When we will withhold benefits under the stop-payment provisions (See 416.1315);

(3) The events that require us to suspend or terminate benefits;

(4) When we will suspend or terminate benefits after these events occur; and

(5) When we will resume the payment of benefits;

(b) The Subpart also provides the rules concerning—

(1) When we will provide advance notice of our intention to reduce, suspend, or terminate benefits; and

(2) When we will continue paying benefits after making a determination to reduce, suspend, or terminate benefits.

(c) For purposes of this Subpart, the month that benefits are suspended or eligibility is terminated refers to the first month in which a beneficiary is no longer eligible for benefits. Thus, the "month of suspension" or "month of termination" does not refer to the month in which we actually stop payment if the stoppage of payment occurs after the first month of ineligibility.

416.1305 Definitions.

For purposes of this Subpart—

"Advance notice" is written notice given to a beneficiary to inform him or her of a proposed reduction, suspension, or termination of SSI benefits.

"Benefits" are the supplemental security income (SSI) payments that are payable to an eligible couple. The Federal benefit is determined by subtracting countable income (as determined by Subpart K) from the eligible individual's or eligible couple's Federal benefit rate. (Note: Rules for the paying of State supplementary payments to SSI beneficiaries may be found in Subpart T of this Part.)

"Federal benefit rate" is the monthly rate for an eligible individual or couple.

"Redetermination" is the determination that is made after an eligibility review to be sure that the beneficiary is still eligible and receiving the right amount of SSI benefits. This review, however, deals with the requirements for eligibility other than whether the beneficiary is still disabled or blind. Reviews concerning continuing eligibility under the disablilty or blindness requirements are discussed in §§ 416.989 and 416.990.

"Reduction" means that a beneficiary's benefit amount is determined to be less than the amount that he or she had been receiving.

"SSI" refers to the Supplemental Security Income Program under title XVI of the Social Security Act which pays Federal benefits to the aged, blind, or disabled individuals with limited income and resources.

"Stop-payment" means that we are withholding a beneficiary's SSI benefits for a month because the beneficiary needs but does not have a representative payee.

"Suspension" means that we stop paying SSI benefits because a beneficiary no longer meets an SSI eligibility requirement as the result of the occurrence of one of the events described in §§ 416.1332–416.1352 of this subpart. (See § 416.1324 which explains the difference between "suspensions" and "terminations.")

"Termination" means that SSI benefits have ended because the beneficiary no longer meets the SSI eligibility requirement following the occurrence of one of the events described in §§ 416.1360, 416.1368 and 416.1374. An "administrative termination of a beneficiary's payment record" means that after 12 continuous months of suspension the prior application will be terminated and the individual must reapply to receive any future benefit—see § 416.1372. (See also § 416.1324 which explains the differences between "suspensions" and "terminations.")

"We" or "Us" refers to the Social Security Administration.

"You" or "your" as used in this subpart may refer to: (1) An eligible individual, eligible spouse, or eligible child, who receives SSI benefits; (2) An eligible individual, eligible spouse, or eligible child, for whom someone else receives the benefits on that person's behalf; or (3) An eligible individual with an eligible spouse who receives benefits as a couple or for whom someone else receives benefits on their behalf.

§ 416.1310 When presumptive eligibility payments will stop.

(a) "Presumptive eligibility payments" are, for the purpose of this subpart, payments you are receiving based on your probable, but unestablished, eligibility for benefits. If we stop your benefits, it is not a suspension but rather a denial of an initial claim.

(b) We will stop your presumptive eligibility payments without advance notice if—

(1) We deny your application because you failed, without a good reason, to apply for and follow up on a claim for other benefits after receiving a notice from us that you may be eligible for other benefits (see § 416.210(e));

(2) We deny your application because you failed to dispose of your excess resources according to your signed agreement (see Subpart L);

(3) We deny your application after you received payments based on presumptive disability or presumptive blindness (see § 416.931 for the eligibility requirements for presumptive disability or presumptive blindness payments) because we find you are not disabled or blind; or

(4) You have received presumptive disability or presumptive blindness payments for 3 months (the maximum time period for which we are authorized to make these payments), and we have not decided that you are disabled or blind (see § 416.932 for a more detailed discussion of these payments).

§ 416.1315 Stop-payment actions.

(a) *Basis for stop payment.* We will withhold payment of your benefits for a month without finding you ineligible under the SSI program, if—

(1) You have been judged legally incompetent, we have a certified copy of the court decision, and we are looking for a representative payee to receive benefits on your behalf; or

(2) We find you incapable of managing benefits, and we are looking for a representative payee or substitute for your present representative payee to receive benefits on your behalf.

(b) *Resumption of payments.* We will resume payment of your benefits, retroactive for any past month in which you are eligible to receive benefits, if—

(1) You are not capable of being your own payee;

(2) You have a new payee; or

(3) You are to be paid as your own payee because benefits have been withheld for 90 days for the reason that a payee has not been found, and you are not—

(i) Legally incompetent;

(ii) A child beneficiary under age 15; or

(iii) A medically determined drug addict or alcoholic (see §§ 416.610(a)(3) and 416.935).

Note.—We will redetermine your eligibility before we resume your benefit if we have any doubt whether you have met or continue to meet the SSI eligibility requirements.

§ 416.1320 Benefit reduction explained.

(a) *In general.* "Benefit reduction" means that we have decided that your correct benefit should be less than the amount you have been receiving. The rules on reduction of benefits and for figuring the amount of the reduction are contained in the other Subparts of this Part (mostly in Subpart D). This subpart does, however, state the rules for providing you with advance notice of our intention to reduce your benefits after we find that benefit reduction is required and, also, when we will continue your benefits at an unreduced level pending a decision on an initial appeal (see § 416.1385).

(b) *Situations requiring benefit reduction.* Situations where we will be required to reduce your benefits include the following:

(1) You have countable income or additional countable income;

(2) You are throughout a month a resident of a public or private care facility receiving more than 50% support from Medicaid for your care (see § 416.414(a));

(3) Information in our files requires reduction of your benefits and you confirm that information or you fail to show that this information is incorrect; or

(4) You are no longer entitled to receive an additional benefit amount as a "qualified individual" as defined in § 416.221 because either—

(i) An "essential person" as defined in § 416.222 no longer lives with you; or

(ii) An "essential person" as defined in § 416.222 who is living with you loses his or her status as an essential person.

§ 416.1324 Suspension and termination explained.

(a) *In general.* If we find that you no longer meet an SSI eligibility requirement, we may either suspend or terminate your benefits, depending on which requirement is no longer being met. Paragraphs (b) and (c) of this section explain how suspension and termination differ and when each would apply to you.

(b) *Suspension.* (1) We will suspend payment of your benefits if—

(i) Your income exceeds the limits for eligibility or a benefit payment for the current month (see Subpart K);

(ii) Your resources in the current month exceed the limit (see Subpart L);

(iii) You are a resident of a public institution throughout a month;

(iv) You are outside the United States for a full calendar month;

(v) You or the party specified in § 416.1332 does not provide us with the necessary information that we request to decide whether your eligibility for benefits continues;

(vi) We cannot find you to send you your benefit check or your financial institution refuses to accept an electronic funds transfer to your account;

(vii) You do not accept appropriate treatment for your drug or alcohol addiction from an approved facility;

(viii) You no longer reside in the United States (U.S.), or you lose your U.S. citizenship or your status as either an alien lawfully admitted to the U.S. for permanent residence or otherwise residing in the U.S. under color of law;

(ix) You refuse, without a good reason, the vocational rehabilitation services offered you; or

(x) You fail to apply for other benefits.

(2) We will start payment of your benefits after suspending them if, within the 12 month period (starting with the first month of the suspension as defined by § 416.1300(c)), you are again eligible for benefits (usually, as determined by a redetermination) and you request reinstatement. (For example, if the suspension began on February 1, 1984, we would resume payment of your benefits if you requested reinstatement on or before January 31, 1985 and were again eligible for benefits on or before January 31, 1985.) A request for reinstatement that is made within the 12 month period does not require the filing of an application for benefits to resume. However, we will require you to give us the evidence we need to prove that you are again eligible for benefits. After requesting reinstatement, we start benefits effective with either the first day of the month (see §§ 416.1332(c), 416.1334(c), 416.1336(c) and 416.1338(c)) or, if proration applies, the first day within the month that you are again determined to be eligible for benefits (see §§ 416.1340(c); 416.1342(c); 416.1344(c); 416.1346(c); 416.1348(c); and 416.1350(c)).

(c) *Termination.* (1) We will terminate your benefits if—

(i) You die;

(ii) Your benefits have been suspended for a period of 12 consecutive months and, as a result, an administrative termination of your payment record is required;

(iii) You request that we terminate your benefits and we approve;

(iv) You no longer meet the requirements for benefits based on disability (see Subpart I); or

(v) You no longer meet the requirements for benefits based on blindness (see Subpart I).

(2) If your eligibility for benefits terminates, generally we will not start payment of benefits again until you file a new application (see § 416.305(b)(5) for the exception to the rule) and again meet all eligibility requirements. We will start your benefits effective no earlier than the day on which you file the new application if you meet all the other eligibility requirements for SSI benefits on that date.

Suspensions

§ 416.1332 Suspension: you do not provide necessary information.

(a) *Basis for suspension.* (1) We will suspend payment of your benefits if you, your sponsor (or his or her living-with spouse) if you are an alien, or your representative payee if your representative payee is your legal guardian, or your parent having custody of you if you are a monor child—

(i) Fails to give us the information we request that we need to decide whether you are still eligible for benefits or whether the benefit that you are receiving is correct. (See Subpart G of this Part for a discussion of reporting responsibilities.); or

(ii) Fails to comply with our request to confirm information we have that an event occurred requiring suspension or to show that this information is incorrect.

(2) We will not suspend your benefits on the basis of failure to provide us with needed information about your continuing eligibility for benefits if you have a representative payee other than your legal guardian or your parent (if you are a minor child), and he or she fails to submit or confirm this information. In this situation, we will obtain the needed information or confirmation from other sources and we will develop for another payee.

(b) *Date of Suspension.* We will suspend payment of your benefits effective with the start of the month following the month in which we determined that you or an individual described in paragraph (a) of this section did not submit the needed evidence within 30 days of our written request (see § 416.714(b)) and the evidence in our possession is no longer sufficient to determine whether your eligibility continues or your benefit payment is correct.

(c) *Resumption of payments.* We will start paying benefits to you or to an individual described in paragraph (a) of this section on your behalf when we have information to establish that benefits are again payable. Upon reinstatement, we will pay benefits effective for any previous month in which you are found eligible and benefits are otherwise payable for that month. However, if despite our willingness to help you obtain any needed evidence, you are unable or unwilling to provide eligibility for benefits for a month, we will not pay you benefits for that month.

§ 416.1334 Suspension: your whereabouts are unknown.

(a) *Basis for suspension.* We will suspend payment of your benefits, if—

(1) Your benefit check or a letter/notice from the Social Security Administration is returned to us as undeliverable by the U.S. Postal Service because you no longer reside at that address (or your financial institution refuses to accept an electronic fund transfer to your account), and we do not have your new address and cannot find you; or

(2) We cannot complete a redetermination of your eligibility for benefits because we cannot find you.

(b) *Suspension date.* We will suspend payment of your benefits effective with the start of the month in which your first benefit check or letter/notice from the Social Security Administration was returned as undeliverable because you no longer reside at that address (or your financial institution refused to accept an electronic fund transfer to your account). If we learn that you no longer live at the address shown in our records when we attempt to complete a redetermination, we will suspend your benefits starting the month after the month we learn you no longer reside at that address.

(c) *Resumption of payments.* (1) *We locate you within 31 days.* If, after your check or letter/notice is returned to us (or after your financial institution has refused an electronic transfer of funds to your account), we find your new address within 31 days after the check's delivery date, (or the delivery date of the letter/notice or the date of attempted electronic funds transfer) and benefits are otherwise payable, we will start paying you your benefits effective with the first month in which benefits were suspended. (We presume a check's delivery date is the date on the check unless a later date is proven.) We will not conduct a redetermination before reinstating benefits unless such a redetermination had previously been scheduled or we have information which indicates a redetermination should be made. If you cannot be located even though we did not receive a returned check (e.g. we cannot locate you for an eligibility redetermination), we will start counting the 31-day period effective with the date that we learned that you were no longer living at the address shown in our records.

(2) *If we do not locate you within 31 days.* If we find your new address after the 31-day period has expired (and before 12 continuous months of suspension have passed), we will not start payment of your benefits until we first make a redetermination of your eligibility. We will pay you benefits effective for any month in which you are found eligible and benefits are otherwise payable.

§ 416.1336 Suspension: you have too much countable income.

(a) *Basis of suspension.* We will suspend payment of your benefits if—

(1) When we determine your benefit eligibility for a current month you have too much countable income in such month; or

(2) When we determine your benefit amount for a current month based on countable income in a prior month you have too much countable income in the prior month.

Note.—See Subpart K for how we determine your countable income and Subpart D on how we compute your benefit amount.

(d) *Date of suspension.* We will suspend payment of your benefits—

(1) Effective with the start of the month in which you received countable income that equaled or exceeded that month's benefit rate; or

(2) Effective with the start of a current month if countable income from the month we used to calculate the current month's benefit amount equal or exceeded the current month's benefit rate.

(c) *Resumption of Payments.* If benefits are otherwise payable, we will start payment of your benefits effective on the first day of the month in which your monthly countable income is less than your benefit rate for that month.

§ 416.1338 Suspension: the value of your countable resources exceeds the limit.

(a) *Basis for suspension.*

We will suspend payment of your benefits if—

(1) The value of your resources (which would be counted under the rules of Subpart L of this Part) exceeds the appropriate resources limit that is specified in § 416.1205 (or § 416.1260 if it applies to you); or

(2) You have not disposed of your excess resources (see §§ 416.1240–416.1244 for discussion of disposition of resources) according to your signed agreement.

(b) *Date of suspension.* We will suspend payment of your benefits effective with the start of the month in which your countable resources as of the first moment of that month exceed the limit that applies to you.

(c) *Resumption of payments.* If benefits are otherwise payable, we will start payment of your benefits effective on the first day of the month after the month in which your resources no longer exceed the limit that applies to you.

§ 416.1340 Suspension: you are a resident of a public institution.

(a) *Basis for suspension.* We will suspend payment of your benefits if you become a resident of a public institution for one month or more and you do not fall under the rules in § 416.414. A transfer from one public institution to another or a temporary absence from the institution lasting 14 days or less, however, will not change your status as a resident, and your suspension will continue.

Note.—If throughout a month you are under the continuous jurisdiction of a correctional institution, you are ineligible for benefits for that month notwithstanding that you might otherwise be eligible for some benefits under the § 416.414 provisions.

(b) *Date of suspension.* We will suspend payment of your benefits effective with the start of the first month throughout which you are a resident of a public institution.

(c) *Resumption of payments.* If benefits are otherwise payable, we start payment of your benefits effective on the day on which you are no longer a resident of a public institution.

§ 416.1342 Suspension: you do not accept treatment for drug addiction or alcoholism.

(a) *Basis for suspension.* If you are disabled, and medically determined a drug addict or alcoholic, we will refer you to an approved facility for appropriate treatment. (See § 416.935, which explains who is a medically determined drug addict or alcoholic.) We will suspend payment of your benefits if you refuse treatment or do not follow the treatment requirements prescribed by the facility.

(b) *Date of suspension.* We will suspend payment of your benefits effective with the start of the first month in which you fails to accept treatment or fails to follow the treatment requirements.

(c) *Resumption of payments.* If benefits are otherwise payable, we will start payment of your benefits effective on the day on which—

(1) You accept and follow the treatment made available to you, and that fact is confirmed by the treating facility; or

(2) You are found to be eligible for SSI benefits on a basis independent of your drug addiction or alcoholism.

§ 416.1344 Suspension: you leave the United States.

(a) *Basis for suspension.* We will suspend payment of your benefits if you are outside the United States (U.S.) (as defined in § 416.120(c)(10)) for a full calendar month or longer. For this purpose, if you are outside the U.S. for 30 consecutive days or more (starting with the first day after the day you leave), we will treat you as remaining outside the U.S. until you have returned to, and remained in, the U.S. for a period of 30 consecutive days (starting with the day you return).

(b) *Date of suspension.* We will suspend payment of your benefits effective with the start of the first full calendar month in which you are outside, or treated as remaining outside the U.S.

(c) *Resumption of payments.* If benefits are otherwise payable, we will start payment of your benefits—

(1) Effective on the day after the 30th consecutive day of continuous presence in the U.S. since your return if you were outside the U.S. for 30 consecutive days or more; or

(2) Effective on the day you return to the U.S., if you were absent from the U.S. for one full calendar month but less than 30 consecutive days (that is, absent during February).

Example 1: Joe left the U.S. on March 1 and returned to the U.S. on April 1. Counting March 2 through March 31, he was outside the U.S. for 30 consecutive days; thus he is also considered outside the U.S. for 30 additional calendar days. Counting April 1 through April 30 he is deemed outside the U.S. and not eligible for the calendar month of April. Payments start, if benefits are otherwise payable, on May 1.

Example 2: Martha left the U.S. on April 15 and returned July 1. Counting April 16 through June 30, she was absent and not eligible for the calendar months of May or June. Since she was absent more than 30 consecutive days, she is deemed outside the U.S. an additional 30 consecutive days, i.e., from July 1 through July 30. Thus, we will pay Martha benefits effective July 31 (if she is otherwise eligible for benefits).

§ 416.1346 Suspension: you are no longer a resident of the United States, a United States citizen, an alien lawfully admitted for permanent residence, or an alien permanently residing in the United States under color of law.

(a) *Basis for suspension.* We will suspend payment of your benefits if you are—

(1) No longer a U.S. resident (this means no longer living in the 50 States, the District of Columbia, or the Northern Mariana Islands); or

(2) No longer a U.S. citizen or an alien lawfully admitted for permanent residence or otherwise permanently residing in the U.S. under color of law.

(b) *Date of suspension.* We will suspend payment of your benefits effective with the first full calendar month in which you are—

(1) No longer a U.S. resident; or

(2) No longer a U.S. citizen or an alien lawfuly admitted for permanent residence or otherwise permanently residing in the U.S. under color of law.

Note.—The rule for suspension of benefits because of absence from the U.S. is found in § 416.1344.

(c) *Resumption of payments.* If benefits are otherwise payable, we will start payment of your benefits effective on the day on which you again meet the requirements for residence and for citizenship, status as an alien lawfully admitted for permanent residence as an alien, or status as an alien otherwise permanently residing in the U.S. under color of law.

§ 416.1348 Suspension: you refuse vocational rehabilitation services.

(a) *Basis for suspension.* We will suspend payment of your benefits if your eligibility is based on disability or blindness and you refuse, without a good reason, vocational rehabilitation services that are offered to you or to make yourself available for an evaluation of your rehabilitation potential. (See § 416.1715 for an explanation of what is a good reason for refusing rehabilitation services.)

(b) *Date of suspension.* We will suspend payment of your benefits effective with the start of the month in which you fail without a good reason to—

(1) Accept vocational rehabilitation services; or

(2) Make yourself available for evaluation of your rehabilitation potential.

(c) *Resumption of payments.* If benefits are otherwise payable, we will start payment of your benefits effective on the day on which—

(1) You accept the vocational rehabilitation services offered to your (if you had refused them);

(2) You make yourself available for evaluation of your rehabilitation potential (if you had refused to be available); or

(3) We find that you have a good reason for refusing vocational rehabilitation services.

§ 416.1350 Suspension: you fail to apply for other benefits.

(a) *Basis for suspension.* We will suspend payment of your benefits if, without a good reason, you do not apply for and take all appropriate steps to obtain other benefits or payments for which you may be eligible. We will allow you 30 days after notifying you of your potential eligibility for particular benefits or payments to file for (or request) those benefits or payments. See § 416.210(b) for a statement of the types of benefits or payments for which you must apply if you are potentially eligible.

(b) *Date of suspension.* If you fail to comply within the given time we will suspend payment of your benefits effective with the start of the month in which we notified you in writing that you must file for or request and take steps to obtain certain other benefits or payments.

(c) *Resumption of payments.* If benefits are otherwise payable, we will start payment of your benefits effective on the day on which you take steps to obtain other benefits.

§ 416.1352 Suspension of State supplementary payments: you no longer meet the State residence requirement.

(a) *Basis for suspension.* We will suspend payment of your Federally administered State supplementation payments if you are no longer a resident of the State from which you are receiving State supplementary payments.

(b) *Date of suspension.* We will suspend payment of your Federally administered State supplementation payments effective with the start of the first full month in which you are no longer a resident of the State in question.

(c) *Resumption of payments.* If State supplementation payments are otherwise payable, we will start payment of your Federally administered State supplementary payments from the State from which you had previously received them if you resume residence in the State and you meet any residence duration requirement that the State imposes, effective with the start of the month in which you meet these requirements.

Terminations

§ 416.1360 Termination at your request.

(a) *General.* A situation could arise where you no longer wish to receive benefits. This could occur, for example, when the receipt of SSI benefits prevents you from receiving other, more advantageous benefits. You, your legal guardian, or representative payee acting on your behalf, can request termination of your eligibilty for benefits by giving us a signed written request that clearly shows you understand that termination of eligibility may extend to other benefits that are related to SSI, such as Federally administered State supplementary payments. If must also show you understand that if you file a new application for benefits on or before the date the 60-day appeal period for the voluntary termination determination expired (see § 416.1385(b)), the new application will have the effect of cancelling the prior request for termination. If you have a representative payee, that person must also show us that no hardship would result from termination of your benefit payments.

(b) *When benefit payments stop.* We will terminate your benefits effective with either the month after you made your request or with any month stated in your request. However, if you want your eligibility to terminate effective for a month for which you have already received benefits, you must make immediate repayment or convince us that you will repay us in the future.

(c) *Resumption of payments.* (1) If you file a new application for benefits more than 60 days after the date you received the notice of termination, we can start paying benefits effective on the day on which you again meet the SSI eligibility requirements and benefits are otherwise payable.

(2) If you file a new application for benefits within 60 days after the date you received the notice of termination, the new application will have the effect of cancelling the prior request for termination. That is, the termination will be treated as if it had not occurred, and we will start paying benefits effective the first month of benefit eligibility after the last month for which you were paid benefits.

§ 416.1368 Termination because of your death.

We will terminate your benefits if you die. There will be no benefits payable for months after your death. (See §§ 416.542 and 416.543 for rules on payment of any benefits due for months prior to your death.)

§ 416.1372 Administrative termination because of continuous suspension.

(a) *When benefit payments stop.* Except for a stop-payment situation (which is discussed in § 416.1315), we will administratively terminate your payment record if your benefits have been suspended for 12 continous months. We count the 12-month suspension period from the start of the first month in which we suspended payment of your benefits (see § 416.1300(c)) rather than from the start of the month in which we actually stop payment. This administrative termination is effective with the start of the 13th month after benefit suspension began. However, this administrative termination is rescinded if the preceding suspension determination is reversed as a result of a decision on appeal.

(b) *Resumption of payments.* We start paying benefits again effective on the day on which you meet the SSI eligibility requirements, including filing an application.

§ 416.1374 Termination of your benefits based on cessation of disability or blindness.

(a) *When benefit payments stop.* If you do not meet the requirements for benefits based on disability or blindness (see Subpart I of this Part) and you are not aged 65 or older, the last month for which we will pay you benefits is the second month after the month disability or blindness ceases, provided you are otherwise eligible for benefits in this 2-month period. The last month for which we can pay you benefits based on disability is the earlier of the second month after the first month in which you are able to do substantial gainful activity following a trial work period (described in § 416.992), or the second month after the first month in which you are determined to no longer have a disabling impairment (described in § 416.911). (See § 416.1376 for an exception to this rule if you are participating in an appropriate vocational rehabilitation program, and § 416.261 for an explanation of special benefits to which you may be entitled.) However, benefits may be resumed during the reentitlement period (described in § 416.992a) under certain circumstances. If you have a disabling impairment, you will receive benefits based on disability for any month in which you do not do substantial gainful activity in the reentitlement period and if we determine that you are not able to do substantial gainful activity in the first

month following the reentitlement period, we will pay you benefits after the reentitlement period until you are able to do substantial gainful activity. The last month you are eligible for this payment is the month before the first month in which you do substantial gainful activity or the month before the month in which you are determind to no longer have a disabling impairment, whichever is earlier. The last month for which we can pay you benefits based on blindness is the second month after the month in which your blindness ends (see § 416.986 for when blindness ends). We will also stop payment of your benefits if you have not cooperated with us in getting information about your disability or blindness.

(b) *Resumption of payments.* We will start payment of benefits effective on the day on which you again meet the SSI eligibility requirements including filing an application.

§ 416.1376 Cessation of your disability—you participate in a vocational rehabilitation program.

(a) *When your benefits may be continued.* Your benefits may be continued after your impairment is no longer disabling if—

(1) Your disability did not end before December 1980, the effective date of this provision of the law;

(2) You are participating in a program of vocational rehabilitation that has been approved under a State plan approved under Title I of the Rehabilitation Act of 1973 and which meets the requirements of 34 CFR part 361 for a rehabilitation program;

(3) You began the program before your disability ended;

(4) At the time you began participating in the program you were not expected to recover medically before the scheduled completion date of the program;

(5) You still have some residual functional limitations; and

(6) We have determined that your completion of the program, or your continuation in the program for a specified period of time, will significantly increase the likelihood that you will not have to return to the SSI benefit rolls.

Example: While disabled from a severe orthopedic impairment, Ellen is receiving State vocational rehabilitation services which include training as a bookkeeper. Ellen is 45 years old, has a high school education and worked for 5 years as a clerk for a large retail auto parts business. When she began training, Ellen had not been expected to recover, and no medical examination had been scheduled by the Social Security Administration. Before Ellen completes the training, her disability status is reviewed by the Social Security Administration and a determination made that she is able to do light work. Considering her age, education, and work experience, Ellen is no longer disabled. However, if Ellen is able to work as a bookkeeper, she will be considered able to engage in substantial gainful activity even if she can do only sedentary work. Therefore, it is determined that Ellen's completion of the vocational rehabiliation program will significantly increase the likelihood that she will be permanently removed from the disability rolls. Ellen will continue to receive payments until she completes or stops her participation in the rehabilitation program.

(b) *When your benefits will be stopped.* We will stop your benefits with the month—

(1) You complete the program;

(2) You stop participating in the program for any reason; or

(3) We determine that your continuing participation in the program will not significantly increase the likelihood that you may be permanently removed from the disability benefit rolls.

Exception: In no case will your benefits be stopped with a month earlier than the second month after the month your disability ends, provided that you are otherwise eligible for benefits through such month.

(c) *Resumption of payments.* We will start payment of your benefits effective on the day on which you are again found disabled or blind or attain age 65 provided you also meet all the other SSI eligibility requirements including the filing of an application.

Notice of Unfavorable Determination and Continued Payments

§ 416.1380 If you appeal a determination to withhold, reduce, suspend, or terminate benefits; determination other than loss of eligibility because of medical improvement.

(a) This section describes our notification procedures and your right to continued payment if we should—

(1) Reduce or suspend your benefits; or

(2) Terminate your benefits except that the provisions of this section will not apply and provisions in Subpart I will apply if we terminate your benefits based on a determination that your physical or mental impairment is found to have ceased, not to have existed, or is no longer disabling.

(b) *Advance notice of our intention to withhold, reduce, suspend, or terminate benefits.*

(1) *When advance notice will be sent.* Except where paragraph (b)(2) of this section applies, we will not take action to reduce, suspend, or terminate your benefits until we have—

(i) Notified you in writing of the unfavorable finding (this written advance notice is called a "Notice of Planned Action"); and

(ii) Given you an opportunity to appeal the finding before we take the intended action.

(2) *When advance notice will not be sent.* We will not give advance notice when—

(i) We process an administrative termination of your payment record after 12 or more months of continuous benefit suspension if you had received notice at the time we suspended your benefits (see § 416.1372);

(ii) We stop your presumptive eligibility payments after 3 months of payment or after your application for benefits has been denied (see § 416.1310), whichever is earlier;

(iii) We withhold your benefits while we are looking for a representative payee to receive them on your behalf (see § 416.1315); or

(iv) You die.

Note.—If we notify you of an unfavorable finding that does not require advance notice, we send this notice to you when or after we take the payment action. However, if your eligibility is terminated after 12 months continuous benefit suspension, no notice is sent.

(c) *Appeal right.* The advance notice that we send you following an unfavorable finding on eligibility or benefit amount, which results in our reducing, suspending, or terminating your benefits, designates the first level of appeal. (See § 416.1415 which describes the first level of appeal under the SSI program.) When we make a finding to reduce, suspend, or terminate your benefits, the advance notice will inform you that your appeal entitles you to have your benefits continue until we make a decision at the first level of appeal. However, if the appeal decision is also unfavorable, these payments will become overpayments which have to be repaid unless they are waived (see Subpart E of this Part about overpayment of benefits).

(d) *Time for appealing in order to receive continued payments.* You have 60 days after receiving the advance notice to appeal. However, if you want your benefits to continue pending the outcome of the appeal, you must file your appeal within 10 days after the date you receive the advance notice. We will presume that you received the advance notice within 5 days after the date shown on the notice unless you present evidence that you actually received it at a later date. We will not extend the 60-day and 10-day time periods unless there is a good reason for your delay (see § 416.1411(b)).

(e) *Continued payment pending a decision on appeal.* (1) If we continue your payments because you filed an

appeal within 10 days after you received the advance notice (or you had a good reason for not filing within the 10 day period), the amount of the continued payment we will pay to you pending a decision on appeal is the same monthly benefit amount that you had been receiving prior to our unfavorable finding except when—

(i) You appeal a determination that we had mistakenly paid you two or more benefit checks in a month;

(ii) You appeal a determination that we paid you more than the maximum allowed for an SSI payment category; or

(iii) An increase in benefits becomes effective during the period extending from when you filed your appeal until the appeal decision was made at the first level of appeal (in which case an increase in benefit amount will be added to the previously established benefit amount).

(2) Our continued payment to you or the amount of the continued payment payable to you, pending a decision being made on a request for appeal, could also be affected by the occurrence of another event that requires us to make a new unfavorable determination concerning either your eligibility for continued benefits or the amount of your benefits. We will send you an advance notice about this new unfavorable determination which, if not appealed, will result in benefit reduction, suspension, or termination, as required. We will not send an advance notice, however, for any new determination requiring an increase in your benefits. In that situation, we send you written notice at the time we take the action to increase your payments.

(f) *Waiver of right to continued payment.* You may give up you right to continued or reinstated payment of benefits pending the decision on your appeal request, with any withheld benefits subsequently paid to you if the appeal decision is favorable. You may want to do so to avoid a possible overpayment of benefits (which generally must be repaid in the event of an unfavorable decision on your appeal unless such an overpayment is waived). If you voluntarily decide to give up this right, we will explain your rights to you and ask you to sign a written request. The written request will state that—

(1) You understand that you are giving up your right to continued payment; and

(2) You want to give up this right.

§ 416.1390 Exception to continued payment at the previous level: you receive two or more checks for one month.

(a) *Introduction.* If we mistakenly send you two or more checks for a particular month, we will send you an advance notice stating our intention to make future payments in the correct amount. This notice will state the month(s) in which you received two or more checks, the correct amount of your monthly benefit, and your right to appeal our determination.

(b) *Identifying persons who have received two or more checks.* We will decide that you have received two or more benefit checks for one month if our records show that—

(1) Two or more monthly checks were sent out under your name or a common spelling variation of your name;

(2) The checks have the same social security number, or a pseudo-number (that is a number we would assign for SSI purposes to a person without a social security number) appears on one or more of the checks;

(3) The checks were sent to the same address;

(4) The sex code is the same; and

(5) The date of birth is the same.

(c) *Appeal.* (1) *If you do not appeal within 10 days.* If you do not appeal within 10 days after the date you receive the advance notice (and you do not have a good reason for not filing your appeal within this period), you will begin receiving the correct benefit amount generally at the start of the month after the month in which the notice was sent.

(2) *If you do appeal within 10 days—payment continuance rate.* If you do appeal within 10 days (or if we find you had a good reason for your delay in filing an appeal), we will continue to pay you, pending a decision on appeal, either—

(i) The highest amount of the two or more benefit checks; or

(ii) The correct amount if it is higher than the amount of any one of the checks you received.

§ 416.1392 Exception to continued payment at the previous level; your check amount exceeds the maximum payment level.

(a) *Introduction.* We may mistakenly pay you a monthly benefit amount that exceeds the maximum amount for your payment category specified in paragraph (b) below. When we find this kind of mistake, we will give you advance notice stating our finding and intention to reduce your future benefits to the correct amount. The notice will explain—

(1) That you received more money than you should have received in the month(s) identified in the notice,

(2) What your correct monthly benefit amount is, and

(3) What your appeal rights are.

(b) *Chart showing the dollar limit for Federal SSI and State supplementation payments.* The monthly benefit dollar limit for each benefit payment category is:

(1) *Federal SSI benefits only, $350.00.*

(2) *Federal SSI benefits plus optional State supplementation or optional State supplementation only, $1,000.00.*

(3) *Federal SSI benefits plus mandatory State supplementation or mandatory State supplementation only, $2,500.00.*

(a) *Appeal.* (1) *If you do not appeal within 10 days.* If you do not appeal this determination within 10 days after the date you receive the advance notice (and you do not have a good reason for not filing your appeal in this period), generally we will start paying you the correct monthly benefit amount beginning with the month after we sent you the advance notice.

(2) *If you do appeal within 10 days—payment continuance rate.* If you do appeal this determination within 10 days (or if we find that you had a good reason for your delay in filing an appeal), we will pay you, pending a decision on appeal—

(i) The same benefit amount that we paid you for the month before the dollar limit was exceeded (subject to subsequent intervening events requiring an increase in that benefit amount, in which case we will pay you the higher amount); or

(ii) The benefit amount that we should have paid you for the month in which the dollar limit was exceeded if your benefits were suspended for the month before the month in which the dollar limit was exceeded and that suspension has ended; or

(iii) No benefits if your benefits were suspended for the month before the month in which the dollar limit was exceeded and the suspension also applies to the month in which the dollar limit was exceeded. (Note: In this case, the Notice of Planned Action will not contain any provision regarding continuation of payment pending appeal.)

5. The authority citation for Subpart P continues to read as follows:

Authority: Secs. 1102, 1614, and 1631 of the Social Security Act as amended, 49 Stat. 647 as amended, 86 Stat. 1471, and 86 Stat. 1475, 42 U.S.C. 1302, 1382c, 1383.

§ 416.1605 [Removed]

6. Part 416, Subpart P is amended by removing § 416.1605.

[FR Doc. 86-10129 Filed 5-7-86; 8:45 am]

BILLING CODE 4190-11-M

INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Agency for International Development

22 CFR Part 213

Collection of Claims

AGENCY: Agency for International Development, IDCA.

ACTION: Proposed rule.

SUMMARY: The Agency for International Development proposes to amend Part 213 to implement salary offset provisions of the 5 U.S.C. 5514. The proposed rule would enable AID to recover delinquent debts owed the United States Government by Federal employees. The proposed rule sets forth the procedures to be followed by AID in using salary offset, including certain rights provided to the employees (e.g. notice, inspection of records, and hearings).

DATES: Comments must be submitted on or before June 9, 1986.

ADDRESSES: Comments may be mailed to Mr. Jan Miller, Office of the General Counsel, Room 6951 N.S., Agency for International Development, Washington, DC 20523.

FOR FURTHER INFORMATION CONTACT: Jan W. Miller, (202) 647–9434.

SUPPLEMENTARY INFORMATION: The proposed rule implements the salary offset provisions of 5 U.S.C. 5514 in accordance with the regulations issued by the Office of Personnel Management (5 CFR Part 550 Subpart K). The proposed rule coavers both employees of AID and employees of other agencies who owe debts to the United States Government.

Regulatory Flexibility and Impact Analysis

This action will not have a significant economic impact on a substantial number of small entities including small businesses, small organizational units and small governmental jurisdictions.

This action does not constitute a "major rule" under Executive Order No. 12291.

Environmental Impact

This action does not constitute a major Federal action significantly affecting the quality of the human environment.

List of Subjects in 22 CFR Part 213

Claims, Salary offset.

Accordingly, it is proposed to amend 22 CFR Part 213 as follows:

1. The table of contents for Part 213 and the authority citation are revised to read as follows:

PART 213—COLLECTION OF CLAIMS

Subpart A—General Provisions

Sec.
213.1 Purpose.
213.2 Scope.
213.3 Subdivision of Claims.
213.4 Late Payment, Penalty and Administrative Charges.
213.5 Demand for Payment.
213.6 Collection by Offset.
213.7 Disclosure to Consumer Reporting Agencies and Contracts with Collection Agencies.

Subpart B—Salary Offset Provisions

213.8 Scope.
213.9 Coordinating offset with another federal agency.
213.10 Determination of indebtedness.
213.11 Notice requirements before offset.
213.12 Request for a hearing.
213.13 Results if employee fails to meet deadlines.
213.14 Hearings.
213.15 Written decision following a hearing.
213.16 Review of agency records related to the debt.
213.17 Written agreement to repay debt as alternative to salary offset.
213.18 Procedures for salary offset.
213.19 Non-waiver of rights.
213.20 Refunds.

Authority: Section 621 of the Foreign Assistance Act of 1961, as amended, 22 U.S.C. 2381; Subpart B also issued under 5 U.S.C. 5514; 5 CFR 550, Subpart K.

§§ 213.1–213.7 [Redesignated]

2. Sections 213.1 through 213.7 are redesignated as Subpart A–General Provisions.

§ 213.6 [Amended]

3. In § 213.6, paragraph (b) is amended by removing "part" and substituting "section".

* * * * *

4. A new Subpart B is added as follows:

Subpart B—Salary Offset Provisions

§ 213.8 Scope.

(a) This subpart sets forth AID's procedures for the collection of a Federal employee's pay by salary offset to satisfy certain valid and past due debts owed the United States Government.

(b) This subpart applies to:

(1) Current employees of AID and other agencies who owe debts to AID.

(2) Current employees of AID who owe debts to other agencies.

(c) This subpart does not apply to debts or claims arising under the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.); the Social Security Act (42 U.S.C. 301 et seq.); the tariff laws of the United States; or to any case where collection of a debt by salary offset is explicitly provided for or prohibited by another statute (e.g. travel advances in 5 U.S.C. 5705 and employee training expenses 5 U.S.C. 4108).

(d) This subpart does not apply to any adjustment to pay arising out of an employee's election of coverage or a change in coverage under a Federal benefits program requiring periodic deductions from pay or ministerial adjustments in pay, if the amount to be recovered was accumulated over four the pay periods or less.

(e) These regulations do not preclude an employee from:

(1) Requesting waiver of erroneous payment of salary, travel, transportation and relocation expenses and allowances;

(2) Requesting waiver of any other type of debt, if waiver is available by statute; or

(3) Questioning the amount of validity of a dept by submitting a subsequent claim to the General Accounting Office.

(f) Nothing in these regulations precludes the compromise, suspension or termination of collection actions where appropriate under subpart A or other regulations.

§ 213.9 Coordinating offset with another federal agency.

(a) When AID is owed the debt. When AID is owed a debt by an employee of another agency, the other agency shall not initiate the requested offset until AID provides the agency with a written certification that the debtor owes AID a debt (including the amount and basis of the debt and the due date of the payment) and that AID has complied with these regulations.

(b) When another agency is owed the debt. AID may use salary offset against one of its employees who is indebted to another agency, if requested to do so by that agency. Such a request must be accompanied by a certification by the requesting agency that the person owes the debt (including the amount and basis of the debt and the due date of the payment) and that the agency has complied with its regulations required by 5 U.S.C. 5514 and 5 CFR Part 550, Subpart K.

§ 213.10 Determination of indebtedness.

(a) In determining that an employee is indebted to AID and that 4 CFR Parts 101 through 105 have been satisfied and that salary offset is appropriate, AID will review the debt to make sure that it is valid and past due.

(b) If AID determines that any of the requirements of paragraph (a) of this section have not been met, no determination of indebtedness shall be

made and salary offset will not proceed until AID is assured that the requirements have been met.

§ 213.11 Notice requirements before offset.

Except as provided in § 213.8, salary offset will not be made unless AID first provides the employee with a minimum of 30 calendar days written notice. This Notice of Intent to Offset Salary ("Notice of Intent") will state:

(a) That AID has reviewed the records relating to the debt and has determined that a debt is owed, the amount of the debt, and the facts giving rise to the debt;

(b) AID's intention to collect the debt by salary offset, i.e. by means of deduction from the employee's current disposable pay until the debt and all accumulated interest are paid in full;

(c) The amount, frequency, approximate beginning date, and duration of the salary intent;

(d) An explanation of that late payment, penalties and administrative costs will be charged in accordance with § 213.4, unless excused in accordance with § 213.4(c);

(e) The employee's right to inspect and copy agency records relating to the debt;

(f) The employee's right to enter into a written agreement with AID for a repayment schedule differing from that proposed by AID, so long as the terms of the repayment schedule proposed by the employee are agreeable to AID;

(g) The right to a hearing conducted by a hearing official on AID's determination of the debt, the amount of the debt, or percentage of disposable pay to be deducted each pay period, so long as a request for a hearing filed by the employee as prescribed by § 213.12;

(h) That the timely filing of a request for hearing will stay the collection proceedings;

(i) That a final decision on the hearing will be issued at the earliest practical date, but not later than 60 calendar days after the filing of the request for a hearing, unless the employee requests, and the hearing officer grants, a delay in the proceedings;

(j) That any knowingly false or frivolous statements, representations, or evidence may subject the employee to:

(1) Disciplinary procedures appropriate under 5 U.S.C. Chapter 75, 5 CFR Part 752, or any other applicable statutes or regulations;

(2) Penalties under the False Claims Act, 31 U.S.C. 3729–3731, or any other applicable statutory authority; or

(3) Criminal penalties under 18 U.S.C. 286, 287, 1001, and 1002 or any other applicable statutory authority;

(k) Any other rights and remedies available to the employee under statutes or regulations governing the program for which the collection is being made;

(l) That amounts paid on or deducted for the debt which are later waived or found not owed to the United States will be promptly refunded to the employee, unless there are applicable contractual or statutory provisions to the contrary;

(m) The method and time period for requesting a hearing; and

(n) The name and address of an AID official to whom communications should be directed.

§ 213.12 Request for a hearing.

(a) Except as provided in paragraph (c) of this section, an employee must file a request for a hearing, that is received by AID not later than 30 calendar days from the date of AID's notice described in § 213.11 if an employee wants a hearing concerning:

(1) The existence or amount of the debt; or

(2) AID's proposed offset schedule (including percentage).

(b) The request must be signed by the employee and should identify and explain with reasonable specificity and brevity the facts, evidence and witnesses which the employee believes support his or her position. If the employee objects to the percentage of disposable pay to be deducted from each check, the request should state the objection and the reasons for it.

(c) If the employee files a request for hearing later than the 30 calendar days as described in paragraph (a) of this section, the hearing officer may accept the request if the employee can show that the delay was because of circumstances beyond his or her control or because of failure to receive notice of the filing deadline (unless the employee has actual notice of the filing deadline).

§ 213.13 Results if employee fails to meet deadlines.

An employee waives the right to a hearing and will have his or her disposable pay offset in accordance with offset schedule set forth in the Notice of Intent if the employee:

(a) Fails to file a petition for a hearing as prescribed in § 213.12; or

(b) Is scheduled to appear and fails to appear at the hearing.

§ 213.14 Hearings.

(a) If an employee timely files a request for a hearing under § 213.12 AID shall select the time, date, and location for the hearing.

(b) (1) Hearings shall be conducted by an appropriately designated hearing official; and

(2) Rules of evidence shall not be adhered to, but the hearings official shall consider all evidence that he or she determines to be relevant to the debt that is the subject of the hearing and weigh it accordingly, given all of the facts and circumstances surrounding the debt.

(c) AID will have the burden of going forward to prove the existence of the debt.

(d) The employee requesting the hearing shall bear the ultimate burden of proof.

(e) The evidence presented by the employee must prove that no debt exists or cast sufficient doubt such that reasonable minds could differ as to the existence of the debt.

§ 213.15 Written decision following a hearing.

Written decisions provided after a hearing will include:

(a) A statement of the facts presented to support the nature and origin of the alleged debt and those presented to refute the debt;

(b) The hearing officer's analysis, findings and conclusions, considering all of the evidence presented and the respective burdens of the parties, in light of the hearing;

(c) The amount and validity of the alleged debt determined as a result of the hearing; and

(d) The amount, frequency, beginning date and duration of the salary offset, if applicable.

§ 213.16 Review of agency records related to the debt.

(a) *Notification by employee.* An employee who intends to inspect or copy agency records related to the debt must send a letter to the official designated in § 213.11(n) stating his or her intention. The letter must be received by AID within 30 calendar days of the date of the Notice of Intent.

(b) *AID's response.* In response to the timely notice submitted by the debtor as described in paragraph (a) of this section, AID will notify the employee of the location and time when the employee may inspect and copy AID records related to the debt.

§ 213.17 Written agreement to repay debt as alternative to salary offset.

(a) *Notification by employee.* The employee may propose, in response to a Notice of Intent, a written agreement to repay the debt as an alternative to salary offset. Any employee who wishes to do this must submit a proposed written agreement to repay the debt which is received by AID with 30

calendar days of the date of the Notice of Intent.

(b) *AID's response.* AID will notify the employee whether the employee's proposed written agreement for repayment is acceptable. AID may accept a repayment agreement instead of proceeding by offset. In making this determination, AID will balance AID's interest in collecting the debt against hardship to the employee. If the debt is delinquent and the employee has not disputed its existence or amount, AID will accept a repayment agreement, instead of offset, for good cause such as, if the employee is able to establish that offset would result in undue financial hardship or would be against equity and good conscience.

(c) *Procedures.* If the employee and AID enter into a written agreement to repay instead of salary offset, the debt will be repaid in accordance with the provisions of the agreement and the procedures of § 213.18 will not apply.

§ 213.18 Procedures for salary offset.

Unless AID agrees otherwise, the procedures for salary offset are as follows:

(a) *Method.* Salary offset will be made by deduction at one or more officially established pay intervals from the current pay account of the employee without his or her consent.

(b) *Source.* The source of salary offset is current disposable pay which is that part of current basic pay, special pay, retainer pay, or in the case of an employee not entitled to pay, other authorized pay remaining after the deduction of any amount required by law to be withheld.

(c) *Types.* Ordinarily debts will be collected by salary offset in one lump sum if possible. However, if the employee is financially unable to pay in one lump sum or the amount of the debt exceeds 15 percent of disposal pay for an officially established pay interval, the collection by salary offset must be made in installment deductions.

(d) *Amount and duration of installment deductions.* (1) The size of installment deductions must bear a reasonable relation to the size of the debt and the employee's ability to pay. If possible the size of the deduction will be that necessary to liquidate the debt in no more than 1 year. However, the amount deducted for any period must not exceed 15 percent of the disposal pay from which the deduction is made, unless the employee has agreed to a greater amount.

(2) Installment payments of less than $25 per pay period will be accepted only in the most unusual circumstances.

(3) Installment deductions will be made over a period of not greater than the anticipated period of employment.

(e) *When deductions may begin.* (1) Salary offset will begin as of the date stated in the Notice of Intent, unless a hearing has been requested.

(2) If there has been a timely request for a hearing, salary offset will begin as of the date stated in the written decision provided after the hearing.

(f) *Additional offset provisions.*—(1) *Liquidation from final check.* If employment ends before salary offset is completed, the remaining debt will be liquidated by offset from subsequent payments of any nature due the employee from AID as of the date of separation (e.g. final salary payment, lump-sum leave, etc.).

(2) *Offset from other payments.* If the debt cannot be liquidated by offset from any final check, the remaining debt will be liquidated by offset from later payments of any kind due the former employee from the United States.

§ 213.19 Non-waiver of rights.

So long as there are no statutory or contractual provisions to the contrary, no employee payment (of all or portion of a debt) collected under this subpart will be interpreted as a waiver of any rights that the employee may have under 5 U.S.C. 5514.

§ 213.20 Refunds.

(a) AID will refund promptly to the appropriate individual amounts offset under these regulations when:

(1) A debt is waived or otherwise found not owing the United States (unless expressly prohibited by statute or regulation); or

(2) AID is directed by an administrative or judicial order to make a refund.

(b) Refunds do not bear interest unless required or permitted by law or contract.

Dated: March 18, 1986.

R.T. Rollis, Jr.,

Assistant to the Administrator for Management.

[FR Doc. 86-10365 Filed 5-7-86; 8:45 am]

BILLING CODE 6116-01-M

DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Part 117

[CGD5-86-02]

Drawbridge Operation Regulations; Severn River, MD.

AGENCY: Coast Guard, DOT.

ACTION: Proposed rule.

SUMMARY: At the request of the Maryland State Highway Administration, the Coast Guard is considering amending the regulations that govern the operation of the drawbridge on SR 450 across the Severn River, mile 3.0, at Annapolis, Maryland, to improve the flow of highway traffic across the bridge by permitting the number of openings to be limited during the boating season. This proposal is being made to ease congestion on SR 450 resulting from increases in both vehicular traffic and bridge openings. This action should help alleviate highway traffic congestion and still provide for the reasonable needs of navigation.

DATE: Comments must be received on or before June 23, 1986.

ADDRESS: Comments should be mailed to Commander (oan), Fifth Coast Guard District, 431 Crawford Street, Portsmouth, Virginia, 23704-5004. Comments, if any, will be available for review from 8 a.m. to 4:30 p.m., Monday through Friday, at Room 609, Federal Building, 431 Crawford Street, Portsmouth, Virginia. Comments may also be hand-delivered to this address.

FOR FURTHER INFORMATION CONTACT: W.J. Creed, Bridge Administrator, (804) 398-6227.

SUPPLEMENTARY INFORMATION: Interested persons are invited to participate in this proposed rulemaking by submitting written views, comments, data, or arguments. Persons submitting comments should include their names and addresses, identify this proposed rule by Docket Number or bridge, and give reasons for concurrence with or any recommended change in the proposal.

The Commander, Fifth Coast Guard District, will evaluate all communications received and determine a course of final action on this proposal. The proposed regulations may be changed in light of comments received.

Drafting Information

The drafter of this notice is W.J. Creed, Project Officer, and the Project Attorney is LT W.A. Mitchell.

Discussion of the Proposed Rule

The matter of regulating the openings of this bridge has been under consideration by the Coast Guard for the past several years. Requests for various opening schedules have been received, orally and in writing, from highway users, from the City of Annapolis and from the Maryland State Highway Administration. The latest

request from the Maryland State Highway Administration sought scheduled openings of the bridge throughout the year. They asked for a split opening schedule that is primarily designed for weekday commuter traffic, but does not take into account those motorists who use the bridge every day during the boating season. As a result, the Coast Guard is proposing a modification to their requested opening schedule. Approval of the modified schedule as outlined below would limit the number of draw openings during daylight hours during the boating season only. At night and during the off-season, the bridge would be required to open on demand. This opening schedule appears to be more acceptable to users of both the highway and the river, and thus is in the overall public interest.

Economic Assessment and Certification

This proposed regulation is considered to be non-major under Executive Order 12291 on Federal Regulation and non-significant under the Department of Transportation regulatory policies and procedures (44 FR 11034; February 26, 1979). The economic impact of this proposal is expected to be so minimal that a full regulatory evaluation is unnecessary. The proposed regulation will have no effect on commercial navigation on the Severn River, and no commercial, water-dependent activities are expected to be affected. Since the economic impact of this proposal is expected to be minimal, the Coast Guard certifies that, if adopted, it will not have a significant economic impact on a substantial number of small entities.

List of Subjects in 33 CFR Part 117

Bridges.

Proposed Regulation

PART 117—[AMENDED]

In consideration of the foregoing, the Coast Guard proposes to amend Part 117 of Title 33, Code of Federal Regulations, as follows:

1. The authority citation for Part 117 continues to read as follows:

Authority: 33 U.S.C. 499; 49 CFR 1.46; 33 CFR 1.05–1(g).

2. Section 117.572 is added to read as follows:

PART 117—DRAWBRIDGE OPERATION REGULATIONS

§ 117.572 Severn River.

From May 1 through October 31, the draw of the SR 450 bridge, mile 3.0, at Annapolis, shall open on the hour from 7 a.m. to 7 p.m. for the passage of pleasure craft. To accommodate approaching pleasure craft, the hourly opening may be delayed up to 10 minutes past the hour. In addition, one opening at 6:30 p.m. on Wednesdays will be allowed for sailboats that wish to participate in the weekly races. At all other times the draw shall open on demand. Public vessels of the United States, commercial vessels, and vessels in an emergency involving danger to life or property shall be passed at any time.

Dated: April 28, 1986.

P. A. Welling,

Captain, U.S. Coast Guard, Acting Commander, Fifth Coast Guard District.

[FR Doc. 86–10375 Filed 5–7–86; 8:45 am]

BILLING CODE 4910–14–M

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33 CFR Part 166 and 167

[CGD 84–087]

Port Access Routes, Entrance to San Francisco Bay

AGENCY: Coast Guard, DOT.

ACTION: Notice of study results.

SUMMARY: This notice publishes the results of the Port Access Route Study as opened by announcement in the Federal Register on December 17, 1984 (49 FR 48946). The study considered the potential traffic density, traffic patterns, and the need for safe access routes in the area off the entrance to San Francisco Bay. Study results for adjacent areas have been previously published and are noted in the background section.

In order to improve navigation safety in the approaches to San Francisco by separating opposing lanes of vessel traffic, a new traffic separation scheme (TSS) is recommended in the main ship channel. It is further recommended that the existing precautionary area in the Off San Francisco TSS be reconfigured to indicate that certain shoal areas are not suitable for safe navigation. Also, it is recommended that the area at the center of the precautionary area currently designated as a separation zone be redesignated as an area to be avoided to be consistent with its purpose and with the charting symbols adopted by the International Maritime Organization.

FOR FURTHER INFORMATION CONTACT: Mr. Christopher Young, Office of Navigation, (G–NSR–3), Room 1408, U.S. Coast Guard Headquarters, 2100 2nd Street SW., Washington, DC 20593, telephone (202) 245–0108, between 8 a.m. and 3:30 p.m., Monday through Friday. Information is also available from Lieutenant Steve Danscuk, Twelfth Coast Guard District (mepps), Government Island, Building 54–B, Room 250, Alameda, CA 94501, telephone (415) 437–3465.

SUPPLEMENTARY INFORMATION

Background

Port Access routing needs in the area of the approaches to San Francisco Bay were originally studied between 1979 and 1982 (April 16, 1979, 44 FR 22543; modified on January 31, 1980, 45 FR 7026). The results of the study were published on October 14, 1982 (47 FR 46043). Recommendations developed during that study included significant modifications to the traffic separation scheme (TSS) in the approach to San Francisco and a new shipping safety fairway to overlay the TSS and continue along the coast of central California to 35° north latitude. The recommended adjustments to the TSS, including a shift of the northern approach away from the coast, and a lengthening of the southern approach TSS lanes to 37° north latitude, were adopted by the International Maritime Organization (IMO) in April, 1984 at the 49th session of the Maritime Safety Committee. As a condition of the adoption by IMO, these adjustments cannot be made effective until a new aid to navigation is established at Ano Nuevo. Also, in accordance with the Ports and Waterways Safety Act (33 U.S.C. 1223) (PWSA), the new portions of the TSS will be incorporated into the Code of Federal Regulations.

Subsequent to completion of the 1979–1982 study, the Coast Guard was informed by representatives of the International Hydrographic Organization that the charting symbol for a separation zone used to circumscribe the large navigation buoy (LNB) in the precautionary area off San Francisco was not consistent with the purpose of the charted area. The purpose of the area is to keep vessels away from the LNB and would be correctly indicated by the symbol for an "area to be avoided." The separation zone charting symbol would only be applicable if opposing lanes of traffic were being separated. This is considered a minor, administrative amendment to the TSS; nevertheless, IMO adoption is required.

Hydrographers also noted that the present charts for the San Francisco Bay approach indicate a pair of traffic lanes in the main ship channel and Golden Gate area. These lanes, although established by common practice among navigators, have never been adopted by the IMO as formal parts of the Off San Francisco TSS. IMO adoption and

implementation would formalize these traditional routes and make them subject to the application of International Rule 10 (Rules governing TSS's) of the Regulations for Preventing Collisions at Sea, 1972 (72 COLREGS).

The Coast Guard opened a study by a notice in the **Federal Register** on December 17, 1984 (49 FR 48946) to examine both of these modifications to the San Francisco TSS. Comments were invited until February 1, 1985. Currently, the preferred modifications, as described in the study notice, were submitted to the IMO Subcommittee on Safety of Navigation for technical analysis at its thirtieth session in December, 1984. These modifications were adopted by the Maritime Safety Committee at its fifty-first session in May, 1985.

Study Method

The Port Access Route Study for the area off of San Francisco was conducted by the Twelfth Coast Guard District. The study encompassed the following geographical area:

Latitude	*Longitude*
37°49'12" N	122°28'36" W
37°44'30" N	122°34'30" W
37°44'00" N	122°44'00" W
37°48'30" N	122°39'00" W

During the study the Coast Guard consulted with federal and state agencies and considered the views of representatives of the maritime community, port and harbor authorities and associations, environmental groups and other parties who may be affected by the study results.

Findings and Conclusions

Based on statistics collected by the Coast Guard Marine Safety Office, Vessel Traffic Service (VTS) San Francisco, and the San Francisco Marine Exchange, approximately 30 vessels pass through the study area and the Golden Gate area (15 inbound and 15 outbound) each day.

Most vessel operators voluntarily follow a traffic pattern which divides traffic into inbound and outbound lanes in the main ship channel approach. Vessel Traffic Service (VTS) San Francisco monitors traffic transiting the main ship channel entrance and has noted the customary traffic pattern of separated traffic lanes. The VTS managers endorse the modification of the IMO approved Off San Francisco TSS to include the main ship channel. Upon implementation of the IMO-adopted modifications, International Rule 10 of the 72 COLREGS would automatically apply in all portions of the IMO approved San Francisco scheme, including the main ship channel.

Participation and compliance by vessels with the customary TSS is estimated by the VTS at over 99 percent. Vessels which have been observed to transit in the Golden Gate area outside of the customary TSS and charted traffic lanes do so for two reasons: size of vessel and weather/sea condition.

At the narrowest part of the waterway, within the main ship channel in the Golden Gate area, some vessels (such as aircraft carriers) occasionally must navigate in the center of the channel to take advantage of the available navigable width and depth of waterway, and thereby cross the charted separation line and deviate away from strict compliance with traffic lane directions. Some vessels also cross the charted separation line or navigate in the center of the channel when rough sea/weather conditions require increased vessel maneuverability in the narrow ship channel and when no other traffic exists in the channel which would be impeded by a vessel transiting the centerline of the scheme.

The water depth, geology constraints, and the effect on other users of the study area do not permit major modifications to the customary traffic lanes in the main ship channel. The proximity of shoals in the immediate area prohibits widening of the channel to any great degree. While providing additional maneuvering room for vessels in the traffic lanes, widening the main ship channel would reduce the remaining areas used by recreational vessel traffic and other vessels not using the TSS. Although the narrowness of the main ship channel is of concern and poses a potential hazard, the existing traffic lanes are sufficient for the volume of traffic flow as it presently exists and for the foreseeable future.

The IMO approved modification of the Off San Francisco TSS to include the main ship channel lanes would terminate at the 72 COLREGS demarcation line (which defines the boundary between the International Navigation Rules and Inland Navigation Rules). The line is drawn from Point Bonita Light through Mile Rocks Light to the shore, to allow more flexible maneuverability through the Golden Gate area. At the point where the extension of the San Francisco TSS through the main ship channel ends, vessels would be subject to Inland Navigation Rule 9, the narrow channel rule, which requires a vessel to keep as near to the outer limit of the channel which lies on her righthand or starboard side as is safe and practicable. The possibility of confusion over the application of Inland Rule 9 (the narrow channel rule) in the main ship channel would be substantially reduced by the designation of a TSS.

According to the Minerals Management Service (Department of the Interior) there is no potential at this time for placement of oil exploration or production platforms in or near the study area. The study area lies within the boundaries of the Point Reyes-Farallon Islands National Marine Sanctuary and the Point Reyes Wilderness area where oil and gas platforms are not permitted. Also, these structures are not permitted within fifteen statute miles of the Wilderness Area unless California allows oil and gas drilling activities in state waters.

The precautionary area off of San Francisco is six miles in radius from the center at the LNB. This may imply to inexperienced mariners that the entire precautionary area is available for navigation. However, the eastern hemisphere of this area contains several extremely hazardous shoal areas (Four Fathom Bank and Potatopatch Shoal, in particular). The prudent mariner is not recommended to use this area although it lies within the precautionary area. The IMO has already approved a reconfiguration of the precautionary area to exclude these shoal areas, coupled with a designation of traffic lanes in the entrance channel. This will contribute to safe navigation by leaving less doubt as to the safe waters along which to transit when proceeding into San Francisco Bay.

The recommended redescription of this circular precautionary area includes changes to areas which are not within the limits of the current study area. However, the need for the modification, which is in addition to the recommended changes to the traffic separation scheme, was identified during this study and will be included in the rulemaking to incorporate the San Francisco approach port access routing system in the Code of Federal Regulations.

The use of a circular separation zone of one-half-mile radius centered on the LNB in the IMO approved precautionary area has been effective in persuading mariners to keep away from the buoy. However, a separation zone is intended only to separate opposing lanes of traffic, a function which does not apply in this situation. The appropriate designation under IMO guidelines is an "area to be avoided." This modification would not alter the purpose of the area or reduce navigation safety. It would serve only to bring the scheme into alignment with IMO definitions and principles.

Recommendations

As a result of the present study, it is recommended that the Traffic Separation Scheme Off San Francisco be modified as follows:

(a) Modify the configuration of the circular precautionary area to delete approximately one-tenth of the circle on the eastern side. The precautionary area would be described as follows:

(1) A precautionary area bounded to the west by an arc of a circle with a radius of 6 miles centered upon geographical position 37°45.0′ N, 122°41.5′ W and connecting the following geographical positions:

Latitude	*Longitude*
37°42.7′ N	122°34.6′ W
37°50.3′ N	122°38.0′ W

(2) The precautionary area is bounded to the east by a line connecting the following geographical positions:

Latitude	*Longitude*
37°42.7′ N	122°34.6′ W
37°45.9′ N	122°38.0′ W
37°50.3′ N	122°38.0′ W

(b) Change the designation of the separation zone at the center of the precautionary area around the aid to navigation (LNB) to an "area to be avoided" with the same one-half mile radius.

(c) Establish a main ship channel segment of the traffic separation scheme to be described as follows:

(1) A separation line dividing eastbound (incoming) traffic from westbound (outgoing) traffic by the lines between the following geographic positions:

Latitude	*Longitude*
37°45.9′ N	122°38.0′ W
37°47.0′ N	122°34.3′ W
37°48.1′ N	122°31.0′ W

(2) A traffic lane for eastbound traffic between the separation line and a line connecting the following geographical positions:

Latitude	*Longitude*
37°45.8′ N	122°37.7′ W
37°47.8′ N	122°30.8′ W

(3) A traffic lane for westbound traffic between the separation line and a line connecting the following geographical positions:

Latitude	*Longitude*
37°46.2′ N	122°37.9′ W
37°46.9′ N	122°35.3′ W
37°48.5′ N	122°31.3′ W

(d) Label the new TSS segment as the "Main Ship Channel Approach" and name the present "Main Approach" as the "Western Approach" to distinguish more clearly the four segments of the TSS. The other two segments are the "Northern" and the "Southern" approaches.

Implementation

A notice of proposed rulemaking (NPRM) is planned for publication later this year to propose an offshore vessel routing system off California, including modifications to the Off San Francisco TSS recommended in this study and adopted by the International Maritime Organization. The NPRM will also include recommendations made in the recently completed study for the area to the northwest of the Santa Barbara Channel as published on December 5, 1985 (50 FR 49861, as corrected at 50 FR 52534). The NPRM will propose that the TSS's be incorporated in the Code of Federal Regulations (CFR) at Title 33, Part 167, and the safety fairways be incorporated in Part 166.

Dated: May 2, 1986.

W.J. Brogdon, Jr.,

Captain, U.S. Coast Guard Acting Chief, Office of Navigation.

[FR Doc. 86-10370 Filed 5-7-86; 8:45 am]

BILLING CODE 4910-14-M

POSTAL SERVICE

39 CFR Part 10

Proposed Express Mail International Service to Guyana, Nigeria and Oman

AGENCY: Postal Service.

ACTION: Proposed rule.

SUMMARY: Pursuant to agreements with the postal administrations of Guyana, Nigeria and Oman, the Postal Service intends to begin Express Mail International Service with these countries at postage rates indicated in the tables below. The proposed service is scheduled to begin on July 12, 1986.

DATE: Comments must be received on or before June 7, 1986.

ADDRESS: Written comments should be directed to the General Manager, Rate Development Division, Office of Rates, Rates and Classification Department, U.S. Postal Service, Washington, D.C. 20260-5350. Copies of all written comments will be available for public inspection and photocopying between 9 a.m. and 4 p.m., Monday through Friday, in room 8620, 475 L'Enfant Plaza West, SW., Washington, D.C. 20260-5350.

FOR FURTHER INFORMATION CONTACT: Leon W. Perlinn, [202] 268-2673.

SUPPLEMENTARY INFORMATION: The International Mail Manual is incorporated by reference in the Code of Federal Regulations, 39 CFR 10.1. Additions to the manual concerning the proposed new services, including the rate tables reproduced below, will be made in due course. Accordingly, although 39 U.S.C. 407 does not require advance notice and the opportunity for submission of comments on international service, and the provisions of the Administrative Procedure Act regarding proposed rulemaking (5 U.S.C. 553) do not apply (39 U.S.C. 410[a]), the Postal Service invites interested persons to submit written data, views or arguments concerning the proposed Express Mail International Service to Guyana, Nigeria and Oman at the rates indicated in the table below.

List of Subjects in 39 CFR Part 10

Postal Service, Foreign relations.

PART 10—[AMENDED]

The authority citation for Part 10 continues to read as follows:

Authority: 5 U.S.C. 552[a], 39 U.S.C. 401, 404, 407, 408.

GUYANA—EXPRESS MAIL INTERNATIONAL SERVICE

Custom designed service [1] [2]		On demand service [3]	
Up to and including—		Up to and including—	
Pounds	Rate	Pounds	Rate
1	$31.00	1	$23.00
2	34.80	2	26.80
3	38.60	3	30.60
4	42.40	4	34.40
5	46.20	5	38.20
6	50.00	6	42.00
7	53.80	7	45.80
8	57.60	8	49.60
9	61.40	9	53.40
10	65.20	10	57.20
11	69.00	11	61.00
12	72.80	12	64.80
13	76.60	13	68.60
14	80.40	14	72.40
15	84.20	15	76.20
16	88.00	16	80.00
17	91.80	17	83.80
18	95.60	18	87.60
19	99.40	19	91.40
20	103.20	20	95.20
21	107.00	21	99.00
22	110.80	22	102.80
23	114.60	23	106.60
24	118.40	24	110.40
25	122.20	25	114.20
26	126.00	26	118.00
27	129.80	27	121.80
28	133.60	28	125.60
29	137.40	29	129.40
30	141.20	30	133.20
31	145.00	31	137.00
32	148.80	32	140.80
33	152.60	33	144.60
34	156.40	34	148.40
35	160.20	35	152.20
36	164.00	36	156.00
37	167.80	37	159.80
38	171.60	38	163.60
39	175.40	39	167.40
40	179.20	40	171.20
41	183.00	41	175.00
42	186.80	42	178.80
43	190.60	43	182.60
44	194.40	44	186.40

[1] Rates in this table are applicable to each piece of International Custom Designed Express Mail shipped under a Service Agreement providing for tender by the customer at a designated Post Office.

[2] Pickup is available under a Service Agreement for an added charge of $5.60 for each pickup stop, regardless of the number of pieces picked up. Domestic and International Express Mail picked up together under the same Service Agreement incurs only one pickup charge.

NIGERIA—EXPRESS MAIL INTERNATIONAL SERVICE

Custom designed service [1] [2]		On demand service [2]	
Up to and including—		Up to and including—	
Pounds	Rate	Pounds	Rate
1	$31.00	1	$23.00
2	35.90	2	27.90
3	40.80	3	32.80
4	45.70	4	37.70
5	50.60	5	42.60
6	55.50	6	47.50
7	60.40	7	52.40
8	65.30	8	57.30
9	70.20	9	62.20
10	75.10	10	67.10
11	80.00	11	72.00
12	84.90	12	76.90
13	89.80	13	81.80
14	94.70	14	86.70
15	99.60	15	91.60
16	104.50	16	96.50
17	109.40	17	101.40
18	114.30	18	106.30
19	119.20	19	111.20
20	124.10	20	116.10
21	129.00	21	121.00
22	133.90	22	125.90
23	138.80	23	130.80
24	143.70	24	135.70
25	148.60	25	140.60
26	153.50	26	145.50
27	158.40	27	150.40
28	163.30	28	155.30
29	168.20	29	160.20
30	173.10	30	165.10
31	178.00	31	170.00
32	182.90	32	174.90
33	187.80	33	179.80
34	192.70	34	184.70
35	197.60	35	189.60
36	202.50	36	194.50
37	207.40	37	199.40
38	212.30	38	204.30
39	217.20	39	209.20
40	222.10	40	214.10
41	227.00	41	219.00
42	231.90	42	223.90
43	236.80	43	228.80
44	241.70	44	233.70

[1] Rates in this table are applicable to each piece of International Custom Designed Express Mail shipped under a Service Agreement providing for tender by the customer at a designated Post Office.

[2] Pickup is available under a Service Agreement for an added charge of $5.60 for each pickup stop, regardless of the number of pieces picked up. Domestic and International Express Mail picked up together under the same Service Agreement incurs only one pickup charge.

OMAN—EXPRESS MAIL INTERNATIONAL SERVICE

Custom designed service [1] [2]		On demand service [2]	
Up to and including—		Up to and including—	
Pounds	Rate	Pounds	Rate
1	$31.00	1	$23.00
2	35.90	2	27.90
3	40.80	3	32.80
4	45.70	4	37.70
5	50.60	5	42.60
6	55.50	6	47.50
7	60.40	7	52.40
8	65.30	8	57.30
9	70.20	9	62.20
10	75.10	10	67.10
11	80.00	11	72.00
12	84.90	12	76.90
13	89.80	13	81.80
14	94.70	14	86.70
15	99.60	15	91.60
16	104.50	16	96.50
17	109.40	17	101.40
18	114.30	18	106.30
19	119.20	19	111.20
20	124.10	20	116.10
21	129.00	21	121.00
22	133.90	22	125.90
23	138.80	23	130.80
24	143.70	24	135.70
25	148.60	25	140.60

OMAN—EXPRESS MAIL INTERNATIONAL SERVICE—Continued

Custom designed service [1] [2]		On demand service [2]	
Up to and including—		Up to and including—	
Pounds	Rate	Pounds	Rate
26	153.50	26	145.50
27	158.40	27	150.40
28	163.30	28	155.30
29	168.20	29	160.20
30	173.10	30	165.10
31	178.00	31	170.00
32	182.90	32	174.90
33	187.80	33	179.80
34	192.70	34	184.70
35	197.60	35	189.60
36	202.50	36	194.50
37	207.40	37	199.40
38	212.30	38	204.30
39	217.20	39	209.20
40	222.10	40	214.10
41	227.00	41	219.00
42	231.90	42	223.90
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[1] Rates in this table are applicable to each piece of International Custom Designed Express Mail shipped under a Service Agreement providing for tender by the customer at a designated Post Office.

[2] Pickup is available under a Service Agreement for an added charge of $5.60 for each pickup stop, regardless of the number of pieces picked up. Domestic and International Express Mail picked up together under the same Service Agreement incurs only one pickup charge.

An appropriate amendment to 39 CFR 10.3 to reflect these changes will be published when the final rule is adopted.

Fred Eggleston,

Assistant General Counsel, Legislative Division.

[FR Doc. 86-10329 Filed 5-7-86; 8:45 am]

BILLING CODE 7710-12-M

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 97

[PR Docket No. 86-161; FCC 86-192, RM-5022, etc.]

Amendment of the Amateur Radio Service Rules To Expand the Privileges Available to Novice Operators

AGENCY: Federal Communications Commission.

ACTION: Proposed rules.

SUMMARY: The attached proposal would enhance Amateur Novice class operating privileges by allowing Novice operators to use amateur frequency bands and emissions not currently available to them. The proposal is necessary in order to preclude a continuing downward trend in the number of Novice operators. The effect of the proposal is to offer an opportunity for greater participation in amateur radio and to enhance Novice operating privileges by authorizing frequencies that are less subject to harmful interference.

DATES: Comments must be filed on or before July 16, 1986, and reply comments on or before August 20, 1986.

ADDRESS: Federal Communications Commission, Washington, DC 20554.

FOR FURTHER INFORMATION CONTACT: Maurice J. DePont, Private Radio Bureau, Washington, DC 20554, (202) 632-4964.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's Notice of Proposed Rule Making, Adopted April 18, 1986, and released April 30, 1986. (Rm-5022, rm-5023 rm-5024, rm-5025, rm-5038, rm-5251, rm-5281, rm-52B2.)

1. The full text of this Commission decision including the proposed rule changes is available for inspection and copying during normal business hours in the FCC Dockets Branch (Room 230), 1919 M Street, NW., Washington, DC. The complete text of this decision and proposed rule changes may also be purchased from the Commission's copy contractor, international Transcription Services, Inc. (202) 857-3800, 2100 M Street, NW., Suite 140, Washington, DC 20037.

Summary of Notice of Proposed Rule Making

2. In response to several petitions, the FCC proposes to enhance Amateur Novice class operating privileges by allowing Novice operators to use frequencies in portions of the 28, 220 and 1200 MHz amateur bands, with emission modes not presently authorized to them. The proposal addresses a current concern in the Amateur service centered around a decline in both the number of new Novice operators and of total Novice operators. There are 10,000 fewer Novices now than there were two years ago. The proposal seeks to reverse the downward trends in the number of new Novice operators and total Novice operators by allowing enhanced opportunities to beginners in amateur radio so that they will desire greater operating privileges.

Only four amateur bands are now authorized for operation. Of these four bands, two often are subject to poor propagation conditions. The other two bands are subject to interference that occurs as a result of international broadcast or telephony operations.

3. This is a non-restricted notice and comment rule making proceeding. See § 1.1231 of the Commission's Rules, 47 CFR 1.1231, for rules governing permissible *ex parte* contacts.

4. Pursuant to applicable procedures set forth in §§ 1.415 and 1.419 of the Commission's Rules, 47 CFR 1.415 and 1.419, interested parties may file

comments on or before July 16, 1986, and reply comments on or before August 20, 1986. All relevant and timely comments will be considered by the Commission before final action is taken in this proceeding.

5. Pursuant to the Regulatory Flexibility Act of 1980, 5 U.S.C. 603, we submit that this proceeding is expected to increase interest among all persons in becoming amateur radio operators. It is estimated that at least 20,000 persons each year will become Novices. It is possible that some of these new applicants will purchase single sideband radiotelephony equipment. Thus, there is expected to be some effect on the sale of amateur radio equipment, including antennas, towers, transmission lines, transceivers, microphones, connectors and filters. Public comment is requested on the initial regulatory flexibility analysis set out in full in the Commission's complete decision.

6. The Notice of Proposed Rule Making is issued under the authority of 47 U.S.C. 154(i) and 303 (c) and (r).

7. A copy of the Notice of Proposed Rule Making will be served on the Chief Counsel for Advocacy of the Small Business Administration.

Ordering Clause

8. Insofar as they are consistent with the proposed rules adopted herein, rule making petitions RM–5022, 5023, 5024, 5038, 5251, 5281 and 5282 are granted, and in all other respects are denied.

List of Subjects in 47 CFR Part 97

Amateur radio, Emission, Frequencies, Radio.

Federal Communications Commission.

William J. Tricarico,

Secretary.

[FR Doc. 86–10288 Filed 5–7–86; 8:45 am]

BILLING CODE 6712-01-M

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 654

Stone Crab Fishery of the Gulf of Mexico

AGENCY: National Marine Fisheries Service (NMFS), NOAA, Commerce.

ACTION: Notice of availability of an amendment to a fishery management plan and request for comments.

SUMMARY: NOAA issues this notice that the Gulf of Mexico Fishery Management Council (Council) has submitted an amendment to the Fishery Management Plan for the Stone Crab Fishery (FMP) for Secretarial review and is requesting comments from the public. Copies of the revisions to the FMP may be obtained from the address below.

DATE: Comments on the FMP revisions should be submitted on or before July 22, 1986.

ADDRESS: All comments should be sent to Donald W. Geagan, Southeast Region, NMFS, 9450 Koger Boulevard, St. Petersburg, Florida 33702. Clearly mark, "Comments on Stone Crab Plan Amendment", on the envelope.

Copies of the FMP amendment are available upon request from the Gulf of Mexico Fishery Management Council, Lincoln Center, Suite 881, 5401 West Kennedy Boulevard, Tampa, Florida 33609.

FOR FURTHER INFORMATION CONTACT: Donald W. Geagan (Regional Plan Coordinator), 813–893–3722.

SUPPLEMENTARY INFORMATION: The Magnuson Fishery Conservation and Management Act, as amended (16 U.S.C. 1801 *et seq.*), requires that each regional fishery management council submit any fishery management plan it prepares to the Secretary of Commerce (Secretary) for review and approval or disapproval. The act also requires that the Secretary, upon receiving the plan, must immediately publish a notice that the plan is available for public review and comment. The Secretary will consider the public comments in determining whether to approve the plan amendment.

This plan amendment proposed changes in the measures for managing the stone crab fishery in the Gulf of Mexico. The Council prepared an environmental assessment and concluded there will be no significant impact on the environment as result of this action. Copies of the environmental assessment may be obtained at the above address.

Regulations proposed by the Council and based on this plan are scheduled to be published within 30 days.

(16 U.S.C. 1801 *et seq.*)

Dated: May 5, 1986.

Richard B. Roe,

Director, Office of Fisheries Management, National Marine Fisheries Service.

[FR Doc. 86–10394 Filed 5–5–86; 4:35 pm]

BILLING CODE 3510-22-M

Notices

Federal Register
Vol. 51, No. 89
Thursday, May 8, 1986

This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

DEPARTMENT OF AGRICULTURE

Forest Service

Inyo National Forest, Mono Basin National Scenic Area Advisory Board; Meeting

The Mono Basin National Forest Scenic Area Advisory Board will meet at 9:30 a.m. on May 28, 1986, at the June Lake Community Center in June Lake, Calif. The agenda of the meeting will include:

1. Service/Facilities Plan—'86 Summer Season;
2. Visitor Center Update;
3. Private Land Guidelines and Boundary Adjustments Update;
4. National Academy of Science Update;
5. Comprehensive Management Plan Update.

The meeting will be open to the public. Persons who wish to attend and make oral presentation should notify Dennis W. Martin, Forest Supervisor, Inyo National Forest, 873 N. Main Street, Bishop, California, 93514, Telephone: (619) 873–5841. Written statements may be filed with the Committee before or after the meeting.

The Committee has established the following rules for public participation: After the Board has completed discussion of each topic, the public will be allowed time for questions or comment.

Dated: May 2, 1986.

Leon R. Silberberger,

Acting Forest Supervisor and Interim Chairman.

[FR Doc. 86–10368 Filed 5–7–86; 8:45 am]

BILLING CODE 4310–11–M

Soil Conservation Service

Fish Bayou Watershed, Arkansas; Deauthorization of Federal Funding

AGENCY: Soil Conservation Service; USDA.

ACTION: Notice of deauthorization of Federal funding.

SUMMARY: Pursuant to the Watershed Protection and Flood Prevention Act, Pub. L. 83–566, and the Soil Conservation Service Guidelines (7 CFR Part 622), the Soil Conservation Service gives notice of the deauthorization of Federal funding for the Fish Bayou Watershed project, St. Francis and Crittenden Counties, Arkansas, effective on April 14, 1986.

FOR FURTHER INFORMATION CONTACT: Jack C. Davis, State Conservationist, Soil Conservation Service, Room 2405, Federal Office Building, 700 West Capitol Avenue, Little Rock, Arkansas 72201 (501–378–5445).

"(This activity is listed in the Catalog of Federal Domestic Assistance under No. 10.904—Watershed Protection and Flood Prevention—and is subject to the provisions of Executive Order 12372 which requires intergovernmental consultation with State and local officials.)"

Jack C. Davis,

State Conservationist.

Dated: May 1, 1986.

[FR Doc. 86–10361 Filed 5–7–86; 8:45 am]

BILLING CODE 3410–16–M

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

Meeting

AGENCY: Architectural and Transportation Barriers Compliance Board.

ACTION: Notice of ATBCB meeting.

SUMMARY: The Architectural and Transportation Barriers Compliance Board (ATBCB) has scheduled a meeting to be held from 2:00 PM to 4:30 PM, on Wednesday, May 14, 1986, to take place in Department of Transportation Conference Room 2230, 400 Seventh Street, SW, Washington, DC.

Items on the agenda: election of the Chairperson, Vice-Chairperson, and members of the Executive Committee; publication of section 504 rule; evaluation of aircraft boarding chairs technical manual contract; report on computer search of non-Board research; draft FY 1988 budget request; consideration of proposals for substantive changes to the Board's authorizing legislation.

DATE: Wednesday, May 14, 1986—2:00 pm–4:30 pm.

ADDRESS: Department of Transportation Conference Room 2230, 400 Seventh Street SW, Washington, DC.

There will be a special closed session of the Board on Monday, May 12, for Board members only.

All comittees of the ATBCB will meet on Tuesday and Wednesday morning, May 13 and 14, 1986, in the Department of Transportation Conference Room 2230, 400 Seventh Street SW, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Larry Allison, Special Assistant for External Affairs (202) 245–1591 (voice or TDD).

Margaret Milner,

Executive Director.

[FR Doc. 86–10267 Filed 5–7–86; 8:45 am]

BILLING CODE 6820–BP–M

DEPARTMENT OF COMMERCE

Agency Forms Under Review by the Office of Management and Budget (OMB)

DOC has submitted to OMB for clearance the following proposals for collection of information under the provisions of the Paperwork Reduction Act (44 U.S.C. Chapter 35).

Agency: Bureau of the Census.

Title: Advance Monthly Retail Trade Report.

Form number: Agency—B–104(SR), B–104E(SR), B–105(SR); OMB—0607–0104.

Type of request: Extension of a currently approved collection.

Burden: 2,850 respondents; 2,850 reporting hours.

Needs and uses: This report is for the purpose of collecting and tabulating early monthly estimates of retail sales. These published estimates are used widely by government and private agencies as the earliest indicator of changes in retail sales at the U.S. level.

Affected public: Business or other for-profit institutions; small businesses or organizations.

Frequency: Monthly.

Respondent's obligation: Voluntary.

OMB desk officer: Timothy Sprehe, 395–4814.

Agency: Bureau of the Census.

Title: Report of Building or Zoning Permits Issued and Local Public Construction.

Form number: Agency—C404; OMB–0607–0094.

Type of request: Revision of a currently approved collection.

Burden: 24,080 respondents; 24,080 reporting hours.

Needs and uses: The collected data is used to prepare monthly estimates and annual totals of the number and value of residential buildings and housing units, nonhousekeeping residential (hotels and motels), and nonresidential construction authorized by building permits.

Affected public: State and local governments.

Frequency: Annually.

Respondent's obligation: Voluntary.

OMB desk officer: Timothy Sprehe, 395–4814.

Agency: Bureau of the Census.

Title: 1985 Annual Survey of Communication Services.

Form number: Agency—B–516, B–517, B–518, B–519, B–520, B–521; OMB—NA.

Burden: 750 respondents; 750 reporting hours.

Needs and uses: This survey is the only annual source of data for the universe of employer firms providing communication services. These data will be used by the Federal Government for computation of the national accounts and for monitoring the course of continued deregulation, and by private industry for marketing analysis.

Affected public: Businesses or other for-profit institutions.

Frequency: Annually.

Respondent's obligation: Mandatory.

OMB desk officer: Timothy Sprehe, 395–4814.

Copies of the above information collection proposals can be obtained by calling or writing DOD Clearance Officer, Edward Michals, (202) 377–4217, Department of Commerce, Room 6622, 14th and Constitution Avenue, NW., Washington, DC 20230.

Written comments and recommendations for the proposed information collection should be sent to Timothy Sprehe, OMB Desk Officer, Room 3235, New Executive Office Building, Washington, DC 20503.

Dated: May 2, 1986.

Edward Michals,

Departmental Clearance Officer.

[FR Doc. 86–10353 Filed 5–7–86; 8:45 am]

BILLING CODE 3510-07-M

COMMODITY FUTURES TRADING COMMISSION

Coffee, Sugar, and Cocoa Exchange, Inc.; Coffee "C"

AGENCY: Commodity Futures Trading Commission.

ACTION: Notice of availability of the terms and conditions of a proposed commodity futures option contract.

SUMMARY: The Coffee, Sugar, and Cocoa Exchange, Inc. ("CSCE") has applied for designation as a contract market in options on coffee "C" futures. The Director of the Division of Economic Analysis of the Commodity Futures Trading Commission ("Commission"), acting pursuant to the authority delegated by Commission Regulation 140.96, has determined that publication of the proposal for comment is in the public interest, will assist the Commission is considering the views of interested persons, and is consistent with the purposes of the Commodity Exchange Act.

DATE: Comments must be received on or before June 9, 1986.

ADDRESS: Interested persons should submit their views and comments to Jean A. Webb, Secretary, Commodity Futures Trading Commission, 2033 K Street NW., Washington, DC 20581. Reference should be made to the CSCE coffee "C" futures option contract.

FOR FURTHER INFORMATION CONTACT: Fred Linse, Division of Economic Analysis, Commodity Futures Trading Commission, 2033 K Street NW., Washington, DC 20581, (202) 254–7303.

Copies of the terms and conditions of the proposed CSCE coffee "C" futures option contract will be available for inspection at the Office of the Secretariat, Commodity Futures Trading Commission, 2033 K Street, NW., Washington DC 20581. Copies of the terms and conditions can be obtained through the Office of the Secretariat by mail at the above address or by phone at (202) 254–6314.

Other materials submitted by the CSCE in support of its application for contract market designation may be available upon request pursuant to the Freedom of Information Act (5 U.S.C. 552) and the Commission's regulations thereunder (17 CFR Part 145 (1984)), except to the extent they are entitled to confidential treatment as set forth in 17 CFR 145.5 and 145.9. Requests for copies of such materials should be made to the FOI, Privacy and Sunshine Acts Compliance Staff of the Office of the Secretariat at the Commission's headquarters in accordance with 17 CFR 145.7 and 145.8.

Any person interested in submitting written data, views or arguments on the terms and conditions of the proposed futures option contract, or with respect to other materials submitted by the CSCE in support of its application, should send such comments to Jean A. Webb, Secretary, Commodity Futures Trading Commission, 2033 K Street NW., Washington DC 20581, by June 9, 1986.

Issued in Washington, DC, on May 2, 1986.

Paula A. Tosini,

Director, Division of Economic Analysis.

[FR Doc. 86–10264 Filed 5–7–86; 8:45 am]

BILLING CODE 6351-01-M

DEPARTMENT OF DEFENSE

Department of the Air Force

USAF Scientific Advisory Board; Meeting

April 30, 1986.

The USAF Scientific Advisory Board Ad Hoc Committee to Review the Air Force Science and Technology Programs for Reliability, Maintainability and Logistics will conduct a closed meeting at Wright Patterson AFB, OH on 27–28 May 1986, from 8:00 am to 5:00 pm.

The purpose of the meeting will be to examine possible solutions to the problem of positive target identification beyond visual range.

The meeting concerns matters listed in Section 552b(c) of Title 5, United States Code, specifically subparagraph (1) thereof, and accordingly, will be closed to the public.

For further information, contact the Scientific Advisory Board Secretariat at 202–697–8404.

Patsy J. Conner,

Air Force Federal Register Liaison Officer.

[FR Doc. 86–10272 Filed 5–7–86; 8:45 am]

BILLING CODE 3910-01-M

USAF Scientific Advisory Board; Meeting

April 30, 1986.

The USAF Scientific Advisory Board Tactical Cross-Matrix Panel will meet at Headquarters, Tactical Air Command, Langley AFB VA, on May 30, 1986 from 8:00 A.M. to 5:00 P.M.

The purpose of the meeting is to review and discuss selected programs relating to the misssion of Tactical Air Command and the Tactical Air Forces.

This meeting will involve discussions of classified defense matters listed in Section 552b(c) of Title 5, United States Code, specifically subparagraph (1)

thereof, and accordingly, will be closed to the public.

For further information, contact the Scientific Advisory Board Secretariat at (202) 697-4648.

Patsy J. Conner,

Air Force Federal Register Liaison Officer.

[FR Doc. 86-10273 Filed 5-7-86; 8:45 am]

BILLING CODE 3910-01-M

USAF Scientific Advisory Board; Meeting

May 1, 1986.

The USAF Scientific Advisory Board Ad Hoc Committee on Current and Potential Future Technology to Protect Air Force Space Missions from Current and Future Space Debris will meet at Los Angeles AFS on June 9, 1986, from 8:00 am to 5:00 pm and on June 10, 1986, from 8:00 am to 3:30 pm.

The purpose of the meeting will be to evaluate the space debris question and determine if technology exists to support Air Force policy in space in a space debris environment.

The meeting concerns matters listed in Section 552b(c) of Title 5, United States Code, specifically subparagraph (1) thereof, and accordingly, will be closed to the public.

For further information, contact the Scientific Advisory Board Secretariat at 202-697-8845.

Patsy J. Conner,

Air Force Federal Register Liaison Officer.

[FR Doc. 86-10274 Filed 5-7-86; 8:45 am]

BILLING CODE 3910-01-M

Corps of Engineers, Department of the Army

Intent To Prepare a Draft Supplemental Environmental Impact Statement for the proposed Lake Darling Flood Control Project, Lake Darling, Souris River, ND

AGENCY: U.S. Army Corps of Engineers, St. Paul District, Defense.

ACTION: Notice of intent to prepare a draft supplemental environmental impact statement (EIS).

SUMMARY: The 1982 Energy and Water Development Act authorized the Corps of Engineers to raise Lake Darling by approximately 4 feet and to implement work on upstream and downstream flood control measures. The Corps has completed a final programmatic EIS and a final feature EIS for this flood control project. Since that time, the Corps of Engineers and the State of North Dakota have investigated the feasibility of purchasing flood storage in the Province of Saskatchewan, Canada, to provide up to 100-year flood protection at Minot, North Dakota. This protection would be provided by operating two proposed reservoirs (Rafferty and Alameda) in Saskatchewan, in conjunction with the operation of the existing Boundary Dam in Saskatchewan and the existing Lake Darling Dam in North Dakota. Saskatchewan has indicated it will construct the new dams during the period from July 1987 to fall 1990.

A draft supplemental EIS on the proposed project will address the impacts in the United States from the operation of the Canadian reservoirs for flood control. For the areas downstream of the Lake Darling Dam, this operation will be the same as that discussed in the Lake Darling site-specific EIS. The primary differences between this project and the previous Lake Darling project are that the 4-foot raise of Lake Darling will be eliminated and that the flood storage will be provided by the Canadian reservoirs. The supplemental EIS will address impacts resulting from this project that have not been addressed in the previous EIS's. These include social, cultural, and fish and wildlife impacts resulting from the flood control operation of the Canadian reservoirs on the reach of the Souris River from the Canadian border to Lake Darling Dam.

Features that are part of this project as well as the 4-foot raise project include levee improvements at Velva, Sawyer, and six subdivision areas between Burlington and Minot; flood proofing, relocation, or acquisition of rural residences; modification of U.S. Fish and Wildlife Service structures in the Upper Souris and J. Clark Salyer National Wildlife Refuges; mitigation measures; compensation to Manitoba, Canada, for altered return flows; and a flood warning system for the Gassman Coulee near Minot.

Significant issues identified to date include the effects on fish and wildlife, migratory waterfowl, vegetation, water quality, erosion, and sedimentation; mitigation; cost sharing; and compliance with existing Federal and State laws and regulations. The supplemental EIS will discuss these issues in depth as they apply to the modifications being made in the existing project.

The scoping process for the draft supplemental EIS will be initiated by letter to all concerned Federal, State, and local agencies; to Canadian interests; and to other interested private organizations and individuals. Anyone who has an interest in participating in the scoping process and the development of the EIS is invited to contact the St. Paul District, Corps of Engineers, as soon as possible. We hope to accomplish the scoping task by letter. Because of the geographical distance, between interested parties, we believe that this is the most practical and efficient method. However, if interest is sufficient at the end of the scoping process, we will hold a meeting, after contacting all parties who have expressed an interest in the project. Our review of the project will comply with the requirements of the National Environmental Policy Act of 1969, Council on Environmental Quality Regulations (40 CFR Parts 1500-1508), and applicable Corps of Engineers and other regulations.

The estimated date for public availability of the draft supplement to the Lake Darling EIS is July 1986.

Questions concerning the proposed action and draft EIS can be directed to: Mr. Gary Palesh, Chief, Environmental Analysis Section, Environmental Resources Branch, Planning Division, 1135 U.S. Post Office and Customs House, St. Paul, Minnesota 55101-1479.

Dated: April 25, 1986.

Joseph Briggs,

Colonel, Corps of Engineers, District Engineer.

[FR Doc. 86-10271 Filed 5-7-86; 8:45 am]

BILLING CODE 3710-CY-M

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. CP85-294-000]

Transcontinental Gas Pipe Line Corp., Revised Environmental Status for Facilities Proposed by Transcontinental Gas Pipe Line Corporation Under Docket No. CP85-294-000 and of a Routing Modification

May 2, 1986.

On July 16, 1985, the Secretary of the Federal Energy Regulatory Commission (FERC) issued a Notice of Availability for the DCQ Pipeline Project Environmental Assessment. This environmental assessment (EA) analyzed facilities proposed by Texas Eastern Transmission Corporation (Texas Eastern), Algonguin Gas Transmission Company (Algonguin), and Transcontinental Gas Pipe Line Corporation (Transco) under Docket Nos. CP84-429-001, CP84-654-001, and CP85-294-000, respectively. (See 50 FR 10099, 10535, and 29475.) Transco had proposed to construct 5.44 miles of 42-inch-diameter pipeline loop in Elbert and Hart Counties, Georgia; 4.13 miles

of 36-inch-diameter pipeline loop in Morris and Essex Counties, New Jersey; and 3.44 miles of 24-inch-diameter pipeline loop in Mercer County, New Jersey. Transco's facilities were described and analyzed as a potential alternative to part of the facilities proposed by Texas Eastern. On August 15, 1985, the FERC issued certificates to Algonquin and Texas Eastern authorizing their proposed facilities. On August 15, 1985, the FERC also issued another order that consolidated three Transco applications, Docket Nos. CP85–190–000, CP85–264–000, and CP85–294–000, and set them for hearing. New facilities are only proposed in Docket No. CP85–294–000 and Transco is proceeding with these proposals independent of Texas Eastern's and Algonquin's proposals.

Consequently, Transco's proposal is no longer an alternative that is not preferred by the FERC staff. Transco is seeking to construct the same facilities that were analyzed in the EA. The environmental analysis of this proposal is contained within the body of the DCQ Pipline Project Environmental Assessment. The staff believes that Transco's proposed project would be environmentally acceptable and does not constitute a major Federal action significantly affecting the quality of the human environment.

Further, on April 9, 1986, Transco filed additional information with the FERC concerning an alternate route for part of its proposed Trenton Woodbury Loop in Mercer County, New Jersey. (See map A–7 in the EA for Transco's original route.) This routing change resulted from discussions with officials of Hamilton Township, Mercer County, and would only affect the route of the proposed loop between the intersection of East State Street Extension and Kentucky Avenue south for about 3,250 feet to the intersection of Transco's existing pipeline right-of-way and Public Service Gas and Electric Company's (PSG&E) existing powerline right-of-way.

Transco's original route would have been constructed from East State Steet Extension south under the street right-of-way of Kentucky Avenue affecting 22 residences, and then south across a wooded area parallel to Transco's existing pipeline right-of-way. The "new route" preferred by the local officials, and now by Transco, would not follow Kentucky Avenue. Instead, it would continue to head southeast for approximately 1,750 feet on the north side of East State Street Extension until it meets PSG&E's powerline right-of-way. The new route would then cross the street and follow the powerline right-of-way south-southwest for about 2,200 feet to the existing intersection of the powerline and pipeline rights-of-way. The new route is approximately 700 feet longer than the original route, but it would not disturb the 22 residences. Both routes would require the clearing of trees for about 2,000 feet of their length, but an inspection of aerial photographs shows the new route would impact less dense-wooded areas, particularly along East State Street Extension. Three commercial buildings and one medical office building, with paved parking lots, located off East State Street Extension, would be affected by the construction of the new route.

Although the new route is longer, it would have significantly less short-term impact on a residential area. Both the original route and the new route are acceptable to the staff. However, since the local officials prefer the new route, and it will probably be more acceptable to the general public in this area, the staff also believes the new route is preferable and should be authorized instead of the original route.

The above material is hereby incorporated into the FERC staff's DCQ Pipeline Project Environmental Assessment. The EA will be used in the regulatory decisionmaking process at the FERC. A formal hearing on this consolidated proceeding is scheuled to commence on May 27, 1986. Motions to intervene in the proceeding out-of-time can be filed with the Commission for transmission to the presiding administrative law judge.

Copies of the EA, a map showing the route modification, and this notice have been sent to Federal, state, and local officials, all parties to the proceeding, and the public, and are available in limited quantities, from the FERC Division of Public Information, Room 1000, 825 North Capitol Street, NE., Washington, DC 20426.

Anyone wishing to do so may file comments on the routing modification or any aspect of Transco's proposed facilities as soon as possible, but no later than May 23, 1986. Comments should be sent to the Office of the Secretary, Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, DC 20426, and reference Docket No. CP85–294–000.

Additional information about the project is available from Mr. Kenneth D. Frye, Project Manager, Environmental Evaluation Branch, Office of Pipeline and Producer Regulation, telephone (202) 357–9039.

Kenneth F. Plumb,

Secretary.

[FR Doc. 86–10308 Filed 5–7–86; 8:45 am]

BILLING CODE 6717–01–M

[Project Nos. 8724–001, et al.]

Hydroelectric Applications (Cook Electric, Inc., et al.); Application Filed With the Commission

Take notice that the following hydroelectric applications have been filed with the Federal Energy Regulatory Commission and are available for public inspection:

1a. Type of Application: Major License.

b. Project No.: 8724–001.

c. Date Filed: June 7, 1985.

d. Applicant: Cook Electric, Incorporated.

e. Name of Project: North Fork Battle Creek Hydroelectric Project.

f. Location: On North Fork Battle Creek, near town of Manton, in Shasta County, California (In sections 19, 20, 21, 30 of T30N, R1E, MDB&M; in sections 25 of T30N, R1W, MDB&M).

g. Filed Pursuant to: Federal Power Act, 16 U.S.C. 791(a)—825(r).

h. Contact Person: Mr. Richard C. Hunn, Ott Water Engineer, Inc., 2334 Washington Avenue, Redding, CA 96001.

i. Comment Date: May 30, 1986.

j. Competing Application: Project No. 8725–001, Date Filed May 28, 1985.

k. Description of Project: The proposed project would consist of: (1) An 11-foot-high, 110-foot-long diversion dam at elevation 1,869 feet; (2) a 66-inch-diameter, 13,100-foot-long pipeline/penstock; (3) a powerhouse containing two generating units with a total installed capacity of 4.98 MW operating under a head of 366 feet; and (4) a 1.3-mile-long, 12.3-kV transmission line from the powerhouse to connect to an existing Pacific Gas and Electric Company (PG&E) transmission line. The estimated annual generation of 15.70 million kWh will be sold to PG&E. The project cost is estimated at $7.4 million. The Applicant does not propose any recreational facilities within the project area.

l. This notice also consists of the following standard paragraphs: A4, B, C, and D1.

2a. Type of Application: Transfer of License (Minor).

b. Project No.: 3156–003.

c. Date Filed: February 28, 1985.

d. Applicants: John M. Jordan and Miller & Miller.

e. Name of Project: Worthville Dam.

f. Location: Deep River, Randolph County, North Carolina.

g. Filed Pursuant to: Section 9 of the Federal Power Act.

h. Contact Person: Mr. John M. Jordan, P.O. Box 128, Saxapahaw, NC 27340 (919) 376–3132.

i. Comment Date: June 2, 1986.

j. Description of Project: On October 28, 1982, a minor license was issued to John M. Jordan to construct, operate and maintain the Worthville Dam Project No. 3156. The licensed project capacity is 280 kW. John M. Jordan intends to convey all of the project properties to Miller & Miller, a partnership qualified to business in the State of North Carolina. John M. Jordan has therefore filed a request that the project license be transferred to Miller & Miller.

k. This notice also consists of the following standard paragraphs; B and C.

3a. Type of Application: 5 MW Exemption.

b. Project No: 9755–000.

c. Date Filed: December 30, 1985.

d. Applicant: American Electric and Power, I, Ltd.

e. Name of Project: Piggy Back Water Power Generators.

f. Location: On the Susquehanna River, in Lancaster County, Pennsylvania.

g. Filed Pursuant to: Section 408 of the Energy Security Act of 1960, 16 U.S.C. 2705 and 2708 as amended.

h. Contact Person: Mr. B. Ryland Wiggs, Suite 207, 2285 Schoenersville Road, Bethlehem, PA 18017, (518) 868–1700.

i. Comment Date: June 4, 1986.

j. Description of Project: The proposed project would not utilize any dam, proposed dam or impoundment. The plan for development is to utilize a floating vessel outfitted with experimental paddle-wheel generating devices. The devices would generate electricity through the utilization of the river current. The generating vessels would be anchored to the river bottom in a fashion that would allow for a 40-foot fluctuation in river levels. The paddle wheel should not exceed eight feet in depth and eight feet in length. A submarine cable would connect the paddle wheel generating units to the on-shore local utility pole. The proposed installed generating capacity is 720 kW. The Applicant proposes to install an approximately 2-mile-long, 12 kV transmission line. The project would generate up to 6.3 GWh annually.

k. Purpose of Project: Energy produced at the project would be sold to Pennsylvania Power and Light Company.

l. This notice also consists of the following standard paragraphs: A3, A9, B, C, and D3a.

m. Purpose of Project: An exemption, if issued, gives the Exemptee priority of control, development, and operation of the project under the terms of the exemption from licensing, and protects the Exemptee from permit or license applicants that would seek to take or develop the project.

4a. Type of Application: Transfer of License.

b. Project No.: 4026–009.

c. Date Filed: March 26, 1986.

d. Applicants: Androscoggin Reservoir Company and Central Maine Power Company (licensee) and Androscoggin Reservoir Company and Aziscohos Hydro Company, Inc. (transferee).

e. Name of Project: Aziscohos.

f. Location: Magalloway River in Oxford County, Maine.

g. Filed Pursuant to: Federal Power Act, 16 U.S.C. 791(a)–825(r).

h. Contact Person: Mr. Thomas R. Doyle, Pierce, Atwood, Scribner, Allen, Smith & Lancaster, One Monument Square, Portland, ME 04101, (207) 773–6411.

i. Comment Date: June 6, 1986.

j. Description of Transfer: On March 26, 1986, Androscoggin Reservoir Company (ARCo) and Central Maine Power Company (CMPCo) (licensee), and ARCo and Aziscohos Hydro Company, Inc. (transferee), filed a joint application for transfer of a major license for the Aziscohos Project No. 4026.

The purpose of the proposed transfer of the license is to facilitate the financing of the licensed project. The transferee proposes to sell power, at the PURPA rate for the State of Maine, to CMPCo. The transferee and CMPCo have a power purchase agreement pending the transfer of the license.

No equipment has been contracted for or required to date. All engineering, design, and feasibility studies performed would be transferred to the transferee.

The transferee states that it would comply with all the terms and the conditions of the license.

k. This notice also consists of the following standard paragraphs: B and C.

Standard Paragraphs

A3. Development Application—Any qualified development applicant desiring to file a competing application must submit to the Commission, on or before the specified comment date for the particular application, a competing development application, or a notice of intent to file such an application. Submission of a timely notice of intent allows an interested person to file the competing development application no later than 120 days after the specified comment date for the particular application. Applications for preliminary permit will not be accepted in response to this notice.

A4. Development Application—Public notice of the filing of the initial development application, which has already been given, established the due date for filing competing applications or notices of intent. In accordance with the Commission's regulations, any competing development applications or notices of intent to file competing development applications, must be filed in response to and in compliance with the public notice of the initial development application. No competing applications or notices of intent may be filed in response to this notice.

A9. Notice of intent—A notice of intent must specify the exact name, business address, and telephone number of the prospective applicant, include an unequivocal statement of intent to submit, if such an application may be filed, either (1) a preliminary permit application or (2) a development application (specify which type of application), and be served on the applicant(s) named in this public notice.

B. *Comments, Protests, or Motions to Intervene*—Anyone may submit comments, a protest, or a motion to intervene in accordance with the requirements of the Rules of Practice and Procedure, 18 CFR 385.210, 385.211, 385.214. In determining the appropriate action to take, the Commission will consider all protests or other comments filed, but only those who file a motion to intervene in accordance with the Commission's Rules may become a party to the proceeding. Any comments, protests, or motions to intervene must be received on or before the specified comment date for the particular application.

C. *Filing and Service of Responsive Documents*—Any filings must bear in all capital letters the title "COMMENTS", "NOTICE OF INTENT TO FILE COMPETING APPLICATION", "COMPETING APPLICATION", "PROTEST" or "MOTION TO INTERVENE", as applicable, and the Project Number of the particular application to which the filing is in response. Any of the above named documents must be filed by providing the original and the number of copies required by the Commission's regulations to: Kenneth F. Plumb, Secretary, Federal Energy Regulatory Commission, 825 North Capitol Street,

NE., Washington, DC 20426. An additional copy must be sent to: Mr. Fred E. Springer, Director, Division of Project Management, Federal Energy Regulatory Commission, Room 203–RB, at the above address. A copy of any notice of intent, competing application or motion to intervene must also be served upon each representative of the Applicant specified in the particular application.

D1. *Agency Comments*—Federal State, and local agencies that receive this notice through direct mailing from the Commission are requested to provide comments pursuant to the Federal Power Act, the Fish and Wildlife Coordination Act, the Endangered Species Act, the National Historic Preservation Act, the Historical and Archeological Preservation Act, the National Environmental Policy Act, Pub. L. No. 88–29, and other applicable statutes. No other formal requests for comments will be made.

Comments should be confined to substantive issues relevant to the issuance of a license. A copy of the application may be obtained directly from the Applicant. If an agency does not file comments with the Commission within the time set for filing comments, it will be presumed to have no comments. One copy of an agency's comments must also be sent to the Applicant's representatives.

D3a. *Agency Comments*—The U.S. Fish and Wildlife Service and the State Fish and Game agency(ies) are requested, for the purposes set forth in section 408 of the Energy Security Act of 1980, to file within 60 days from the date of issuance of this notice appropriate terms and conditions to protect any fish and wildlife resources or to otherwise carry out the provisions of the Fish and Wildlife Coordination Act. General comments concerning the project and its resources are requested; however, specific terms and conditions to be included as a condition of exemption must be clearly idenitified in the agency letter. If an agency does not file terms and conditions within this time period, that agency will be presumed to have none. Other Federal, state , and local agencies are requested to provide any comments they may have in accordance with their duties and responsibilities. No other formal requests for comments will be made. Comments should be confined to substantive issues relevant to the granting of an exemption. If an agency does not file comments within 60 days from the date of issuance of this notice, it will be presumed to have no comments. One copy of an agency's comments must also be sent to the Applicant's representatives.

Dated: May 2, 1986, Washington, DC.

Kenneth F. Plumb,

Secretary.

[FR Doc. 86–10315 Filed 5–7–86; 8:45 am]

BILLING CODE 6717–01–M

[Docket Nos. CP86–433–000, et al.]

Natural Gas Certificate Filings; Southern Natural Gas Co., et al.

Take notice that the following filings have been made with the Commission:

1. Southern Natural Gas Company

[Docket Nos. CP86–433–000]

April 30, 1986.

Take notice that on April 10, 1986, Southern Natural Gas Company (Applicant), P.O. Box 2563, Birmingham, Alabama 35202–2563, filed in Docket No. CP86–433–000 an application pursuant to section 7 of the Natural Gas Act for a limited-term certificate of public convenience and necessity authorizing the transportation of natural gas for Atlanta Gas Light Company (Atlanta) acting as agent for Georgia Kaolin Company, Inc. (Georgia Kaolin), all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Applicant proposes to transport up to 9 billion Btu of natural gas per day for Atlanta, as agent for Georgia Kaolin, on an interruptible basis, for a one-year term. It is indicated that Georgia Kaolin would purchase the gas from Sonat Exploration Company. Applicant states that it would receive the gas for the account of Georgia Kaolin at various existing points on Applicant's system in Marion County, Mississippi, and St. Mary Parish, Louisiana. Applicant proposes to redeliver equivalent volumes of gas, less 3.25 percent for fuel and company-use gas, at existing delivery points to Atlanta in Georgia.

Applicant proposes to charge Atlanta a transportation rate of 48.2 cents per million Btu where the aggregate of the volumes transported by Applicant for Atlanta under any and all transportation agreements between Applicant and Atlanta, when added to the volumes of gas delivered under Applicant's Rate Schedule OCD, does not exceed Atlanta's daily contract demand from Applicant. For those volumes that exceed Atlanta's daily contract demand, Applicant proposes to charge 77.6 cents per million Btu. In addition Applicant proposes to collect the CRI surcharge of 1.35 cents per Mcf.

Applicant states that the proposed transportation service would displace sales by Applicant on a one-for-one basis which would in turn increase Applicant's take-or-pay liability with its producers on the same basis unless take-or-pay relief is obtained with respect to the volumes transported. Applicant proposes that in order to mitigate the impact of sales displacement transportation upon Applicant's take-or-pay exposure and to reduce the resulting costs to Applicant's sales customers, in addition to the foregoing transportation charges, for any volumes transported for which Applicant does not receive a credit against its take-or-pay obligations for a volume of gas equivalent to the volume of gas transported for Atlanta under the transportation agreement, Atlanta would pay Applicant a 34-cent take-or-pay payment surcharge per million Btu of gas redelivered under the transportation agreement.

Applicant also requests flexible authority to add delivery points in the event that Georgia Kaolin obtains alternative sources of supply. It is stated that the redelivery point, the recipient and the maximum daily transportation volume would remain unchanged. It is further stated that Applicant would file a report providing certain information with regard to the addition of any delivery points.

Comment date: May 19, 1986, in accordance with Standard Paragraph J at the end of this notice.

2. Great Lakes Gas Transmission Company

[Docket No. CP86–423–000]

May 2, 1986.

Take notice that on April 8, 1986, Great Lakes Transmission Company (Applicant), 2100 Buhl Building, Detroit, Michigan 48226, filed in Docket No. CP86–423–000 an application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the construction and operation of natural gas pipeline facilities and transportation services for Transco Gas Services Company (Gas Services), all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Applicant requests authorization to construct and operate seven loops of its existing pipeline in Minnesota, Wisconsin, and Michigan, totalling 80.1 miles, an aftercooler at its Crystal Falls, Michigan, compressor station, and other appurtenant facilities in Minnesota, Wisconsin, and Michigan. The total cost of the facilities is estimated to be $72,290,800. Applicant proposes to

finance the cost initially by short-term rates and internally generated funds.

Applicant states that these facilities would be used to transport 250,000 Mcf of natural gas per day for Gas Services from Emerson, Manitoba, at existing interconnections with ANR Pipeline Company (ANR) to Fortune Lake, Michigan (160,000 Mcf per day), and Farwell, Michigan (90,000 Mcf per day). It is explained that ANR would then transport the gas to a proposed point of interconnection between ANR and Erie Pipeline System (Erie) near Defiance, Ohio. It is explained that Erie would transport the gas to a point of interconnection with Transylvania Gas Pipeline Company, Inc. (Transylvania), in Clinton County, Pennsylvania. Transylvania would then deliver the gas to Gas Services at unspecified locations.

It is explained that by an agreement dated April 3, 1986, Gas Services and Applicant agreed that Applicant would provide transportation service for Gas Services in two phases. Applicant states that in the first phase it would transport up to 75,000 Mcf of natural gas per day on an interruptible basis commencing when Erie phase I is completed. When Erie completes phase II, Applicant would provide 250,000 Mcf per day of transportation service on a firm basis. Applicant further states that the construction of Applicant's facilities would be coordinated with phase II of Erie's construction.

Applicant states that it would charge Gas Services the transportation element of resale rates proposed to become effective on July 1, 1986, under Applicant's Rate Schedules CQ–1 and CQ–2 filed in Docket No. RP86–35–002. Applicant states that for phase I the rates would be $0.26955 per Mcf for gas delivered to Fortune Lake and $0.44815 per Mcf of natural gas delivered to Farwell. It is further stated that for phase II the rates would be ($2.092 per Mcf × 160,000 Mcf) + ($0.20077 × gas volume received at Emerson) for gas delivered to Fortune Lake and ($3.927 per Mcf × 90,000 Mcf) + ($0.31904 × gas volume received at Emerson) for gas delivered to Farwell.

Applicant states that it filed a related application on April 8, 1986, in Docket No. CP86–422–000 which requests authorization to provide an additional 62,500 Mcf of natural gas per day of firm transportation services pursuant to an existing contract for TransCanada PipeLines Limited (TransCanada) under its current Rate Schedule T–4. Applicant further states that the proceeding in Docket No. CP86–422–000 is related to this application in that the requests for service by TransCanada and Gas Services were received at the same time and, therefore, the revenues to be generated relative to the increase in transportation service under Rate Schedule T–4 for TransCanada as well as the Gas Services' transportation revenues would be utilized to recover the cost of service related solely to the proposed facilities in this application.

Comment date: May 23, 1986, in accordance with Standard Paragraph F at the end of this notice.

3. Northern Natural Gas Company, Division of InterNorth, Inc.

[Docket No. CP86–421–000]

May 2, 1986.

Take notice that on April 8, 1986, Northern Natural Gas Company, Division of InterNorth, Inc. (Northern), 2223 Dodge Street, Omaha, Nebraska 68102, filed in Docket No. CP86–421–000 an application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing Northern to sell natural gas to its customers in accordance with the provisions of a summer service rate schedule, Rate Schedule IS–1, to be incorporated in Northern's FERC Gas Tariff, Third Revised Volume No. 1 and Original Volume No. 2 Tariff, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Northern states that on December 14, 1984, it filed an application for a certificate of public convenience and necessity for authorization to provide service under Rate Schedule IS–1 for a five-month period extending from April 27, 1985, through September 26, 1985. It is asserted that such rate schedule was designed to provide Northern's customers an opportunity and incentive to increase their purchases of natural gas at a discount through existing facilities during the summer months when Northern annually experiences reduced market requirements and associated excess gas deliverability. The Commission granted Northern's request by the order issued April 4, 1985, in Docket No. CP85–181–000, 31 FERC ¶ 61,033. Due to the success of this five-month summer sales program, Northern is requesting authority to establish Rate Schedule IS–1 as a permanent part of Northern's Volume 1 Tariff and Volume 2 Tariff and to sell natural gas under the rate schedule in accordance with the same terms and conditions that were previously authorized.

Northern states that the rate schedule would be effective during the billing months of May through September of each year and that service under the rate schedule would be available to those qualifying customers who purchase amounts of natural gas in excess of specified monthly base quantities of gas. Rate Schedule IS–1 would then apply to incremental sales in excess of the specified monthly base quantities of gas, it is explained.

Northern claims that this rate schedule would materially benefit Northern's customers both directly and indirectly. Northern maintains that Rate Schedule IS–1 would provide the salutary effects of contributing to overall cost recovery on Northern's system underlying Northern's currently effective sales rate, assisting in reducing Northern's current deliverability surplus and providing Northern's customers with an opportunity to purchase natural gas at a lower cost for their system supply.

Northern states that all gas sold under Rate Schedule IS–1 to eligible customers under Volume 1 of Northern's FERC Gas Tariff would be sold at a rate reflecting the appropriate discount to Northern's currently effective CD–1, CDO–1, or PL–1 commodity rate, whichever is applicable. Further, Northern states that gas sold under Rate Schedule IS–1 to customers identified in Volume 2 of Northern's FERC Gas Tariff would also be sold at a rate reflecting the appropriate reduction in Northern's applicable rate as set forth in Sheet No. Ic of the Gas Tariff. These rate discounts would be no greater than the return on common equity and related tax components underlying Northern's then currently effective rates, it is said.

Northern states that it has established the following four methodolgies for determining the monthly base quantities. First, for customers purchasing natural gas under Northern's CD–1 or GS–1 Rate Schedule, the monthly base quantity of gas would be the higher of the corresponding month's purchases by billing group during the previous two years. Second, for customers purchasing natural gas under Northern's CDO–1 Rate Schedule during 1986, the monthly base quantity of gas would be the corresponding month's purchases during 1985 by billing group after which time the monthly base quantity of gas would be the higher of the corresponding month's purchases by billing group during the previous two years. Third, for customers purchasing natural gas under Northern's PL–1 Rate Schedule, the monthly base quantity of gas would be equivalent to the respective customer's minimum monthly purchase amounts of gas as set forth in Volume 1 of Northern's FERC Tariff. Fourth, for all customers purchasing natural gas under Northern's Volume 2 Tariff, the monthly base quantity of gas would be either

equal to the higher of the corresponding month's purchase of gas during the previous two years, the minimum bill amount of gas contained in the respective rate schedules, or the 100 percent load factor amount of gas based on the daily contract quantities of gas in each respective rate schedule, whichever is applicable.

Northern proposes to file annually revised tariff sheets detailing the applicable discount rate and monthly base quantities of gas that would be in effect during the upcoming summer period.

Northern submits that this proposed Rate Schedule IS–1 is in the public interest for the following reasons:

(1) The proposed incentive summer rate schedule would provide all of Northern's customers the opportunity to purchase natural gas at a lower cost for their system supply of gas, thereby reducing the cost of gas to their residential and industrial end-user customers.

(2) Rate Schedule IS–1 sales may add to incremental sales that Northern otherwise would not make under its regular firm sales rate schedule. Northern's customers, in turn, may also have made additional sales and would increase their recovery of costs.

(3) The proposed rate schedule would provide Northern with an opportunity to establish a more stable annual load profile which in turn will assist the producer in more stable annual gas production of the producer's wells. Further, such signals would assist Northern in its efforts to negotiate for lower cost supplies of natural gas for its customers.

(4) The proposed rate schedule would assist in maintaining the economic viability of Northern's pipeline, promote further stability by preventing erosion of Northern's sales base, improve the characteristics of operation of Northern's pipeline and assist in the recovery of costs on Northern's system underlying Northern's currently effective sales rates.

Comment date: May 23, 1986, in accordance with Standard Paragraph F at the end of this notice.

Trunkline Gas Company

[Docket No. CP86–451–000]

May 1, 1986.

Take notice that on April 18, 1986, Trunkline Gas Company (Applicant), P.O. Box 1642, Houston, Texas 77001, filed in Docket No. CP86–451–000 an application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the transportation of natural gas on an interruptible basis for Panhandle Eastern Pipe Line Company (Panhandle), all as more fully set forth in the application which is on file with the Commission and open for public inspection.

Applicant states that pursuant to a transportation agreement between Applicant and Panhandle dated April 14, 1986, Applicant has agreed to transport up to 20,000 Mcf of natural gas per day on an interruptible basis on behalf of Panhandle. Applicant would receive volumes of gas for Panhandle's account from Columbia Gulf Transmission Company (Columbia Gulf) at an existing point of receipt between Applicant and Columbia Gulf at Centerville, St. May Parish, Louisiana. Applicant states it would redeliver the gas at an existing point of interconnection with Panhandle in Douglas County, Illinois. For this transportation service, Panhandle would pay 31.60 cents per million Btu of gas.

Comment date: May 15, 1986, in accordance with Standard Paragraph F at the end of this notice.

5. Washtenaw Pipeline Company

[Docket No. CP86–445–000]

May 2, 1986.

Take notice that on April 15, 1986, Washtenaw Pipeline Company (Applicant), 500 Renaissance Center, Detroit, Michigan 48243, filed in Docket No. CP86–445–000 an application pursuant to section 7(c) of the Natural Gas Act and § 284.221 of the Commission's Regulations for a blanket certificate of public convenience and necessity authorizing the transportation of natural gas on behalf of others, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Applicant states that it intends to transport natural gas on behalf of all shippers and elects to become a transporter under the terms and conditions of the Commission's Order No. 436, issued October 9, 1985, in Docket No. Rm85–1–000. Applicant states that it accepts and would comply with the conditions in paragraph (c) of § 284.221 of the Commission's Regulations. Applicant further states that it has filed in Docket No. CP86–444–000 its proposed transportation rates pursuant to Rate Schedules F and I of its Original Volume No. 1 of its FERC Gas Tariff.

Comment date: May 23, 1986, in accordance with Standard Paragraph F at the end of this notice.

Standard Paragraphs:

F. Any person desiring to be heard or make any protest with reference to said filing should on or before the comment date file with the Federal Energy Regulatory Commission, 825 North Capitol Street, NW., Washington, DC 20426, a motion to intervene or a protest in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214) and the Regulations under the Natural Gas Act (18 CFR 157.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a motion to intervene in accordance with the Commission's Rules.

Take further notice that, pursuant to the authority contained in and subject to jurisdiction conferred upon that Federal Energy Regulatory Commission by sections 7 and 15 of the Natural Gas Act and the Commission's Rules of Practice and Procedure, a hearing will be held without further notice before the Commission or its designee on this filing if no motion to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a motion for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for the applicant to appear or be represented at the hearing.

Kenneth F. Plumb,

Secretary.

[FR Doc. 86–10314 Filed 5–7–86; 8:45 am]

BILLING CODE 6717–01–M

[Docket Nos. EF85–2011–003 and EF85–2021–003]

United States Department of Energy—Bonneville Power Administration; Order Conditionally Granting Interim Approval, Requiring Additional Submissions, Granting Waivers, Noting Interventions, Denying Motions, and Establishing Procedures

Issued: May 1, 1986.

Before Commissioners: Anthony G. Sousa, Acting Chairman; Charles G. Stalon, Charles A. Trabandt and C. M. Naeve.

On April 2, 1986, the Bonneville Power Administration (BPA) filed a request for interim or final approval of a

modification to its Nonfirm Energy Rate Schedule NF–85 pursuant to sections 7(a)(2) and 7(i)(b) of the Pacific Northwest Electric Power Planning and Conservation Act (Northwest Power Act) and §§ 300.20 and 300.21 of the Commission's regulations. Nonfirm Rate Schedule NF–85, which BPA proposes to modify, is currently in effect on an interim basis as approved by the Commission on June 28, 1985. 31 FERC ¶ 61,380. BPA contends that the proposed modification is designed to keep BPA's nonfirm rates competitive in the face of rapidly declining gas and oil prices. It proposes to modify the Standard and High Cost Displacement rates in Rate Schedule NF–85 to permit sales at any rate level from 7 mills per kWh to 22.2 mills per kWh rather than applying the existing fixed rates. In the alternative, BPA proposes to permit sales that would be made under standard rates to be made instead under the contract rates in Rate Schedule NF–85. The contract rate is 18.1 mills per kWh which is lower than the standard rate of 22.2 mills per kWh. BPA asserts that its proposal is necessary to prevent a revenue underrecovery that could prevent BPA from satisfying its statutory obligation to repay the U.S. Treasury.

BPA has requested that approval be granted by April 16, 1986, or the earliest practicable date thereafter. Delayed implementation of a modified NF–85 rate, according to BPA, will impair BPA's ability to compete during the most critical months of BPA's spring run-off. BPA also requests waiver of the 60 day advance filling requirement due to what it characterizes as emergency circumstances precipitated by oil and gas price declines. BPA did not submit Statements A–F, required by § 300.11 of our regulations, but seeks to incorporate by reference Statements A–F from its original NF–85 filing. In the alternative, if the Commission does not find that such incorporation satisfies the filing requirements, BPA requests waiver of the requirements.

Notice of the filing was published in the **Federal Register**,[1] with comments due on or before April 11, 1986. The comment date was later extended to April 18, 1986. The Association of Northwest Gas Utilities (ANGU) and a group collectively referring to themselves as the Northwest Parties filed motions to intervene.[2] ANGU is an association of natural gas distribution companies serving retail natural gas markets in the Pacific Northwest. ANGU contends that to the extent that BPA's below-cost nonfirm energy rates and the marketing thereof are designed to capture customers that would not be attracted at higher, cost-based rates, including customers with dual-fuel capability, the competitive interests of ANGU's members are affected. ANGU urges that the Commission ensure that BPA's rates be consistent with national policies condemning anticompetitive practices.

The California Parties[3] filed a joint motion to intervene, a notice of intervention, and a protest. They request that BPA's filing be summarily rejected and that interim approval of the rates be denied. They argue that there is no evidence supporting the filing and that BPA has violated the procedural requirements of the Northwest Power Act in proposing these rates. They also argue that the filing is patently deficient. They further oppose BPA's request for waiver of the filing requirements and the 60 day advance filing requirement.

In support of their position, the California Parties allege that no evidence supports BPA's conclusion that the proposed rates are necessary to enable BPA to compete in the economy energy market. They argue that nothing in the record indicates the expected natural gas and oil prices through the remainder of the NF–85 period, the expected rates at which PBA's nonfirm energy will be marketable, the expected BPA revenues from nonfirm sales, the total BPA revenues expected for the NF–85 period, or the expected repayment to the Treasury for FY 1986 or FY 1987. They contend that interim approval of these rates is inappropriate in the absence of such data. They also contend that BPA's current rates are sufficiently flexible to compete in the California market despite declining oil and gas prices and that, in any event, there is no threat to repayment to the U.S. Treasury. These parties also criticize the lack of any information on how BPA intends to implement the proposed rates or the reason for a 7 mill floor to the rates.

Finally, the California Parties also argue that BPA has violated the procedural requirements of section 7(i) for adoption of new rates by failing to hold an adequate hearing. They contend that these procedural flaws are inconsistent with the statutory scheme in the Northwest Power Act for interim approval of BPA's rates, citing *U.S.* v. *Fulton*, 54 U.S.L.W. 4343 (April 8, 1986).

Puget Sound Power & Light Company (Puget) filed a separate motion to intervene in these dockets. In its motion to intervene Puget alleges an interest in the outcome of the proceeding and contends that the BPA Administrator's Record of Decision contains substantive and procedural errors in violation of the Northwest Power Act.

Pacific Power & Light Company (Pacific) and BPA's Direct Service Industrial customers (DSIs)[4] filed motions to intervene and supported the proposed interim rates. However, the DSIs voice concern about the design of the rates and the procedures by which they were adopted. Pacific conditions its endorsement of the rates on its understanding that the Intertie Adder for transmission and delivery of nonfirm energy will be retained. If the Commission adopts BPA's proposed flexible rate, Pacific requests that the Commission state in its order that the flexible base rate excludes the 1.2 mill Intertie Adder and that BPA must add the Intertie Adder to the base rate for Federal nonfirm sales to the Pacific Southwest. Pacific also opposes BPA's alternative rate proposal, which would expand the coverage of contract rates, unless the proposal is modified to retain the Intertie Adder charge.

BPA filed an answer in opposition to ANGU's motion to intervene. BPA contends that the issue raised by ANGU as to whether BPA's proposed rates affect the competitive interests of ANGU's members relates exclusively to sales of nonfirm energy within the Pacific Northwest, since ANGU's members serve retail markets solely within the region. BPA contends that, since section 7(k) of the Northwest Power Act limits Commission review to rates for sales of nonfirm energy outside the region, the issue raised by ANGU is beyond the scope of the Commission's review under section 7(k). Therefore,

[1] 51 FR 11607 (1986).

[2] The Northwest Parties are a group of Pacific Northwest utilities and industrial customers of those utilities. The group includes the Public Generating Pool, which is an organization of publicly-owned utilities in the Pacific Northwest, the Public Power Council, the Association of Public Agency Customers, and Portland General Electric Company. The Northwest Parties allege that they have an interest in the proceeding but do not take a position on BPA's proposed rates.

[3] Public Utilities Commission of the State of California, California Energy Resources Conservation and Development Commission, Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas and Electric Company, Los Angeles Department of Water and Power, the Public Service Department of the City of Glendale, and the Water and Power Department of the City of Pasadena.

[4] The DSIs include the Aluminum Company of America, Columbia Falls Aluminum Company, Commonwealth Aluminum Corporation, Georgia Pacific Corporation, Intalco Aluminum Corporation, Kaiser Aluminum and Chemical Corporation, Oregon Metallurgical Corporation, Pacific Carbide and Alloys Company, Pennwalt Corporation, and Reynolds Metal Company.

BPA requests that ANGU's motion to intervene be denied.

Discussion

Under Rule 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.214), the timely and unopposed motions to intervene serve to make the movants parties to this proceeding. One motion to intervene, filed by ANGU, is opposed by BPA. Notwithstanding BPA's opposition, we are not prepared to conclude that ANGU has failed to allege an adequate interest in the outcome of the proceeding; thus, we shall grant ANGU's motion to intervene. BPA may raise its concern with respect tothe proper scope of the proceeding during the course of our final review of its rates.

As noted, BPA has incorporated Statements A–F from its NF–85 filing and requested, in the alternative, if the Commission does not find that such incorporation satisfies its filing requirements, that the Commission waive such requirements. We do not find that such incorporation satisifies the filing requirements. These statements are required to be filed by our regulations in order to provide information on whether BPA is submitting a package of rates that meets the requirements of the Northwest Power Act. Incorporation of earlier statements implies that the information contained in those statements is still accurate. Revenues, however, have obviously declined. Although it has provided no supporting estimates, BPA acknowledges that revenues from nonfirm energy are depressed and that it is attempting to mitigate a declining revenue trend by making downward adjustments in nonfirm energy rate levels. Therefore, we believe that the supporting materials need to be updated to ensure that the revenue statements submitted are still accurate. However, while we find that the filing is deficient, the California Parties' arguments do not persuade us that the filing should be summarily rejected.

In the alternative, BPA requests waiver of the filing requirements. Because such a waiver would preclude us from undertaking an adequate review, we decline to grant it. Under the regulations, however, upon receipt of a deficient BPA rate filing, the Commission may approve the rate schedule on an interim basis on the condition that any deficiencies in the filing are corrected within a specified period. 18 CFR 300.20(b)(1)(i). That is the course we shall take here. We find that the filing is deficient, but shall approve the rates proposed by BPA on an interim basis, for the reasons stated below, on the condition that BPA updates Statements A–F, pursuant to § 300.11(b) of our regulations, within 45 days of the date of this order.[5]

Due to the complexities of the filing, we are unable to make a determination at this time with respect to BPA's request for final approval. Therefore, our current review will be limited to consideration on an interim basis which, necessarily, is a more limited review process than the review of rates for confirmation and approval on a final basis. Given the abbreviated review period in this case, such review must be even further truncated.

The circumstances of this filing are unusual. It is undisputed that oil and gas prices are declining in the California market. It is further undisputed that BPA competes with oil- and gas-fired generation to supply portions of the bulk energy requirements of California utilities. BPA alleges that it can no longer market nonfirm energy competitively to California under existing NF–85 rates. The situation is aggravated, according to BPA, by the fact that BPA's nonfirm energy availability is at its greatest in the months of May and June, because of spring run-off and water release to aid the passage of anadromous fish downstream to the Pacific. BPA contends that, if it cannot market this energy at this time, it will be forced to spill the water. It further contends that the result of spilled water and an inability to compete is a significant loss of revenue that impairs BPA's ability to recover costs and repay the Federal Treasury. Finally, it argues that increased flexibility in its nonfirm rate schedule is necessary to capture a portion of the revenues that would otherwise be lost. These assertions, on their face, suggest that, unless BPA has the flexibility to reduce its rates, its ability to recover its costs and repay the Federal Treasury may be seriously impaired. Therefore, on its face, BPA's filing appears to comply with the revenue recovery objectives of the Northwest Power Act. Again, this conclusion is based upon limited analysis in view of BPA's request for emergency action. We also realize that many of these allegations are contested by the California Parties. But we are unpersuaded that the arguments of the California Parties justify summary rejection of the filing or refusal to approve these rates on an interim basis. We believe, rather, that these issues should be addressed in the course of our final review of these rates. At that time, intervenors may challenge the assumptions underlying BPA's filing. Moreover, intervenors will be protected by an express condition that the interim rates will be collected subject to refund with interest.[6]

Nor do we find the California Parties' argument that BPA violated the procedural requirements of section 7(i) of the Northwest Power Act in proposing these rates to be grounds for denial of interim approval of these rates. We have previously held that we do not propose to review purported technical deficiencies in the Administrator's compliance with the procedural requirements of the Act. *Bonneville Power Administration*, 28 FERC ¶ 61,146 (1984); *Bonneville Power Administration*, 20 FERC ¶ 61,389 (1982).[7] The California Parties also argue that interim approval is unlawful where section 7(i) has not been complied with, citing a recent decision of the Supreme Court in *United States v. City of Fulton*, 54 U.S.L.W. 4343 (April 8, 1986). In that case, the Supreme Court held that neither the power purchase contracts at issue nor the Flood Control Act precluded the Secretary of Energy from making power rates charged by the Southwestern Power Administration effective on an interim basis, even though further review was still pending. In our view, the *Fulton* case, dealing with a different statutory scheme, does not require us to review alleged procedural violations of the Northwest Power Act prior to approving implementation or rates on an interim basis.

The Northwest Power Act provides very explicit procedures for the Administrator to follow in establishing rates under section 7(i); it also provides specific procedures for this Commission to follow in confirming and approving such rates under sections 7(a) and 9(k);

[5] The regulations provide that the Director of the Office of Electric Power Regulation will specify the deadline for filing additional materials. However, in the interest of efficiency and since there is no need to be more precise as to the materials to be submitted, we have decided to set the filing deadline at this time.

[6] The California Parties contend that refund calculations may be "difficult" to make or that BPA may ultimately assert that given the relationship between the rates, refunds are not appropriate. We are not persuaded by these contentions that the refund mechanism ultimately will be ineffective. In any event, however, we are satisfied with Bonneville's justification for placing the flexible rate proposal in effect on an interim basis.

[7] We have recognized in analogous circumstances that there is no provision in the Act which requires the Commission to police BPA's ratemaking procedures and that such review would be inconsistent with the goals of the Northwest Power Act to provide this Commission with limited review powers in order to avoid delay and to streamline the ratemaking review process. *Bonneville Power Administration*, 28 FERC at 61,146.

moreover, it places judicial review of final rate determinations in the U.S. Court of Appeals under section 9(e)(5). We have previously held that the Court of Appeals is the proper forum under this statutory scheme for review of questions involving whether the Administrator has properly followed the statutory procedures assigned to him by the Northwest Power Act. *Bonneville Power Administration,* 28 FERC at 61,147. While we do not purport to judge the merits of these procedural arguments, we believe that it is appropriate to grant interim approval of the rates where BPA has met the requirements of our regulations (or in this case, is given a reasonable opportunity to bring its filing into compliance). Therefore, we shall approve on an interim basis BPA's proposal to modify the Standard and High Cost Displacement rates in Rate Schedule NF–85 to permit sales at any rate level from 7 mills per kWh to 22.2 mills per kWh.[8]

BPA has requested waiver of the Commission's requirement that the rates be filed at least 60 days before they are proposed to become effective. 18 CFR 300.10(a)(3). The California Parties oppose this request. They argue that the extremely short period between the filing date and the effective date makes the Commission's preliminary substantive review impossible. We shall grant BPA's request for waiver. It was apparently not feasible for BPA to make the filing earlier given the rapid changes in oil and gas prices in California in recent months. Moreover, we believe that the difficult circumstances here involving sudden and volatile changes in the California energy market which are allegedly threatening BPA's ability to market its power justify waiver of the 60 day requirement.

As noted above, BPA revenues may be less than were anticipated in its NF–85 filing. Therefore, we strongly urge BPA to review the adequacy of its existing rates with a view towards developing and filing new rates if warranted, at an earlier data than originally scheduled.

In light of the limited time in which parties were permitted to file comments on BPA's filing, we shall allow additional time during which parties may comment and respond to initial comments on any and all issues related to final confirmation and approval of BPA's rates. In particular, the parties are invited to comment on the need for a section 7(k) hearing before this Commission.

The Commission orders

(A) ANGU's motion to intervene is hereby granted subject to the Commission's Rules of Practice and Procedure.

(B) BPA's request for waiver of the 60 days filing requirement is hereby granted.

(C) BPA's request for waiver of the filing requirements set forth in § 300.11(b)(1)—(6) is hereby denied.

(D) The California Parties' motion for summary rejection of the filing is hereby denied.

(E) The California Parties' request to reject BPA's request for interim approval of these rates is hereby denied.

(F) BPA's modified nonfirm energy rate schedule NF–85 is hereby permitted to be placed into effect on an interim basis, effective upon issuance of this order, subject to refund with interest as set forth in § 300.20(c) of the Commission's regulations, pending final confirmation and approval or disapproval of BPA's nonfirm energy rate; provided that BPA files Statements A–F, as required by § 300.11(b) of our regulations, within forty-five (45) days of the date of this order.

(G) Within thirty (30) days of the date on which PBA files Statements A–F, all parties who wish to do so shall file additional comments regarding final confirmation and approval of BPA's rates. The parties should specifically delineate in their comments any and all issues that they believe should properly be set for hearing under section 7(k) of the Act in light of the Commission's interpretation of the Act set forth in its September 1, 1982 order resolving the scope of the Commission's jurisdiction (20 FERC ¶ 61,292). All parties, at their optional, may file cross-comments within twenty (20) days thereafter. All timely comments will be considered by the Commission in determining the ultimate disposition of BPA's rate proposal.

(H) The Secretary shall promptly publish this order in the **Federal Register.**

By the Commission.

Kenneth F. Plumb,

Secretary.

[FR Doc. 86–10309 Filed 5–7–86; 8:45 am]

BILLING CODE 6717–01–M

[8] In response to Pacific's concerns, we note that it is our understanidng that BPA proposes no change in the application of the Intertie Adder and that the existing Rates Schedule NF–85 includes a 1.2 mill adjustment to the base rates for all nonfirm energy delivered over the Pacific Northwest-Pacific Southwest intertie.

[Project No. 7001–002]

James Sungar; Surrender of Exemption

May 2, 1986.

Take notice that James Sungar, Exemptee for the proposed Shasta Hydroelectric Facility Project No. 7001, has requested that his exemption be terminated. The exemption was issued on March 3, 1983. The project would have been located on an existing drainage tunnel in the South Fork Cordinices Creek basin, in Alameda County, California. No construction has commenced at this project.

The Exemptee filed the request on April 9, 1986, and the exemption for Project No. 7001 shall remain in effect through the thirtieth day after issuance of this notice unless that day is a Saturday, Sunday or holiday as described in 18 CFR 385.2007, in which case the exemption shall remain in effect through the first business day following that day. New applications involving this project site, to the extent provided for under 18 CFR Part 4, may be filed on the next business day.

Kennth F. Plumb,

Secretary.

[FR Doc. 86–10312 Filed 5–7–86; 8:45 am]

BILLING CODE 6717–01

[Docket Nos. CI86–370–000 and CI86–373–000]

Texas Gas Transmission Corp.; Applications on Behalf of Producer-Suppliers of Texas Gas Transmission Corp. For Limited-Term Abandonment and For A Limited-Term Certificate of Public Convenience and Necessity With Pregranted Abandonment

May 2, 1986.

Take notice that on April 18, 1986, as supplemented on April 24, 1986, Texas Gas Transmission Corporation (Applicant), 3800 Frederica Street, Owensboro, Kentucky 42301, filed in this proceeding applications pursuant to sections 7(b) and 7(c) of the Natural Gas Act and §§ 2.77 and 157.30 of the Commission's Regulations. Applicant states that it meets the standard of § 2.77 with substantially reduced takes without payment. Applicant requests on behalf of its producer-suppliers listed on the attached Appendix, an order (1) authorizing in Docket No. CI86–373–000 abandonment of certain sales to Applicant on a limited-term basis until November 1, 1988, (2) authorizing in Docket No. CI86–370–000 for such producer-suppliers, as well as parties owning an interest in the same

production, a blanket limited-term certificate to make sales for resale of gas from sources listed on the Appendix until November 1, 1988, to the extent such gas is released by Applicant, and (3) authorizing pre-granted abandonment of any sale for resale made under the requested certificate. Applicant states that if granted, the authority requested herein will enable its eligible producer-suppliers, as well as parties owning an interest in the same production, to abandon, upon release by Applicant, for a limited-term, sales of gas to Applicant under contracts which have a weighted average contract price in excess of Applicant's currently effective market-out price of $1.85/MMBtu, and enable such gas to be sold on the spot market at competitive prices. Applicant suggests that the certificate issued herein be conditioned so that it will retain its contractual right to purchase gas from the various sources when required to meet its requirements as determined by Applicant from time to time in its sole discretion. Such proposed authorization, according to Applicant, will provide much needed relief to Applicant and its customers from take-or-pay obligations and provide needed cash flow to its producer-suppliers to facilitate and maintain production from currently existing supplies and to stimulate additional exploration and production activities.

Applicant states that it has begun to incur substantial take-or-pay liability due to, among other things, the effect of the impact of Commission Order Nos. 380 and 380–A, which determined that minimum commodity bill provisions which provided for the recovery of variable costs not incurred by the pipeline were unjust and unreasonable. Thus, according to Applicant, contractual provisions which required Applicant's pipeline customers effectively to take or pay for a percentage of the gas costs incurred by Applicant were thereby eliminated. Applicant states that a second effect has been the intense competitive pressures in all of its markets caused by a precipitous fall in the spot market price of gas, the inability of Applicant, as a regulated interstate pipeline, to respond to such pressures under current Commission rules and regulations, combined with Applicant's willingness to provide open and non-discriminatory transportation services under both section 7 of the Natural Gas Act (NGA) and the interim regulations promulgated pursuant to Order Nos. 436 and 436–A. Applicant states that the impact of these factors upon the relationship between its sales markets and its obligations to its producer-suppliers has necessitated the filing of these applications. Applicant further states that it is currently providing open and non-discriminatory transportation services under the interim regulations of Order Nos. 436 and 436–A, as well as providing transportation services in Docket No. CP86–143–000 under section 7 of the NGA on behalf of 52 specific customers, and has committed to perform additional transportation services under section 7 in Docket No. CP86–349–000, to the extent requested by its customers. This open transportation policy, according to Applicant, provides its customs with additional purchasing options which they might not otherwise have, but also results in the displacement of sales of gas which would otherwise have been made by Applicant from its system supply.

Applicant states that its current minimum purchase obligations from field sources total more than 1.1 Bcf/d while markets have declined to a current level requiring takes from field sources of less than 425 MMcf/d.[1] This disparity between sales levels and minimum purchase obligations has, according to Applicant, created substantial problems that may ultimately affect its willingness and ability to seek a blanket certificate pursuant to Order Nos. 436 and 436–A. Further, Applicant states that the authority requested herein will allow it to release eligible production from time to time during the term of such authorization to the respective producer-suppliers for sale on the spot market. Applicant states that it will be absolved of all take-or-pay obligations for the volumes released and that approval of the applications would increase Applicant's ability to respond to the intense competitive pressures in its markets.

The circumstances presented in the applications meet the criteria for consideration on an expedited basis, pursuant to § 2.77 of the Commission's rules as promulgated by Order Nos. 436 and 436–A, issued October 9, and December 12, 1985, respectively, in Docket No. RM85–1–000, all as more fully described in the applications which are on file with the Commission and open to public inspection.

Any person desiring to be heard or to make any protest with reference to said applications should, on or before 15 days from the date of publication of this notice in the **Federal Register**, file with the Federal Energy Regulatory Commission, Washington, DC, 20426, petitions to intervene or protests in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 385.211, 385.214). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceedings. Any person wishing to become a party to the proceedings herein must file petitions to intervene in accordance with the Commission's Rules.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or to be represented at the hearing.

Kenneth F. Plumb,

Secretary.

APPENDIX.—ALL VOLUMES—MCF/D @ 14.73 PSIA

[Contracts above $1.85]

R.S.	Contract No.—contract name—field, state	Min	Chg	Docket No.
826	58 Amoco Production Co. 90%, High Island SA Blk A573, TX	249	2,411	CI80–494
779	62 Amoco Production Co. 90%, High Island EA SX Blk A334, TX	9,637	348	CI78–876
780	63 Amoco Production Co. 90%, High Island EA SX Blk A302, TX	24,818	0	CI78–901
815	65 Amoco Production Co. 90%, High Island SA Blk A573, TX	2,645	229	CI80–12
816	66 Amoco Production Co. 90%, High Island SA Blk A573, TX	7,258	110	CI80–13
55	74 Arco Oil and Gas Co. 80%, Tepetate North, LA	122	0	G–3894
35	90 Union Exploration Partners 80%, Lake Palourde East, LA	81	0	G–8809
21	123 Chevron U.S.A. Inc. 50%, Mallard Bay, LA	61	0	CI60–391
6	128 Chevron U.S.A. Inc. 90%, Simon Pass, LA	1,577	0	G–13078
41	131 Chevon U.S.A. Inc. 70%, South Timbalier Block 8, LA	4,166	0	CI67–1816
3	139 Clover Bobo Cole, et al. 80%, Lewisburg, LA	490	0	G–5144
411	158 Chevron U.S.A., Inc. 70%, Church Point, LA	333	0	CI69–1175
68	164 Chevron U.S.A., Inc. 70%, Bosco South, LA	1,543	0	CI71–593
173	201 Chevron U.S.A., Inc. 90% Ship Shoal SA Blk 296, LA	173	0	CI80–16
	223 Robert J. Hewitt 80%, Hell Hole Bayou, LA	12	0	
7	235 CNG Producing Co. 80%, Hell hole Bayou, LA	3,962	0	CI74–276
56	242 CNG Producing Co. 90% Ship Shoal SA Blk 246, LA	426	10	CI81–129
	254 Houston Oil & Minerals 90%, Vermilion Block 50, LA	466	192	CI71–453
167	257 Exxon Co. 75%, Bayou Pigeon, LA	162	0	G–17391
143	259 Exxon Co. 70%, Chalkley, LA	795	35	G–3101
112	280 Mobil Oil Exploration & Producing Southeast, Inc 65%, Maxie, LA	195	0	RI77–55
	282 Mar-Low Corp. 80% Maurice, LA	0	0	CS72–1070
	347 Edward I. Estis 80%, Garden City, LA	12	0	CS73–296

[1] Applicant states that under the 103 producer-supplier contracts listed in the Appendix, there is a minimum purchase obligation of gas-well gas and casinghead gas equal to approximately 576 MMcf/d.

APPENDIX.—ALL VOLUMES—MCF/D @ 14.73 PSIA—Continued

[Contracts above $1.85]

R.S.	Contract No.—contract name—field, state	Mkt	Chg	Docket No.
693	364 Phillips Oil Co. 70%, Maurice, LA	323	0	CI66-90
540	369 Amco Production Co. 80%, Eugene Island SA Blk 273, LA	8,468	0	CI70-311
	384 Pelto Oil Co. 90%, Ship Shoal SA Blcok 246, LA	743	15	CS76-0461
343	387 Texaco Inc. 70%, Henry, LA	110,278	0	CI64-475
13	403 Union Exploration Partners 80%, Lake Palourde East, LA	3,848	0	G-15846
	406 Samedan Oil Corp. 90% Ship Shoal SA Block 296, LA	130	0	CS71-0430
	411 Taylor Energy Co. 70%, Bayou Pigeon, LA	306	0	CS83-72
370	419 Texaco Inc. 35%, Coon Point, LA	25,987	0	CI69-895
63	423 Texas Gas Explor. Corp. 90%, Ship Shoal SA Blk 246, LA	23,178	28	CI81-92
62	424 Texas Gas Explor. Corp. 90%, Ship Shoal SA Blk 246, LA	4,083	25	CI81-91
114	445 Moepsi 70%, West Cameron Block 33, LA	291	0	G-17337
58	446 Texas Gas Explor. Corp. 90%, High Island SA Blk A573, TX	7,612	147	CI79-640
589	447 Texaco Inc. 70%, Henry, LA	32,407	0	CI79-445
56	448 Texas Gas Explor. Corp. 90%, Ship Shoal SA Block 296, LA	259	0	CI79-354
55	449 Texas Gas Explor. Corp. 90%, Eugene Island Blk 100 (99), LA	1,440	0	CI79-336
582	452 Texaco Inc. 90%, Vermilion Block 50, LA	119,088	250	CI79-208
583	453 Texaco Inc. 90%, Eugene Island SA Block 348, LA	3,570	0	CI79-218
54	454 Texas Gas Explor. Corp. 90%, Ship Shoal SA Blk 271, LA	791	0	CI79-91
53	455 Texas Gas Explor. Corp. 90%, West Cameron Blk 237, LA	2,586	0	CI79-88
48	457 Texas Gas Explor. Corp. 90%, Vermilion SA Blk 255, LA	5,074	0	CI78-489
42	461 Texas Gas Explor. Corp. 90%, Ship Shoal SA Blk 246, LA	624	354	CI76-180
43	463 Texas Gas Explor. Corp. 70%, Eugene Island SA Blk 292, LA	2,505	0	CI76-176
45	465 Texas Gas Explor. Corp. 90%, Eugene Island SA Blk 292, LA	63	197	CI77-287
46	467 Texas Gas Explor. Corp. 90%, High Island EA SX Blk A334, TX	3,819	0	CI78-385
47	468 Texas Gas Explor. Corp. 90%, High Island EA SX Blk A334, TX	1,055	188	CI78-386
519	472 Texaco Inc. 90%, Eugene Island SA Block 348, TX	8,168	0	CI75-680
478	476 Texaco Inc. 80%, Ship Shoal Block 204, LA	562	224	CI72-624
445	477 Texaco Inc. 80%, Eugene Island Block 273, LA	8,214	0	CI70-983
361	482 Texaco Inc. 70%, Maurice, LA	570	0	CI66-440
362	484 Texaco Inc. 60%, Henry, LA	42,699	0	CI65-1365
29	498 Texas Gas Explor. Corp. 80%, Eugene Island SA Blk 292, LA	2,555	0	CI72-419
67	501 Texas Gas Explor. Corp. 80%, Eugene Island SA Blk 292, LA	55	0	CI83-402
166	525 Union Exploration Partners 67%, Welsh, LA	51	0	CI66-1016
200	526 Union Exploration Partners 80%, Eugene Island SA Blk 276, LA	9,498	0	CI69-793
237	535 Union Exploration Partners 90%, High Island EA SX Blk A302, TX	24,818	0	CI77-828
237	535 Union Exploration Partners 90%, High Island EA SX Blk A334, TX	4,814	266	CI77-828
237	535 Union Exploration Partners 90%, High Island SA Blk A573, TX	8,865	3,100	CI77-828
245	536 Union Exploration Partners 90%, West Cameron Block 237, LA	540	0	CI78-859
250	537 Union Exploration Partners 90%, West Cameron Block 237, LA	2,046	0	CI79-66
251	538 Union Exploration Partners 90%, High Island SA Blk A537, TX	5,054	900	CI79-540
61	544 Texas Gas Explor. Corp. 90%, High Island SA Blk A573, TX	124	1,224	CI81-69
63	549 Union TX Petroleum Co. 90%, Lake Arthur, LA	22,391	0	RI79-29
63	439 Union Texas Petr. Corp. 90%, Lewisburg, LA	91	0	RI79-29
	567 Commonwealth Expl Corp. 80%, Slaughters South, KY	24	0	CS76-1140
	575 Devon Energy Corp 65%, Monroe, LA	794	0	CS76-842
	582 Ergon Inc. 65%, Monroe, LA	113	0	CS77-262
	586 Devon Energy Corp. 65%, Monroe, LA	2,925	0	CS76-842
1	587 Ergon, Inc. 90%, Monroe, LA	13	0	CS77-262
311	608 Texaco Inc. 50%, Sugar Creek, LA	5	0	CI60-650
108	679 American Petrofina 90%, Hico, LA	47	0	CI77-176
2	700 M.B. Chastain 65%, Carthage, TX	150	0	G-4681
5	705 Smith Op. and Mgmt. 80%, Carthage, TX	23	0	G-11488
	712 Alfred C. Glassell, Jr. 80%, Carthage, TX	103	0	CS71-0708
236	720 East Carthage Group 65%, Carthage, TX	886	0	CS73-0099,
	745 HLH Petroleum Co. 70%, Carthage, TX	709	0	et al.
	765 Samson Resources Co. 80%, Carthage, TX	253	0	CS83-78 CS74-0086
47	775 Texaco Inc. 65%, Carthage, TX	5	0	G-4822
134	834 Union Exploration Partners 80%, Ruston, LA	9	0	CI61-245
1	853 Barnwell, Inc., et al 50%, Minden, LA	48	0	CI61-874
56	854 Hargraves and Sons Drlg. 50%, Minden, LA	17	0	CI62-104
	855 Hargravces and Sons Drlg. 50%, Minden, LA	44	0	CS73-551
305	856 Exxon Co. 50%, Minden, LA	69	0	CI62-1236
516	886 Amoco Production Co. 80%, Shongaloo North-Red Rock, LA	92	0	CI69-114
11	888 Crystal Oil Co., et al 50%, Shongaloo North-Red Rock, LA	61	90	CI61-209
	891 Samson Resources Co. 80%, Welcome, AR	706	0	CS74-0086
10	940 Har-Ken Oil Co. 50%, Elk Creek, KY	19	0	CI68-964
9	948 Har-Ken Oil Co. Midland, West, KY	23	0	CI67-1801
12	953 Har-Ken Oil Co. 50%, St. Charles, KY	35	0	CI82-247
205	971 Ashland Exploration 50%, Midland, West, KY	39	0	G-3912 et al.
	972 Har-Ken Oil co., et al 50%, ST. Charles, KY	30	0	CSR-371
	Total contracts = 103	566,104	10,343	

[FR Doc. 86-10307 Filed 5-7-86; 8:45 am]

BILLING CODE 6717-01

[Project No. 5004-003]

Walker River Irrigation District; Surrender of Exemption

May 2, 1986.

Take notice that Walker River Irrigation District, Exemptee for the proposed Bridgeport Reservoir Hydroelectric Project No. 5004, has requested that its exemption be terminated. The exemption was issued on April 13, 1984. The project would have been located at Bridgeport Reservoir on East Walker River, in Mono County, California. No construction has commenced at this project.

The Exemptee filed the request on October 15, 1985, and the exemption for Project No. 5004 shall remain in effect through the thirtieth day after issuance of this notice unless that day is a Saturday, Sunday or holiday as described in 18 CFR 385.2007, in which case the exemption shall remain in effect through the first business day following that day. New applications involving this project site, to the extent provided for under 18 CFR Part 4, may be filed on the next business day.

Kenneth F. Plumb,

Secretary.

[FR Doc. 86-10313 Filed 5-7-86; 8:45 am]

BILLING CODE 6717-01

[Docket No. TA86-2-57-000, 001]

Western Transmission Corp., Proposed Changes, May 2, 1986

Take notice that Western Transmission Corporation (Western), on April 28, 1986, tendered for filing as part of its FPC Gas Tariff, Original Volume No. 1, the following sheet:

Twenty Sixth Revised Sheet No. 3-A, superseding Twenty Fifth Revised Sheet No. 3-A.

The proposed changes would decrease the monthly charges for purchased gas to Colorado Interstate Gas Company, Western's sole jurisdictional customer, pursuant to the provisions of section 18 of Western's FPC Gas Tariff, Original Volume No. 1.

The proposed effective date of the above tariff sheet is June 1, 1986.

Copies of this filing have been served upon Colorado Interstate Gas Company.

Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington DC 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure. All such motions or protest should be filed on or before May 12 1986. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies

of this filing are on file with the Commission and are available for public inspection.

Kenneth F. Plumb,

Secretary.

[FR Doc. 86-10310 Filed 5-7-86; 8:45 am]

BILLING CODE 6717-01

[Docket No. RP86-10-007]

Williston Basin Interstate Pipeline Co.; Tariff Change

May 2, 1986.

Take notice that on April 30, 1986, Williston Basin Interstate Pipeline Company (Williston Basin), Suite 200, 304 East Rosser Avenue, Bismarck, North Dakota 58501, submitted the following tariff sheets for filing as part of its FERC Gas Tariff, Original Volume No. 1, First Revised Volume No. 1, Original Volume No. 1-A, and Original Volume No. 2:

Original Volume No. 1

Cancellation of Original Volume No. 1

First Revised Volume No. 1

Face Sheet
Substitute Original Sheet Nos. 1-4, 6-9, 12-90, 101-265
Third Substitute Original Sheet No. 10

Orignal Volume No. 1-A

Face Sheet
Substitute Original Sheet Nos. 1-4, 6-9
Third Substitute Original Sheet Nos. 10 and 11
Substitute Original Sheet Nos. 12-274

Original Volume No. 2

Substitute First Revised Sheet No. 1
Substitute Original Sheet No. 1A
Substitute Original Sheet No. 1B
Substitute Original Sheet No. 1C
Fourth Substitute Third Revised Sheet No. 10
Substitute Original Sheet No. 10A
Fourth Substitute Third Revised Sheet No. 11
Third Substitute Original Sheet No. 11A

Williston Basin further identifies the sheets with substantive changes (other than modifications to the effective dates) as follows:

Original Volume No. 1

Cancellation of Original Volume No. 1

First Revised Volume No. 1

Substitute Original Sheet No. 3
Substitute Original Sheet No. 4
Third Substitute Original Sheet No. 10
Substitute Original Sheet No. 55
Substitute Original Sheet No. 109
Substitute Original Sheet No. 110
Substitute Original Sheet No. 113
Substitute Original Sheet No. 128
Substitute Original Sheet No. 129
Substitute Original Sheet No. 130
Substitute Original Sheet No. 132
Substitute Original Sheet No. 265

Original Volume No. 1-A

Substitute Original Sheet No. 3
Substitute Original Sheet No. 4
Third Substitute Original Sheet No. 10
Third Substitute Original Sheet No. 11
Substitute Original Sheet Nos. 25-29
Substitute Original Sheet Nos. 35-38
Substitute Original Sheet Nos. 45-48

Original Volume No. 1-A (cont'd.)

Substitute Original Sheet Nos. 55-58
Substitute Original Sheet No. 67
Substitute Original Sheet No. 77
Substitute Original Sheet No. 86
Substitute Original Sheet No. 95
Substitute Original Sheet No. 127
Substitute Original Sheet Nos. 150-155
Substitute Original Sheet Nos. 165-169
Substitute Original Sheet No. 216
Substitute Original Sheet No. 221

Original Volume No. 2

Substitute Original Sheet No. 1B
Substitute Original Sheet No. 1C
Fourth Substitute Third Revised Sheet No. 10
Fourth Substitute Third Revised Sheet No. 11

The revised sheets reflect the continuation of service under Rate Schedule X-1, originally proposed to be cancelled. The tariff sheets also reflect revisions necessary to delete reference to uncertificated services and to eliminate all costs associated with the facilities not in service by the end of the test period, as required by the Suspension Order issued on November 29, 1985, as amended January 26, 1986, in Docket No. RP86-10-002.

The tariff sheets also correct omissions in the original filing of Original Sheet No. 221, Original Volume No. 1-A, which is a signature page to Exhibit "A" of the Form of Service Agreement under Rate Schedule S-3, and references to Item Nos. 27.5.1, 27.5.2, and 27.5.3 on Substitute Original Sheet No. 113, First Revised Volume No. 1. Williston Basin also submitted Substitute Original Sheet No. 265, First Revised Volume No. 1, to show the date of execution of a new service agreement with Frannie-Deaver Utilities.

Subsequent to the filing of its proposed rate changes in Docket No. RP86-10-000, *et al.*, on October 31, 1985, Williston Basin was conditionally granted an exemption from the Index of Requirements filing requirement under Section 281.204(b) of the Commission's Regulations in Docket Nos. SA85-33-000, *et al.*, and in Docket Nos. TC85-17-000, *et al.*, Williston Basin was allowed to eliminate the restrictions on growth, as reflected in Section 18 of Williston Basin's Gas Tariff, Original Volume No. 1. The Company states that these changes have been incorporated into First Revised Volume No. 1.

The substitute tariff sheets reflect the changes in cost of gas filed on March 31, 1986, pursuant to Williston Basin's Purchased Gas Cost Adjustment Provision, Docket No. TA86-2-49-000, proposed to be effective May 2, 1986.

Pursuant to § 375.307(j) of the Commission's Regulations, Williston Basin respectfully requests waiver of section 4(d) of the Natural Gas Act and Commission's Regulations there-under, so that the attached tariff sheets may become effective on May 2, 1986, as proposed herein.

Any person desiring to be heard or to make any protest with reference to said filing should, on or before May 12, 1986, file with the Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, DC 20426, a motion to intervene or a protest in accordance with the requirements of Rule 214 and 211 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

Kenneth F. Plumb,

Secretary.

[FR Doc. 86-10311 Filed 5-7-86; 8:45 am]

BILLING CODE 6717-01

[Docket Nos. ER86-436-000, et al.]

Electric Rate and Corporate Regulation Filings; Arizona Public Service Co., et al., May 5, 1986.

Take notice that the following filings have been made with the Commission:

1. Arizona Public Service Company

[Docket No. ER86-436-000]

Take notice that Arizona Public Service Company (APS) on April 25, 1986, tendered for filing a Wholesale Power Agreement and a Wheeling and Administrative Service Agreement between Arizona Public Service Company (APS) and Electrical District No. 6 (ED-6).

It is intended that these new Agreements supercede the terms and conditions for service presently being rendered under a Letter Agreement (FERC Rate Schedule No. 122) scheduled to terminate on June 30, 1986. The rates for services to be rendered remain unchanged from those presently in effect.

APS, with ED-6's concurrence, requests an effective date of February 14, 1986.

Copies of this filing have been served upon ED–6 and the Arizona Corporation Commission.

Comment date: May 15, 1986, in accordance with Standard Paragraph E at the end of this notice.

2. Central Hudson Gas & Electric Corporation

[Docket No. ER–86–440–000]

Take notice that on April 28, 1986, Central Hudson Gas and Electric Corporation (Central Hudson) tendered for filing its development of actual costs for 1985 related to substation service provided to Consolidated Edison Company of New York, Inc. (Con Edison) in accordance with the provisions of its Rate Schedule FERC No. 43.

Central Hudson indicates that the actual cost for 1985 amounted to $317,919 and will be the basis on which estimated charges for 1986 will be billed.

Central Hudson requests waiver on the notice requirements set forth in 18 CFR 35.11 of the Regulations to permit charges to become effective January 1, 1986 as agreed by the parties.

Central Hudson states that a copy of its filing was served on Con Edison and the State of New York Public Service Commission.

Comment date: May 15, 1986, in accordance with Standard Paragraph E at the end of this notice.

3. Central Hudson Gas & Electric Corporation

[Docket No. ER86–441–000]

Take notice that Central Hudson Gas & Electric Corporation (Central Hudson), on April 25, 1986, tendered for filing, as a rate schedule an executed Agreement dated March 10, 1986 between Central Hudson and Orange and Rockland Utilities, Inc. (O&R). The proposed rate schedule provides for a transmission agreement between Central Hudson and O&R.

Central Hudson states that the service to be provided by Central Hudson is the transmission of power and energy between (a) Central Hudson's transmission connection with the 345 Kv. Leeds Substation of Niagara Mohawk Power Corporation and (b) Central Hudson's transmission connection with O&R at the 115 Kv. Sugarloaf Substation.

Central Hudson states that transmission capacity to be made available to O&R will be that scheduled as unsupported firm power for O&R by the New York Power Authority (NYPA) in accordance with contracts in effect between NYPA and O&R.

Central Hudson states that copies of the subject filing were served upon: Orange and Rockland Utilities, Inc., 75 West Route 59, Spring Valley, New York 10977.

Comment date: May 15, 1986, in accordance with Standard Paragraph E at the end of this notice.

4. Central Hudson Gas & Electric Corporation

[Docket No. ER86–442–000]

Take notice that on April 28, 1986, Central Hudson Gas and Electric Corporation (Central Hudson) tendered for filing its development of actual costs for 1985 related to transmission service provided from the Roseton Generating Plant to Consolidated Edison Company of New York, Inc. (Con Edison) and Niagara Mohawk Power Corporation (Niagara Mohawk) in accordance with the provisions of its Rate Schedule FERC No. 42.

The actual costs for 1985 amounted to $1.4345 per Mw.-day to Con Edison and $4.7277 per Mw.-day to Niagara Mohawk and are the basis on which charges for 1986 have been estimated.

Central Hudson requests waiver on the notice requirements set forth in 18 CFR 35.11 of the Regulations to permit charges to become effective January 1, 1986 as agreed by the parties.

Central Hudson states that a copy of its filing was served on Con Edison, Niagara Mohawk and the State of New York Public Service Commission.

Comment date: May 15, 1986, in accordance with Standard Paragraph E at the end of this notice.

5. Central Illinois Light Company

[Docket No. EC86–19–000]

Take notice that on April 25, 1986, Central Illinois Light Company (CILCO) tendered for filing an application seeking approval of their Real Estate Sales Contract between CILCO and the Village of Chatham (Chatham). Said contract provides for the sale of specified substation equipment and land located in the Village of Chatham, IL.

Comment date: May 15, 1986, in accordance with Standard Paragraph E at the end of this document.

6. Idaho Power Company

[Docket No. ER86–443–000]

Take notice that on April 28, 1986, the Idaho Power Company tendered for filing in compliance with the Federal Energy Regulatory Commission's Order of October 7, 1978, a summary of sales made under the Company's 1st Revised FERC Electric Tariff, Volume No. 1 (Supersedes Original Volume No. 1) during February 1986, along with cost justification for the rate charged. This filing includes the following supplements:

	Supplement No.
Utah Power & Light Company	51
Montana Power Company	39
Washington Water Power Company	37
Pacific Power & Light Company	16
Sierra Pacific Power Company	48
Portland General Electric Company	44
Puget Sound Power & Light Company	20
Southern California Edison Company	38
Pacific Gas & Electric Company	19
Western Area Power Administration	12
City of Glendale	30
City of Burbank	29
City of Pasadena	28
Los Angels Water & Power Company	33

Comment date: May 15, 1986, in accordance with Standard Paragraph H at the end of this notice.

7. Otter Tail Power Company

[Docket No. ER86–417–000]

Take notice that Otter Tail Power Company (Otter Tail) on April 25, 1986, tendered for filing an initial Service Schedule J, which is proposed to become effective May 1, 1986.

The filing provided for Otter Tail to sell and Northern States Power Company to purchase 20 MW of Schedule J MAPP Participation Power for the summer season of 1985, commencing May 1 and continuing through October 31, 1986. Both parties also request an option of an additional 25 MW if agreeable under the same terms.

Copies of the filing have been mailed to Northern States Power Company, 414 Nicollet Mall, Minneapolis, Minnestoa 55401 and to Mid-Continent Area Power Pool, 1250 Soo Line Building, 507 Marquette Avenue, Minneapolis, Minnesota 55042.

Comment date: May 15, 1986, in accordance with Standard Paragraph E at the end of this notice.

8. Tampa Electric Company

[Docket No. ER86–455–000]

Take notice that on April 30, 1986, Tampa Electric Company (Tampa Electric) tendered for filing revised cost support schedules showing a change in the daily capacity charge for its scheduled interchange service provided under interchange agreements with Florida Power Corporation, Florida Power & Light Company Florida Municipal Power Agency, Fort Pierce Utilities Authority, Jacksonville Electric Authority, Orlando Utilities Commission, Sebring Utilities

Commission, Seminole Electric Cooperative, and the Cities of Gainesville, Kissimmee, Lake Worth, Lakeland, St. Cloud, Starke, Tallahassee, and Vero Beach, Florida. Tampa Electric states that the revised daily capacity charge is based on 1985 Form No. 1 data, and is derived by the same method that was utilized in the cost support schedules submitted with the interchange agreements and in all previous annual revisions.

Tampa Electric requests that the revised daily capacity charge be made effective as of May 1, 1986, and therefore requests waiver of the Commission's notice requirements.

Tampa Electric states that a copy of the filing has been served upon each of the above-named parties to interchange agreements with Tampa Electric, as well as the Florida Public Service Commission.

Comment date: May 19, 1986, in accordance with Standard Paragraph E at the end of third notice.

9. Union Electric Company

[Docket No. ER86-450-000]

Take notice that on April 23, 1986, Union Electric Company (Union) tendered for filing proposed changes in its transmission service rate in Transmission Service Transaction 2 of the Transmission Service Agreement between Union Electric Company and the City of Malden, Missouri. The proposed changes would increase revenues from jurisdictional sales and service by $124,208, based on the 12 month period ending December 31, 1985.

Union states that the increase in this rate is necessitated by the completion of several construction projects, particularly the completion of the Callaway Nuclear plant, as well as increases in operating and maintenance expenses and other expenses including wages and benefits, property and payroll taxes, depreciation of plant and related items.

Copies of the filing were served upon the public utility's customer, the City of Malden, as well as the Missouri Public Service Commission.

Comment date: May 15, 1986, in accordance with Standard Paragraph E at the end of this notice.

Standard Paragraphs

E. Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, DC 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). All such motions or protests should be filed on or before the comment date. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

H. Any person desiring to be heard or to protest this filing should file comments with the Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, DC 20426, on or before the comment date. Comments will be considered by the Commission in determining the appropriate action to be taken. Copies of this filing are on file with the Commission and are available for public inspection.

Kenneth F. Plumb,

Secretary.

[FR Doc. 86-10380 Filed 5-7-86; 8:45 am]

BILLING CODE 6717-01-M

[Docket Nos. ER86-426-000, et al.]

Electric Rate and Corporate Regulation Filings, Southern California Edison Co., et al.

May 2, 1986.

Take notice that the following filings have been made with the Commission:

1. Southern California Edison Company

[Docket No. ER86-426-000]

Take notice that, on April 25, 1986, Southern California Edison Company ("Edison") tendered for filing, as an initial rate schedule, the following Agreement, which has been executed by Edison and the City of Riverside, California: Edison-Riverside, Palo Verde Nuclear Generating Station, Firm Transmission Service Agreement.

Under the terms and conditions of the Agreement, Edison will make available to Riverside firm transmission service for its entitlements in the capacity and energy from Palo Verde Nuclear Generating Station to the Point of Delivery at Riverside, California.

The Agreement is proposed to become effective when executed by the Parties and accepted for filing by the Commission; and as such, Edison requests, to the extent necessary, waiver of notice requirements.

Copies of this filing were served upon the Public Utilities Commission of the State of California and the City of Riverside, California.

Comment date: May 15, 1986, in accordance with Standard Paragraph E at the end of this notice.

2. Southern California Edison Company

[Docket No. ER86-427-000]

Take notice that, on April 25, 1986, Southern California Edison Company ("Edison") tendered for filing, as an initial rate schedule, the following Agreement, which has been executed by Edison and the City of Colton, California: Edison-Colton, Palo Verde Nuclear Generating Station, Firm Transmission Service Agreement.

Under the terms and conditions of the Agreement, Edison will make available to Colton firm transmission service for its entitlements in the capacity and energy from Palo Verde Nuclear Generating Station to the Point of Delivery at Riverside, California.

The Agreement is proposed to become effective when executed by the Parties and accepted for filing by the Commission; and as such, Edison requests, to the extent necessary, waiver of notice requirements.

Copies of this filing were served upon the Public Utilities Commission of the State of California and the City of Colton, California.

Comment date: May 15, 1986, in accordance with Standard Paragarph E at the end of this notice.

3. Southern California Edison Company

[Docket No. ER86-428-000]

Take notice that, on April 25, 1986, Southern California Edison Company ("Edison") tendered for filing, as an initial rate schedule, the following Agreement, which has been executed by Edison and the City of Banning, California: Edison-Banning, Palo Verde Nuclear Generating Station, Firm Transmission Service Agreement.

Under the terms and conditions of the Agreement, Edison will made available to Banning firm transmission service for its entitlements in the capacity and energy from Palo Verde Nuclear Generating Station to the Point of Delivery at Banning, California.

The Agreement is proposed to become effective when executed by the Parties and accepted for filing by the Commission; and as such, Edison requests, to the extent necessary, waiver of notice requirements.

Copies of this filing were served upon the Public Utilities Commission of the State of California and the City of Banning, California.

Comment date: May 15, 1986, in accordance with Standard Paragraph E at the end of this notice.

4. Southern California Edison Company

[Docket No. ER86-429-000]

Take notice that, on April 25, 1986, Southern California Edison Company ("Edison") tendered for filing, as a supplement to the Integrated Operations Agreement ("IOA"), designated Rate Schedule FERC No 146, the following agreement, which has been executed by Edison and the City of Colton, California ("Colton"): Supplemental Agreement for the Integration of Colton's Entitlement in the Palo Verde Nuclear Generating Station.

The Supplemental Agreement provides for certain specific details relating to the integration of Colton's entitlement to power from the Palo Verde Nuclear Generating Station as required by the IOA.

The Supplemental Agreement is proposed to become effective when executed by the Parties and accepted for filing by the Commission; and as such, Edison requests, to the extent necessary, waiver of notice requirements.

Copies of this filing were served upon the Public Utilities Commission of the State of California and the City of Colton, California.

Comment date: May 15, 1986, in accordance with Standard Paragraph E at the end of this notice.

5. Southern California Edison Company

[Docket No. ER86-430-000]

Take notice that, on April 25, 1986, Southern California Edison Company ("Edison") tendered for filing, as an initial rate schedule, the following Agreement, which has been executed by Edison and the City of Azusa, California: Edison-Azusa, Palo Verde Nuclear Generating Station, Firm Transmission Service Agreement.

Under the terms and conditions of the Agreement, Edison will make available to Azusa firm transmission service for its entitlements in the capacity and energy from Palo Verde Nuclear Generating Station to the Point of Delivery at Azusa, California.

The Agreement is proposed to become effective when executed by the Parties and accepted for filing by the Commission; and as such, Edison requests, to the extent necessary, waiver of notice requirements.

Copies of this filing were served upon the Public Utilities Commission of the State of California and the City of Azusa, California.

Comment date: May 15, 1986, in accordance with Standard Paragarph E at the end of this notice.

6. Southern California Edison Company

[Docket No. ER86-431-000]

Take notice that, on April 25, 1986, Southern California Edison Company ("Edison") tendered for filing, as a supplement to the Integrated Operations Agreement ("IOA"), designated Rate Schedule FERC No 144, the following agreement, which has been executed by Edison and the City of Azusa, California ("Azusa"): Supplemental Agreement for the Integration of Azusa's Entitlement in the Palo Verde Nuclear Generating Station.

The Supplemental Agreement provides for certain specific details relating to the integration of Azusa's entitlement to power from the Palo Verde Nuclear Generating Station as required by the IOA.

The Supplemental Agreement is proposed to become effective when executed by the Parties and accepted for filing by the Commission; and as such, Edison requests, to the extent necessary, waiver of notice requirements.

Copies of this filing were served upon the Public Utilities Commission of the State of California and the City of Azusa, California.

Comment date: May 15, 1986, in accordance with Standard Paragraph E at the end of this notice.

7. Southern California Edison Company

[Docket No. ER86-432-000]

Take notice that, on April 25, 1986, Southern California Edison Company ("Edison") tendered for filing a notice of change of rate for the purchase of Replacement Capacity by the City of Colton, California ("Colton") from Edison under the provision of the following rate schedule:

	Rate schedule FERC No.
City of Colton	146

This filing contemplates implementation of Sectioin 16.1.4 of the Integrated Operations Agreement. Inasmuch as Edison will be under a contractual obligation to sell Replacement Capacity of the City at such time as the Supplemental Agreement for the Integration of Colton's Entitlement in the Palo Verde Nuclear Generating Station ("Supplemental Agreement"), currently pending Commission consideration, becomes effective, Edison requests, to the extent necessary, waiver of prior notice requiremnents and an effective date for this rate change concurrent with the effective date of the Supplemental Agreement.

Copies of this filing were served upon the Public Utilities Commission of the State of California and the City of Colton, California.

Comment date: May 15, 1986, in accordance with Standard Paragraph E at the end of this notice.

8. Southern California Edison Company

[Docket No. ER86-433-000]

Take notice that, on April 25, 1986, Southern California Edison Company ("Edison") tendered for filing a notice of change of rate for the purchase of Replacement Capacity by the City of Banning, California ("Banning") from Edison under the provision of the following rate schedule:

	Rate schedule FERC No.
City of Banning	145

This filing contemplates implementation of Section 16.1.4 of the Integrated Operations Agreement. Inasmuch as Edison will be under a contractural obligation to sell Replacement Capacity to the City as such time as the Supplemental Agreement for the Integration of Banning's Entitlement in the Palo Verde Nuclear Generating Station ("Supplemental Agreement"), currently pending Commission consideration, becomes effective, Edison requests, to the extent necessary, waiver of prior notice requirements and an effective date for this rate change concurrent with the effective date of the Supplemental Agreement.

Copies of this filing were served upon the Public Utilities Commission of the State of California and the City of Banning, California.

Comment date: May 15, 1986, in accordance with Standard Paragraph E at the end of this notice.

9. Southern California Edison Company

[Docket No. ER86-434-000]

Take notice that, on April 25, 1986, Southern California Edison Company ("Edison") tendered for filing a notice of change of rate for the purchase of Replacement Capacity by the City of Azusa, California ("Azusa") from Edison under the provision of the following rate schedule:

	Rate schedule FERC No.
City of Azusa	144

This filing contemplates implementation of Section 16.1.4 of the Integrated Operations Agreement. Inasmuch as Edison will be under a contractural obligation to sell Replacement Capacity to the City as such time as the Supplemental Agreement for the Integration of Azusa's Entitlement in the Palo Verde Nuclear Generating Station ("Supplemental Agreement"), currently pending Commission consideration, becomes effective, Edison requests, to the extent necessary, waiver of prior notice requirements and an effective date for this rate change concurrent with the effective date of the Supplemental Agreement.

Copies of this filing were served upon the Public Utilities Commission of the State of California and the City of Azusa, California.

Comment date: May 15, 1986, in accordance with Standard Paragraph E at the end of this notice.

10. Southern California Edison Company

[Docket No. ER86-435-000]

Take notice that, on April 25, 1986, Southern California Edison Company ("Edison") tendered for filing, as a supplement to the Integrated Operations Agreement ("IOA"), designated Rate Schedule FERC No 145, the following agreement, which has been executed by Edison and the City of Banning, Califorina ("Banning"): Supplemental Agreement for the Integration of Banning's Entitlement in the Palo Verde Nuclear Generating Station.

The Supplemental Agreement provides for certain specific details relating to the integration of Banning's entitlement to power from the Palo Verde Nuclear Generating Station as required by the IOA.

The Supplemental Agreement is proposed to become effective when executed by the Parties and accepted for filing by the Commission; and as such, Edison requests, to the extent necessary, waiver of notice requirements.

Copies of this filing were served upon the Public Utilities Commission of the State of California and the City of Banning, California.

Comment date: May 15, 1986, in accordance with Standard Paragraph E at the end of this notice.

11. Southern California Edison Company

[Docket No. ER86-445-000]

Take notice that, on April 28, 1986, Southern California Edison Company ("Edison") tendered for filing a notice of change of rate for the purchase of Replacement Capacity by the City of Vernon, California ("Vernon"), from Edison under the provision of the following rate schedule:

	Rate schedule FERC No.
City of Vernon	154

This filing contemplates implementation of Section 16.1.4 of the Integrated Operations Agreement ("IOA"). Inasmuch as Edison will be under a contractural obligation to sell Replacement Capacity to the City as such time as the Supplemental Agreement to the IOA between Vernon and Edison dated August 25, 1982, for the Integration of Vernon's Entitlement in the Palo Verde Nuclear Generating Station ("Supplemental Agreement"), currently pending Commission consideration, becomes effective, Edison requests, to the extent necessary, waiver of prior notice requirements and an effective date for this rate change concurrent with the effective date of the Supplemental Agreement.

Copies of this filing were served upon the Public Utilities Commission of the State of California and the City of Vernon, California.

Comment date: May 15, 1986, in accordance with Standard Paragraph E at the end of this notice.

Standard Paragraphs

E. Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, DC 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). All such motions or protests should be filed on or before the comment date. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

Kenneth F. Plumb,

Secretary.

[FR Doc. 86-10381 Filed 5-7-86; 8:45 am]

BILLING CODE 6717-01-M

FEDERAL COMMUNICATIONS COMMISSION

[FCC 86-145]

Common Carrier Services, Access Charges, Waiver of Commission Rules

AGENCY: Federal Communications Commission.

ACTION: Adoption of guidelines (Memorandum Opinion and Order).

SUMMARY: The Federal Communications Commission has denied petitions for waiver of various sections of Part 69 of its rules filed on behalf of Bell Operating Companies (BOCs) from five Regional Bell Operating Companies. The petitioners sought permission to recover non-traffic-sensitive (NTS) costs currently recovered by the Carrier Common Line Charge (CCLC) by various mechanisms not authorized by the Commission's rules. By this Memorandum Opinion and Order, the Commission has adopted guidelines for approval of interim NTS cost recovery proposals in the future. The Commission has found that the petitioner's proposals, as filed, contain certain flaws that compel denial of these waiver requests. The Commission also has found, however, that a sufficient showing has been made to justify some limited waivers of these rules and therefore erstablishes both general and specific guidelines for future interim NTS proposals.

EFFECTIVE DATE: April 3, 1986.

ADDRESS: Federal Communications Commission, Washington, D.C. 20554.

FOR FURTHER INFORMATION CONTACT: Jim Schlichting, Policy and Program Planning Division, Common Carrier Bureau, (202) 632-9342 or Kelly Cameron, Tariff Division, Common Carrier Bureau, (202) 632-6917.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's memorandum opinion and order inthe matter of Petitions for Waiver of Various Sections of Part 69 of the Commission's Rules, filed by the Mountain States Telephone and Telegraph Company, Northwestern Bell Telephone Company, Pacific Northwest Bell Telephone Company, the Bell Atlantic Telephone Companies, Pacific Bell, New England Telephone and

Telegraph Company, and BellSouth Corporation, adopted April 3, 1986, and released April 28, 1986 (Commissioner Patrick concurring in a separate statement).

The full text of the Commission's decision is available for inspection and copying during normal business hours in the FCC Dockets Branch (Room 230), 1919 M Street, NW., Washington, D.C. The complete text of this decision may also be purchased from the Commission's copy contractor, International Transcription Service, (202) 857–3800, 2100 M Street, NW., Suite 140, Washington, D.C. 20037.

Summary of Memorandum Opinion and Order

1. During the last three months of 1985, petitions for waiver of various sections of Part 69 of the Commission's rules were filed on behalf of Bell Operating Companies (BOCs) from five of the seven Regional Bell Operating Companies. These petitions sought primarily to collect the Carrier Common Line (CCL) revenue requirement through some mechanism other than the Carrier Common Line Charge (CCLC) established by the Commission's rules. The Commission released Public Notices inviting comments. In response, 103 comments and 44 reply comments were filed.

2. The petitioners all asserted that waiver of the rule was necessary because the current usage-sensitive method of recoverning non-traffic-sensitive (NTS) costs of providing switched access service is economically irrational and therefore encourages bypass of the switched network. Four of the petitioners proposed to recover the CCL revenue requirement, at least in large part, through various flat charges to interexchange carriers (IXCs) based on some indicator of the IXCs' market share, most often some measure of the IXCs' relative access capacity. The fifth petitioner, New England Telephone, proposed to recover the CCL revenue requirement by billing end users directly for most originating switched access charges. This usage-sensitive end user charge would be levied pursuant to a volume discount and would include not only NTS costs, but also those traffic-sensitive (TS) and Billing and Collection costs allegedly involved in delivering long-distance calls to the points-of-presence of the IXCs.

3. The Commission concluded, contrary to the claims of some of the commenters, that neither a rulemaking proceeding nor referral of the petitions to the Federal/State Joint Board was necessary to consider the issues raised by the petitions. The Commission also concluded that a sufficient showing had been made by the petitioners to justify granting some limited waivers of its rules. Nevertheless, the Commission found that the cost recovery plans, as proposed, contained certain flaws that compelled denial of the waiver requests. The Commission therefore rejected the proposals before it and established both general and specific guidelines for future interim NTS plans.

4. The Commission established three general guidelines. First, any tariff implementing an interim NTS plan must expire no later than one year after its effective date. Second, any interim NTS plan must collect the nationally uniform, usage-sensitive CCLC on terminating switched access, which was recently frozen at 4.33 cents/minute. Finally, the Commission indicated that it would not approve any interim NTS plan that proposes to alter the fundamental operation of the NECA NTS pool.

5. The Commission also established more specific guidelines for two acceptable models of interim NTS plan—the IXC capacity charge model and the direct end user charge model. The first model would permit interim recovery of NTS costs through either flat-rate charges of IXCs based on their access capacity or surcharges on special access lines (including WATS closed ends) used for certain designated services that are close substitutes for MTS, or both. To prevent such plans from shifting the risk of underrecovery of NTS costs to the IXCs, the Commission will require that plans incorporating a capacity charge plan measure and bill IXC capacity monthly.

6. The Commission also established guidelines for the IXC capacity charge model that addressed other problems raised by the petitions. First, the Commission stated that it would not approve any plan that based the capacity charge on the number of an IXCs presubscribed access lines. The Commission also stated that the LECs would not be permitted to impose charges on purely private access facilities used to bypass the public switched network. The Commission will not allow interim NTS plans to impair interexchange competition. Therefore, any LEC filing an interim NTS plan employing an IXC capacity charge must submit data indicating how its proposal would have affected IXCs if it had been in effect during the previous two years. Finally, the Commission stated that it would determine on a case-by-case basis exactly how the LEC would settle with the NECA pool.

7. The direct end user charge model would allow a LEC to levy a usage-sensitive NTS charge on the end user according to a tapered rate schedule. In order to prevent such plans from discriminating against low- and medium-volume end users, the Commission will require that the discount be targeted toward reducing uneconomic bypass and inefficiencies in the use of the interstate network, that every end user contribute toward common NTS costs, and that the maximum increase for any end user be reasonable in light of that user's overall interstate telephone bill. In addition, the Commission required that any additional revenue stimulated by such a plan be flowed through in the form of rate reducitons for usage bands with per-minute rates higher than the average. Also, the Commission mandated that LECs proposing a direct end user billing proposal incorporate some form of peak/off-peak pricing or show that the benefits of such a rate structure to low-volume users making interstate calls principally at nights and on weekends would be outweighed by the costs. To mitigate possible consumer confusion, the Commission required that LECs proposing direct end user billing provide detailed billing of its access charges and allow end users to designate willing third parties (such as IXCs) for ordering and billing access so that end users may receive only one long-distance bill. The Commission also required that plans filed pursuant to this model settle with the NECA pool on the basis of forecasted minutes of use.

8. Finally, the Commission concluded that waiver of its rules concerning TS and Billing and Collection costs would not be appropriate absent development of a more extensive record on those issues. The Commission stated that an interim NTS proposal incorporating such changes in the direct end user charge model would require further justification of its treatment of those costs. The Commission would then solicit further comments before addressing the merits of a waiver of the relevant rules.

9. The proposal contained herein has been analyzed with respect to the Paperwork Reduction Act of 1980 and found to contain no new or modified form, information collection and/or record keeping, labeling, disclosure, or record retention requirements; and will not increase or decrease burden hours imposed on the public.

Ordering Clauses

10. Accordingly, it is hereby ordered That the Petitions for Waiver filed by Mountain States Telephone and Telegraph Company, Northwestern Bell Telephone Company, Pacific Northwest Bell Telephone Company, the Bell

Atlantic Telephone Companies, New England Telephone and Telegraph Company, and BellSouth Corporation are denied.

11. It is further ordered that the Vermont Public Service Board's Motion to Accept Late-Filed Comments on the waiver petition filed by the New England Telephone and Telegraph Company is granted.

Federal Communications Commission.

William J. Tricarico,

Secretary.

[FR Doc. 86-10297 Filed 5-7-86; 8:45 am]

BILLING CODE 6712-01-M

[CC Docket No. 78-97, Phase II; CC Docket No. 82-122; FCC 86-189]

International and Domestic Record Service; Investigation of Rates Charged by Western Union to Various Interconnected Carriers

AGENCY: Federal Communications Commission.

ACTION: Memorandum Opinion and Order on Reconsideration.

SUMMARY: The Federal Communications Commission has rejected petitions of a number of interconnected record carriers for reconsideration of an Order released on May 20, 1985, which terminated a docketed investigation of Western Union's rates and rate structure for telex/TWX service. In that Order, the Commission found that Western Union did not realize any significant cost savings in providing service to various interconnected carriers as opposed to the general public, and that Western Union appropriately charged both categories of customers the same rates. In reaching this conclusion, the Commission found that the interconnected carriers failed to meet their burden of demonstrating significant cost differences or other factors that would justify discounted rates.

FOR FURTHER INFORMATION CONTACT: Jonathan E. Canis, Attorney, Common Carrier Bureau, (202) 632-6917.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's Order in CC Docket No. 78-97 (Phase II), adopted April *17*, 1986 and released May 1, 1986.

The full text of this Commission decision is available for inspection and copying during normal business hours in the FCC Dockets Branch (Room 230), 1919 M Street, NW., Washington, D.C. The complete text of this decision may also be purchased from the Commission's copy contractors, International Transcription Service, (202) 857-3800, 2100 M St., NW., Suite 140, Washington, D.C. 20037.

Summary of Memorandum Opinion and Order

1. On May 20, 1985, the Commission released an Order terminating CC Docket No. 78-97 (Phase II), an investigation of Western Union's rates and rate structure for telex/TWX service. Phase II of the investigation focused on two issues: (1) Did WU realize significant cost savings in providing service to a number of interconnected carriers, as opposed to the general public? (2) Did non-cost considerations justify lower rates for the interconnected carriers? The Order terminating the Phase II investigation answered both questions in the negative, and found that Western Union's rate structure, which charged the interconnected carriers and the public the same rates, was not unreasonable.

2. The interconnected carriers affected by this decision filed petitions for reconsideration, which raised a number of arguments based on interpretation of the Record Carrier Competition Act of 1981, court precedent, prior Commission decisions, procedure and equity. In denying the petitions for reconsideration, the Commission found that most of these arguments merely restated arguments made and rejected earlier in the proceeding. The Commission also addressed issues concerning the standards for determining whether two services are "like services," and various obligations imposed on the Commission by the Record Carrier Competition Act.

Ordering Clauses

3. Therefore, it is ordered that the Joint Petition for Reconsideration filed by the Interconnected Carrier Parties is denied.

4. It is further ordered that the Protective Petition for Reconsideration filed by Western Union is dismissed.

William J. Tricarico,

Secretary.

[FR Doc. 86-10293 Filed 5-7-86; 8:45 am]

BILLING CODE 6712-01-M

[CC Docket No. 82-122; CC Docket No. 78-97, Phase II; FCC 86-190]

International and Domestic Record Service; Prescription of Rates Charged by Western Union to Various Interconnected Carriers

AGENCY: Federal Communications Commission.

ACTION: Memorandum Opinion and Order.

SUMMARY: The Federal Communications Commission has issued an Order terminating the proceeding in CC Docket No. 82-122, which implemented the Record Carrier Competition Act of 1981 by establishing terms and conditions for interconnection of facilities used by Western Union and various interconnected record carriers. In 1982, the Commission prescribed an interim rate for interconnection between carriers, requiring Western Union to provide service to the interconnected carriers at rates discounted 15 percent from the rates charged the public. Because the actual costs of interconnection were under investigation, the discount was imposed as a temporary measure, subject to adjustment upon completion of the investigation. This Order finalizes the interim rate prescription established in 1982, eliminates the 15 percent discount and requires the interconnected carriers to reimburse Western Union for part of the discounts taken between June 1982 and August 1984.

FOR FURTHER INFORMATION CONTACT: Jonathan E. Canis, Attorney, Common Carrier Bureau, (202) 632-6917.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's Order terminating CC Docket No. 82-122, adopted April 17, 1986 and released May 2, 1986. The full text of this decision is available for inspection and copying during normal business hours in the FCC Dockets Branch (Room 230), 1919 M St., NW., Washington, D.C. The complete text of this this decision may also be purchased from the Commission's copy contractors, International Transcription Service, (202) 857-3800, 2100 M St., NW., Suite 140, Washington, D.C. 20037.

Summary of Memorandum Opinion and Order

1. Docket 82-122 was initiated to implement the Record Carrier Competition Act of 1981, which required that the Commission establish terms and conditions for interconnection of Western Union's and other interconnected record carriers' facilities. At that time, Docket 78-97, an investigation into Western Union's interconnection rates, was pending. The only findings available in that investigation were the initial findings of an administrative law judge, who found that Western Union realized significant cost savings in serving the interconnected carriers as opposed to the general public, and that the rates charged the carriers should be

discounted from the public rates. To comply with the Record Carrier Competition Act, the Commission prescribed rates which, in deference to the administrative law judge's initial findings, included a 15 percent discount for the interconnected carriers. Because the Docket 78–97 investigation was not completed, the Commission expressly made the Docket 82–122 prescription an interim measure, subject to retroactive adjustment when the investigation was terminated.

2. The Docket 78–97 investigation was concluded in 1983 when the Commission overturned the conclusions of the administrative law judge, finding that Western Union did not realize cost savings in serving the interconnected carriers. Subsequently, Western Union petitioned for an Order eliminating the discount, stating that the Docket 78–97 investigation found that no discount was warranted. The Commission has granted that petition in part, eliminating the discount and requiring the interconnected carriers to reimburse Western Union for part of the discounts taken between June 1982 and August 1984. Western Union is ordered to recompute its claim for reimbursement according to the Commission's directions.

Ordering Clauses

3. Therefore, it is ordered that the motion for final order filed by The Western Union Telegraph Company is granted to the extent specified in this Order and is otherwise denied.

4. It is further ordered that The Western Union Telegraph Company shall submit the information required in paragraph 51, *supra*, not later than 30 days after release of this Order.

5. It is further ordered that, based on the above findings, CC Docket No. 82–122 is terminated.

William J. Tricarico,

Secretary.

[FR Doc. 86–10292 Filed 5–7–86; 8:45 am]

BILLING CODE 6712–01–M

New FM Stations; Applications for Consolidated Hearing; Linda Crook, et al.

1. The Commission has before it the following mutually exclusive applications for a new FM station:

Applicant, city, and State	File No.	MM Docket No.
A. Linda Crook, Quincy, IL	BPH–850228MD	86–143
B. Cynthia Escajeda Cart, Quincy, IL	BPH–850528MC	

2. Pursuant to section 309(e) of the Communications Act of 1934, as amended, the above applications have been designated for hearing in a consolidated proceeding upon issues whose headings are set forth below. The text of each of these issues has been standardized and is set forth in its entirety in a sample standardized Hearing Designation Order (HDO) which can be found at 48 FR 22428, May 18, 1983. The issue headings shown below correspond to issue headings contained in the referenced sample HDO. The letter shown before each applicant's name, above, is used below to signify whether the issue in question applies to that particular applicant.

Issue Heading Applicant(s)

1. Air Hazard A
2. Comparative, A, B
3. Ultimate, A, B

3. If there is any non-standardized issue(s) in this proceeding, the full text of the issue and the applicant(s) to which it applies are set forth in an Appendix to this Notice. A copy of the complete HDO in this proceeding may be obtained, by written or telephone request, from the Mass Media Bureau's Contact Representative, Room 242, 1919 M Street, NW., Washington, D.C. 20554. Telephone (202) 632–6334.

W. Jan Gay,

Assistant Chief, Audio Services Division, Mass Media Bureau.

[FR Doc. 86–10298 Filed 5–7–86; 8:45 am]

BILLING CODE 6712–01–M

New FM Stations; Applications for Consolidated Hearing; FM 105, Inc. et al.

1. The Commission has before it the following mutually exclusive applications for a new FM station:

Applicant and city/state	File No.	MM Docket No.
A. FM 105, Inc.; Moberly, MO.	BPH–850312MA	86–122
B. Linda Womack, Margaret Schmodt, Katherine Womack, Mark Hibbs & Robert & Susie Cason d/b/a Randolph Broadcasters; Moberly, MO.	BPH–850712XG	

2. Pursuant to section 309(e) of the Communications Act of 1934, as amended, the above applications have been designated for hearing in a consolidated proceeding upon issues whose headings are set forth below. The text of each of these issues has been standardized and is set forth in its entirety in a sample standardized Hearing Designation Order (HDO) which can be found at 48 FR 22428, May 18, 1983. The issue headings shown below correspond to issue headings contained in the referenced sample HDO. The letere shown before each applicant's name, above, is used below to signify whether the issue in question applies to that particular applicant.

Issue Heading and Applicant(s)

1. Comparative, A,B
2. Ultimate, A,B

3. If there is any non-standardized issue(s) in this proceeding, the full text of the issue and the applicant(s) to which it applies are set forth in an Appendix to this Notice. A copy of the complete HDO in this proceeding may be obtained, by written or telephone request, from the Mass Media Bureau's Contact Representative, Room 242, 1919 M Street NW., Washington, D.C. 20554. Telephone (202) 632–6334.

W. Jan Gay,

Assistant Chief, Audio Services Division, Mass Media Bureau.

[FR Doc. 86–10299 Filed 5–7–86; 8:45 am]

BILLING CODE 6712–01–M

New FM Stations; Applications for Consolidated Hearing; Fort Bragg Broadcasting Co. et al.

1. The Commission has before it the following mutually exclusive applications for a new FM station:

Applicant and city/state	File No.	MM Docket No.
A. Charles & Josephine Stone, d/b/a Fort Bragg Broadcasting Company; Fort Bragg, CA.	BPH–850618MG	86–119
B. Luann Axel & Wade Axell d/b/a Axel Broadcasting; Fort Bragg, CA.	BPH–850712MH	
C. Shara Whitney, d/b/a Small Market Minority Radio; Fort Bragg, CA.	BPH–850712MO	

2. Pursuant to section 309(e) of the Communications Act of 1934, as amended, the above applications have been designated for hearing in a consolidated proceeding upon issues whose headings are set forth below. The text of each of these issues has been standardized and is set forth in its entirety in a sample standardized Hearing Designation Order (HDO) which can be found at 48 FR 22428, May 18, 1983. The issue headings shown below correspond to issue headings contained in the referenced sample HDO. The letter shown before each applicant's name, above, is used below to signify whether the issue in question applies to that particular applicant.

Issue Heading and Applicant(s)

1. Air Hazard, A
2. Comparative, A,B,C
3. Ultimate, A,B,C

3. If there is any non-standardized issue(s) in this proceeding, the full text of the issue and the applicant(s) to which it applies are set forth in an Appendix to this Notice. A copy of the complete HDO in this proceeding may be obtained, by written or telephone request, from the Mass Media Bureau's Contact Representative, Room 242, 1919 M Street NW., Washington, D.C. 20554. Telephone (202) 632-6334.

W. Jan Gay,

Assistant Chief, Audio Services Division, Mass Media Bureau.

[FR Doc. 86-10300 Filed 5-7-86; 8:45 am]

BILLING CODE 6712-01-M

FEDERAL RESERVE SYSTEM

Iowa State Bank Holding Co.; Formation of, Acquisition by, or Merger of Bank Holding Companies; and Acquisition of Nonbanking Company

The company listed in this notice has applied under § 225.14 of the Board's Regulation Y (12 CFR 225.14) for the Board's approval under section 3 of the Bank Holding Company Act (12 U.S.C. 1842) to become a bank holding company or to acquire voting securities of a bank or bank holding company. The listed company has also applied under § 225.23(a)(2) of Regulation Y (12 CFR 225.23(a)(2)) for the Board's approval under section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. 1843(c)(8)) and § 225.21(a) of Regulation Y (12 CFR 225.21(a)) to acquire or control voting securities or assets of a company engaged in a nonbanking activity that is listed in § 225.25 of Regulation Y as closely related to banking and permissible for bank holding companies, or to engage in such an activity. Unless otherwise noted, these activities will be conducted throughout the United States.

The application is available for immediate inspection at the Federal Reserve Bank indicated. Once the application has been accepted for processing, it will also be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether consummation of the proposal can "reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." Any request for a hearing on this question must be accompanied by a statement of the reasons a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute, summarizing the evidence that would be presented at a hearing, and indicating how the party commenting would be aggrieved by approval of the proposal.

Comments regarding the application must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than May 28, 1986.

A. **Federal Reserve Bank of Chicago** (Franklin D. Dreyer, Vice President) 230 South LaSalle Street, Chicago, Illinois 60690:

1. *Iowa State Bank Holding Company,* Des Moines, Iowa; to become a bank holding company by acquiring 90 percent of the voting shares of Iowa State Bank, Des Moines, Iowa.

Iowa State Bank Holding Company, Des Moines, Iowa; has also applied to engage through its subsidiary Bankers Leasing Company, Des Moines, Iowa, in leasing personal or real property pursuant to § 225.25(b)(5) of the Board's Regulation Y.

Board of Governors of the Fedral Reserve System, May 2, 1986.

James McAfee,

Associate Secretary of the Board.

[FR Doc. 86-10280 Filed 5-7-86; 8:45 am]

BILLING CODE 6210-01-M

Putnam Bancshares, Inc.; Formation of, Acquisition by, or Merger of Bank Holding Companies

The company listed in this notice has applied for the Board's approval under section 3 of the Bank Holding Company Act (12 U.S.C. 1842) and §225.14 of the Board's Regulation Y (12 CFR 225.24) to become a bank holding company or to acquire a bank or bank holding company. The factors that are considered in acting on the applications are set forth in section 3(c) of the Act (12 U.S.C. 1842(c)).

The application is available for immediate inspection at the Federal Reserve Bank indicated. Once the application has been accepted for processing, it will also be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing to the Reserve Bank indicated for that application or to the offices of the Board of Governors. Any comment on an application that requests a hearing must include a statement of why a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute and summarizing the evidence that would be presented at a hearing.

Comments regarding this application must be received not later than May 30, 1986.

A. **Federal Reserve Bank of Richmond** (Lloyd W. Bostian, Jr., Vice President) 701 East Byrd Street, Richmond, Virginia 23261:

1. *Putnam Bancshares, Inc.,* Hurricane, West Virginia; to become a bank holding company by acquiring 100 percent of the voting shares of Putnam County Bank, Hurricane, West Virginia.

Board of Governors of the Federal Reserve System, May 2, 1986.

James McAfee,

Associate Secretary of the Board.

[FR Doc. 86-10281 Filed 5-7-86; 8:45 am]

BILLING CODE 6210-01-M

Texas Valley Bancshares, Inc. and San Diego Financial Corp.; Notice of Applications to Engage de Novo in Permissible Nonbanking Activities

The companies listed in this notice have filed an application under § 225.23(a)(1) of the Board's Regulation Y (12 CFR 225.23(a)(1)) for the Board's approval under section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. 1843(c)(8)) and § 225.21(a) of Regulation Y (12 CFR 225.21(a)) to commence or to engage *de novo,* either directly or through a subsidiary, in a nonbanking activity that is listed in § 225.25 of Regulation Y as closely related to banking and permissible for bank holding companies. Unless otherwise noted, such activities will be conducted throughout the United States.

Each application is available for immediate inspection at the Federal Reserve Bank indicated. Once the application has been accepted for processing, it will also be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether consummation of the proposal can "reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices." Any request for a hearing on this question must be accompanied by a statement of the reasons a written presentation would not suffice in lieu of a hearing, identifying specifically any

questions of fact that are in dispute, summarizing the evidence that would be presented at a hearing, and indicating how the party commenting would be aggrieved by approval of the proposal.

Unless otherwise noted, comments regarding the applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than May 29, 1986.

A. Federal Reserve Bank of Dallas (Anthony J. Montelaro, Vice President) 400 South Akard Street, Dallas, Texas 75222:

1. *Texas Valley Bancshares, Inc.*, Weslaco, Texas; to engage *de novo* through its subsidiary Texas Valley Information Systems, Inc., in the activity of providing to others financially related data processing and data transmission services, facilities, and data bases; or access to them pursuant to § 225.25(b)(7) of the Board's Regulation Y.

B. Federal Reserve Bank of San Francisco (Harry W. Green, Vice President) 101 Market Street, San Francisco, California 94105:

1. *San Diego Financial Corporation*, San Diego, California; to engage *de novo* through its subsidiary SDT Discount Brokerage, Inc., San Diego, California, in discount brokerage activities and underwriting and dealing in government obligations and money market instruments pursuant to § 225.25(b) (15 and (16) of the Board's Regulation Y.

Board of Governors of the Federal Reserve System, May 2, 1986.

James McAfee,

Associate Secretary of the Board.

[FR Doc. 86-10282 Filed 5-7-86; 8:45 am]

BILLING CODE 6210-01-M

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control

National Institute for Occupational Safety and Health, Meeting on Evaluation of Brake Drum Service Controls

The following meeting will be convened by the National Institute for Occupational Safety and Health (NIOSH) of the Centers for Disease Control (CDC) and will be open to the public for observation and participation, limited only by the space available:

Date: May 28, 1986.

Time: 9 a.m.–3 p.m.

Place: Conference Room C, 5555 Ridge Avenue, Cincinnati, Ohio 45213.

Purpose: To review a project entitled "Evaluation of Brake Drum Service Controls." The project will evaluate control methods for protecting workers against asbestos exposure. Viewpoints and suggestions from industry, organized labor, academia, other government agencies, and the public are invited.

Additional information may be obtained from: John Sheehy or Frank W. Godbey, Division of Physical Sciences and Engineering, NIOSH, CDC, 4676 Columbia Parkway, Cincinnati, Ohio 45226, Telephones: FTS: 684–4221, Commercial: (513) 841–4221.

Dated: May 2, 1986.

Elvin Hilyer,

Associate Director for Policy Coordination, Centers for Disease Control.

[FR Doc. 86-10335 Filed 5-7-86; 8:45 am]

BILLING CODE 4160-19-M

Mine Health Research Advisory Committee; Meeting

In accordance with Section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92–463), the Centers for Disease Control (CDC) announces the following National Institute for Occupational Safety and Health (NIOSH) committee meeting:

Name: Mine Health Research Advisory Committee (MHRAC).

Date: May 29–30, 1986.

Place: Oracle Ridge Room, Sheraton Tucson El Conquistador, 10000 North Oracle Road, Tucson, Arizona 85704.

Time and Type of Meeting: Open—8:30 a.m. to 4:30 p.m.—May 29; Open—8:30 a.m. to 12 noon—May 30.

Contact Person: Robert E. Glenn, Executive Secretary, MHRAC, NIOSH, CDC, 944 Chestnut Ridge Road, Morgantown, West Virginia 26505, Telephone: Commercial: (304) 291–4474; FTS: 923–4474.

Purpose: The Committee is charged with advising the Secretary of Health and Human Services on matters involving or relating to mine health research, including grants and contracts for such research.

Agenda: Agenda items for the meeting will include announcements, consideration of minutes of the previous meeting and future meeting dates, discussion of the MHRAC subgroup's report of the X-ray surveillance program for underground coal miners, and discussion of the definition of asbestos minerals for research and regulatory purposes.

Agenda items are subject to change as priorities dictate.

The portion of the meeting so indicated is open to the public for observation and participation. Anyone wishing to make an oral presentation should notify the contact person listed above as soon as possible before the meeting. The request should state the amount of time desired, the capacity in which the person will appear, and a brief outline of the presentation. Oral presentations will be scheduled at the discretion of the Chairperson and as time permits. Anyone wishing to have a question answered by a scheduled speaker during the meeting should submit the question in writing, along with his or her name and affiliation, through the Executive Secretary to the Chairperson. At the discretion of the Chairperson and as time permits, appropriate questions will be asked of the speakers.

A roster of members and other relevant information regarding the meeting may be obtained from the contact person listed above.

Dated: May 2, 1986.

Elvin Hilyer,

Associate Director for Policy Coordination, Centers for Disease Control.

[FR Doc. 86-10336 Filed 5-7-86; 8:45 am]

BILLING CODE 4160-19-M

Food and Drug Administration

[Docket No. 83F-0064]

Monsanto Co.; Amended Filing of Food Additive Petition

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA) is amending the filing notice for a food additive petition filed by Monsanto Co. to consolidate and amend the current listings for polyamine-epichlorohydrin wet-strength resins. The previous filing notice is being amended to indicate specifically the three current listings that will be replaced, and to specify the new single revised listing.

FOR FURTHER INFORMATION CONTACT: Mary W. Lipien, Center for Food Safety and Applied Nutrition (HFE-335), Food and Drug Administration, 200 C St. SW., Washington, DC 20204, 202–472–5690.

SUPPLEMENTAL INFORMATION: In the **Federal Register** of March 29, 1983 (48 FR 13099), FDA published a notice that a petition (FAP2B3606) had been filed by Monsanto Co., 800 North Lindbergh Blvd., St. Louis, MO 63166, proposing that § 176.170 *Components of paper and paperboard in contact with aqueous and fatty foods* (21 CFR 176.170) be amended to consolidate the 1current listings for polyamine-epichlorohydrin wet-strength resins.

The previous filing notice, which did not specify the three listings for polyamine-epichlorohydrin wet-strength resins that would be consolidated, is now being amended to indicate the three current listings that will be replaced, and to make clear that the new single revised listing requests the additional use of self-condensation products of 95 percent by weight C_4 to C_6 aliphatic diamines, and the direct reaction of these diamines and/or their self-condensation products with epichlorohydrin, in the process.

1. The current listings under § 176.170(a)(5) to be removed read as follows:

List of substances	Limitations
* * * *	* * *
Polyamine-epichlorohydrin resin produced by the reaction of bis(hexamethylene)triamine and higher homologues with epichlorohydrin such that the finished resin has a nitrogen content of 6.3–8.9 percent and chlorine content of 18.0–26.3 percent on a dry basis, and a minimum viscosity in 20 percent by weight aqueous solution of 30 centipoises at 25°C, as determined by Brookfield HAT model viscometer using a No. 1H spindle at 50 r.p.m. (or equivalent method).	For use only as a wet-strength agent and/or retention aid employed prior to the sheet-forming operation in the manufacture of paper and paperboard, and used at a level not to exceed 1 percent by weight of dry paper and paperboard fibers.
* * * *	* * *
Polyamine-epichlorohydrin water soluble thermosetting resin produced by reacting an aliphatic diamine mixture containing not less than 95 percent of C_4 to C_6 diamines with 1,2-dichloroethane to form a prepolymer and further reacting this prepolymer with epichlorohydrin such that the finished resin has a nitrogen content of 6.6–7.9 percent and a chlorine content of 23.0–26.6 percent, on a dry basis, and a minimum viscosity, in 25 percent by weight aqueous solution, of 50 centipoises at 20 °C, as determined on a Brookfield HAT Model viscometer using a No. 1H spindle at 50 r.p.m. (or equivalent method).	For use only as a wet-strength agent and/or retention aid employed prior to the sheet-forming operation in the manufacture of paper and paperboard, and used at a level not to exceed 1 percent by weight of dry paper and paperboard fibers.
* * * *	* * *
Polyamine-epichlorohydrin water soluble thermosetting resin prepared by reacting hexamethylene-diamine with 1,2-dichloroethane to form a prepolymer and further reacting this prepolymer with epichlorohydrin such that the finished resin has a nitrogen content of 5.2–5.5 percent and a chlorine content of 32.7–34.4 percent, on a dry basis, and a minimum viscosity, in 25 percent by weight aqueous solution, of 50 centipoises at 25 °C, as determined on a Brookfield HAT Model viscometer using a No. 1H spindle at 50 r.p.m. (or equivalent method).	For use only as a wet-strength agent and/or retention aid employed prior to the sheet-forming operation in the manufacture of paper and paperboard, and used at a level not to exceed 1 percent by weight of dry paper and paperboard fibers.
* * * *	* * *

2. Tentatively, the revised listing under § 176.170(a)(5) to be alphabetically inserted would read as follows:

List of substances	Limitations
* * *	* *
Polyamine-epichlorohydrin water-soluble thermosetting resin produced by reacting epichlorohydrin with: (a) Polyamines comprising at least 95 percent by weight C_4 to C_6 aliphatic diamines and/or their self-condensation products, and/or (b) Prepolymers produced by reacting 1,2-dichloroethane with the polyamines in (a). The finished resin has a nitrogen content of 5.0 to 9.0 percent and a chlorine content of 18.0 to 35.0 percent on a dry basis, and a minimum viscosity, in a 25-percent by weight aqueous solution, of 50 centipoises at 20 °C (68 °F), as determined by Brookfield HAT model viscometer using a No. 1H spindle at 50 r.p.m. (or equivalent method).	For use only as a wet-strength agent and/or retention aid employed prior to the sheetforming operation in the manufacture of paper and paperboard, and used at a level not to exceed 1 percent by weight of dry paper and paperboard fibers.
* * *	* *
The agency has carefully considered the potential environmental effects of this action and has concluded that the action will not have a significant impact on the human environment and that an environmental impact statement is not required. The agency's finding of no significant impact and the evidence supporting that finding may be seen in the Dockets Management Branch (HFA–305), Food and Drug Administration, Rm. 4–62, 5600 Fishers Land, Rockville, MD 20857, between 9 a.m. and 4 p.m., Monday through Friday.	

Dated: April 29, 1986.

Richard J. Ronk,

Acting Director, Center for Food Safety and Applied Nutrition.

[FR Doc. 86–10286 Filed 5–7–86; 8:45 am]

BILLING CODE 4160–01–M

[Docket No. 86M–0168]

Sharplan Lasers, Inc.; Premarket Approval of Sharplan Model 702 Nd: YAG Laser

AGENCY: Food and Drug Administration.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA) is announcing its approval of the application by Sharplan Lasers, Inc., for permarket approval, under the Medical Device Amendments of 1976, of the Sharplan Model 702 ND:YAG Laser. After reviewing the recommendation of the Ophthalmic Devices Panel, FDA's Center for Devices and Radiological Health (CDRH) notivied the applicant ot the approval of the application.

DATE: Petitions for administrative review by June 9, 1986.

ADDRESS: Written requests for copies of the summary of safety and effectiveness data and petitions for administrative review to the Dockets Management Branch (HFA–305), Food and Drug Administration, Rm. 4–62, 5600 Fishers Lane, Rockville, MD 20857.

FOR FURTHER INFORMATION CONTACT: Philip J. Phillips, Center for Devices and Radiological Health (HFZ–460), Food and Drug Administration, 8757 Georgia Ave., Silver Spring, MD 20910, 301–427–8221.

SUPPLEMENTARY INFORMATION: On August 21, 1985, Sharplan Lasers, Inc., Allendale, NJ 07401, submitted to CDRH an application for premarket approval of the Sharplan Model 702 Nd: YAG Laser. The Sharplan Model 702 Nd: YAG Laser is a neodymium:yttrium-aluminum-garnet (Nd: YAG) ophthjalmic laser that is intended for discission of the posterior capsule of the eye (posterior capsulotomy).

On October 17, 1985, the Ophthalmic Devices Panel, and FDA advisory committee, reviewed and recommended approval of the application. ON March 28, 1986, CDRH approved the application by a letter to the applicant from the Director of the Office of Device Evaluation, CDRM.

A summary of the safety and effectiveness data on which CDRH based its approval is on file nthe Dockets Management Branch (address above) and is available from that office upon written request. Requests should be identified with the name of the device and the docket number found in brackets in the heading of this document.

A copy of all approved labeling is available for public inspection at CDRH—contact Philip J. Phillips (HFZ–460), address above.

Opportunity for Administrative Review

Section 515(d)(3) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360e(d)(3)) authorizes any interested person to petition, under section 515(g) of the act (21 U.S.C. 360e(g)), for administrative review of CHRH's decision to approve this application. A petitioner may request either a formal hearing under Part 12 (21 CFR Part 12) of FDA's administrative practices and procedures regulations of a review of the application and CDRH's action by an independent advisory committee of experts. A petition is to be in the form of a petition for reconsideration under § 10.33(b) (21 CFR 10.33(b)). A petitioner shall identify the form of review requested (hearing or independent advisory committee) and shall submit with the petition supporting data dnd information showing that there is a genuine and substantial issue of material fact for resolution thorugh administrative review. After reviewing the petition , FDA grants the petition the notice will state the issue to be reviewed, the form of review to be used, the persons who may participate in the review, the time and place where the review will occur, and other details.

Petitioners may, at any time on or before June 9, 1986, file with the Dockets Management Branch (address above) two copies of each petition and supporting data and information, identified with the name of the device and the docket number found in brackets in the heading of this document. Received petitions may be seen in the office above between 9 a.m. and 4 p.m., Monday through Friday.

This notice is issued under the Federal Food, Drug, and Cosmetic Act (secs. 515(d), 520(h), 90 Stat. 554–555, 571 (21 U.S.C. 360e(d), 360(h))) and under authority delegated to the Commissioner of Food and Drugs (21 CFR 5.10) and redelegated to the Director, Center for Devices and Radiological Health (21 CFR 5.53).

Dated: April 29, 1986.

John C. Villforth,

Director Center for Devices and Radiological Health.

[FR Doc. 86–10284 Filed 5–7–86; 8:45 am]

BILLING CODE 4160–01–M

Ophthalmic Devices Panel; Amendment of Notice

AGENCY: Food and Drug Administration.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA) is amending the notice of an advisory committee meeting of the Ophthalmic Devices Panel to reflect additions to the agenda. Notice of the meeting was published in the **Federal Register** of April 17, 1986 (51 FR 13097). The open committee discussion for May 23, is revised to read as follows:

Ophthalmic Devices Panel

Open committee discussion. * * *. On May 23, the committee will discuss PMA's for contact lenses and other ophthalmic devices and requirements for PMA approval; effective use of multi-dose nonpreserved saline with soft (hydrophilic) contact lenses; update on FDA requirements for heat disinfection units for use in disinfecting soft (hydrophilic) contact lenses; update on labeling requirements for hydrogen peroxide solutions for use with soft (hydrophilic) contact lenses; and update on corneal ulcers in extended wear contact lens users.

Dated: May 2, 1986.

John M. Taylor,

Acting Associate Comissioner for Regulatory Affairs.

[FR Doc. 86–10287 Filed 5–7–86; 8:45 am]

BILLING CODE 4160–01–M

National Institutes of Health

Biomedical Research Support Subcommittee of the General Research Support Review Committee; Meeting

Pursuant to Pub. L. 92–463, notice is hereby given of the meeting of the Biomedical Research Support Subcommittee of the General Research Support Review Committee, Division of Research Resources, National Institutes of Health, June 23, 1986, Building 31A, Conference Room 4, Bethesda, Maryland 20892, from 9:00 a.m. to adjournment.

The entire meeting will be open to the public from 9:00 a.m. to adjournment on June 23 to discuss program policies and issues related to the Biomedical Research Support (BRS) Program, the BRS-Shared Instrumentation Grant (SIG) Program, and the Minority High School Student Research Apprentice (MHSSRA) Program. Attendance by the public will be limited to space available.

Dr. Marjorie A. Tingle, Executive Secretary of the subcommittee, Building 31, Room 5B–23, National Institutes of Health, Bethesda, Maryland 20892, phone (301) 496–6743, will provide substantive program information upon request.

(Catalogue of Federal Domestic Assistance Program No. 13.377, Biomedical Research Support, National Institutes of Health)

Dated: May 2, 1986.

Betty J. Beveridge,

Committee Management Officer, National Institutes of Health.

[FR Doc. 86–10326 Filed 5–7–86; 8:45 am]

BILLING CODE 4140–01–M

National Cancer Institute; Board of Scientific Counselors, Division of Cancer Treatment; Meeting

Pursuant to Pub. L. 92–463, notice is hereby given of the meeting of the Board of Scientific Counselors, DCT, National Cancer Institute, May 29–30, 1986, Building 31, 6th Floor, "C" Wing, Conference Room 6, Bethesda, Maryland 20892. This meeting will be open to the public on May 29, 1986, from 8:30 a.m. until 5:00 p.m., and again on May 30, 1986, from 9:30 a.m. until adjournment, to review program plans, contract recompetitions and budget for the DCT program. In addition, there will be scientific reviews by several programs in the Division. Attendance by the public will be limited to space available.

In accordance with the provisions set forth in Section 552b(c)(6), Title 5, U.S. code and Section 10(d) of Pub. L. 92–463, the meeting will be closed to the public on May 30, 1986, from 8:30 a.m. to 9:30 a.m., for the review, discussion and evaluation of individual programs and projects conducted by the National Institutes of Health, including consideration of personnel qualifications and performance, the competence of individual investigators, and similar items, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Mrs. Winifred Lumsden, the Committee Management Officer, National Cancer Institute, Building 31, Room 10A–06, National Institutes of Health, Bethesda, Maryland 20892 (301–496–5708) will provide summaries of the meeting and rosters of committee members upon request.

Dr. Bruce A. Chabner, Director, Division of Cancer Treatment, National Cancer Institute, Building 31, Room 3A–52, National Institutes of Health, Bethesda, Maryland 20892 (301–496–4291) will furnish substantive program information.

Dated: May 5, 1986.

Betty J. Beveridge,

Committee Management Officer, NIH.

[FR Doc. 86–10327 Filed 5–7–86; 8:45 am]

BILLING CODE 4140–01–M

National Cancer Institute; Cancer Clinical Investigation Review Committee; Meeting

Pursuant to Pub. L. 92–463, notice is hereby given of the meeting of the Cancer Clinical Investigation Review Committee, National Cancer Institute, National Institutes of Health, June 23–24, 1986, Building 31C, Conference Room 6, Bethesda, Maryland 20892. This meeting will be open to the public on June 23, from 8:30 a.m. to 9:00 a.m., to review administrative details. Attendance by the public will be limited to space available.

In accordance with provisions set forth in sections 552(c)(4) and 552b(c)(6), Title 5, U.S. Code and Section 10(d) of Pub. L. 92–463, the meeting will be closed to the public on June 23, from approximately 9:00 a.m. until recess, and on June 24, from 8:30 a.m. until adjournment for the review, discussion and evaluation of cooperative agreement applications. These applications and the discussions could reveal confidential trade secrets or commercial property such as patentable material and personal information concerning individuals associated with the applications, disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Mrs. Winifred Lumsden, the Committee Management Officer, National Cancer Institute Building 31, Room 10A06, National Institutes of Health, Bethesda, Maryland 20892 (301/496–5708) will provide summaries of the meeting and rosters of committee members, upon request.

Dr. John Abrell, Acting Executive Secretary, Cancer Clinical Investigation Review Committee, National Cancer Institute, Westwood Building, Room 819, National Institutes of Health, Bethesda, Maryland 20892 (301/496–7481) will furnish substantive program information.

Dated: April 30, 1986.

Betty J. Beveridge,

Committee Management Officer, NIH.

[FR Doc. 86–10323 Filed 5–7–86; 8:45 am]

BILLING CODE 4140–01–M

National Cancer Institute, Cancer Research Manpower Review Committee; Meeting

Pursuant to Pub. L. 92–463, notice is hereby given of the meeting of the Cancer Research Manpower Review Committee, National Cancer Institute, June 19–20, 1986, Bethesda Marriott Hotel, 5151 Pooks Hill Road, Bethesda, Maryland 20814. This meeting will be open to the public on June 19 from 1:00 p.m. to 1:30 p.m. to review administrative details. Attendance by the public will be limited to space available.

In accordance with provisions set forth in Sections 552b(c)(4) and 552b(c)(6), Title 5, U.S. Code and Section 10(d) of Pub. L. 92–463, the meeting will be closed to the public on June 19, from 1:30 p.m. to recess, and on June 20, from 8:30 a.m. to adjournment, for the review, discussion and evaluation of individual grant applications. These applications and the discussions could reveal confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the applications, disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Mrs. Winifred Lumsden, the Committee Management Officer, National Cancer Institute, Building 31, Room 10A06, National Institutes of Health, Bethesda, Maryland 20892 (301/496–5708) will provide summaries of the meeting and rosters of committee members, upon request.

Ms. Cynthia Sewell, Acting Executive Secretary, Cancer Research Manpower Review Committee, National Cancer Institute, Westwood Building, Room 838, National Institutes of Health, Bethesda, Maryland 20892 (301/496–7721) will furnish substantive program information.

Dated: April 30, 1986.

Betty J. Beveridge,

Committee Management Officer, NIH.

[FR Doc. 86–10321 Filed 5–7–86; 8:45 am]

BILLING CODE 4140–01–M

National Eye Institute, Board of Scientific Counselors, NEI; Meeting

Pursuant to Pub. L. 92–463, notice is hereby given of the meeting of the Board of Scientific Counselors, National Eye Institute, June 5–6, 1986, Building 31, NEI Conference Room 6A33, National Institutes of Health, Bethesda, Maryland.

This meeting will be open to the public on June 5 from 8:30 a.m. until approximately 3:00 p.m. for general remarks by the Institute's Scientific Director on matters concerning the intramural programs of the National Eye Institute. Attendance by the public will be limited to space available.

In accordance with provisions set forth in Section 552b(c)(6), Title 5, U.S. Code and Section 10(d) of Pub. L. 92–463, the meeting will be closed to the public on June 5 from approximately 3:00 p.m. until recess and on June 6 from 8:30 a.m. until adjournment for the review, discussion, and evaluation of individual projects conducted by the Laboratory of Retinal Cell and Molecular Biology. These evaluations and discussions could reveal personal information concerning individuals associated with the projects, including consideration of personnel qualifications and performance, and the competence of individual investigators, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy. Consequently, this meeting is concerned with matters exempt from mandatory disclosure.

Ms. Kay Valeda, Committee Management Officer, National Eye Institute, Building 31, Room 6A03, National Institutes of Health, Bethesda, Maryland 20892, (301) 496–4903, will provide summaries of the meeting and rosters of committee members.

Substantive program information may be obtained from Dr. Jim Kinoshita, Scientific Director, National Eye Institute, Building 31, Room 6A04, National Institutes of Health, Bethesda, Maryland, 20892 (301/496–7483).

Dated: April 24, 1986.

Betty J. Beveridge,

Committee Management Officer, NIH.

[FR Doc. 86–10324 Filed 5–7–86; 8:45 am]

BILLING CODE 4140–01–M

National Institute of Allergy and Infectious Diseases, Microbiology and Infectious Diseases Research Committee; Meeting

Pursuant to Pub. L. 92–463, notice is hereby given of the meeting of the Microbiology and Infectious Diseases Research Committee, National Institute of Allergy and Infectious Diseases, on June 12 and 13, 1986, at Wilson Hall, Building 1, at the National Institutes of Health, Bethesda, Maryland 20892.

The meeting will be open to the public from 8:30 a.m. to 9:30 a.m. on June 12, to discuss administrative details relating to committee business and for program review. Attendance by the public will be limited to space available. In accordance with the provisions set forth in Section 552b(c)(4) and 552b(c)(6), Title 5, U.S. Code, and Section 10(d) of Pub. L. 92–463, the meeting of the Microbiology and Infectious Diseases Research Committee will be closed to the public for the review, discussion, and evaluation of individual grant applications and contract proposals from 9:30 a.m. until adjournment on June 12, and from 8:30 a.m. until adjournment on June 13. These applications, proposals and the discussions could reveal confidential trade secrets or

commercial property such as patentable material and personal information concerning individuals associated with the applications and proposals, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Ms. Lynn Trible, Office of Research Reporting and Public Response, National Institute of Allergy and Infectious Diseases, Building 31, Room 7A-32, National Institute of Health, Bethesda, Maryland 20892, telephone (301) 496-5717, will provide summaries of the meetings and rosters of the committee members.

Dr. M. Sayeed Quraishi, Executive Secretary, Microbiology and Infectious Diseases Research Committee, NIAID, NIH, Westwood Building, Room 706, Bethesda, Maryland 20892, telephone (301) 496-7465, will provide substantive program information.

(Catalog of Federal Domestic Assistance Program Nos. 13.855, Pharmacological Sciences; 13.856, Microbiology and Infectious Diseases Research, National Institutes of Health)

Dated: April 30, 1986.

Betty J. Beveridge,

NIH Committee Management Officer.

[FR Doc. 86-10319 Filed 5-7-86; 8:45 am]

BILLING CODE 4140-01-M

National Arthritis, Diabetes and Digestive and Kidney Diseases Advisory Council and its Subcommittees; Meeting

Pursuant to Pub. L. 92-463, notice is hereby given of a meeting of the National Arthritis, Diabetes, and Digestive and Kidney Diseases Advisory Council and its subcommittees, to provide advice to the National Institute of Arthritis and Musculoskeletal and Skin Diseases and the National Institute of Diabetes and Digestive and Kidney Diseases, on May 28, 1986, in Conference Room 10, and on May 29, 1986, in Conference Room 4, Building 31, National Institutes of Health, Bethesda, Maryland. The meeting will be open to the public May 28 from 8:30 a.m. to 12:00 p.m. to discuss administration, management, and special reports. Attendance by the public will be limited to space available.

The meeting of the full Council and its subcommittees will be closed to the public as indicated below in accordance with provisions set forth in Sections 552b(c)(4) and 552b(c)(6), Title 5, U.S. Code and Section 10(d) of Public Law 92-463, for the review, discussion and evaluation of individual grant applications. These deliberations could reveal confidential trade secrets or commercial property, such as patentable materials, and personal information concerning individuals associated with the applications, disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

The following subcommittees will be closed to the public on May 28, 1986, from 1:00 p.m. to adjournment: Arthritis, Musculoskeletal and Skin Diseases; Diabetes, Endocrine, and Metabolic Diseases; Digestive Diseases and Nutrition; and Kidney, Urology and Hematology. The full Council meeting will be closed to the public on May 29 from 8:30 a.m. to approximately 12:00 p.m.

The full Council meeting will then be open for the reports of the Division Directors on May 29 from approximately 1:00 p.m. to adjournment at 3:30 p.m.

Further information concerning the Council meetig may be obtained from Dr. Walter Stolz, Executive Secretary, National Arthritis, Diabetes, and Digestive and Kidney Diseases Advisory Council, NIDDK, Westwood Building, Room 637, Bethesda, Maryland 20892, (301) 496-7277.

A summary of the meeting and roster of the members may be obtained from the Committee Management Office, NIDDK, Building 31, Room 9A19, National Institutes of Health, Bethesda, Maryland 20892, (301) 496-6917.

(Catalog of Federal Domestic Assistance Program No. 13.846-849, Arthritis, Bone and Skin Diseases; Diabetes, Endocrine and Metabolic Diseases; Digestive Diseases and Nutrition; and Kidney Diseases, Urology and Hematology Research, National Institutes of Health)

Dated: April 30, 1986.

Betty J. Beveridge,

NIH, Committee Management Officer.

[FR Doc. 86-10318 Filed 5-7-86; 8:45 am]

BILLING CODE 4140-01-M

National Institute of Child Health and Human Development; Board of Scientific Counselors, NICHD; Meeting

Pursuant to Pub. L. 92-463, notice is hereby given of the meeting of the Board of Scientific Counselors, National Institute of Child Health and Human Development, June 6, 1986, in Building 31, Room 2A52. This meeting will be open to the public from 9:00 a.m. to 12 noon on June 6 for the review of the Intramural Research Program and scientific presentations. Attendance by the public will be limited to space available.

In accordance with the provisions set forth in Section 552b(c)(6), Title 5, U.S. Code and Section 10(d) of Pub. L. 92-463, the meeting will be closed to the public on June 6 from 1:00 p.m. to 4:30 p.m. for the review, discussion, and evaluation of individual programs and projects conducted by the National Institutes of Health, NICHD, including consideration of personnel qualifications and performance, and the competence of individual investigators, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Mrs. Marjorie Neff, Committee Management Officer, NICHD, Landow Building, Room 6C08, National Institutes of Health, Bethesda, Maryland, Area Code 301, 496-1485, will provide a summary of the meeting and a roster of Board members. Dr. Arthur Levine, Scientific Director, NICHD, Building 31, Room 2A50, National Institutes of Health, Bethesda, Maryland, Area Code 301, 496-2133, will furnish substantive program information.

Dated: April 24, 1986.

Betty J. Beveridge,

Committee Management Officer, NIH.

[FR Doc. 86-10325 Filed 5-7-86; 8:45 am]

BILLING CODE 4140-01-M

National Institute of Child Health and Human Development; Meetings

Pursuant to Pub. L. 92-463, notice is hereby given of meetings of the review committees of the National Institute of Child Health and Human Development for June 1986.

These meetings will be open to the public to discuss items relative to committee activities including announcements by the Director, Scientific Review Program, and executive secretaries, for approximately one hour at the beginning of the first session of the first day of the meeting. Attendance by the public will be limited to space available.

In accordance with the provisions set forth in Sections 552b(c)(4) and 552b(c)(6), Title 5, U.S. Code and Section 10(d) of Pub. L. 92-463, these meetings will be closed to the public for the review, discussion, and evaluation of individual grant applications. These applications and the discussions could reveal confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Mrs. Marjorie Neff, Committee Management Officer, NICHD, Landow Building, Room 6C08, National Institutes of Health, Bethesda, Maryland, Area

Code 301–496–1485, will provide a summary of the meeting and a roster of committee members.

Substantive program information may be obtained from each executive secretary whose name, room number, and telephone number are listed below each committee.

Name of Committee: Population Research Committee
Executive Secretary: Dr. Dinesh Sharma, Room 6C03, Landow Building, Telephone: 301–496–1696
Date of Meeting: June 19, 1986
Place of Meeting: Landow Building, Conference Room A
Open: June 19, 1986, 9:00 a.m.–10:00 a.m.
Closed: June 19, 1986, 10 a.m.—adjournment

Name of Committee: Maternal and Child Health Research Committee
Acting Executive Secretary: Dr. Stanley Slater, Room 6C03, Landow Building, Telephone: 301–496–1696
Date of Meeting: June 24–25, 1986
Place of Meeting: Landow Building, Conference Room A
Open: June 24, 1986, 9:00 a.m.–10:00 a.m.
Closed: June 24, 1986, 10:00 a.m.–5:00 p.m.; June 25, 1986, 9:00 a.m.–adjournment

Name of Committee: Mental Retardation Research Committee
Executive Secretary: Dr. Stanley Slater, Room 6C03, Landow Building, Telephone: 301–496–1696
Date of Meeting: June 26, 1986
Place of Meeting: Landow Building, Conference Room A
Open: June 26, 1986, 9:00 a.m.–10:00 a.m.
Closed: June 26, 1986, 10:00 a.m.–adjournment.

(Catalog of Federal Domestic Assistance Program No. 13.864, Population Research and No. 13.865, Research for Mothers and Children, National Institutes of Health)

Dated: April 30, 1986.

Betty J. Beveridge,

Committee Management Officer, NIH.

[FR Doc. 86–10322 Filed 5–7–86; 8:45 am]

BILLING CODE 4140–01–M

National Institute of Diabetes and Digestive and Kidney Diseases; Meetings

Pursuant to Pub. L. 92–463, notice is hereby given of meetings of the following subcommittees of the Arthritis, Diabetes, and Digestive and Kidney Diseases Special Grants Review Committee (ADDK) of the National Institute of Diabetes and Digestive and Kidney Diseases.

These meetings will open to the public to discuss administrative details or other issues relating to committee activities as indicated in the notices. Attendance by the public will be limited to space available. Notice of the meeting rooms will be posted in the hotel lobby.

These meetings will be closed to the public as indicated below in accordance with the provisions set forth in Sections 552b(c)(4) and 552b(c)(6), Title 5, U.S. Code and Section 10(d) of Pub. L. 92–463, for the review, discussion and evaluation of individual research grant applications. These applications and the discussions could reveal confidential trade secrets or commercial property such as patentable material, and personal information concerning individuals associated with the applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Mrs. Carole Frank, Committee Management Officer, National Institute of Diabetes and Digestive and Kidney Diseases, National Institutes of Health, Building 31, Room 9A19, Bethesda, Maryland 20892, 301–496–6917, will provide summaries of the meetings and rosters of the committee members upon request. Other information pertaining to the meetings can be obtained from the Executive Secretary indicated.

Name of Subcommittee: ADDK–A
Executive Secretary: Dr. Tommy Broadwater, Westwood Building, Room 404, National Institutes of Health, Bethesda, Maryland 20892, Phone: 301/496–7531
Date of Meeting: June 17, 1986
Place of Meeting: Building 31, Conference Room 9, National Institutes of Health, Bethesda, Maryland 20892
Open: June 17, 10 a.m.–10:15 a.m.
Agenda: Review of administrative details
Closed: June 17, 10:15 a.m. to adjournment
Closure Reason: To review grant applications

(Catalog of Federal Domestic Assistance Program No. 13.846, project grants in arthritis, musculoskeletal and skin diseases research, National Institutes of Health)

Name of Subcommittee: ADDK–B
Executive Secretary: Dr. Michael K. May, Westwood Building, Room 419, National Institutes of Health, Bethesda, Maryland 20892, Phone: 301/496–7697
Date of Meeting: June 3, 1986
Place of Meeting: Building 31, Conference Room 8, National Institutes of Health, Bethesda, Maryland 20892
Open: June 3, 9 a.m.–9:15 a.m.
Agenda: Review of administrative details
Closed: June 3, 9:15 a.m. to adjournment
Closure Reason: To review grant applications.

(Catalog of Federal Domestic Assistance Program No. 13.847, project grants in diabetes, endocrinology and metabolic research, National Institutes of Health)

Name of Subcommittee: ADDK–C
Executive Secretary: Ms. Tommie Sue Tralka, Westwood Building, Room 406, National Institutes of Health, Bethesda, Maryland 20892, Phone: 301/496–8830
Date of Meeting: June 5, 1986
Place of Meeting: Linden Hill Hotel, 5400 Pooks Hill, Bethesda, Maryland 20814
Open: June 5, 8:30 a.m.–8:45 a.m.
Agenda: Review of administrative details
Closed: June 5, 8:45 a.m. to adjournment
Closure Reason: To review grant applications.

(Catalog of Federal Domestic Assistance Program No. 13.848, project grants in diabetes, diseases and nutrition research, National Institutes of Health)

Subcommittee Name: ADDK–D
Executive Secretary: Dr. William Elzinga, Westwood Building, Room 421, National Institutes of Health, Bethesda, Maryland 20892, Phone: 301/496–7546
Date of Meeting: June 4–5, 1986
Place of Meeting: Linden Hill Hotel, 5400 Pooks Hill, Bethesda, Maryland 20814
Open: June 4, 7:30 a.m.–7:45 a.m.
Agenda: Review of administrative details
Closed: June 4, 7:45 p.m. to adjournment; June 5, 8:30 a.m. to adjournment
Closure Reason: To review grant applications.

(Catalog of Federal Domestic Assistance Program No. 13.849, project grants in kidney diseases, urology and hematology research, National Institutes of Health)

Dated: April 30, 1986.

Betty J. Beveridge,

Committee Management Officer, NIH.

[FR Doc. 86–10317 Filed 5–7–86; 8:45 am]

BILLING CODE 4140–01–M

National Library of Medicine, Board of Regents and the Extramural Programs Subcommittee; Meetings

Pursuant to Pub. L. 92–463, notice is hereby given of the meeting of the Board of Regents of the National Library of Medicine on June 17–18, 1986, in the Board Room of the National Library of Medicine, 8600 Rockville Pike, Bethesda, Maryland, and the meeting of the Extramural Programs Subcommittee of the Board of Regents on the preceding day June 16, from 2:00 to 3:30 p.m. in the 5th-floor Conference Room of the Lister

Hill Center Building. The meeting of the Board will be open to the public from 9:00 a.m. to 5:00 p.m. on June 17 and from 8:30 a.m. to approximately 11:45 a.m. on June 18 for administrative reports and program discussions. Attendance by the public will be limited to space available.

In accordance with provisions set forth in Sections 552b(c)(4), 552b(c)(6), Title 5, U.S. Code and Section 10(d) of Pub. L. 92-463, the entire meeting of the Extramural Programs Subcommittee on June 16 will be closed to the public, and the regular Board meeting on June 18 will be closed from approximately 11:45 a.m. to adjournment for the review, discussion, and evaluation of individual grant applications. These applications and the discussion could reveal confidential trade secrets or commercial property, such as patentable material and personal information concerning individuals associated with the applications, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Mr. Robert B. Mehnert, Chief, Office of Inquiries and Publications Management, National Library of Medicine, 8600 Rockville Pike, Bethesda, Maryland 20894, Telephone Number: 301-496-6308, will furnish a summary of the meeting, rosters of Board members, and other information pertaining to the meeting.

(Catalog of Federal Domestic Assistance Program No. 13.879—Medical Library Assistance, National Institutes of Health)

Dated: April 30, 1986.

Betty J. Beveridge,

NIH Committee Management Officer.

[FR Doc. 86-10320 Filed 5-7-86; 8:45 am]

BILLING CODE 4140-01-M

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[F-14831-A]

Alaska Native Claims Selection; Kuskokwim Corp.

In accordance with Departmental regulation 43 CFR 2650.7(d), notice is hereby given that a decision to issue conveyance under the provisions of Sec. 14(a) of the Alaska Native Claims Settlement Act of December 18, 1971 (ANCSA), 43 U.S.C. 1601, 1613(a), will be issued to The Kuskokwim Corporation, successor in interest to Aniak Limited, for approximately 31.99 acres. The lands involved are in the vicinity of Aniak, Alaska and located within U.S. Survey No. 2638, Alaska.

A notice of the decision will be published once a week for four (4) consecutive weeks in THE TUNDRA DRUMS. Copies of the decision may be obtained by contacting the Bureau of Land Management, Alaska State Office, 701 C Street, Box 13, Anchorage, Alaska 99513. ((907) 271-5960).

Any party claiming a property interest which is adversely affected by the decision shall have until June 9, 1986, to file an appeal. However, parties receiving service by certified mail shall have 30 days from the date of receipt to file an appeal. Appeals must be filed in the Bureau of Land Management, Division of Conveyance Management (960), address identified above, where the requirements for filing an appeal can be obtained. Parties who do not file an appeal in accordance with the requirements of 43 CFR Part 4, Subpart E shall be deemed to have waived their rights.

Ann Adams,

Section Chief, Branch of ANCSA Adjudication.

[FR Doc. 86-10263 Filed 5-7-86; 8:45 am]

BILLING CODE 4310-JA-M

[A 21081]

Realty Action, Mineral Estate Exchange, Arizona

AGENCY: Bureau of Land Management, Interior.

ACTION: Exchange of Federal and State Minerals in Cochise, Graham, Greenlee, Pima and Pinal Counties.

SUMMARY: The Federal mineral estate underlying State land contained in the following townships has been determined to be available for disposal by exchange under section 206 of the Federal Land Policy and Management Act of 1976, 43 U.S.C. 1716:

Gila and Salt River Meridian, Arizona

T. 5 S., R. 16 E.	T. 16 S., R. 20 E.
T. 6 S., R. 16 E.	T. 13 S., R. 26 E.
T. 7 S., R. 16 E.	T. 13 S., R. 27 E.
T. 11 S., R. 16 E.	T. 12 S., R. 28 E.
T. 6 S., R. 17 E.	T. 13 S., R. 28 E.
T. 9 S., R. 17 E.	T. 3 S., R. 29 E.
T. 10 S., R. 17 E.	T. 9 S., R. 29 E.
T. 11 S., R. 17 E.	T. 10 S., R. 29 E.
T. 12 S., R. 17 E.	T. 11 S., R. 29 E.
T. 10 S., R. 18 E.	T. 13 S., R. 29 E.
T. 11 S., R. 18 E.	T. 3 S., R. 30 E.
T. 12 S., R. 18 E.	T. 8 S., R. 30 E.
T. 13 S., R. 18 E.	T. 9 S., R. 30 E.
T. 10 S., R. 19 E.	T. 13 S., R. 30 E.
T. 11 S., R. 19 E.	T. 9 S., R. 31 E.
T. 12 S., R. 19 E.	T. 9 S., R. 32 E.
T. 13 S., R. 19 E.	T. 10 S., R. 32 E.

Comprising 13,320.06 acres in Cochise County; 14,254.13 acres in Graham County; 6,670.14 acres in Greenlee County; 11,487.22 acres in Pima County; and 19,296.40 acres in Pinal County.

In exchange for the above 65,027.95 acres of Federal mineral estate, the State of Arizona offers the State minerals underlying Federal land contained in the following townships:

Gila and Salt River Meridian, Arizona

T. 4 S., R. 23 E.	T. 13 S., R. 28 E.
T. 5 S., R. 24 E.	T. 15 S., R. 28 E.
T. 4 S., R. 25 E.	T. 7 S., R. 29 E.
T. 5 S., R. 25 E.	T. 8 S., R. 29 E.
T. 6 S., R. 25 E.	T. 10 S., R. 29 E.
T. 6 S., R. 26 E.	T. 11 S., R. 29 E.
T. 5 S., R. 27 E.	T. 12 S., R. 29 E.
T. 8 S., R. 27 E.	T. 13 S., R. 29 E.
T. 9 S., R. 27 E.	T. 10 S., R. 30 E.
T. 10 S., R. 27 E.	T. 11 S., R. 30 E.
T. 11 S., R. 27 E.	T. 12 S., R. 30 E.
T. 7 S., R. 28 E.	T. 13 S., R. 30 E.
T. 8 S., R. 28 E.	T. 11 S., R. 31 E.
T. 9 S., R. 28 E.	T. 12 S., R. 31 E.
T. 10 S., R. 28 E.	T. 12 S., R. 32 E.
T. 11 S., R. 28 E.	

Comprising 26,190.63 acres in Cochise County; 38,260.59 acres in Graham County; and 606.68 acres in Greenlee County.

The purpose of the exchange is to improve land management by consolidating surface and mineral ownership.

This action as provided in 43 CFR 2201.1(b) shall segregate the federal minerals described above, affective on the date of publication in the Federal Register, to the extent that they will not be subject to appropriation under the mining laws but excepting the mineral leasing laws, subject to any valid existing rights.

The segregative effect created by this Notice shall terminate upon patent of the mineral estate to the State of Arizona or two years from its effective date, whichever comes first; or it may be terminated by an order of the Authorized Officer prior to that time, published in the Federal Register.

Upon completion of the environmental assessment, a final Notice of Realty Action will be published. The Notice will provide a final description of the Federal and State mineral estates to be exchanged, including any reservations to be made by either party to the exchange.

DATE: For a period of forth-five (45) days from date of this publication, interested parties may submit comments to the District Manager or the Arizona State Land Commissioner at the addresses given in the Supplemental Information.

SUPPLEMENTARY INFORMATION: Detailed information concerning the exchange propoal may be obtained from the District Manager, Safford District Office, 425 E. 4th Street, Safford, Arizona 85546 or the Arizona State Land Commissioner, Arizona State Land Department, 1624 W. Adams, Phoenix, Arizona 85007.

Dated: April 29, 1986.

Lyle K. Rolston,

Acting District Manager

[FR Doc. 86-10268 Filed 5-7-86; 8:45 am]

BILLING CODE 4310-32-M

[M 62094]

Realty Action; Conveyance of Public Land, Montana

AGENCY: Bureau of Land Management, Interior.

ACTION: Notice of conveyance of public land in Beaverhead, Jefferson, Park, and Madison Counties, Montana.

SUMMARY: This notice informs the public and interested state and local governmental officials of the transfer of certain public lands to private ownership pursuant to the Federal Land Policy and Management Act of 1976, 43 U.S.C. 1701.

FOR FURTHER INFORMATION CONTACT: Edward H. Croteau, Chief, Lands Adjudication Section, BLM, Montana State Office, P.O. Box 36800, Billings, Montana 59107, Phone (406) 657-6082.

SUPPLEMENTARY INFORMATION:

1. Notice is hereby given that pursuant to Section 206 of FLPMA, the following described surface estate was conveyed to the parties shown:

Principal Meridian, Montana

Richard Lower:
T. 4 S., R. 7 W.,
Sec. 22, W½SW¼, SE¼SW¼;
Sec. 28, E½E½;
Sec. 32, SE¼SW¼, SE¼.
480 Acres.

Tom Larson, Inc.:
T. 5 S., R. 14 W.,
Sec. 29, NW¼SE¼;
Sec. 32, NE¼NE¼.
80 Acres.

Weldon Buehler:
T. 15 S., R. 6 W.,
Sec. 4, SW¼NW¼, NW¼SW¼.
80 Acres.

Carroll Wainwright:
T. 14 S., R. 1 E.,
Sec. 22, SE¼NW¼.
40 Acres.

Phil Oswald:
T. 9 N., R. 3 W.,
Sec. 9, lots 9 and 11.
0.19 Acres.

Laura J. Mills:
T. 2 N., R. 5 W.,
Sec. 26, NW¼NW¼.
40 Acres.

Danny Emerson:
T. 8 N., R. 4 W.,
Sec. 23, lot 1.
23.65 Acres

R. Bruce Malcolm:
T. 8 S., R. 6 E.,
Sec. 10, SW¼SE¼.
40 Acres.
Total acreage transferred: 783.84 acres.

2. In exchange for the above selected land, the United States acquired the surface estate of the following described land in Deer Lodge, Beaverhead, and Silver Bow Counties, Montana:

Principal Meridian, Montana

T. 1 N., R. 12 W.,
Sec. 3, W½SW¼.
Containing 80 Acres.

3. The values of federal public land were appraised at $142,275 and the values of the nonfederal land were appraised at $140,000. A cash equalization payment of $2,275 was made to the United States.

Dated: May 1, 1986.

Edward H. Croteau,

Chief, Lands Adjudication Section, Montana State Office.

[FR Doc. 86-10269 Filed 5-7-86; 8:45 am]

BILLING CODE 4310-DN-M

[W-94472]

Realty Action; Direct Sale of Public Land in Wyoming

AGENCY: Bureau of Land Management; Interior.

ACTION: Notice of realty action—FLPMA sale; Public Lands, Weston County, Wyoming.

SUMMARY: The following public lands have been examined and found suitable for direct sale under Section 203 of the Federal Land Policy and Management Act of 1976, at not less than fair market value of $3,000.00. The lands will not be offered for sale until sixty (60) days after the date of this notice:

6th Principal Meridian

T. 44 N., R. 61 W.,
Sec. 15: NW¼NE¼.

The lands are proposed to be offered for direct sale to the City of Newcastle, to be used as a sanitary landfill.

The sale conforms to the Bureau's planning system. At this time, the lands are not suitable for management by the Bureau or another federal agency. It has been determined through the Newcastle Resource Area Management Framework Plan that the public interest would be best served by the disposal of this parcel of land.

The City of Newcastle originally sought to lease the subject lands through the Recreation and Public Purposes Act of 1926, but in keeping with current Bureau policy, the City withdrew its application and asked the Bureau to sell the land.

The patent, when issued, will contain certain reservations to the United States and will be subject to all valid existing rights and reservations of record. Detailed information concerning these reservations, as well as conditions of the sale, are available for review at the Newcastle Resource Area Office, Bureau of Land Management, 1501 Highway 16 Bypass, Newcastle, Wyoming 82701.

Publication of this notice in the Federal Register segregates the public lands from the operation of the public land laws and the mining laws. The segregative effect will end upon issuance of the patent or 270 days from the date of the publication, whichever comes first.

For a period of forty five (45) days from the date of publication of this notice in the Federal Register, interested parties may submit comments to the District Manager, Bureau of Land Management, Casper District Office, 951 North Poplar Street, Casper, Wyoming 82601. Any adverse comments will be evaluated by the State Director who may sustain, vacate, or modify this realty action. In the absence of any objections, this realty action will become final.

Dated: April 30, 1986.

James W. Monroe,

Casper District Manager.

[FR Doc. 86-10270 Filed 5-7-86; 8:45 am]

BILLING CODE 4310-22-M

[CA 16983]

Sale of Public Land in Kern County, CA; Correction

AGENCY: Bureau of Land Management, Interior.

ACTION: Correction notice.

SUMMARY: The Notice of Realty Action involving noncompetitive sale #CA 16983 to the Tejon Ranch Company which appeared in Vol. 50 No. 120 of the Federal Register on June 21, 1985 is hereby corrected from the original "500 acres" to "560 acres, more or less".

April 30, 1986.

Rory E. Raschen,

Bakersfield Associate District Manager.

[FR Doc. 86-10279 Filed 5-7-86; 8:45 am]

BILLING CODE 4310-40-M

Emergency Closure of Public Lands; Wyoming

AGENCY: Bureau of Land Management, Interior.

ACTION: Emergency Closure of Public Lands.

SUMMARY: Notice is hereby given that effective immediately, all public lands two miles either side of the Green River from its confluence with the New Fork River westerly, and southerly to the north end of Fontenelle Reservoir, is closed to all overnight uses except those specifically authorized. Specific legal descriptions and maps are available in the Pinedale Resource Area Office, Pinedale, Wyoming.

The purpose of this closure is to protect the fragile riparian habitat, and to eliminate health hazards caused by unauthorized use, specifically: Camping in excess of the established time limit, setting or attempting to set up a primary residence on public lands, and violations of public health laws.

The authority for this closure is 43 CFR Part 8364. The closure will remain in effect until January 1, 1987.

DATE: May 15, 1986.

FOR FURTHER INFORMATION CONTACT: Donald H. Sweep, District Manager, Rock Springs District, Bureau of Land Management, P.O. Box 1869, Rock Springs, Wyoming 82902–1869, (307) 382–5350.

Gene C. Herrin,

Associate District Manager.

[FR Doc. 86–10278 Filed 5–7–86; 8:45 am]

BILLING CODE 4310–22–M

Proposal to Construct a Range Improvement Project in Mud Springs Canyon Wilderness Study Area

The Bureau of Land Management, Cedar City District, is proposing to construct four segments of conventional steel post and barbed wire fence for a total distance of 1.27 miles. Three of the segments are entirely within the Mud Springs Canyon Wilderness Study Area (WSA) while fourth segment is partially in the WSA. A total of 4,618 feet of fence will be constructed within the WSA, which is located east and southeast of Henrieville, Utah. The location of the proposed fences are in T. 38 S., R. 1 W., Section 12 SLB&M and T. 38 S., R. 1 E., Section 19 SLB&M. Access to install those fence segments within the WSA will be by horseback and will not involve surface disturbing activities. This project is one of several needed to implement the Round Valley Allotment Management Plan which will improve range and watershed conditions in the area.

A final environmental assessment (EA) has been prepared on this proposal. In response to public comment, the final EA was modified to delete two fences which are entirely outside the WSA. Installation of this fence will not begin any sooner than 15 days after the date this notice appears in the **Federal Register**.

To obtain a copy of this document or to obtain additional information on the proposal, contact Rex Rowley, Area Manager at the Bureau of Land Management, Kanab Resource Area, P.O. Box 459, Kanab, Utah 84741 or telephone at 801–644–2672.

Dated: May 1, 1986.

Dennis Curtis,

Acting District Manager.

[FR Doc. 86–10275 Filed 5–7–86; 8:45 am]

BILLING CODE 4310–DQ–M

Battle Mountain District Advisory Council Meeting

AGENCY: Bureau of Land Management, Interior.

SUMMARY: Notice is hereby given in accordance with Pub. L. 94–579 and 43 CFR Part 1780 that a meeting of the Battle Mountain District Advisory Council will be held on Tuesday, June 3, 1986. The meeting will convene at 9:00 a.m. in the BLM office in Battle Mountain, Nevada.

SUPPLEMENTARY INFORMATION: The agenda for the meeting will include:

1. Election of officers.
2. Orientation for New Council members.
3. Overview of District Programs.

The meeting is open to the public. Interested persons may make oral statements between 3:00 and 3:30 p.m. If you wish to make an oral statement, please contact Terry L. Plummer by 4:30 p.m., May 27, 1986.

FOR FURTHER INFORMATION CONTACT: Terry L. Plummer, District Manager, P.O. Box 1420, Battle Mountain, Nevada 89820 or phone (702) 635–5181.

Dated: April 29, 1986.

Terry L. Plummer,

District Manager, Battle Mountain, Nevada.

[FR Doc. 86–10275 Filed 5–7–86; 8:45 am]

BILLING CODE 4310–HC–M

Cedar City District Advisory Council Meeting

Notice is hereby given in accordance with Pub. L. 92–463, that a meeting of the Cedar City District Advisory council will be held June 13, 1986.

The meeting will begin at 9:30 a.m. at the BLM's Cedar City District Office, 1579 North Main Cedar City, Utah. The agenda will include: election of officers; Statewide Wilderness DEIS; Escalante Recreation Area Management Plan; Dixie Resource Management Plan; and Southern Utah Recreation and Tourism Study.

All Advisory Council meetings are open to the public. Interested persons may make oral statements at 11:30 a.m. at the BLM District Office or may submit written statements for the council's consideration. Anyone wishing to make an oral statement must notify the District Manager, P.O. Box 724, Cedar City, Utah 84720 by June 11, 1986. Depending on the number of persons wishing to make a statement, a per person time limit may be established by the District Manager or Council Chairman.

Dated: May 1, 1986.

Dennis Curtis,

Acting District Manager.

[FR Doc. 86–10266 Filed 5–7–86; 8:45 am]

BILLING CODE 4310–DQ–M

[AA–6688–A]

Alaska Native Claims Selection; Ouzinkie Native Corp.

In accordance with Departmental regulation 43 CFR 2650.7(d), notice is hereby given that a decision to issue conveyance under the provisions of section 14(a) of the Alaska Native Claims Settlement Act of December 18, 1971 (ANCSA), 43 U.S.C. 1601, 1613, will be issued to Ouzinkie Native Corporation for 13.002 acres. The lands involved are within U.S. Survey No. 5692, lots 1 and 2, in the vicinity of Ouzinkie, Alaska.

A notice of the decision will be published once a week for four (4) consecutive weeks, in the Kodiak Daily Mirror. Copies of the decision may be obtained by contacting the Bureau of Land Management, Alaska State Office, 701 C Street, Box 13, Anchorage, Alaska 99513. ((907) 271–5960).

Any party claiming a property interest which is adversely affected by the decision shall have until June 9, 1986 to file an appeal. However, parties receiving service by certified mail shall have 30 days from the date of receipt to file an appeal. Appeals must be filed in the Bureau of Land Management, Division of Conveyance Management (960), address identified above, where the requirements for filing an appeal can be obtained. Parties who do not file an appeal in accordance with the requirements of 43 CFR Part 4, Subpart E

shall be deemed to have waived their rights.

Ann Adams,

Section Chief, Branch of ANCSA Adjudication.

[FR Doc. 86-10276 Filed 5-7-86; 8:45 am]

BILLING CODE 4310-JA-M

[AA-12850, AA-16481, AA-6647-B]

Alaska Native Claims Selection; Akutan Corp.

In accordance with Departmental regulation 43 CFR 2650.7(d), notice is hereby given that decisions to issue conveyance under the provisions of sec. 14(a) of the Alaska Native Claims Settlement Act of December 18, 1971 (ANCSA), 43 U.S.C. 1601, 1613(a), will be issued to Akutan Corporation for approximately 5 acres. The lands involved are within T. 70 S., R. 111 W., Seward Meridian, Alaska.

A notice of the decisions will be published once in the Aleutian Eagle and once a week for four (4) consecutive weeks, in The Anchorage Daily News. Copies of the decisions may be obtained by contacting the Bureau of Land Management, Alaska State Office, 701 C Street, Box 13, Anchorage, Alaska 99513. ((907) 271-5960.)

Any party claiming a property interest which is adversely affected by the decisions shall have until June 9, 1986 to file an appeal. However, parties receiving service by certified mail shall have 30 days from the date of receipt to file an appeal. Appeals must be filed in the Bureau of Land Management, Division of Conveyance Management (960), address identified above, where the requirements for filing an appeal can be obtained. Parties who do not file an appeal in accordance with the requirements of 43 CFR Part 4, Subpart E shall be deemed to have waived their rights.

Helen Burleson,

Section Chief, Branch of ANCSA Adjudication.

[FR Doc. 86-10363 Filed 5-7-86; 8:45 am]

BILLING CODE 4310-JA-M

[AA-6710-A, AA-6710-B]

Alaska Native Claims Selection; Unga Corp.

In accordance with Departmental regulation 43 CFR 2650.7(d), notice is hereby given that a decision to issue conveyance under the provisions of Sec. 14(a) of the Alaska Native Claims Settlement Act of December 18, 1971 (ANCSA), 43 U.S.C. 1601, 1613(a), will be issued to Unga Corporation for approximately 641 acres. The lands involved are in the vicinity of Unga, Alaska.

Seward Meridian, Alaska

T. 57 S., R. 74 W.
T. 58 S., R. 74 W.
T. 58 S., R. 75 W.

A notice of the decision will be published once in the Aleutian Eagle and once a week for four (4) consecutive weeks in the Anchorage Times. Copies of the decision may be obtained by contacting the Bureau of Land Management, Alaska State Office, 701 C Street, Box 13, Anchorage, Alaska 99513. ((907) 271-5960.)

Any party claiming a property interest which is adversely affected by the decision shall have until June 9, 1986 to file an appeal. However, parties receiving service by certified mail shall have 30 days from the date of receipt to file an appeal. Appeals must be filed in the Bureau of Land Management, Division of Conveyance Management (960), address identified above, where the requirements for filing an appeal can be obtained. Parties who do not file an appeal in accordance with the requirements of 43 CFR Part 4, Subpart E shall be deemed to have waived their rights.

Helen Burleson,

Section Chief, Branch of ANCSA Adjudication.

[FR Doc. 86-10366 Filed 5-7-86; 8:45 am]

BILLING CODE 4310-JA-M

New Mexico; Proposed Withdrawal and Opportunity for Public Meeting

AGENCY: Bureau of Land Management, Interior.

ACTION: Notice.

SUMMARY: The Bureau of Land Management proposes to withdraw 264.39 acres of public land to protect public land sites critical to recreational use of the Rio Grande River. This notice closes the land for up to 2 years from surface entry and mining. The land will remain open to mineral leasing.

DATE: Comments and requests for a public meeting should be received by August 6, 1986.

ADDRESS: Comments and meeting requests should be sent to: New Mexico State Director, Bureau of Land Management, P.O. Box 1449, Santa Fe, New Mexico 87504.

FOR FURTHER INFORMATION CONTACT: Phil Beck, BLM, New Mexico State Office, 505-988-6227.

On April 29, 1986, a petition was approved allowing the Bureau of Land Management to file an application to withdraw the following described public land from settlement, sale, location, or entry under the general public land laws, including the mining laws, subject to valid existing rights:

New Mexico Principal Meridian

T. 23 N., R. 10 E.,
Sec. 14, lot 4;
Sec. 15, lot 4.
T. 24 N., R. 11 E.,
Sec. 32, lots 5 to 8, inclusive, and SW¼ SE¼.

The area described aggregates 264.39 acres in Taos County.

The purpose of the proposed withdrawal is to protect the land for major recreational uses of the Rio Grande River which include white-water rafting, fishing and picnicking.

For a period of 90 days from the date of the 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 New Mexico State Director of the Bureau of Land Management.

Notice is hereby given that an opportunity for a public meeting is afforded in connection with the proposed withdrawal. All interested persons who desire a public meeting for the purpose of being heard on the proposed withdrawal must submit a written request to the New Mexico State Director within 90 days from the date of publication of this notice. Upon determination by the authorized officer that a public meeting will be held, a notice of the time and place will be published in the **Federal Register** at least 30 days before the scheduled date of the meeting.

The application will be processed in accordance with the regulations set forth in 43 CFR Part 2300.

For a period of 2 years from the date of the publication of this notice in the **Federal Register**, the lands will be segregated as specified above unless the application is denied or canceled or the withdrawal is approved prior to that date. The temporary uses which will be permitted during this segregative period are grazing, recreation or other discretionary surface uses, provided they will not significantly impact the values to be protected by the withdrawal.

Dated: May 2, 1986.

Monte G. Jordan,

Associate State Director.

[FR Doc. 86-10367 Filed 5-7-86; 8:45 am]

BILLING CODE 4310-FB-M

Intent To Amend a Land Use Plan and Prepare an Environmental Impact Statement; Idaho

AGENCY: Bureau of Land Management (BLM), Interior.

ACTION: Notice of intent to prepare a plan amendment and an Environmental Impact Statement (EIS) and invitation for public participation. The BLM intends to prepare an EIS and consider whether to amend the Medicine Lodge Resource Management Plan (RMP). The purpose of this planning activity is to evaluate a proposal to issue a right-of-way for a road.

Background Information

The Medicine Lodge RMP for public lands in the BLM's Idaho Falls District in eastern Idaho designated the Nine Mile Knoll area as an Area of Critical Environmental Concern (ACEC). Constraints of this designation include a prohibition on new roads or major rights-of-way and a closure on vehicle use in the winter. These constraints are to protect the critical winter range of the Sand Creek elk herd.

Fremont and Jefferson Counties, Idaho, have applied for a right-of-way through the Nine Mile Knoll ACEC for a gravel road. The road would cross approximately 10 miles of BLM-administered public land, would be 24 feet wide (in a 60-foot wide right-of-way), and would be maintained for use through the winter. The proposed road is to serve as a farm-to-market road between the Egin, idaho, and Camas, Idaho, areas.

In January 1986, BLM made public distribution of an environmental assessment of the proposed road. This assessment predicted that the proposed road would have significant adverse environmental impacts, especially upon the elk herd. The proposal has generated considerable interest and comment statewide from members of the public, state and local government officials, and interest groups. The significance of environmental impacts and the intensity of public interest have demonstrated the need to prepare an EIS. Preparing an EIS will provide the opportunity for broader public involvement in the planning process as well as an opportunity to ensure that we have examined an adequate range of reasonable alternatives.

The anticipated issues to be explored in the EIS include the effects of the road upon the elk habitat and elk herd, upon the economic well-being of farmers in the affected area as well as the public at large, and upon livestock management in the area.

This notice is an invitation to participate in the planning process. Now is the time to identify concerns or issues to be addressed. The draft EIS is scheduled to be distributed in June 1986, and a 90-day review and comment period will be provided at that time.

For more information or to identify issues, contact: Gary L. Wyke, Project Manager, Bureau of Land Management, 3380 Americana Terrace, Boise, Idaho 83706. Telephone (208) 334–1952.

Dated: May 1, 1986.

Delmar D. Vail,

State Director, Idaho Bureau of Land Management.

[FR Doc. 86–10355 Filed 5–7–86; 8:45 am]

BILLING CODE 4310–84–M

[W–100441]

Proposed Emergency Coal Lease Sale; Rock Springs District, WY

AGENCY: Bureau of Land Management, Interior.

ACTION: Notice of Public Hearing on Environmental Assessment for Proposed Emergency Coal Lease Sale in the Green River Resource Area, Rock Springs, District, Wyoming.

SUMMARY: This notice sets a public hearing to provide the public with an opportunity to testify and comment on the environmental assessment and the Fair Market Value (FMV) and Maximum Economic Recovery (MER) for the proposed emergency coal lease sale in the Green River Resource Area.

DATE: May 30, 1986, at 10:00 a.m.

ADDRESS: The public hearing will be held in the Green River Resource Area office, located at 79 Winston Drive, Gateway Building, Rock Springs, Wyoming.

FOR FURTHER INFORMATION CONTACT: Name: Sally Haverly; Address: Bureau of Land Management, P.O. Box 1170, Rock Springs, Wyoming 82901, Telephone: (307) 362–6422.

SUPPLEMENTARY INFORMATION: An application for an emergency bypass coal lease was filed in accordance with 43 CFR Part 3425 with the Bureau of Land Management by the Black Butte Coal Company to facilitate anticipated expansion of their existing mine. The hearing will officially record testimony and public comments on the environmental assessment, concerning the proposed emergency bypass coal lease sale on the following land:

T. 19 N., R. 100 W.,

6th Principal Meridian, Wyoming

Sec. 12: All;
Sec. 24: W½E½, W½;
Sec. 26: Lots 4 and 5.

Encompassing 1217.98 acres of public surface and minerals.

In addition, testimony and public comments will be accepted on the proposed sale and on factors to be considered in making the fair market value and maximum economic recovery determinations on the proposed lease tract. Any person that will or may be adversely affected by the proposed coal development should express their concerns at the public hearing. Any testimony and written comments received will be made a part of the official record and will be considered in preparing the final decisions on the coal lease sale.

At the public hearing BLM will accept oral and written testimony. Advance registration of those persons wishing to testify is required. Speakers will be heard in the order of registration. After registered witnesses have been heard, the presiding officer will consider the requests of any other persons present who wish to testify. Oral testimony will be limited to ten minutes and may be supplemented by filing a written text of any prepared comments offered at the hearing. Any single organization's viewpoint must be presented by a single representative. Other members of that organization may present their views or opinions as private citizens.

Persons who wish to testify should notify the Green River Resource Area Office in writing prior to the close of business on May 29, 1986. Please send the notification to: Sally Haverly, Bureau of Land Management, Green River Resource Area, P.O. Box 1170, Rock Springs, Wyoming 82901, Telephone: (307) 362–6422.

Gene C. Herrin,

Associate District Manager.

[FR Doc. 86–10364 Filed 5–7–86; 8:45 am]

BILLING CODE 4310–22–M

Minerals Management Service

Royalty Management Advisory Committee; Meeting

AGENCY: Minerals Management Service, (MMS), Interior.

ACTION: Notice of meeting.

SUMMARY: The Minerals Management Service (MMS) hereby gives notice that the Royalty Management Advisory Committee will hold a meeting in Denver, Colorado at the location and on the dates indicated below to receive reports from six technical working panels. These working panels are identified below:

—Coal Valuation Regulations Review Panel
—Gas Valuation Regulations Review Panel
—Oil Valuation Regulations Review Panel
—FOGRMA 202/205 Funding Guidelines Panel
—Data Base Validation Panel
—PAAS Onshore Conversion Panel.

If a working panel has completed its review, a final report will be submitted to the Advisory Commitee that includes findings, conclusions, and recommendations. If a panel has not completed its review, an interim status report will be made. The Advisory Committee will review the report and the associated issues and determine the advice and recommendations to make to the Secretary of the Interior, as appropriate.

Notice of this meeting is required under the Federal Advisory Committee Act.

DATES: The "Working Panel Reporting Session" of the Royalty Management Advisory Committee will meet at the Clarion Hotel, 3203 Quebec, Denver, Colorado on June 3, 1986, and June 4, 1986, from 8:00 a.m. to 5:00 p.m.

June 3 Agenda: Opening remarks, panel reports, and public comments.

June 4 Agenda: Panel reports, public comments, and closing remarks.

This meeting will be open to the public. Public attendance may be limited by the space available. Questions and answers from the public will be addressed at a designated time during each day's meeting. Written statements should be submitted by May 23, 1986, to the address listed below. Minutes of this meeting will be available for public inspection and copying by August 31, 1986, at the same address.

FOR FURTHER INFORMATION CONTACT: Vernon B. Ingraham, Minerals Management Service, Royalty Management Program, Office of External Affairs, Denver Federal Center, Building 85, P.O. Box 25165, Mail Stop 660, Denver, Colorado 80225, telephone number (303) 231–3360, (FTS) 326–3360.

SUPPLEMENTARY INFORMATION: Six technical working panels were established by the Royalty Management Advisory Committee. The panels are composed of both Advisory Committee members and non-Committee members and were established to provide the Advisory Committee with analyses of specific issues and proposed recommendations. Panel recommendations will be reviewed by the Advisory Committee which will then decide what advice and recommendations to give to the Department of the Interior (DOI) and MMS. Although the panels may meet with DOI or MMS staff members to obtain information they require in conducting their analyses, advice and recommendations of the panels will be made to the Advisory Committee and not to the DOI or the MMS.

Dated: May 2, 1986.

William D. Bettenberg,

Director, Minerals Management Service.

[FR Doc. 86–10351 Filed 5–7–86; 8:45 am]

BILLING CODE 4310-MR-M

Royalty Management Advisory Committee, Oil and Coal Valuation Regulations Review Working Panels; Meetings

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Notice of meetings.

SUMMARY: The Minerals Management Service (MMS), Royalty Management Program, hereby gives notice that two Working Panels, established by the Royalty Management Advisory Committee, will meet in Denver, Colorado, at the location and on the dates indicated below. These panels, which will meet separately, are the Oil Valuation Regulations Review Working Panel and the Coal Valuation Regulations Review Working Panel.

On February 5, 1986, MMS published an advance notice of proposed rulemaking in the **Federal Register** making available for public comment draft regulations pertaining to the valuation of oil, coal, and gas and associated products, as well as gas processing allowances and transportation allowances. All public comments will be made available to the Royalty Management Advisory Committee and the Valuation Panels. The panels will review the draft regulations and make recommendations to the Advisory Committee as to clarifications and revisions.

DATES: Both panels will meet separately at the Clarion Hotel, 3203 Quebec, Denver, Colorado. The Coal Valuation Regulations Review Panel will meet from 8 a.m. to 9 p.m. on May 13, 1986. The Oil Valuation Regulations Review Working Panel will meet from 8 a.m. to 5 p.m. daily on May 13, 14, and 15, 1986.

The public is invited to attend these meetings and make oral or written comments. A time will be set aside by each panel chairperson during which the public will be invited to make oral comments. Neither the meeting discussions nor the oral comments are being recorded by a stenographer at the working sessions. If the person making oral comments desires that the panel have written comments, such comments should be submitted by May 23, 1986, to the address listed below.

FOR FURTHER INFORMATION CONTACT: Vernon B. Ingraham, Minerals Management Service, Royalty Management Program, Office of External Affairs, Denver Federal Center, Building 85, P.O. Box 25165, Mail Stop 660, Denver, Colorado 80225, telephone number (303) 231–3360, (FTS) 326–3360.

SUPPLEMENTARY INFORMATION: The Oil and Coal Valuation Regulations Review Working Panels are two of the six working panels established by the Royalty Management Advisory Committee. The panels are composed of both Advisory Committee members and non-Committee members and are established to provide the Advisory Committee with analyses of specific issues and proposed recommendations. Panel recommendations will be reviewed by the Advisory Committee which will then decide what advice and recommendations to give to the Department of the Interior (DOI) and Minerals Management Service (MMS). Although the panels may meet with DOI or MMS staff members to obtain information they require in conducting their analyses, advice and recommendations of the panels will be made to the Advisory Committee and not to the DOI or the MMS.

Dated: May 2, 1986.

William D. Bettenberg,

Director, Minerals Management Service.

[FR Doc. 86–10352 Filed 5–7–86; 8:45 am]

BILLING CODE 4310-MR-M

Royalty Management Advisory Committee, Gas Valuation Regulations Review Working Panel; Meeting

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Notice of meeting.

SUMMARY: The Mineral Management Service (MMS), Royalty Management Program, hereby gives notice that the Gas Valuation Regulations Review Working Panel, established by the Royalty Management Advisory Committee, will meet in Denver, Colorado, at the location and on the dates indicated below.

On February 5, 1986, MMS published an advance notice of proposed rulemaking in the **Federal Register** making available for public comment draft regulations pertaining to the valuation of gas and associated

products as well as gas processing allowances and transportation allowances. All public comments will be made available to the Royalty Management Advisory Committee and the Gas Valuation Regulations Review Working Panel. The Panel will review the draft regulations and make recommendations as to necessary clarifications and revisions.

This Notice is published in accordance with the Federal Advisory Committee Act (Pub. L. No. 92–463).

DATES: Location and dates. The Gas Valuation Regulations Review Working Panel will meet at the Stapleton Plaza Hotel, 3333 Quebec Street, Denver, Colorado, May 12, 13, and 14, 1986.

The Panel will meet from 8 a.m. to 5 p.m. daily. If the meeting is completed in less than the three days scheduled, the Panel will adjourn upon such completion.

The public is invited to attend these meetings and make oral or written comments. A time will be set aside by the Panel chairperson during which the public will be invited to make oral comments. Written comments should be submitted by May 28, 1986, to the address listed below.

FOR FURTHER INFORMATION CONTACT: Vernon B. Ingraham, Minerals Management Service, Royalty Management Program, Office of External Affairs, Denver Federal Center, Building 85, P.O. Box 25165, Mail Stop 660, Denver, Colorado 80225, telephone number (303) 231–3360, (FTS) 326–3360.

SUPPLEMENTARY INFORMATION: The Gas Valuation Regulations Review Working Panel is one of the six working panels established by the Royalty Management Advisory Committee. The panels are composed of both Advisory Committee members and non-Committee members, and were established to provide the Advisory Committee with analyses of specific issues and proposed recommendations. Panel recommendations will be reviewed by the Advisory Committee, which will then decide what advice and recommendations to give to the Department of the Interior (DOI) and the MMS. Although the panels may meet with DOI or MSS staff members to obtain information they require in conducting their analyses, advice and recommendations of the panels will be made to the Advisory Committee and not to the DOI or the MMS.

Dated: May 2, 1986.

William D. Betterberg,

Director, Minerals Management Service.

[FR Doc. 86–10350 Filed 5–7–86; 8:45 am]

BILLING CODE 4310–MR–M

INTERSTATE COMMERCE COMMISSION

Forms Under Review by Office of Management and Budget

The following proposal for collection of information under the provisions of the Paperwork Reduction Act (44 U.S.C. Chapter 35) is being submitted to the Office of Management and Budget for review and approval. Copies of the forms and supporting documents may be obtained from the Agency Clearance Officer, Ray Houser, (202) 275–6723. Comments regarding this information collection should be addressed to Ray Houser, Interstate Commerce Commission, Room 1325, 12th and Constitution Ave., NW., Washington, DC 20423 and to Gary Waxman, Office of Management and Budget, Room 3228 NEOB, Washington, DC 20503, (202) 395–7340.

Type of Clearance: Extension
Bureau/Office: Bureau of Accounts
Title of Form: Quarterly Report of Freight Commodity Statistics, Class I Railroad
OMB Form No.: 3120–0031
Agency Form No.: QCS
Frequency: Quarterly/Annually
Respondents: Class I Railroads
No. of Respondents: 25
Total Burden Hrs.: 27,125

James H. Bayne,

Secretary.

[FR Doc. 86–10339 Filed 5–7–86; 8:45 am]

BILLING CODE 7035–01–M

[Finance Docket No. 30816]

The Chesapeake & Ohio Railway Co.; Trackage Rights; the Baltimore & Ohio Railroad Co; Exemption

The Baltimore and Ohio Railroad Company (B&O) has agreed to grant overhead trackage rights to The Chesapeake and Ohio Railway Company (C&O) between Cottage Grove and Indianapolis, IN. The trackage rights will be effective on April 27, 1986.

As a condition to use of this exemption any employee affected by the trackage rights will be protected pursuant to *Norfolk and Western Ry. Co.—Trackage Rights—BN*, 354 I.C.C. 605 (1978), as modified in *Mendocino Coast Ry, Inc.—Lease and Operate*, 360 I.C.C. 653 (1980).

This notice is filed under 49 CFR 1180.2(d)(7). Petitions to revoke the exemption under 49 U.S.C. 10505(d) may be filed at any time. The filing of a petition to revoke will not stay the transaction.

Dated: April 29, 1986.

By the Commission, Jane F. Mackall, Director, Office of Proceedings.

James H. Bayne,

Secretary.

[FR Doc. 86–10340 Filed 5–7–86; 8:45 am]

BILLING CODE 7035–01–M

[Docket No. AB–43 (Sub–136)]

Illinois Central Gulf Railroad Co.; Abandonment in Christian, Macon, and Shelby Counties, IL; Findings

The Commission has found that the public convenience and necessity permit the Illinois Central Gulf Railroad Company to abandon its 17.54-mile rail line between milepost A 728.00 at Assumption and milepost A 745.54 near Elwin in Christian, Macon, and Shelby Counties, IL.

A certificate will be issued authorizing this abandonment unless within 15 days after this publication the Commission also finds that: (1) A financially responsible person has offered assistance (through subsidy or purchase) to enable the rail service to be continued; and (2) it is likely that the assistance would fully compensate the railroad.

Any financial assistance offer must be filed with the Commission and the applicant no later than 10 days from publication of this Notice. The following notation must be typed in bold face on the lower left-hand corner of the envelope containing the offer: "Rail Section, AB–OFA." Any offer previously made must be remade within this 10-day period.

Information and procedures regarding financial assistance for continued rail service are contained in 49 U.S.C. 10905 and 49 CFR 1152.27(b).

James H. Bayne,

Secretary.

[FR Doc. 86–10337 Filed 5–7–86; 8:45 am]

BILLING CODE 7035–01–M

[Docket No. AB–55 (Sub–167)]

Seaboard System Railroad, Inc.; Abandonment in Davidson, Wilson, Smith, and Putnam Counties, TN; Findings

The Commission has found that the public convenience and necessity permit Seaboard System Railroad, Inc., to abandon its 108.21-mile line of railroad between Stone River (milepost NT–9.85) and Monterey (milepost NT–110.50), including the Carthage Branch from Carthage Junction (milepost NX–0.00) to Carthage (milepost NX–7.56), in

Davidson, Wilson, Smith, and Putnam Counties, TN.

A certificate will be issued authorizing this abandonment unless within 15 days after this publication the Commission also finds that: (1) A financially responsible person has offered assistance (through subsidy or purchase) to enable the rail service to be continued; and (2) it is likely that the assistance would fully compensate the railroad.

Any financial assistance offer must be filed with the Commission and the applicant no later than 10 days from publication of this Notice. The following notation must be typed in bold face on the lower left-hand corner of the envelope containing the offer: "Rail Section, AB–OFA". Any offer previously made must be remade within this 10-day period.

Information and procedures regarding financial assistance for continued rail service are contained in 49 U.S.C. 10905 and 49 CFR 1152–27.

James H. Bayne,

Secretary.

[FR Doc. 86–10338 Filed 5–7–86; 8:45 am]

BILLING CODE 7035–01–M

DEPARTMENT OF JUSTICE

Lodging of Consent Decree Pursuant to the Clean Air Act; Lamotte

In accordance with Departmental policy, 28 CFR 50.7, notice is hereby given that on April 18, 1986, a proposed consent decree in *United States* v. *Lamotte*, Civil Action No. 85–141–L was lodged with the United States District Court for the District of New Hampshire. The proposed decree concerns violations of the National Emissions Standards for Hazardous Air Pollutants ("NESHAP") for asbestos during demolition activities. The proposed decree requires the defendant to pay a civil penalty and to comply with the NESHAP in future demolitions and renovations.

The Department of Justice will receive for a period of thirty (30) days from the date of this publication comments relating to the proposed consent decree. Comments should be addressed to the Assistant Attorney General of the Land and Natural Resources Division, Department of Justice, Washington, DC 20530, and should refer to *United States* v. *Lamotte*, D.J. Ref. 90–11–3–9–1.

The proposed consent decree may be examined at the office of the United States Attorney, 55 Pleasant Street, Concord, New Hampshire 03301, and at the Region I Office of the Environmental Protection Agency, John F. Kennedy Federal Building, Boston, Massachusetts. Copies of the decree may be examined at the Environmental Enforcement Section, Land and Natural Resources Divison of the Department of Justice, Room 1517, Ninth Street and Pennsylvania Avenue NW., Washington, DC 20530. A copy of the proposed decree may be obtained in person or by mail from the Environmental Enforcement Section, Land and Natural Resources Division of the Department of Justice.

F. Henry Habicht II,

Assistant Attorney General, Land and Natural Resources Division.

[FR Doc. 86–10265 Filed 5–7–86; 8:45 am]

BILLING CODE 4410–01–M

NATIONAL FOUNDATION ON ARTS AND HUMANITIES

Museum Advisory Panel; Meeting

Pursuant to section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92–463), as amended, notice is hereby given that a meeting of the Museum Advisory Panel (Overview Section) to the National Council on the Arts will be held on May 22, 1986 from 9:00 a.m. to 6:00 p.m., Room M–14 of the Nancy Hanks Center, 1100 Pennsylvania Avenue, NW., Washington, DC 20506.

A portion of this meeting will be open to the public, on May 22, 1986, from 10:30 a.m. to 6:00 p.m. to discuss Guidelines, Policy issues and Five Year Planning Document.

The remaining session of this meeting on May 22, 1986 from 9:30 a.m. to 10:30 a.m., are for the purpose of Panel review, discuss, evaluation, and recommendation on applications for financial assistance and Five Year Planning Document under the National Foundation on the Arts and Humanities Act of 1965, as amended, including discussion of information given in confidence to the Agency by grant applicants. In accordance with the determination of the Chairman published in the **Federal Register** of February 13, 1980, these sessions will be closed to the public pursuant to subsection (c) (4), (6), and 9(B) of section 552b of Title 5, United States Code.

If you need accommodations due to a disability, please contact the Office for Special Constituencies, National Endowment for the Arts, 1100 Pennsylvania Avenue NW., Washington DC 20506, 202/682–5532, TTY 202/682–5496 at least seven (7) days prior to the meeting.

Further information with reference to this meeting can be obtained from Mr. John H. Clark, Advisory Committee Management Officer, National Endowment for the Arts, Washington, DC 20506 or call 202/682–5433.

John H. Clark,

Director, Office of Council and Panel Operations, National Endowment for the Arts.

April 30, 1986.

[FR Doc. 86–10262 Filed 5–7–86; 8:45 am]

BILLING CODE 7537–01–M

NATIONAL SCIENCE FOUNDATION

Advisory Committee for Earth Sciences; Meeting

In accordance with the Federal Advisory Committee Act, Pub. L. 92–463, as amended, the National Science Foundation announces the following meeting:

Name: Advisory Committee for Earth Sciences.

Dates: May 29 and 30, 1986.

Time: 8:30 a.m. to 5:00 p.m. each day.

Place: The National Science Foundation, Room 543, 1800 G Street, NW., Washington, D.C. 20550.

Type of meeting:

Open—May 29 (8:30 a.m.–10:00 a.m.);
May 30 (2:00 p.m.–5:00 p.m.):

Closed—May 29 (10:00 a.m.– 5:00 p.m.);
May 30 (8:30 a.m. to 2:00 p.m.)

Contact Person: Dr. James Fred Hays, Division Director, Earth Sciences, Room 602, National Science Foundation, Washington, D.C. 20550; Telephone: (202) 357–7958.

Purpose of committee: To provide advice, recommendations, and oversight concerning support for research and research-related activities in the Earth Sciences.

Reasons for closing: The Committee will review grant and declination jackets which contain the names of applicant institutions and principal investigators and privileged information contained in declined proposals. The meeting will also include a review of the peer review documentation pertaining to the applicants. These matters are within exemptions 4 and 6 of the Government in the Sunshine Act.

Authority to close meeting: This determination was made by the Committee Management Officer pursuant to provisions of section 10(d) of Pub. L. 92–463. The Committee Management Officer was delegated the authority to make such determinations by the Director, NSF, on July 6, 1979.

Agenda:

May 29

Open session—8:30–10:00 a.m.
8:30—Introduction and Welcome
9:00—Review of Budget and Budget Planning
Closed session—10:00 a.m.–5:00 p.m.
10:00—Conduct of Oversight Review

May 30

Closed session—8:30 a.m.–2:00 p.m.
8:30—Conduct of Oversight Review and Writing of Oversight Report
Open session—2:00–5:00 p.m.
2:00—Report of Oversight Review
2:30—Discussion of Earth Sciences Issues
4:00—Planning for Next Meeting
5:00—Adjourn.

M. Rebecca Winkler,

Committee Management Officer.

May 5, 1986.

[FR Doc. 86–10377 Filed 5–7–86; 8:45 am]

BILLING CODE 7555–01–M

Advisory Panel for Developmental Biology; Meeting

In accordance with the Federal Advisory Committee Act, as amended, Pub. L. 92–463, the National Science Foundation announces the following meeting.

Name: Advisory Panel for Developmental Biology.

Date and time: May 29, 30, 31, 1986, starting at 8:30 a.m. to 5:30 p.m.

Place: Room 523, National Science Foundation, 1800 G Street NW., Washington D.C. 20550.

Type of meeting: Closed.

Contact person: Dr. Joseph Masarenhas, Program Director, Developmental Biology Program, Room 332–H, National Science Foundation, Washington, D.C., 20550, Telephone 202/357–7989.

Purpose of advisory panel: To provide advice and recommendations concerning support of research in developmental biology.

Agenda: To review and evaluate research proposals as part of the selection process for awards.

Reason for closing: The proposals being reviewed include information of a proprietary or confidential nature, including technical information; financial data, such as salaries, and personal information concerning individuals associated with the proposals. These matters are within exemptions (4) and (6) of 5 U.S.C. 552b(c), Government in the Sunshine Act.

Authority to close meeting: This determination was made by the Committee Management Officer pursuant to provisions of section 10(d) of Pub. L. 92–463. The Committee Management Officer was delegated the authority to make such determinations by the Director, NSF, on July 6, 1979.

May 5, 1986.

M. Rebecca Winkler,

Committee Management Officer.

[FR Doc. 10379 Filed 5–7–86; 8:45 am]

BILLING CODE 7555–01–M

Advisory Panel for Eukaryotic Genetics Program; Meeting

In accordance with the Federal Advisory Panel Act, as amended, Pub. L. 92–463, the National Science Foundation announces the following meeting.

Name: Advisory Panel for Eukaryotic Genetics.

Date and time: Wednesday, Thursday, & Friday, May 28, 29, & 30, 1986 from 8:30 a.m. to 5:00 p.m.

Place: Conference Room of the Jackson Laboratory, Bar Harbor, Maine, 04609.

Type of meeting: Closed.

Contact person: DeLill Nasser, Program Director, Eukaryotic Genetics, Room 329G Telephone: 202/357–0112.

Purpose of advisory panel: To provide advice and recommendations concerning support for research.

Agenda: To review and evaluate research proposals as part of the selection process for awards.

Reason for closing: The proposals being reviewed include information of a proprietary or confidential nature, including technical information; financial data, such as salaries; and personal information concerning individuals associated with the proposals. These matters are within exemptions (4) and (6) of proposals U.S.C. 552b(c), Government in the Sunshine Act.

Authority to close Meeting: This determination was made by the committee Management Officer pursuant to provisions of section 10(d) of Pub. L. 92–463. Panel Management Officer was delegated the authority to make such determinations by the Director, NSF on July 6, 1979.

Rebecca Winkler,

Committee Management Officer.

May 5, 1986

[FR Doc. 86–10378 Filed 5–7–86; 8:45 am]

BILLING CODE 7555–01–M

NUCLEAR REGULATORY COMMISSION

[Docket No. 030–01644; License No. 13–10408–02; EA 86–39]

Bloomington Hospital; Order To Show Cause Why License Should Not Be Suspended and Modified (Immediately Effective)

I

Bloomington Hospital, 605–625 W. Second Street, Bloomington, Indiana (the licensee) is the holder of specific Byproduct Material License No. 13–10408–02 issued by the Nuclear Regulatory Commission (the Commission/NRC) pursuant to 10 CFR Parts 30 and 35. The license authorizes the use of byproduct material for the conduct of medical diagnosis and therapy and is due to expire on May 31, 1990.

II

From October 23 through November 26, 1984, an NRC inspection was conducted at Bloomington Hospital, Bloomington, Indiana. During the inspection, several violations of NRC requirements were identified. On December 18, 1984, an Enforcement Conference was conducted with the licensee to discuss the violations. Subsequent to that conference and as a result of a recent OI investigation, the NRC has established that four diagnostic misadministrations occurred during October 14, 1983 through August 3, 1984 that were not reported to the NRC as required. Further, actions were taken by the Radiation Safety Officer (RSO), Dr. Glen Mather, which impeded the NRC inspection into whether misadministrations had occurred during this time frame.

Although the Office of Investigations' report has not yet been issued, it appears from OI interviews conducted between October 1985 and January 1986 that the events transpired as follows:

A. On October 12, 1984, NRC Region III received an allegation that five diagnostic misadministrations had occurred at Bloomington Hospital from October 14, 1983 through September 5, 1984 and were not reported to the NRC as required pursuant to 10 CFR 35.43. When questioned by NRC inspectors, Dr. Mather admitted only that a September 5, 1984 misadministration had occurred and stated that no other misadministrations had occurred. After further interviews and presentation of additional information by NRC representatives, Dr. Mather admitted that the other four diagnostic misadministrations did occur.

B. Although Dr. Mather was aware of the reporting requirements for diagnostic misadministrations, he failed to make reports to the NRC for the four misadministrations in question.

C. Dr. Mather obstructed an NRC inspection contrary to 10 CFR 30.52 and misled NRC inspectors concerning the occurrence of diagnostic misadministrations as described below:

1. Two Bloomington Hospital employees stated to NRC representatives that Dr. Mather instructed them to inform the NRC inspectors that diagnostic misadministrations for two patients had not occurred. One of the employees made fase statements to NRC inspectors regarding these misadministrations. It was later acknowledged by Bloomington Hospital management that misadministrations for these patients had occurred.

2. On October 23, 1984 Dr. Mather was requested by NRC inspectors to provide the nuclear medicine films for a patient alleged to have received a diagnostic misadministration. A licensee employee stated that on that date he provided the

file to Dr. Mather, observed Dr. Mather pull the film out, look at it, and then replace it. Then, Dr. Mather told the NRC inspector that the film was not available. The film was later provided to NRC inspectors by another hospital employee. It therefore appears that Dr. Mather willfully withheld the film from NRC inspectors and impeded their inspection.

3. A Bloomington Hospital employee stated to NRC inspectors that another patient's file was given to Dr. Mather on October 23, 1984 pursuant to an NRC request. The alleger stated that before giving the file to NRC inspectors, Dr. Mather removed the film dated October 14, 1983 (the misadministration film) from the nuclear folder and placed it in the X-ray folder. The nuclear folder, which originally contained two films, was then provided to the inspectors by Dr. Mather with only one film dated October 17, 1983. When the NRC inspectors questioned Dr. Mather as to why the date on the nuclear folder was October 14, the inspectors observed Dr. Mather change the date to October 17, 1983. Dr. Mather later denied having done this. The NRC inspectors later reviewed a copy of a film dated October 14, 1983 provided by the allegers, and an NRC medical consultant determined from a review of this film that a misadministration did occur. The patient's October 14, 1983 nuclear film (misadministration) was subsequently found in the X-ray folder by hospital officials several months later—at which time licensee officials admitted to the misadministration. It therefore appears that Dr. Mather willfully concealed the film from NRC inspectors and impeded their inspection.

III

Licensees must adhere strictly to radiation safety requirements so that the medical use of NRC-licensed material does not create a radiation hazard to workers and members of the public. The proper and competent performance of a licensee's Radiation Safety Officer is essential to ensuring the safe conduct of licensed activities. 10 CFR Parts 30 and 35 of the Commission's regulations establishes requirements applicable to human use of byproduct materials including the reporting of diagnostic misadministrations pursuant to 10 CFR 35.43. Dr. Mather was aware that diagnostic misadministrations had occurred on four occasions, yet failed to make the required report to the NRC. Since he previously had made such reports for earlier misadministrations, Dr. Mather was apparently aware of the requirement to report misadministrations. These actions, as well as Dr. Mather's subsequent actions to obstruct an NRC inspection and to provide false and misleading information to NRC inspectors, demonstrate that there is no longer reasonable assurance that Dr. Mather can be relied upon to comply with Commission requirements in the performance or supervision of licensed activities and that the licensee will comply with Commission requirements while Dr. Mather is conducting or supervising licensed activities as an authorized user or as the Radiation Safety Officer at Bloomington Hospital.

Therefore, I am ordering, effective in seven days from the date of this Order, (1) the removal of Dr. Mather from the position of Radiation Safety Officer at Bloomington Hospital and from all involvement in the performance or supervision of NRC licensed activities, and (2) the suspension of all licensed activities at Bloomington Hospital unless the licensee has demonstrated that a qualified individual has been appointed as the Radiation Safety Officer and authorized by the NRC to oversee licensed activities at Bloomington Hospital. In view of Dr. Mather's willful failure to report diagnostic misadministrations in accordance with NRC regulations and his subsequent actions to impede the NRC's inspection effort, which have recently come to light during the NRC investigation, I have determined pursuant to 10 CFR 2.201(c) that no prior notice is required and pursuant to 10 CFR 2.202(f) that the public health, safety and interest require that this Order should be immediately effective.

IV

Accordingly, pursuant to sections 81, 161(b), 161(i), 182, and 186 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations in 10 CFR 2.202 and 10 CFR Parts 30 and 35, it is hereby ordered that effective immediately:

A. License No. 13-10408-02 is amended by adding the following condition:

No later than seven days of the date of this Order, Dr. Glen Mather shall be removed as Radiation Safety Officer and shall not thereafter serve in this or in any other position involving the performance or supervision of any licensed activities (e.g., as an authorized user) including the supervision of any Radiation Safety Officer.

B. All licensed activities pursuant to this license, except those activities necessary to safely store and protect licensed material, at Bloomington Hospital shall cease within seven days of the date of this Order unless:

1. A qualified Radiation Safety Officer (RSO) has been selected and assigned to replace Dr. Glen Mather.

2. A description of the qualifications of that replacement RSO has been submitted to, and the individual approved by, the NRC Region III Regional Administrator or his designee. If the individual to replace Dr. Mather is selected from the list of authorized users contained in Condition 12 of the Bloomington Hospital license, then notification of the selection may be made by telephone to the NRC Region III Regional Administrator, followed by a written confirmation of the selection.

3. The Bloomington Hospital license has been amended by NRC Region III to authorize the individual to perform the functions of the Radiation Safety Officer for Bloomington Hospital.

C. The licensee shall notify in writing within seven days of the date of this Order all personnel involved in the performance and supervision of licensed activities at Bloomington Hospital of this Order of the importance of strict adherence to NRC requirements and complete candor with NRC personnel. The licensee shall certify to the NRC that each Authorized User and RSO has read the notification and Order and understands its contents.

D. The NRC Region III Regional Administrator may relax or rescind any of the above provisions for good cause shown by the licensee. Nothing in this Order is intended to interfere with Bloomington Hospital's provision of medical services. If meeting the deadline specified in IV.C, could interfere with providing nuclear medicine services, the hospital may contact the Regional Administrator, Region III who will make arrangements for assuring the continuity of services.

V

The licensee may show cause why this Order should not have been issued and should be vacated by filing a written answer under oath or affirmation within 20 days of the date of this Order which sets forth the matters of fact and law on which the licensee relies. The licensee may answer as provided in 10 CFR 2.202(b) by consenting to this Order. If the licensee fails to answer within the specified time, this Order shall be final without further proceedings.

The licensee or any other person who has an interest adversely affected by this Order may request a hearing on this Order within 20 days of the date of its issuance. Any answer to this Order or request for hearing shall be submitted to the Director, Office of Inspection and

Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555. Copies also shall be sent to the Executive Legal Director at the same address and to the Regional Administrator, NRC Region III, 799 Roosevelt Road, Glen Ellyn, Illinois 60137. If a person other than the licensee requests a hearing, that person shall describe specifically, in accordance with 10 CFR 2.714(a)(2), the nature of the person's interest and the manner in which that interest is affected by this Order. An answer to this order or a request for hearing shall not stay the immediate effectiveness of section IV of this order.

If a hearing is requested, the Commission will issue an Order designating the time and place of any hearing. If a hearing is held, the issue to be considered at such a hearing shall be whether this Order should be sustained.

Dated at Bethesda, Maryland, this 22d day of April 1986.

For the Nuclear Regulatory Commission.

James M. Taylor,

Director, Office of Inspection and Enforcement.

[FR Doc. 86-10395 Filed 5-7-86; 8:45 am]

BILLING CODE 7590-01-M

[Docket No. 50-454; License No. NPF-37; EA 85-99]

Commonwealth Edison Co.; Byron Nuclear Station, Unit 1; Order Imposing Civil Monetary Penalty

I

Commonwealth Edison Company, Chicago, Illinois 60690 (licensee) is the holder of License No. NPF-37 issued by the Nuclear Regulatory Commission (Commission or NRC) which authorizes the licensee to operate the Byron Nuclear Station, Unit 1, Byron, Illinois in accordance with the conditions specified therein.

II

An inspection of the licensee's activities was conducted May 6 through July 22, 1985. The inspection identified that the licensee had not conducted its activities in full compliance with NRC requirements. A written Notice of Violation and Proposed Imposition of a Civil Penalty was served upon the licensee by letter dated October 2, 1985. The Notice states the nature of the violations, the provisions of the Nuclear Regulatory Commission requirements that the licensee had violated, the aggregate severity level of the violations, and the amount of civil penalty proposed for the violations. An answer dated November 21, 1985 to the Notice of Violation and Proposed Imposition of Civil Penalty was received requesting that the severity level of the violations be reduced or alternatively that the civil penalty be totally mitigated.

III

After consideration of the licensee's reply to the Notice of Violation and arguments for mitigation of the proposed civil penalty, the Director of the Office of inspection and Enforcement, for the reasons set forth in the Appendix to this Order, has determined that the violations identified in the Notice of Violation and Proposed Imposition of Civil Penalty were properly classified at Severity Level III but that the $50,000 civil penalty should be mitigated by 50 percent based on the licensee's extensive corrective action.

IV

In view of the foregoing and pursuant to section 234 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2282, Pub. L. 96-295), and 10 CFR 2.205, it is hereby ordered that:

The licensee pay a civil penalty in the amount of Twenty-Five Thousand Dollars ($25,000) within thirty days of the date of this Order, by check, draft, or money order, payable to the Treasurer of the United States and mailed to the Director, Office of Inspection and Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555.

V

The licensee may, within thirty days of the date of this Order, request a hearing. A request for a hearing shall be addressed to the Director, Office of Inspection and Enforcement. A copy of the hearing request also shall be sent to the Executive Legal Director, U.S. Nuclear Regulatory Commission, Washington, DC 20555. If a hearing is requested, the Commission will issue an Order designating the time and place of hearing. If the licensee fails to request a hearing within thirty days of the date of this Order, the provisions of this Order shall be effective without further proceedings and, if payment has not been made by that time, the matter may be referred to the Attorney General for collection.

In the event the licensee requests a hearing as provided above, the issues to be considered at such hearing shall be:

(a) Whether the licensee violated NRC requirements as set forth in the Notice of Violation and Proposed Imposition of Civil Penalty, and

(b) Whether, on the basis of such violations, this Order should be sustained.

Dated at Bethesda, Maryland, this 2nd day of May 1986.

For the Nuclear Regulatory Commission.

James M. Taylor,

Director, Office of Inspection and Enforcement.

Appendix—Evaluation and Conclusion

In its November 21, 1985 response to the Notice of Violation and Proposed Imposition of Civil Penalty for Byron Station Unit 1 dated October 2, 1985, the licensee admits the violations occurred as stated in the Notice but requests that the NRC consider reclassifying the violations in the aggregate from Severity Level III to Severity Level IV or, alternatively, if the severity level is not changed, the proposed penalty should be reduced by 100 percent because the licensee meets the criteria for mitigation as described in section V.B. of 10 CFR Part 2, Appendix C. During a management meeting in the NRC Region III office on December 23, 1985, the Commonwealth Edison Company staff stated they believed the violations should be classified under Supplement IV rather than Supplement I. Provided below are a summary of the licensee's response in support of its request and the NRC's evaluation of the licensee's response.

Licensee's Assertion That the Incorrect Supplement Was Cited

The licensee stated the violations described in the Notice were incorrectly classified under Supplement I of the Enforcement Policy and should have been classified under Supplement IV since all the violations related to radiological safety problems.

NRC Response

The NRC staff has reviewed this matter and agrees with the licensee that the violations described in the Notice are more properly classified under Supplement IV of the Enforcement Policy.

Licensee's Arguments for Reduction of Severity Level

The licensee admits the violations did occur as stated in the Notice; however, it does not believe the violations were properly categorized as a Severity Level III problem collectively or in any other manner. The licensee contends that when the incidents occurred the radiation protection program performed its function of protecting many other workers from overexposures and contamination. Thus, the licensee argues that these incidents do not support a finding that its radiation protection program was unable to perform its intended function. At worst, the licensee insists that its program failed under very limited circumstances.

In support of this contention, the licensee describes the actions taken by its personnel during the three radiological events. In the first two events, which involved containment entries on April 17 and May, 1, 1985, (1) a radiation work permit was issued to cover the job, (2) preplanning of containment entry took place and helped to minimize exposure, and (3) personnel entered containment with proper dosimetry that was functional and

conservatively set to alarm below administrative levels. In the July 1, 1985 event, which involved removing contaminated insultaion from a leaking valve, (1) the plant area was properly posted as being contaminated and the source of contamination was known, (2) contaminated personnel followed policy for exiting a radiation area by surveying themselves, and (3) a radiation occurrence report was generated, which prompted management involvement and resolution of the issue.

The licensee concludes that the three events did not result in a system designed to prevent or mitigate a serous safety event not being able to perform its intended function under certain conditions. Further, the licensee argues that none of the exposures which led to the proposed civil penalty, whether taken individually or cumulatively, constituted serious safety events as that term is used for the purpose of a Severity Level III violation. In addition, the licensee insists that none of the exposures were significant, none exceeded regulatory limits, and none presented a substantial potential for exposure in excess of regulatory limits.

NRC Response

The NRC acknowledges that the licensee took certain actions, as described in the licensee's response, before personnel engaged in activities that resulted in three separate violations of regulatory requirements. However, the NRC staff does not believe that the licensee realized the extent of the problem or took adequate steps to prevent the other events. The NRC staff's evaluation of these events considered a number of points that were absent from the licensee's response but which significantly affected the NRC staff's conclusion.

In the April 17, 1985 event, a shift foreman (SF), an equipment attendant (EA), and a radiation-chemistry technician (RCT) entered containment to locate a reactor coolant system leak. A Type II radiation work permit (RWP) was issued; each individual was assigned an administrative dose limit of 200 mrem and each was provided with an alarming dosimeter set to alarm at 150 mrem. The three individuals made inspections inside containment and exited with the RCT's and SF's dosimeters in an alarm status. Although the SF's dosimeter had alarmed, he and the EA again entered containment to look for a misplaced flashlight without being accompanied by an RCT. None of the three individuals took adequate steps to limit their total radiation doses to no more than 200 mrem. As a result, all three exceeded the administrative dose limit. The final doses were 260 mrem (SF), 295 mrem (EA), and 254 mrem (RCT). The NRC staff believes this sequence of events demonstrated a failure of Byron plant personnel to follow established radiological safety procedures.

In the May 1, 1985 event, after a detector became stuck during the Unit 1 flux map standup test, the Shift Engineer (SE) initiated a work request to have electrical maintenance (EM) workers enter containment and repair the problem. The health physics (HP) foreman completed an emergency RWP without being aware that additional detectors had been removed and that radiation levels in the area where the repairs were to be performed had increased from 5mR/hr to 5–7R/hr. The technical staff and the control room personnel were aware of the new detector positions but they did not convey this information to the SE or HP foreman. The HP foreman was confused about emergency entry requirements and did not request that radiation-chemistry technicians (RCT) provide continuous suveillance of the EMs. Although the HP foreman requested that the RCTs survey containment, the results of the survey were not available to the HP foreman before the EMs entered containment. The HP foreman issued alarming dosimeters to the EMs but did not instruct them to leave the work area if the dosimeters alarmed. The EM foreman was told the dose rate in containment was approximately 5mR/hr and he was not aware that additional in-core detectors had been withdrawn. The EMs entered containment without RCT coverage and approximately 1 minute later their dosimeters alarmed. However, instead of leaving the area, the EMs remained an additional 2-to-3 minutes until their work was completed.

This sequence of events also demonstrates a failure of Byron plant personnel to properly communicate and follow established radiological safety procedures. The technical staff who repositioned the detectors and significantly increased the hazards did not communicate this to the SE. Neither the SE nor the HP foreman were aware of these changes when EMs were directed to enter containment without continuous RCT coverage, without understanding actual dose rates and stay time, and without understanding what to do if a dosimeter should alarm.

In the July 1, 1985, event, a mechanical maintenance crew, consisting of a foreman, an "A" mechanic, and a "B" mechanic, removed insulation from a valve which the work request clearly indicated was leaking radioactive liquid and was causing the surrounding area to become contaminated. Although the foreman knew that the insulation surrounding the leaking valve was probably contaminated and although he had observed a sign that stated "Contact Rad/Chem Before Entry" on the entrance door to the piping penetration area where the repairs were to be performed, the foreman did not request Rad/Chem to evaluate the hazard and did not obtain protective clothing. As a result the "B" mechanic's hands and the "A" mechanic's shoes were contaminated.

The foreman's failure to contact the Rad/Chem Department when the work request clearly stated the valve was leaking radioactive liquid, the failure to determine dose rates, the failure to obtain protective clothing, and the failure to learn of special radiological precautions to be taken before entering a controlled area also demonstrates a failure to follow established radiological safety procedures. This matter becomes more signfiicant when one considers that after the foreman became aware that personnel had been contaminated, he did not contact Rad/Chem for assistance but instead elected to have mechanics "A" and "B" decontaminate themselves. It was fortuitous that a passing RCT observed the decontamination efforts and took charge.

Each of these three events demonstrates (1) a failure of supervisory and other personnel to know and follow established radiological safety procedures, (2) a failure to adequately train personnel, and (3) a failure to ensure that personnel make effective use of the Radiation Safety Department. In addition, in all three events plant personnel worked in areas with significant radiological hazards and there was the potential for these personnel to receive radiation doses in excess of NRC limits. Although each violation could be classified separately, in accordance with the Enforcement Policy, the violations were categorized in the aggregate as a Severity Level III problem to focus on the underlying cause; namely, a lack of adquate control of the radiation safety program.

The licensee contends that an adequate basis exists for 100 percent mitigation of the proposed civil penalty. In support of the contention it addresses the five factors contained in section V.B. of 10 CFR Part 2, Appendix C. The licensee states that it (1) promptly identified and reported the three events described above, (2) took prompt and comprehensive corrective action in response to these incidents, (3) had no previous violations involving the general area of radiation protection, and (4) did not have prior notice of similar events because, although two of the administrative overexposures occurred quite close in time, there was not adequate time to disseminate information before the second incident occurred.

NRC Response

After reviewing the licensee's response, the NRC staff has concluded that sufficient justification has been provided to allow partial mitigation of the proposed civil penalty. In reaching this decision the following factors were considered.

The licensee reported the May 1 and July 1, 1985 events although not required to do so. However, the NRC does not agree that the licensee took immediate action to correct the problems upon discovery since several weeks passed before corrective action was initiated. Subsequently however, the licensee did take extensive corrective action at the Byron Station and at corporate levels. The corrective action at the Byron Station included radiation protection awareness sessions that involved retraining approximately 1250 persons. The training sessions stressed individual responsibility, use of radiation work permits, use of protective clothing, computing stay times in radiation fields, use of Radiation Occurrence Reports, and use of Personnel Contamination Reports. Radiation Chemistry Management conducted meetings that addressed the May 1 and July 1, 1985 events with station departments and the Radiation Chemistry staff. At the corporate level, Nuclear Health Physics conducted an intensive review of Byron Station's radiation protection program during the period July 15–19, 1985. The team was comprised of individuals from Byron as well as other operating plants. The team made 40 broad-scope recommendations for improving the radiation protection program.

The licensee has already completed 39 of these recommendations.

Based on these considerations, the NRC staff has concluded that a 50 percent reduction of the base civil penalty is appropriate. The licensee's prior good performance in the general area of concern when balanced against the occurrence of three radiological events in a period of less than 3 months leads the NRC staff to conclude that no further adjustment of the base civil penalty is appropriate.

NRC Conclusion

The licensee has provided a sufficient basis for partial mitigation of the proposed civil penalty. The NRC has determined that a 50 percent reduction in the proposed civil penalty is appropiate in this case. Accordingly, civil penalties in the amount of Twenty-Five Thousand Dollars are imposed.

[FR Doc. 86-10397 Filed 5-7-86; 8:45 am]
BILLING CODE 7590-01-M

[Docket No. 50-321]

Georgia Power Company, et al.; Consideration of Issuance of Amendment to Facility Operating License and Opportunity for Prior Hearing

The United States Nuclear Regulatory Commission (the Commission) is considering issuance of an amendment to Facility Operating License No. DPR-57 issued to Georgia Power Company, Oglethorpe Power Corporation, Municipal Electric Authority of Georgia, City of Dalton, Georgia (the licensees), for operation of the Edwin I. Hatch Nuclear Plant, Unit No. 1, located in Appling County, Georgia.

In accordance with the licensees' application for amendment dated March 3, 1986, the amendment would modify the Technical Specifications for Hatch Unit 1 to: (1) Delete identification of the specific automatically initiated containment isolation valves that are required to be operable and required to be tested; (2) delete the required closure time for all of these containment isolation valves except the main steam isolation valves; (3) change the definition of "Primary Containment Integrity" to be consistent with the current containment isolation valve operability requirements of Technical Specification section 3.7.D.2; (4) clarify the wording concerning plant operation with an inoperable containment isolation valve; and (5) extend the time allowed to reach cold shutdown if containment isolation valve operability requirements cannot be met.

Prior to issuance of the proposed license amendment, the Commission will have made findings required by the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations.

By June 9, 1986, the licensees may file a request for a hearing with respect to issuance of the amendment to the subject facility operating license and any person whose interest may be affected by this proceeding and who wishes to participate as a party in the proceeding must file a written petition for leave to intervene. Request for a hearing and petitions for leave to intervene shall be filed in accordance with the Commission's "Rules of Practice for Domestic Licensing Proceedings" in 10 CFR Part 2. If a request for a hearing or petition for leave to intervene is filed by the above date, the Commission or an Atomic Safety and Licensing Board, designated by the Commission or by the Chairman of the Atomic Safety and Licensing Board Panel, will rule on the request and/or petition and the Secretary or the designated Atomic Safety and Licensing Board will issue a notice of hearing or an appropriate order.

As required by 10 CFR 2.714, a petition for leave to intervene shall set forth with particularity the interest of the petitioner in the proceeding and how that interest may be affected by the results of the proceeding. The petition should specifically explain the reasons why intervention should be permitted with particular reference to the following factors: (1) The nature of the petitioner's right under the Act to be made a party to the proceeding; (2) the nature and extent of the petitioner's property, financial, or other interest in the proceeding; and (3) the possible effect of any order which may be entered in the proceeding on the petitioner's interest. The petition should also identify the specific aspect(s) of the subject matter of the proceeding as to which petitioner wishes to intervene. Any person who has filed a petition for leave to intervene or who has been admitted as a party may amend the petition without requesting leave of the Board up to fifteen (15) days prior to the first prehearing conference scheduled in the proceeding, but such an amended petition must satisfy the specificity requirements described above.

Not later than fiftenn (15) days prior to the first prehearing conference scheduled in the proceeding, a petitioner shall file a supplement to the petition to intervene which must include a list of the contentions which are sought to be litigated in the matter, and the bases for each contention set forth with reasonable specificity. Contentions shall be limited to matters within the scope of the amendment under consideration. A petitioner who fails to file such a supplement which satisfies these requirements with respect to at least one contention will not be permitted to participate as a party.

Those permitted to intervene become parties to the proceeding, subject to any limitations in the order granting leave to intervene, and have the opportunity to participate fully in the conduct of the hearing, including the opportunity to present evidence and cross-examine witnesses.

A request for a hearing or petition for leave to intervene shall be filed with the Secretary of the Commission, United States Nuclear Regulatory Commission, Washington, DC 20555, Attention: Docketing and Service Branch, or may be delivered to the Commission's Public Document Room, 1717 H Street NW., Washington, DC, by the above date. Where petitions are filed during the last ten (10) days of the notice period, it is requested that the petitioner promptly so inform the Commission by a toll-free telephone call to Western Union at (800) 325-6000 (in Missouri (800) 342-6700). The Western Union operator should be given Datagram Identification Number 3737 and the following message addressed to Daniel R. Muller: (petitioner's name and telephone number; date petition was mailed; plant name; and publication date and page number of this **Federal Register** notice. A copy of the petition should also be sent to the Executive Legal Director, U.S. Nuclear Regulatory Commission, Washington, DC 20555, and to Bruce W. Churchill, Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, DC 20036, attorney for the licensees.

Nontimely filings of petitions for leave to intervene, amended petitions, supplemental petitions and/or requests for hearing will not be entertained absent a determination by the Commission, the presiding officer or the Atomic Safety and Licensing Board that the petition and/or request should be granted based upon a balancing of factors specified in 10 CFR 2.714(a)(1)(i)-(v) and 2.714(d).

For further details with respect to this action, see the application for amendment dated March 3, 1986 which is available for public inspection at the Commission's Public Document Room, 1717 H Street NW., Washington, DC, and at the Appling County Public Library, 301 City Hall Drive, Baxley, Georgia.

Dated at Bethesda, Maryland this 30th day of April, 1986.

For the Nuclear Regulatory Commission.

Daniel R. Muller,

Director, BWR Project Directorate #2, Division of BWR Licensing.

[FR Doc. 86-10398 Filed 5-7-86; 8:45 am]

BILLING CODE 7590-01-M

[Docket No. 50-424A]

Georgia Power Co. et al.; Receipt of Antitrust Information

Georgia Power Company, acting as agent for Oglethorpe Power Corporation, Municipal Electric Authority of Georgia, and the City of Dalton, Georgia, has submitted additional antitrust information in conjunction with the application for an operating license for a pressurized water reactor known as Vogtle Electric Generating Plant, Unit 1, located on the Savannah River in Burke County, Georgia. The data submitted contain antitrust information for review pursuant to NRC Regulatory Guide 9.3 necessary to determine whether there have been any significant changes since the completion of the antitrust review at the construction permit stage. (These data represent an updated response from the applicants' original 9.3 data submission that was noticed in the **Federal Register** on October 17, 1983, pg. 47077).

On completion of a staff antitrust review, the Director of the Office of Nuclear Reactor Regulation will issue an initial finding as to whether there have been "significant changes" under section 105c(2) of the Atomic Energy Act. A copy of this finding will be published in the **Federal Register** and will be sent to the Washignton, DC and local public document rooms and to those persons providing comments or information in response to this notice. If the initial finding concludes that there have not been any signifiant changes, requests for reevaluation may be submitted for a period of 30 days after the date of the **Federal Register** notice. The results of any reevaluation that are requested will be published in the Federal Register and copies sent to the Washington, DC and local public document rooms.

A copy of the general information portion of the application for an operating license and the antitrust information submitted is available for public examination and copying for a fee at the Commission's Public Document Room, 1717 H Street NW., Washington, DC 20555, and at the local public document room at the Burke County Library, Fourth Street, Waynesboro, Georgia 30830.

Any person who desires additional information regarding the matter covered in this notice or who wishes to have views considered with respect to significant changes related to antitrust matters which have occurred in the applicants' activities since the construction permit antitrust review should submit such requests for information or views to the U.S. Nuclear Regulatory Commission, Washington, DC 20555, Attention: Director, Planning and Program Analysis Staff, Office of Nuclear Reactor Regulation, on or before June 9, 1986.

Dated at Bethesda, Maryland, this 1st day of May 1986.

For the Nuclear Regulatory Commission.

Jesse L. Funches,

Director, Planning and Program Analysis Staff, Office of Nuclear Reactor Regulation.

[FR Doc. 86-10388 Filed 5-7-86; 8:45 am]

BILLING CODE 7590-01-M

[Docket No. 50-410]

Niagara Mohawk Power Corp., Nine Mile Point Nuclear Station, Unit 2; Environmental Assessment and Finding of No Significant Impact

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of an exemption from the requirements of 10 CFR Part 50, Appendix A, General Design Criterion (GDC) 2, "Design basis for protection against natural phenomena" to the Niagara Mohawk Power Corporation (the applicant) for the Nine Mile Point Nuclear Station, Unit 2 (NMP-2), located at the applicant's site in Scriba, New York.

Environmental Assessment

Identification of Proposed Action: The action would provide an exemption from Commission regulations. The exemption would allow the applicant to operate NMP-2 while additional analysis regarding the design of its downcomers is being performed and allow any required hardware modifications to be completed prior to operation following the first refueling outage.

Pursuant to GDC 2 of 10 CFR Part 50, Appendix A, structures, systems and components important to safety shall be designed to withstand the effects of natural phenomena, such as earthquakes, without loss of capability to perform their safety functions. Further, GDC 2 specifically states that the design basis for these structures, systems and components shall reflect appropriate combinations of the effects of normal and accident conditions with the effects of the natural phenomena.

The NMP-2 downcomer design is unique in that it does not provide lateral supports at the free ends of the downcomers; i.e. at the bottom, the downcomers are free to move in a plane perpendicular to the downcomers. All other domestic Mark II plants have employed a bracing system to tie the downcomers together at the bottom to prevent free movement of an individual downcomer pipe.

On the basis of the information provided by the applicant in letters dated January 23 and 24, 1986, the staff has concluded that the downcomer design meets the licensing criteria for the upset and emergency conditions, but that the applicant has not adequately demonstrated the design adequacy for the faulted condition. It is this particular load combination for which the applicant has requested a schedular exemption to allow additional time to perform further analysis.

The applicant's request for this exemption and the basis therefor, are contained in their letter dated February 18, 1986.

The Need for the Proposed Action: This exemption to GDC 2 would allow the applicant to load fuel, test, and operate NMP-2 until the first refueling outage while performing additional analysis on the downcomers and designing and procuring any hardware needed for modifications to the downcomer design. If hardware modifications are needed, they could be performed during the first refueling outage. Without this exemption, fuel load and operation of NMP-2 would be delayed for a significant period (estimated by the applicant to be 6 to 10 months).

Environmental Impacts of the Proposed Action: This exemption would allow operation of NMP-2 until the first refueling outage while the applicant performs an additional analysis on the downcomers. If additional modifications are required to the downcomers, they could be performed during the first refueling outage.

The Commission has evaluated the analysis of the NMP-2 downcomers submitted January 23, 1986, and determined that the design is adequate for the emergency and upset conditions but that the adequacy of the design has not been demonstrated for the faulted condition.

The loads to be considered in the faulted condition include loads resulting from a loss of coolant accident (LOCA) and loads resulting from a safe shutdown earthquake (SSE). Both of these events (LOCA and SSE) would have to occur simultaneously for the

downcomer design to be unacceptable. The downcomer design would be acceptable for the loads resulting from either the LOCA or the SSE occurring separately.

In assessing the potential for an environmental impact resulting from this exemption the following items were considered.

(1) The probability of a LOCA and an SSE occurring simultaneously and independently is very small.

(2) In a study by Lawrence Livermore National Laboratory[1] the probability of a seismically—induced, double-ended-guillotine break (DEGB) is estimated to be between 2.5×10^{-10} and 5.0×10^{-7} events per plant year at the 90% confidence limit.

(3) The material used for the NMP–2 recirculation piping system is Type 316 NG stainless steel which is considered much less susceptible to intergranular stress corrosion cracking (IGSCC); therefore, the probability of having a DEGB is smaller than for piping susceptible to IGSCC.

(4) The likelihood of the simultaneous occurrence of a LOCA and an SSE is even smaller during the first fuel cycle.

Because of the extremely low probability of a simultaneous occurrence of a LOCA and an SEE during the first fuel cycle, the Commission has determined that there is no significant increase in the probability of a failure of the downcomers, resulting in higher radiological releases, associated with this exemption. Likewise, the relief does not affect non-radiological plant effluents and has no other environmental impact. Therefore, the Commission concludes that there are no significant radiological or non-radiological environmental impacts associated with the proposed exemption.

Alternate to the Proposed Action: Because the Commission has concluded that there is no measurable environmental impact associated with the proposed exemption, any alternatives to the exemption will have either no enviromental impact or greater environmental impact.

The principal alternative to granting this exemption would be to deny this exemption. The applicant would then be required to perform a confirmatory analysis and any needed plant modifications before loading fuel. This would delay plant operation, but it would not reduce the environmental impacts as assessed in the Final Environmental Statement Related to the Operation of Nine Mile Point Nuclear Station, Unit No. 2 dated May 1985 (FES) for the operating plant.

Alternative Use of Resources: The action in the granting of the exemption discussed above does not involve the use of resources not previously considered in connection with the FES.

Agencies and Persons Consulted: The Commission reviewed the applicant's request that supports the requested exempted discussed above. The Commission did not consult other agencies or persons.

Finding of No Significant Impact

The Commission has determined not to prepare an environmental impact statement for the requested exemption.

Based on the foregoing environmental assessment, we conclude that the requested actions will not have a significant effect on the quality of the human environment.

For further details with respect to this action, see the applicant's request for this exemption dated February 18, 1986, which is available for public inspection at the Commission's Public Document Room 1717 H Street NW., Washington DC 20555 and at the Penfield Library, State University College, Oswego, New York 13126.

Dated at Bethesda, Maryland, this 1st day of May 1986.

For the Nuclear Regulatory Commission.

Elinor G. Adensam,

Director, BWR Project Directorate No. 3, Division of BWR Licensing.

[FR Doc. 86–10389 Filed 5–7–86; 8:45 am]

BILLING CODE 7590-01-M

[1] Holman, G., T. Lo, C. K. Chou, "Pipe Ruptures in BWR Plants", Lawrence Livermore National Laboratory, University of California, presented during the 13th NRC Water Reactor Safety Research meeting, October 1985.

Advisory Committee on Reactor Safeguards; Revised Meeting Agenda

In accordance with the purposes of sections 29 and 182b. of the Atomic Energy Act (42 U.S.C. 2039, 2232b), the Advisory Committee on Reactor Safeguards will hold a meeting on May 8–10, 1986, in Room 1046, 1717 H Street, NW, Washington, DC. Notice of this meeting was published in the **Federal Register** on April 22, 1986.

Thursday, May 8, 1986

8:30 A.M.–8:45 A.M.: Report of ACRS Chairman (Open)—The ACRS Chairman will report briefly regarding items of current interest to the Committee.

8:45 A.M.–12:00 Noon: Systems Interactions (Open)—The members of the Committee will hear and discuss the report of its subcommittee regarding the NRC Staff's proposed resolution of USI A–17, Systems Interactions in Nuclear Power Plants. Members of the NRC Staff will participate in the presentations and discussion of this matter.

12:00 Noon–12:30 P.M.: ACRS Subcommittee Activities (Open)—The members will hear and discuss the report of the ACRS subcommittee on Thermal Hydraulic Phenomena regarding proposed revisions to 10 CFR Part 50.46, Acceptance criteria for emergency core cooling systems for light water nuclear power reactors and Appendix K, ECCS evaluation models.

1:30 P.M.–1:50 P.M.: Preparation for Meeting with NRC Commissioners (Open)—The members will discuss proposed comments to the Commissioners regarding the ACRS report dated April 15, 1986, Additional ACRS Comments on Proposed NRC Safety Goal Policy Statement.

2:00 P.M.–3:30 P.M.: Meeting with NRC Commissioners (Open)—The ACRS meeting will adjourn so ACRS members can participate in a meeting of the Nuclear Regulatory Commission to discuss ACRS recommendations and comments regarding the proposed NRC Safety Goal Policy Statement, as noted above.

3:45 P.M.–5:00 P.M.: Activities of ACRS Subcommittees (Open)—The members of the Committee will hear and discuss the activities of designated ACRS subcommittees regarding:

- Severe (Class 9) Accidents regarding rebaselining studies for reference nuclear power plants.
- Management of ACRS activities—report of Management Group meetings on April 9, 1986 and May 7, 1986.

5:00 P.M.–6:00 P.M.: Emergency Operating Procedures (Open)—The members will discuss a proposed report to the NRC regarding the status of emergency operating procedures and safety parameter display systems at nuclear power plants.

Friday, May 9, 1986

8:30 A.M.–10:30 A.M.: Management and Disposal of Radioactive Waste (Open)—The members will hear and discuss the report of its Waste Management Subcommittee regarding matters related to the handling and disposal of high- and low-level radioactive wastes including modeling strategy for high-level waste performance assessment; quality assurance for high-level waste geologic repositories; related research efforts; the NRC low-level waste program mandated by the Low-Level Radioactive Waste Policy Amendments Act of 1985; and the salvaging of contaminated smelted alloys. Members of the NRC Staff will

participate in the presentations and discussion.

10:45 A.M.–11:00 A.M.: Future ACRS Activities Open)—The members will discuss anticipated ACRS subcommittee activity and proposed items for consideration by the full Committee.

11:00 A.M.–12:00 Noon: Decay Heat Removal (Open/Closed)—An ACRS member will brief the Committee regarding the type of bleed and feed system proposed for the Westinghouse advanced Pressurized Water Reactor.

Portions of this session will be closed as necessary to discuss Proprietary Informatin related to this matter.

1.00 P.M.–2:45 P.M.: Meeting with Representatives of the Fedeal Republic of Germany (Closed)—The members will meet with representatives of the Federal Republic of Germany to discuss both high- and low-level radioactive waste standards for radionuclide release limits (dose limits), plans for environmental monitoring, and for modeling in connection with performance assessment in order to assure compliance with the standards and thus to ensure the public health and safety.

This sessin will be closed to discuss information provided in confidence by a foreign source.

3:00 P.M.–4:00 P.M.: Operating Experience at a Foreign Nuclear Power Plant (Open/Closed)—The members will hear and discuss a report regarding a recent operating accident at a foreign nuclear power plant to consider its applicability to similar nuclear plants in the United States.

Portions of this session will be closed as necessary to discuss classified restricted data applicable to this type of nuclear facility and to consider information provided in confidence by a foreign source.

4:00 P.M.–4:30 P.M.: NRC Safety Research Program (Open)—The members of the Committee will discuss the scope, format, and schedule for the preparation of the ACRS report to the NRC regarding the proposed NRC safety research program and budget for FY 1988–89.

4:30 P.M.–6:00 P.M.: Preparation of ACRS Reports to NRC (Open/Closed)—The members will discuss proposed reports to the NRC regarding matters considered during this meeting.

Portions of this session will be closed as necessary to discuss Proprietary Information applicable to the matter being discussed.

Saturday, May 10, 1986

8:30 A.M.–8:45 A.M.: Relocation of ACRS (Open)—The Committee will hear and discuss the report of its delegation of ACRS members to discuss the proposed ACRS move to the Bethesda area.

8:45 A.M.–9:00 A.M.: Activities of ACRS Members (Open/Closed)—The Committee will discuss outside activities of ACRS members and their impact on their assignments as ACRS members.

Portions of this session will be closed as necessary to discuss information the release of which would represent an unwarranted invasion of personal privacy.

(9:00 A.M.–9:45 A.M.: Appointment of ACRS Member (Closed)—The members will discuss the qualifications of candidates proposed for appointment to the ACRS.

This portion of the meeting will be closed to discuss information the release of which would represent an unwarranted invasion of personal privacy.

9:45 A.M.–12:00 Noon and 1:00 P.M.–3:00 P.M.: Preparation of ACRS Reports to NRC (Open/Closed)—The members will discuss proposed reports to the NRC regarding matters considered during this meeting.

Portions of this session will be closed as required to discuss Proprietary Information applicable to the matter being discussed.

Procedures for the conduct of and participation in ACRS meetings were published in the Federal Register on October 2, 1985 (50 FR 191). In accordance with these procedures, oral or written statements may be presented by members of the public, recordings will be permitted only during those portions of the meeting when a transcript is being kept, and questions may be asked only by members of the Committee, its consultants, and Staff. Persons desiring to make oral statements should notify the ACRS Executive Director as far in advance as practicable so that appropriate arrangements can be made to allow the necessary time during the meeting for such statements. Use of still, motion picture and television cameras during this meeting may be limited to selected portions of the meeting as determined by the Chairman. Information regarding the time to be set aside for this purpose may be obtained by a prepaid telephone call to the ACRS Executive Director, R.F. Fraley, prior to the meeting. In view of the possibility that the schedule for ACRS meetings may be adjusted by the Chairman as necessary to facilitate the conduct of the meeting, persons planning to attend should check with the ACRS Executive Director if such rescheduling would result in major inconvenience.

I have determined in accordance with Subsection 10(d) Pub. L. 92–463 that it is necessary to close portions of this meeting as noted above to discuss Proprietary Information (5 U.S.C. 552b(c)(4)), information provided in confidence by a foreign source (5 U.S.C. 552b(c)(4)), information the release of which would represent a clearly unwarranted invasion of personal privacy (5 U.S.C. 552b(c)(6)), and classified restricted data applicable to the facilities being discussed (5 U.S.C. 552b(c)(3)).

Further information regarding topics to be discussed, whether the meeting has been cancelled or rescheduled, the Chairman's ruling on requests for the opportunity to present oral statements and the time allotted can be obtained by a prepaid telephone call to the ACRS Executive Director, Mr. Raymond F. Fraley (telephone 202/634–3265), between 8:15 A.M. and 5:00 P.M.

Dated: May 5, 1986.

John C. Hoyle,

Advisory Committee Management Officer.

[FR Doc. 86–10390 Filed 5–7–86; 8:45 am]

BILLING CODE 7590-01-M

Advisory Committee on Reactor Safeguards, South Texas Units 1 and 2, Meeting

The ACRS Subcommittee on South Texas Units 1 and 2 will hold a meeting on May 29 and 30, at the Best Western Bay City Inn, Highway 35 West, Bay City, TX.

The entire meeting will be open to public attendance. The agenda for the subject meetign shall be as follows:

Thursday, May 29, 1986—2:00 P.M. until 6:00 P.M.

Friday, May 30, 1986—8:30 A.M. until 1:00 P.M.

The Subcommittee will review Houston Lighting and Power Company's application for an operating license.

Oral statements may be presented by members of the public with the concurrence of the Subcommittee Chairman; written statements will be accepted and made available to the Committee. Recordings will be permitted only during those portions of the meeting when a transcript is being kept, and questions may be asked only by members of the Subcommittee, its consultants, and Staff. Persons desiring to make oral statements should notify the ACRS staff members named below as far in advance as practicable so that appropriate arrangements can be made.

During the initial portion of the meeting, the Subcommittee, along with any of its cosultants who may be present, may exchange preliminary views regarding matters to be considered during the balance of the meeting.

The Subcommittee will then hear presentations by and hold discussions with representratives of the Houston Lighting and Power Company, the NRC Staff, its consultants, and other interested persons regarding this review.

Further information regarding topics to be discussed, whether the meeting has been cancelled or rescheduled, the Chairman's ruling on requests for the opportunity to present oral statements and the time allotted therefor can be obtained by a prepaid telephone call to the cognizant ACRS staff member, Mr. M. El-Zeftawy (telephone 202/634–3267) between 8:15 A.M. and 5: P.M. Persons planning to attend this meeting are urged to contact the above named individual one or two days before the scheduled meeting to be advised of any changes in schedule, etc., which may have occurred.

Dated: May 5, 1986.

Morton W. Libarkin,

Assistant Executive Director for Project Review.

[FR Doc. 86–10391 Filed 5–7–86; 8:45 am]

BILLING CODE 7590–01–M

Advisory Committee on Reactor Safeguards, Subcommittee on Thermal Hydraulic Phenomena; Meeting

The ACRS Subcommittee on Thermal Hydraulic Phenomena will hold a meeting on May 21, 1986, Room 1046, 1717 H Street, NW, Washington, DC.

The entire meeting will be open to public attendance.

The agenda for the subject meeting shall be as follows:

Wednesday, May 21, 1986—8:30 A.M. Until the Conclusion of Business

The Subcommittee will review NRC research programs in the thermal hydraulic phenomena area for the ACRS report to the Commission for FY 1988.

Oral statements may be presented by members of the public with the concurrence of the Subcommittee Chairman; written statements will be accepted and made available to the Committee. Recordings will be permitted only during those portions of the meeting when a transcript is being kept, and questions may be asked only by members of the Subcommittee, its consultants, and Staff. Persons desiring to make oral statements should notify the ACRS staff member named below as far in advance as is practicable so that appropriate arrangements can be made.

During the initial portion of the meeting, the Subcommittee, along with any of its consultants who may be present, may exchange preliminary views regarding matters to be considered during the balance of the meeting.

The Subcommittee will then hear presentations by and hold discussions with representatives of the NRC Staff, its consultants, and other interested persons regarding this review.

Further information regarding topics to be discussed, whether the meeting has been cancelled or rescheduled, the Chairman's ruling on requests for the opportunity to present oral statements and the time allotted therefor can be obtained by a prepaid telephone call to the cognizant ACRS staff member, Mr. Paul Boehnert (telephone 202/634–3267), between 8:15 A.M. and 5:00 P.M. Persons planning to attend this meeting are urged to contact the above named individual one or two days before the scheduled meeting to be advised of any changes in schedule, etc., which may have occurred.

Dated: May 5, 1986.

Morton W. Libarkin,

Assistant Executive Director for Project Review.

[FR Doc. 86–10392 Filed 5–7–86; 8:45 am]

BILLING CODE 7590–01–M

Appointments to Performance Review Board for Senior Executive Service

AGENCY: Nuclear Regulatory Commission.

ACTION: Appointment to Performance Review Board for Senior Executive Service.

SUMMARY: The Nuclear Regulatory Commission (NRC) has announced the following new appointment to the NRC Performance Review Board (PRB):

Guy A. Arlotto, Director, Division of Engineering Technology, Office of Nuclear Regulatory Reserach

James A. Fitzgerald, Assistant General Counsel, Administration and Adjudication, Office of the General Counsel

Roberts D. Martin, Regional Administrator, Region IV

Donald B. Mausshardt, Deputy Director, Office of Nuclear Material Safety and Safeguards

James H. Sniezek, Acting Deputy Executive Director for Regional Operations and Generic Requirements

Michael L. Springer, Deputy Director, Office of Administration

Richard H. Vollmer, Deputy Director, Office of Inspection and Enforcement

In addition to the above appointments, the following members are continuing on the PRB:

Robert M. Bernero, Director, Division of Boiling Water Reactor Licensing, Office of Nuclear Reactor Regulation

Richard E. Cunningham, Director, Division of Fuel Cycle & Material Safety, Office of Nuclear Material Safety and Safeguards

Harold R. Denton, Director, Office of Nuclear Reactor Regulation

James P. Murray, Deputy Executive Legal Director

William B. Kerr, Director, Office of Small and Disadvantaged Business Utilization and Civil Rights, continues as an ex officio nonvoting member.

The NRC Performance Review Board Panel has one new appointee, Clemens J. Heltemes, Jr., Director, Office for Analysis and Evaluation of Operational Data, serving with continuing members Thomas E. Murley, Regional Administrator, Region I, and Jack W. Roe, Deputy Executive Director for Operations.

All appointments are made pursuant to section 4314 of Chapter 43 of Title 5 of the United States Code.

EFFECTIVE DATE: May 8, 1986.

FOR FURTHER INFORMATION CONTACT: Harold R. Denton, Chair, Performance Review Board, U.S. Nuclear Regulatory Commission, Washington, DC 20555, 301–492–7691.

Dated at Bethesda, Maryland, this 23 day of April 1986.

For the Nuclear Regulatory Commission.

Jack W. Roe,

Chairman, Executive Resources Board.

[FR Doc. 86–10396 Filed 5–7–86; 8:45 am]

BILLING CODE 7590–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–23189; File Nos. SR-Amex-85–40; SR-Phlx-85–32; and SR-CBOE-86-01]

Self-Regulatory Organizations; Filings and Order Granting Accelerated Approval to Proposed Rule Changes by the American and Philadelphia Stock Exchanges, Inc. and the Chicago Board Options Exchange, Inc. Relating to the Options Disclosure Document

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on November 20, 1985, December 30, 1985, and January 3, 1986, the American ("Amex") and

Philadelphia ("Phlx") Stock Exchanges, and the Chicago Board Options Exchange ("CBOE"), respectively, filed with the Securities and Exchange Commission ("Commission") the proposed rule changes described below.

The Amex, Phlx and CBOE proposals would delete from each of the exchanges' respective rules [1] the requirement that their members and member organizations deliver to each options customer separate options disclosure documents relating to equity, index, debt and foreign currency options at or prior to the time a customer's account is approved for any category of options trading. Currently, the exchanges' rules require member firms to deliver to the customer the appropriate disclosure document(s) relating to the type(s) of options product(s) the investor intends to trade. Delivery of a separate disclosure document specifically geared to the type of option product the investor intends to trade is no longer necessary in view of the consolidation into a single disclosure document of information formerly found in each of the separate documents.[2] Accordingly, the exchanges are amending their rules to provide for delivery of a consolidated disclosure document instead of separate disclosure documents relating to options on specific categories of underlying securities.

Because the proposed rule changes will bring the exchanges' rules into conformity with recent changes in the structure of the disclosure document, the Commission finds that they are consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange, and, in particular, the requirements of sections 6 [3] and 9 [4] and the rules and regulations thereunder. The Commission finds good cause for approving the proposed rule changes prior to the thirtieth day after the date of publication of the proposals in the **Federal Register** in that the consolidation of the options disclosure document was effected in September 1985 and no adverse comments concerning this restructuring have been received.

It is therefore ordered, pursuant to section 19(b)(2) of the Act,[5] that the proposed rule changes are approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[6]

Dated: April 30, 1986.

John Wheeler,

Secretary.

[FR Doc. 86-10341 Filed 5-7-86; 8:45 am]

BILLING CODE 8010-01-M

[1] *See* Amex Rule 926; Phlx Rule 1029 and CBOE Rules 9.15(a), 20.18B and 21.19A.

[2] In September 1985, the Options Clearing Corporation ("OCC"), in conjunction with the American, New York, Pacific, and Philadelphia Stock Exchanges, the CBOE, and the National Association of Securities Dealers, Inc., published a revised and consolidated options disclosure document. This document, entitled "Characteristics and Risks of Standardized Options," replaces four separate documents which contained information regarding equity, index, debt and foreign currency options. In connection with the publication of the revised disclosure document, the OCC and the options exchanges requested that Rule 9b-1 under the Act be amended to delete the requirement that documents prepared under the Rule contain information regarding the uses of the options classes covered by the document. The Commission recently adopted this proposed amendment. *See* Securities Exchange Act Release No. 23115 (April 10, 1986), 51 FR 14982.

[3] 15 U.S.C. 78f (1982).

[4] 15 U.S.C. 78w (1982).

[5] 15 U.S.C. 78s(b)(2) (1982).

[6] 17 CFR 200.30-3(a)(12) (1985).

[Release No. 34-23190; File No. SR-MSTC-86-3]

Self-Regulatory Organizations; Proposed Rule Change by Midwest Securities Trust Co. Relating to Proposed Fees for MSTC's Commercial Paper Division

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934, 15 U.S.C. 78s(b)(1), notice is hereby given that on April 23, 1986 the Midwest Securities Trust Company filed with the Securities and Exchange Commission the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The following fees have been established for participation in MSTC's Commercial Paper Division:

Participation Fee—$100.00/month
Account Fee—$50.00/symbol/month
Transaction Fee—$2.00/transaction

These fees are effective May 1, 1986.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in Sections (A), (B), and (C) below, of the most significant aspects of such statements.

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

MSTC intends to impose the fees listed above, effective May 1, 1986, for participation in its Commercial Paper Division (Division).

The fees will consist of: (1) A monthly Participation fee charged per Division Participant; (2) a monthly acount fee, charged for each system symbol utilized by a Division Participant; and (3) a transaction fee, charged for each transaction entered into the system. The fees reflect MSTC's costs initiating the Division and operating the system.

The proposed fee schedule is consistent with Section 17A of the Securities Exchange Act of 1934 in that it provides for the equitable allocation of reasonable dues, fees and other charges among MSTC's Participants.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The Midwest Securities Trust Company does not believe that any burdens will be placed on competition as a result of the proposed fees.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

Comments have neither been solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3) of the Securities Exchange Act of 1934 and subparagraph (e) of Securities Exchange Act Rule 19b-4. At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest for the protection of investors, or otherwise in furtherance of the purposes of the Securities Exchange Act of 1934.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and

arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street NW., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section, 450 Fifth Street NW., Washington, DC. Copies of such filing will also be available for inspection and copying at the principal office of the above-referenced self-regulatory organization. All submissions should refer to the file number in the caption above and should be submitted by [insert date 21 days from the date of publication].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Dated: May 1, 1986.

John Wheeler,

Secretary.

[FR Doc. 86-10345 Filed 5-7-86; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-23191; File No. SR-PHLX-86-4]

Self-Regulatory Organizations; Filing of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Relating to Access to Foreign Currency Options Markets by Non-Participants

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on February 20, 1986, the Philadelphia Stock Exchange, Inc. ("PHLX") filed with the Securities and Exchange Commission the proposed rule change as described in Items, I, II and III below, which Items have been prepared by the PHLX. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Pursuant to Rules 631 and 1000, the Options Committee and Board of Governors of the PHLX have approved telephone access, including dedicated lines, to the PHLX Foreign Currency Options Room by a non-holder of a PHLX foreign currency options participation. This policy, which PHLX has indicated has been applied since January 30, 1986, does not apply to PHLX products other than foreign currency options.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statements of the Purpose of, and Statutory Basis for the Proposed Rule Change

When the Philadelphia Board of Trade ("PBOT") was formed, its Board of Directors determined that, consistent with the policy of other commodity exchanges, it would be appropriate to permit non-member access to the marketplace. Since then, PBOT members have installed dedicated lines to non-PBOT members which is a permissible practice under the policy of the PBOT Board. Given the unique nature of foreign exchange markets, foreign currency options participation holders have urged the PHLX to establish a policy respecting access to the foreign currency options market which is consistent with that of the PBOT.

Pursuant to PHLX Rule 631 and 1000, the Options Committee has authority to approve applications regarding, among other things, dedicated or direct line access to the options floor. In response to the requests of participation holders, the Options Committee determined to permit dedicated or direct line access to the foreign currency floor by non-participant holders. The Board of Governors has affirmed the determination of the Options Committee.

The PHLX believes that the proposed rule change, which will facilitate transactions in foreign currency options, is consistent with Section 6(b)(5) of the Act.

B. Self-Regulatory Organizations Statement on Burden on Competition

The PHLX believes that the proposed rule change will not impose any burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or others

No comments were solicited or received by the PHLX.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve such proposed rule changes, or

(B) institute proceedings to determine whether the proposed rule changes should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submission should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street NW., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to the file number in the caption above and should be submitted by May 29, 1986.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.

Dated: May 1, 1986.

John Wheeler,

Secretary.

[FR Doc. 86-10344 Filed 5-7-86; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 35-24082]

Filings Under the Public Utility Holding Company Act of 1935 ("Act"); AEP Generating Co., et al.

May 1, 1986.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated thereunder. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendment(s) thereto is/are available for public inspection through the Commission's Office of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by May 27, 1986 to the Secretary, Securities and Exchange Commission, Washington, DC 20549, and serve a copy on the relevant applicant(s) and/or declarant(s) at the addresses specified below. Proof of service (by affidavit, or in case of an attorney at law, by certificate) should be filed with the request. Any request for hearing shall identify specifically the issues of fact or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After said date, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

AEP Generating Company (70-6860)

AEP Generating Company ("AEGCo"), 1 Riverside Plaza, Columbus, Ohio 43215, a subsidiary of American Electric Power Company, Inc., a registered holding company, has filed a post-effective amendment to its declaration in this proceeding pursuant to Section 6(a) and 7 of the Act and Rules 42(b)(2), and 50(a)(2) thereunder.

AEGCo proposes to issue up to $150 million principal amount of unsecured, fixed rate notes to banks from time to time through December 31, 1986, pursuant to one or more fixed rate term loan agreements; to enter into one or more "interest rate swap" agreements with respect to up to $150 million principal amount of unsecured notes issued or to be issued to a group of commercial banks under AEGCo's Revolving Credit Agreement ("Agreement"), dated as of March 31, 1982, as amended, between AEGCo and such banks (*See* File No. 70-6698); or to combine such borrowings which, in the aggregate, would not exceed $150 million.

The fixed rate notes will mature on a date not less than two nor more than 10 years from the date of issuance. The proceeds would be applied to refinance $150 million of borrowings under existing term loan agreements which mature during the second half of 1986.

New England Power Company (70-7208)

New England Power Company ("NEP"), 25 Research Drive, Westborough, Massachusetts 01582, a subsidiary of New England Electric System, a registered holding company, has filed with this Commission an application-declaration pursuant to Sections 6(a), 7, 9, 10, and 12(c) of the Act and Rules 42, 45, 50(a)(4), and 50(a)(5) thereunder.

NEP has requested authorization to implement a general refinancing plan which calls for the issuance of not exceeding $550 million aggregate amount securities from time to time through December 31, 1987, as market conditions warrant.

The securities comprising NEP's refinancing plan include:

(i) One or more issues of additional preferred stock with an aggregate par value not exceeding $45 million;

(ii) One or more issues of General and Refunding Mortgage Bonds ("G&R Bonds") in an aggregate principal amount not exeeding $550 million (such amount to be reduced by the aggregate par value of any additional preferred stock issued); and

(iii) One or more issues of First Mortgage Bonds in an aggregate principal amount equal to any G&R Bonds issued.

The outstanding securities which may be refinanced, in whole or in part, include: (i) Preferred Stock, 13.48% Series ($100 par), and 11.04% Series (25 par), (ii) G&R Bonds, Series E, 16%, due 2011; Series F, 16⅝%, due 2012; Series B, 9½%, due 2008; Series A, 8⅝/8%, due 2007; Series J, 10⅝%, due 2013; Series D, 9⅞8%, due 2013; and (iii) First Mortgage Bonds, Series U, 10⅞%, due 2005; Series S, 8⅞%, due 2003; Series T, 8⅜%, due 2003; and Series P, 8¾% due 1999.

NEP also seeks authorization to make a tender offer for its Series J and D G&R Bonds which are not subject to redemption, except for certain extraordinary events, until 1993. NEP also requests that it be authorized to redeem the 11.04% and 13.48% preferred stock in accordance with the redemption provisions contained in those securities.

General Public Utilities Corporation (70-7239)

General Public Utilities Corporation ("GPU"), 100 Interpace Parkway, Parsippany, New Jersey 07054, a registered holding company, has filed a declaration, pursuant to Section 12(b) of the Act and Rule 45 thereunder.

GPU Nuclear Corporation ("Nuclear"), a subsidiary of GPU, has entered into an office lease agreement commencing on August 1, 1986, for an initial period of 10 years, with two five-year renewal options. The rental and related costs are expected to aggregate approximately $45 million for the initial period. GPU proposes to guarantee Nuclear's performance of its obligations under the agreement.

Allegheney Generating Company (70-7246)

Allegheny Generating Company ("AGC"), 320 Park Avenue, New York, N.Y. 10022, an indirect, wholly-owned subsidiary of Allegheny Power System, Inc., a registered holding company, has filed a declaration pursuant to Sections 6(a) and 7 of the Act and Rule 50(a)(5) thereunder.

AGC proposes, as the initial step in its permanent financing, to issue and sell one or more series of its debentures in an aggregate principal amount not exceeding $200,000,000 under an open-end indenture. The debentures will have a maturity of between 5 and 30 years and will be sold in a public offering through underwriters. AGC proposes to negotiate the terms of the issuance and sale. It may do so.

Ohio Power Company et al. (70-7247)

Ohio Power Company ("Ohio Power"), an electric utility subsidiary of American Electric Power Company, Inc., a registered holding company, and Ohio Power's coal-mining subsidiaries, Central Ohio Coal Company ("COCCo"), Southern Ohio Coal Company ("SOCCo"), and Windsor Power House Coal Company ("Windsor") (collectively, the "Applicants"), 1 Riverside Plaza, Columbus, Ohio 43215, have filed an application-declaration pursuant to Sections 9(a), 10, and 12(b) of the Act and Rule 45 thereunder.

Each Applicant, except for Ohio Power, proposes to enter into a Master Leasing Agreement ("Leasing Agreement") with a nonassociate company ("Lessor"), pursuant to which the Lessor will commit to lease to such

companies mining equipment with a total aggregate acquisition cost not exceeding $16.5 million. The Lessors will borrow a portion of the funds required to purchase such equipment from The Prudential Insurance Company of America on a nonrecourse basis. The debt interest rate is presently assumed to be 11.25% but is subject to adjustment. Each quarterly payment of basic rent with respect to a unit of equipment covered by the Leasing Agreement will be in an amount equal to the product of (i) the basic lease rate factor applicable to that unit and (ii) the Lessor's acquisition cost. The lease rate factors will be fixed at the time of closing of the lease. Ohio Power proposes unconditionally and irrevocably to guarantee payment of all amounts payable by COCCo to any participant (other than the Applicants) under the Leasing Agreement and under certain sections of the accompanying Participation Agreement.

Consolidated Natural Gas Company (70-7252)

Consolidated Natural Gas Company ("Consolidated"), a registered holding company, Four Gateway Center, Pittsburgh, Pennsylvania 15222, has filed a declaration with this Commission pursuant to Sections 9(a) and 10 of the Act.

In order to qualify for the purchase of excess liability coverage up to a limit of $100,000,000 per year and directors and officers liability coverage ("D&O insurance") up to a limit of $50,000,000 per year in excess of all applicable D&O insurance in force from ACE Insurance Company, Ltd. ("ACE"), Consolidated proposes to purchase not more than 13,333 shares of ACE Limited ("Limited"), ACE's parent, at a price of $150 per share, for a total investment not exceeding $2,000,000. Both ACE and Limited are Cayman Islands corporations.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

John Wheeler,

Secretary.

[FR Doc. 86-10342 Filed 5-7-86; 8:45 am]

BILLING CODE 8010-01-M

[Release No. IC-15080; (812-6221)]

MONY Series Fund, Inc.; Application and Opportunity for Hearing

May 1, 1986.

Notice is hereby given that MONY Series Fund, Inc. ("Applicant"), 1740 Broadway, New York, New York 10019, filed an application on October 11, 1985, and amendments thereto on February 10, 1986, and March 5, 1986, for an order of the Commission pursuant to section 6(c) of the Investment Company Act of 1940 ("Act"), exempting Applicant from the provisions of section 2(a)(41) of the Act and Rules 2a-4 and 22c-1 under the Act to the extent necessary to permit Applicant to use the amortized cost method of valuation for short-term debt obligations held in certain of its portfolios. All interested persons are referred to the application on file with the Commission for a statement of the representations contained therein, which are summarized below, and to the Act and the rules thereunder for the text of the applicable statutory provisions.

The application states that Applicant is a corporation organized under the laws of Maryland and is registered under the Act as an open-end, diversified management company. MONY Life Insurance Company of America ("MONY America"), a wholly-owned subsidiary of The Mutual Life Insurance Company of New York ("MONY") is Applicant's investment adviser. Applicant states that it has six portfolios, interests in each of which are represented by a separate class of capital stock. Additional portfolios may be created in the future. Applicant represents that all securities issued by it (other than those sold to MONY for purposes of initial capitalization) will be sold only to separate accounts of MONY America or MONY Legacy Life Insurance Company ("MONY Legacy"), a wholly-owned subsidiary of MONY, in connection with certain flexible premium variable life insurance policies issued by MONY America and to be issued by MONY Legacy. Such separate accounts are registered under the Act as unit investment trusts. In the future, securities issued by Applicant may also be sold to other separate accounts of MONY or its subsidiaries in connection with the issuance of other variable life insurance policies or variable annuity contracts.

The application further states that Applicant, at present, relies on Rule 2a-7 under the Act, and values all short-term debt obligations held in its Money Market Portfolio on an amortized cost basis. Applicant proposes to use the amortized cost method of valuing debt obligations of one year's maturity or less held in each of its other existing portfolios and in any additional portfolios which may be created in the future. (All such portfolios that are the subject of the application are referred to as the "Subject Portfolios"). The provisions of the Act from which Applicant seeks exemption require that investment companies calculate their net asset value for the purpose of pricing their shares for sale, repurchase and redemption, by valuing at market value, and not on a amortized-cost basis, those securities in their portfolios for which market quotations are readily available.

According to Applicant, the primary concern that the Commission has expressed about use of the amortized cost method of valuation has been that this method of valuation may, in times of sharp increases or decreases in interest rates, result in dilution of the interests of shareholders in investment companies. Applicant states that in order to protect against such dilution, prior exemptions granted by the Commission and Rule 2a-7 under the Act to permit money maket funds to use amortized cost valuation contain a series of conditions designed to assure that use of the amortized cost method of valuation will not result in dilution or other unfair effects to shareholders. Applicant further states that, in connection with the valuation of short-term debt securities held in the Subject Portfolios, Applicant is willing to consent to the imposition of what are in substance the same conditions as those generally imposed by the Commission in prior exemptive orders and Rule 2a-7 under the Act, except that a stable net asset value per share will not be maintained and the deviation currently described in paragraph (a)(2) of Rule 2a-7 will be the deviation, if any, of the aggregate value of the money market portion of each Subject Portfolio calculated using available market quotations (or an appropriate substitute which reflects current market conditions) from such portion's aggregate value calculated using the amortized method of valuation.

According to Applicant, the Subject Portfolios cannot maintain a stable price per share, one of the conditions contained in the prior exemptive orders and Rule 2a-7, since they invest in common stock and intermediate and long-term bonds, as well as short-term debt obligations. Applicant submits that the use of the amortized cost method of valuation is not dependent on the maintenance of a constant net asset value per share of an investment company. Applicant submits there is no necessary relationship between use of the amortized cost valuation method and the maintenance of a stable price for each share of an investment company. Applicant asserts that previous applicants were conventional "money market" funds that wished to ensure that their shares would always be valued and redeemed at a fixed price per share. Applicant states that the

Subject Portfolios are not structured as money market funds, and Applicant does not seek to use amortized cost valuation for the short-term debt obligations held in those Portfolios in order to maintain a constant net asset value per share, but rather to achieve significant savings in its administrative costs.

Applicant submits that use of amortized valuation in connection with high-quality short-term debt securities held in the Subject Portfolios is especially unlikely to result in any dilution or other unfair effects to shareholders in the Subject Portfolios because they are investment media for flexible premium variable life insurance policies and, perhaps in the future, other variable life insurance policies and variable annuity contracts. Applicant states that the policy holders who participate in any of the Portfolios of Applicant will tend to have a longer-range investment and insurance perpective than is typical of shareholders in money market funds.

Applicant therefore requests exemptions from the provisions of Section 2(a)(41) of the Act and Rules 2a–4 and 22c–1 promulgated thereunder to the extent necessary to permit it to use the amortized cost method for valuing the money market portion of the Subject Portfolios. Applicant states it is willing to consent, with respect to the money market portion of each Subject Portfolio, abide by the conditions and definitions of Rule 2a–7 as in effect from time to time applicable to money market funds using the amortized cost method of valuation, except for the condition requiring a stable net asset value per share and the conditions requiring calculation of the extent of deviation, if any, of the current net asset value per share. At present, under Rule 2a–7 as currently in effect, the conditions that would be applicable to the money market portions of the Subject Portfolios would be as follows:

(1) With respect to the money market portion of Applicant's Subject Portfolios, in supervising the Applicant's operation and delegating special responsibilities involving portfolio management to its investment manager, Applicant's Board of Directors undertakes (as a particular responsibility within the overall duty of care owed to shareholders of Applicant) to establish procedures reasonably designed, taking into account current market conditions and such Portfolios' investment objectives, to minimize the deviation between the aggregate value of the money market portion of each such Portfolio, as computed through use of the amortized cost method of valuation, and that portion's aggregate value as determined through use of available market quotations.

(2) Included within the procedures to be adopted by the Board of Directors will be the following:

(a) The Board will adopt procedures for determining, at such intervals as it deems appropriate and as are reasonable in light of current market conditions, the extent of deviation, if any, of the aggregate value of the money market portion of each Subject Portfolio calculated using available market quotations (or an appropriate substitute which reflects current market conditions) from such portion's aggregate value calculated using the amortized cost method of valuation. To fulfill this condition, the Board will establish methods for determining appropriate indications of value reflecting current market conditions, which may include (without limitation) quotations or estimates of market value for individual portfolio instruments or values obtained from yield data relating to classes of money market instruments published by reputable sources. The Board will periodically review the amount of the deviation as well as the methods for calculating the deviation. The Fund will maintain records of the determination of such deviations and of the Board's review.

(b) In the event such deviation from the aggregate value of the money market portion of a Subject Portfolio calculated using the amortized cost method exceeds one-half of one percent (0.5%) the Board of Directors will promptly consider that action, if any, should be initiated.

(c) if the Board of Directors believes the extent of any deviation from the amortized cost value of the short-term debt portion of any Subject Portfolio may result in material dilution or other unfair results to actual or prospective contract holders (or others who may have an interest in the Portfolio), the Board will take such action as it deems appropriate to eliminate or reduce to the extent reasonably practicable such dilution or unfair results. Such action may include (without limitation): Selling short-term debt instruments prior to maturity to realize capital gains or losses or to shorten such Portfolio's average short-term debt portfolio maturity; withholding the crediting of additional shares in kind; or calculating the aggregate value of the money market protion of such Portfolio by using available market quotations (or an appropriate substitute which reflects current market conditions).

(3) (a) Subject Portfolios will use the amortized cost method of valuation only for debt securities which constitute the money market portion of the Portfolio and which meet the requirements set out below. Those securities will have a remaining maturity of one year or less. Repurchase agreements having a term of one year or less from the date of delivery of the repurchase agreement may be valued through use of the amortized cost method of valuation regardless of the maturity of the underlying securities held pursuant to the repurchase agreement. (b) Each Subject Portfolio will maintain a dollar-weighted average portfolio maturity for the money market portion of its investments (as to which it is using the amortized cost method) appropriate to its objective of minimizing the deviation from its net asset value. None of the Subject Portfolios will maintain a dollar-weighted average portfolio maturity for the money market portion of its investments which exceeds 120 days. If the disposition of a short-term debt instrument should result in a dollar-weighted average portfolio maturity for the money market portion of any Subject Portfolio which exceeds 120 days, such Portfolio's available cash will be invested in such a manner as to reduce such average maturity to 120 days or less as soon as reasonably practicable.

(c) The maturity of short-term debt securities representing the money market portion and held by Subject Portfolios shall be calculated as set forth in Rule 2a–7 under the 1940 Act in effect from time to time.

(4) The investments held in the money market portion of the Subject Portfolios as to which the amortized cost method will be used, including repurchase agreements, will be limited to those United States dollar-denominated instruments which the Board of Directors determines present minimal credit risks, and which are of high quality. For this purpose, "high quality" instruments shall mean those instruments that are rated by any major rating agency within its two highest rating categories or, in the case of any instrument that is not rated, of comparable quality as determined by the Board of Directors.

(5) The Applicant will record, maintain, and preserve permanently in an easily accessible place a written copy of the procedures (and any modifications thereto) described in subparagraph (1) above, and the Applicant will record, maintain and preserve for a period of not less than six years (the first two years in an easily accessible place) a written record of the

Board of Directors' considerations and actions taken in connection with the discharge of its responsibilities, as set forth above, to be included in the minutes of the Board of Directors' meetings. The documents preserved pursuant to this condition will be subject to inspection by the Commission in accordance with Section 31(b) of the Act, as if such documents were records required to be maintained pursuant to rules adopted under Section 31(a) of the Act.

(6) If any action was taken pursuant to paragraph 2(c) above, Applicant will report such action on Form N-SAR covering the period in which the action was taken and will attach a statement to the form describing with specificity the nature and circumstances of such action.

Notice if further given that any interested party wishing to request a hearing on the application may, not later than May 27, 1986, at 5:30 p.m., do so by submitting a written request setting forth the nature of his/her interest, the reasons for the request, and the specific issues, if any, of fact or law that are disputed, to the Secretary, Securities and Exchange Commission, Washington, DC 20549. A copy of the request should be served personally or by mail upon Applicant at the address stated above. Proof of service (by affidavit or, in the case of an attorney-at-law, by certificate) shall be filed with the request. After said date, an order disposing of the application will be issued unless the Commission orders a hearing upon request or upon its own motion.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

John Wheeler,

Secretary.

[FR Doc. 86-10343 Filed 5-7-86; 8:45 am]

BILLING CODE 8010-01-M

[File No. 22-14975]

Application and Opportunity for Hearing; ACF Industries, Inc.

May 5, 1986.

Notice is hereby given that ACF Industries, Inc. ("Company") has filed an application pursuant to clause (ii) of section 310(b)(1) of the Trust Indenture Act of 1939 ("Act") for a finding by the Securities and Exchange Commission ("Commission") that the truesteeship of Fleet National Bank ("Bank") under an indenture dated as of December 15, 1984 ("1984 Indenture") between Company and Bank which was heretofore qualified under the Act and under an indenture dated February 28, 1986 ("1986 Indenture") between Company and Bank which has not been qualified under the Act (for which, on April 29, 1986, a registration statement on Form S-2 was filed, File No. 33-5253), is not so likely to involve material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify Bank from acting as trustee under the aforementioned indenture.

Section 310(b) of the Act provides in part that if a trustee under an indenture qualified under the Act has or shall acquire any conflicting interest (as defined in the section), it shall, within ninety days after ascertaining that it has such conflicting interest, either eliminate such conflicting interest or resign. Subsection (1) of that section provides, with certain exceptions stated therein, that a trustee under a qualified indenture shall be deemed to have a conflicting interest if such trustee is trustee under another indenture of the same obligor.

The Company alleges:

(1) Company, a New Jersey corporation, on February 28, 1986, in a private placement, sold $204,000,000 aggregate principal amount of Sinking Fund Notes (the "Notes"), under an Indenture dated February 28, 1986, between the Company and Bank as trustee ("Note Indenture"). Under related Registration Rights Agreements dated February 28, 1986, Applicant agreed with the purchasers of the Notes to file on or prior to June 2, 1986 a registration statement to register the Notes pursuant to Rule 415 under the 1933 Act (for which, on April 29, 1986, a registration statement on Form S-2 was filed, File No. 33-5253).

(2) As of April 24, 1986, the Company has outstanding $406,000,000 principal amount of its Sinking Fund Debentures due 1996 ("Debentures"), issued under an Indenture dated as of December 15, 1984, between the Applicant and Fleet as trustee ("Debenture Indenture"), qualified under the Act.

(3) The Notes and the Debenture are both wholly unsecured, rank *pari passu* with each other and are issued under substantially identical Indentures. The trustee is in substantially the same position as if the Notes has been merely an increase in the amount issued under the Debenture Indenture. The rights of the Investors are substantially the same for the Notes and the Debentures. A default under one Indenture is a default under the other, and there is no question of any priority of either the Notes or the Debentures over the other. Accordingly, the existence of the two trusteeships should in no way inhibit or discourage the action of Bank as trustee under either Indenture.

(4) The Company is not in default under any of its outstanding debt instruments including the Note Indenture and the Debenture Indenture.

(5) Such differences as exist between the two Indentures are not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify Fleet from acting as trustee under either of said Indentures.

The Company has waived notice of hearing, and any and all rights to specify procedures under the Rules of Practice of the Commission in connection with this matter.

For a more detailed account of the matters of fact and law asserted, all persons are referred to said application which is on file in the Offices of the Commission's Public Reference Section, 450 Fifth Street, NW., Washington, D.C. 20549.

Notice is further given that any interested persons may, not later than May 30, 1986, request in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request and the issues of fact or law raised by said application which he desires to controvert. Any such request should be addressed: Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, D.C. 20549. At any time after said date, the Commission may issue an order granting the application upon such terms and conditions as the Commission may deem necessary or appropriate in the public interest and in the interest of investors.

For the Commission, by the Division of Corporation Finance pursuant to delegated authority.

John Wheeler,

Secretary.

[FR Doc. 86-10386 Filed 5-7-86; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

Region IX Advisory Council; Change of Meeting Date

The U.S. Small Business Administration, Region IX, located in the geographical area of Fresno, California, has changed its meeting date from Thursday, May 8, 1986, to May 22, 1986, 9:00 a.m. and will hold a public meeting at the Fresno District Office, 2202 Monterey Street, Suite 108, Fresno, California, to discuss such matters as may be presented by members, staff of the Small Business Administration and others attending.

For further information, write or call Peter Bergin, District Director, U.S. Small Business Administration, 2202 Monterey Street, Suite 108, Fresno, California 93721, (209) 487–5791.

Jean M. Nowak,

Director, Office of Advisory Councils.

April 30, 1986.

[FR Doc. 86–10356 Filed 5–7–86; 8:45 am]

BILLING CODE 8025–01–M

Region IX Advisory Council Meeting

The U.S. Small Business Administration, Region IX Advisory Council, located in the geographical area of Los Angeles, will hold a public meeting at 9:00 a.m. Friday, May 23, 1986, at the Bank of America, 13th Floor, Room F, 555 South Flower Street, Los Angeles, California 90071, to discuss such matters as may be presented by members, staff of the U.S. Small Business Administration, or other present.

For further information, write or call M. Hawley Smith, District Director, U.S. Small Business Administration, 350 South Figueroa Street, Suite #600, Los Angeles, California 90071. Telephone No. (213) 894–2977.

Jean M. Nowak,

Director, Office of Advisory Councils.

April 30, 1986

[FR Doc. 86–10357 Filed 5–7–86; 8:45 am]

BILLING CODE 8025–01–M

Region IX Advisory Council; Public Meeting

The U.S. Small Business Administration, Region IX, located in the geographical area of Honolulu, Hawaii, will hold a public meeting at 9:00 a.m. on Thursday, June 5, 1986, at the Prince Kuhio Federal Building, 300 Ala Moana Boulevard, Conference Room 5311 (5th Floor), Honolulu, Hawaii, to discuss such matters as may be presented by members, staff of the Small Business Administration and others attending.

For further information, write or call Charles T.C. Lum, District Director, U.S. Small Business Administration, 300 Ala Moana Boulevard, Room 2213, Honolulu, Hawaii 96850, (808) 546–8950.

Jean M. Nowak,

Director, Office of Advisory Councils.

April 30, 1986.

[FR Doc. 86–10358 Filed 5–7–86; 8:45 am]

BILLING CODE 8025–01–M

Region I Advisory Council; Public Meeting

The Small Business Administration Region I Advisory Council, located in the geographical area of Montpelier, Vermont, will hold a public meeting at 10:00 A.M., Wednesday, May 28, 1986, at the Vermont State Chamber of Commerce, Berlin, Vermont, to discuss such business as may be presented by members, the staff of the U.S. Small Business Administration, and others attending.

For further information, write of call David C. Emery, District Director, U.S. Small Business Administration, Federal Building, 87 State Street, P.O. Box 605, Montpelier, Vermont 05602. (802) 229–0538.

Jean M. Nowak,

Director, Office of Advisory Councils.

April 30, 1986.

[FR Doc. 86–10359 Filed 5–7–86; 8:45 am]

BILLING CODE 8025–01–M

Region X Advisory Council; Public Meeting

The U.S. Small Business Administration, Region X, located in the geographical area of Spokane, Washington, will hold a public meeting at 9:30 a.m. Friday, May 30, 1986, in Room 485, U.S. Courthouse Building, West 920 Riverside Avenue, Spokane, Washington, to discuss such matters as may be presented by members, staff of the Small Business Administration and others attending.

For further information, write or call Valmer W. Cameron, District Director, U.S. Small Business Administration, Room 651, U.S. Courthouse Building, Post Office Box 2167, Spokane, Washington 99210, telephone (509) 456–3781.

April 30, 1986.

Jean M. Nowak,

Director, Office of Advisory Councils.

FR Doc. 86–10360 Filed 5–7–86; 8:45 am]

BILLING CODE 8025–01–M

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

[Order 86–5–16]

Fitness Determination of Chicago Airlines, Inc.; Order to Show Cause

AGENCY: Department of Transportation.

ACTION: Notice of Commuter Air Carrier Fitness Determination—Order 86–5–16, Order to Show Cause.

SUMMARY: The Department of Transportation is proposing to find that Chicago Airlines, Inc. is fit, willing, and able to provide commuter air service under section 419(c)(2) of the Federal Aviation Act.

Responses: All interested persons wishing to respond to the Department of Transportation's tentative fitness determination should file their responses with the Special Authorities Division, P–47, Department of Transportation, 400 7th Street SW., Room 6420, Washington, DC 20590, and serve them on all persons listed in Attachment A to the order. Responses shall be filed no later than May 20, 1986.

FOR FURTHER INFORMATION CONTACT: Kathy A. Lusby, Special Authorities Division, Department of Transportation, 400 7th Street SW., Washington, DC 20590 (202) 755–3812.

Dated: May 2, 1986

Matthew V. Scocozza,

Assistant Secretary for Policy and International Affairs.

[FR Doc. 86–10348 Filed 5–7–86; 8:45 am]

BILLING CODE 4910–62–M

[Order 86–5–17]

Fitness Determination of LA Helicopter, Inc.; Order To Show Cause

AGENCY: Department of Transportation.

ACTION: Notice of Commuter Air Carrier Fitness Determination—Order 86–5–17, Order to Show Cause.

SUMMARY: The Department of Transportation is proposing to find that LA Helicopter is fit, willing, and able to provide commuter air service under section 419(c)(2) of the Federal Aviation Act, as amended, and that the aircraft used in this service will conform to applicable safety standards.

Responses: All interested persons wishing to respond to the Department of Transportation's tentative fitness determination should file their responses with the Special Authorities Division, P–47, Department of Transportation, 400 7th Street SW., Room 6420, Washington, DC 20590, and serve them on all persons listed in Attachment A to the order. Responses shall be filed no later than May 27, 1986.

FOR FURTHER INFORMATION CONTACT: Linda L. Lundell, Special Authorities Division, Department of Transportation, 400 7th Street SW., Washington, DC 20590 (202) 755–3812.

Dated: May 2, 1986.

Matthew V. Scocozza,

Assistant Secretary for Policy and International Affairs.

[FR Doc. 86-10349 Filed 5-7-86; 8:45 am]

BILLING CODE 4910-62-M

Federal Aviation Administration

Special Airport Traffic Area Rule at Navy Willow Grove, PA; Review of Petition

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice of determination of review.

SUMMARY: The purpose of this notice is to announce that on April 17, 1986, the Federal Aviation Administration, Eastern Region, issued a final determination that stated the following: "the initial disposition of petition to amend Part 93 of the Federal Aviation Regulations to prescribe a Special Airport Traffic Area Rule at Navy Willow Grove, Pennsylvania, issued in Washington, by the Administrator, on November 14, 1980,[1] is upheld." The determination was issued because on April 28, 1983, the Department of the Navy requested a review of civil traffic operations within the Willow Grove Airport Traffic Area to determine if the recommendations stated in the FAA denial of Special Rule Part 93 were still valid.

Accordingly, a review of air traffic procedures and an analysis of near mid-air collision data from 1982 through 1986 at Navy Willow Grove were conducted.

DATE: The determination was issued April 17, 1986.

FOR FURTHER INFORMATION CONTACT: Mr. Howard McGlauflin, Manager, Airspace and Procedures Branch, AEA-530, Air Traffic Division, Federal Aviation Administration, Fitzgerald Federal Building, John F. Kennedy International Airport, Jamaica, New York, 11430; Telephone: Commercial (718) 917-1228, FTS 667-1228.

SUPPLEMENTARY INFORMATION:

History

On September 11, 1985, a notice of Informal Airspace Meeting was published in the Federal Register to discuss the proposed estabhishment of special rules and communication requirements (50 FR 37105). An informal public airspace meeting was held at the Hatboro-Horsham Senior High School, 227 Meetinghouse Road, Horsham, Pennsylvania, on Monday, October 7, 1985. There were approximately 120 persons in attendance. The civil aviation community was representated by individual aircraft owners and representatives from Warrington and Turner Airports. The meeting was chaired by Lawrence A. Ostrowski of the Federal Aviation Administration (FAA), Airspace and Procedures Branch, Eastern Region.

Primary Aeronautical Issue

Proposed establishment of a 14 CFR Part 93 Special Air Traffic Rule and Communication requirement for persons operating aircraft to and from the Warrington and Turner Airports located within the Airport Traffic Area of the Willow Grove Naval Air Station, Pennsylvania. Establishment of a special rule would require each person operating an aircraft to or from the Warrington or Turner Airports to establish and maintain two-way radio communications with the Willow Grove Airport Traffic Control Tower; exclusion of these airports from the boundary of the ATA from the surface to 1500 feet MSL and modification of arrival/departure procedures restricting operation within the exclusion. A copy of the proposed modification was provided to attendees to assist in the evaluation of the proposal.

Discussion of Comments

Prior to opening the meeting, FAA stressed that the meeting was of an informal nature and that the purpose was to gather data relating to use of airspace by aircraft for aeronautical purposes and that no formal record would be kept. All persons present were given the opportunity to speak and present their views. Position papers and aeronautical comments relating to the proposal were submitted to the presiding officer by members of the aviation community and NAS Willow Grove Command.

Comments received from representatives of Warrington and Turner Airports, and members of the general aviation community claimed that notification of the informal airspace meeting was inadequate. The schedule of the meeting was publishd in the Federal Register on September 11, 1985 (50 FR 37105). Additionally, the FAA sent announcements to individuals, fixed-base operators, aviation organizations and to the news media organizations in each airport's area. Futhermore, a 45-day comment period was provided for Eastern Region Airspace Docket No. 83-AEA-5 in which the public could make comment to on the proposal. For the above reasons the FAA believes the opportunity was sufficient to permit full public comment on the proposal.

Turner Field, Incorporated, claimed that they would be unable to provide regular communication with arriving or departing aircraft. Transient aircraft unaware of special air traffic rules would normally make left traffic patterns around an uncontrolled airport. Since the proposal would require right traffic under specific conditions, a potentially dangerous condition would exist. The FAA does not view this situation as different from that existing at many other locations today. Through pilot education programs and experience with nonregulatory agreements, non-standard traffic patterns are an acceptable means to accomplish traffic separation within an airport traffic area.

It was generally agreed that greater emphasis should be placed on communication with the Willow Grove Control Tower. However, there was strong opposition to mandatory communication requirements; in part, commenters stated that some aircraft based at Turner and Warrington do not have radios. The Commanding Officer, NAS Willow Grove indicated in part that general aviation pilots have made contact with the Willow Grove Tower with virtually no problems. An effort of increased interest and awareness was promoted through other than regulatory channels with favorable results. Operators from both Warrington and Turner Airports agreed to meet with representatives from NAS Willow Grove to enter into an agreement to continue the program of radio contacts with the tower each time aircraft departed or arrived at these airports. In 1985 NAS Willow Grove acquired and commissioned improved radar and communications facilities and totally re-educated air traffic control facility personnel. This action favorably responds to both comments.

Other Comments

A number of other comments were received addressing matters beyond the scope of the informal airspace meeting such as control tower equipment and personnel, take-off and landing procedures at other than NAS Willow Grove, Naval authority and control tower operation at NAS Willow Grove, implied or otherwise stated violations of Federal Aviation Regulations, etc. The FAA has given consideration to all of the points raised in these comments but

[1] Not published in the **Federal Register**.

will not address them as a part of this notice.

Conclusion

Airspace is a publicly owned resource with ever increasing demands being placed upon it. The present situation is such that efficient airspace management is incumbent upon all airspace managers to gain maximum use of the resource without placing an undue burden upon the public. This responsibility requires that all airspace users be given fair and equitable access commensurate with their operational requirements.

The FAA Eastern Region, after completing a comprehensive analysis of a proposed exclusion of Warrington and Turner Airports concluded that civil aviation pilots such as those operating from Warrington and Turner Airports do not constitute a major problem from a safety standpoint.

The FAA reviewed the incident reports submitted by Navy Willow Grove, but was unable to determine whether the unknown aircraft were operating to or from other airports in the Willow Grove ATA. If the aircraft were enroute through the ATA and were not taking off or landing at a non-tower airport in the ATA, the pilots should have obtained ATC authorization from the tower. Under those circumstances, a Special Rule would not have avoided ATC conflict because FAR Section 91.85 already requires pilots of aircraft traversing the ATA to obtain ATC authorization.

With respect to the possible effect a Part 93 rule would have on unauthorized penetration of the ATA, the FAA considers it unlikely that a special communications rule would reduce the incidents of unscheduled, mistaken, emergency or unauthorized operations within the Navy Willow Grove ATA or increase the level of flight safety in that area. The request for review of rulemaking and the nonrulemaking actions taken thus far appear to have had a positive effect in reducing alleged air traffic incidents of the type cited by the Department of the Navy. The type of cooperation and team spirit exhibited at pilot educational clinics in and around the Willow Grove area illustrates that potential traffic conflicts can be significantly reduced and an adequate level of flight safety maintained through nonregulatory means.

The FAA also concludes that adoption of a regulation largely directed toward specific users is inappropriate if adequate nonregulatory alternatives exist. In consideration of the foregoing, the initial disposition of petition to amend Part 93 of the Federal Aviation Regulations to prescribe a Special Airport Traffic Area Rule at Navy Willow Grove, Pennsylvania, issued in Washington, by the Administrator, on November 14, 1980, is upheld by the FAA Eastern Region.

Issued in Jamaica, New York, on April 28, 1986.

Edmund Spring,

Manager, Air Traffic Division.

[FR Doc. 86-10261 Filed 5-7-86; 8:45 am]

BILLING CODE 4910-13-M

DEPARTMENT OF THE TREASURY

Office of the Secretary

[Department Circular—Public Debt Series—No. 16-86]

Treasury Notes of May 15, 1989, Series R-1989

Washington, May 1, 1986.

1. Invitation for Tenders

1.1. The Secretary of the Treasury, under the authority of Chapter 31 of Title 31, United States Code, invites tenders for approximately $9,000,000,000 of United States securities, designated Treasury Notes of May 15, 1989, Series R-1989 (CUSIP No. 912827 TP 7), hereafter referred to as Notes. The Notes will be sold at auction, with bidding on the basis of yield. Payment will be required at the price equivalent of the yield of each accepted bid. The interest rate on the Notes and the price equivalent of each accepted bid will be determined in the manner described below. Additional amounts of the Notes may be issued to Government accounts and Federal Reserve Banks for their own account in exchange for maturing Treasury securities. Additional amounts of the Notes may also be issued at the average price to Federal Reserve Banks, as agents for foreign and international monetary authorities.

2. Description of Securities

2.1. The Notes will be dated May 15, 1986, and will accrue interest from that date, payable on a semiannual basis on November 15, 1986, and each subsequent 6 months on May 15, and November 15 through the date that the principal becomes payable. They will mature May 15, 1989, and will not be subject to call for redemption prior to maturity. In the event any payment date is a Saturday, Sunday, or other non-business day, the amount due will be payable (without additional interest) on the next-succeeding business day.

2.2. The Notes are subject to all taxes imposed under the Internal Revenue Code of 1954. The Notes are exempt from all taxation now or hereafter imposed on the obligation or interest thereof by any State, any possession of the United States, or any local taxing authority, except as provided in 31 U.S.C. 3124.

2.3. The Notes will be acceptable to secure deposits of Federal public monies. They will not be acceptable in payment of Federal taxes.

2.4. Notes in registered definitive form will be issued in denominations of $5,000, $10,000, $100,000, and $1,000,000. Notes in book-entry form will be issued in multiples of those amounts. Notes will not be issued in bearer form.

2.5. Denominational exchanges of registered definitive Notes, exchanges of Notes between registered definitive and book-entry forms, and transfers will be permitted.

2.6. The Department of the Treasury's general regulations governing United States securities apply to the Notes offered in this circular. These general regulations include those currently in effect, as well as those that may be issued at a later date.

3. Sale Procedures

3.1. Tenders will be received at Federal Reserve Banks and Branches and at the Bureau of the Public Debt, Washington, DC 20239, prior to 1:00 p.m., Eastern Daylight Saving Time, Tuesday, May 6, 1986. Noncompetitive tenders as defined below will be considered timely if postmarked no later than Monday, May 5, 1986, and received no later than Thursday, May 15, 1986.

3.2. The par amount of Notes bid for must be stated on each tender. The minimum bid is $5,000, and larger bids must be in multiples of that amount. Competitive tenders must also show the yield desired, expressed in terms of an annual yield with two decimals, e.g., 7.10%. Fractions may not be used. Noncompetitive tenders must show the term "noncompetitive" on the tender form in lieu of a specified yield.

3.3. A single bidder, as defined in Treasury's single bidder guidelines, shall not submit noncompetitive tender totaling more than $1,000,000. A noncompetitive bidder may not have entered into an agreement, nor make an agreement to purchase or sell or otherwise dispose of any noncompetitive awards of this issue prior to the deadline for receipt of tenders.

3.4. Commercial banks, which for this purpose are defined as banks accepting demand deposits, and primary dealers, which for this purpose are defined as dealers who make primary markets in Government securities and are on the

list of reporting dealers published by the Federal Reserve Bank of New York, may submit tenders for accounts of customers if the names of the customers and the amount for each customer are furnished. Others are permitted to submit tenders only for their own account.

3.5. Tenders for their own account will be received without deposit from commercial banks and other banking institutions; primary dealers, as defined above; Federally-insured savings and loan associations; States, and their political subdivisions or instrumentalities; public pension and retirement and other public funds; international organizations in which the United States holds membership; foreign central banks and foreign states; Federal Reserve Banks; and Government accounts. Tenders from all others must be accompanied by full payment for the amount of Notes applied for, or by a guarantee from a commercial bank or a primary dealer of 5 percent of the par amount applied for.

3.6. Immediately after the deadline for receipt of tenders, tenders will be opened, followed by a public announcement of the amount and yield range of accepted bids. Subject to the reservations expressed in Section 4, noncompetitive tenders will be accepted in full, and then competitive tenders will be accepted, starting with those at the lowest yields, through successively higher yields to the extent required to attain the amount offered. Tenders at the highest accepted yield will be prorated if necessary. After the determination is made as to which tenders are accepted, an interest rate will be established, at a ⅛ of one percent increment, which results in an equivalent average accepted price close to 100.000 and a lowest accepted price above the original issue discount limit of 99.250. That stated rate of interest will be paid on all of the Notes. Based on such interest rate, the price on each competitive tender allotted will be determined and each successful competitive bidder will be required to pay the price equivalent to the yield bid. Those submitting noncompetitive tenders will pay the price equivalent to the weighted average yield of accepted competitive tenders. Price calculations will be carried to three decimal places on the basis of price per hundred, e.g., 99.923, and the determinations of the Secretary of the Treasury shall be final. If the amount of noncompetitive tenders received would absorb all or most of the offering, competitive tenders will be accepted in an amount sufficient to provide a fair determination of the yield. Tenders received from Government accounts and Federal Reserve Banks will be accepted at the price equivalent to the weighted average yield of accepted competitive tenders.

3.7. Competitive bidders will be advised of the acceptance of their bids. Those submitting noncompetitive tenders will be notified only if the tender is not accepted in full, or when the price at the average yield is over par.

4. Reservations

4.1. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders in whole or in part, to allot more or less than the amount of Notes specified in section 1, and to make different percentage allotments to various classes of applicants when the Secretary considers it in the public interest. The Secretary's action under this section is final.

5. Payment and Delivery

5.1. Settlement for the Notes allotted must be made at the Federal Reserve Bank or Branch or at the Bureau of the Public Debt, wherever the tender was submitted. Settlement on Notes allotted to institutional investors and to others whose tenders are accompanied by a guarantee as provided in section 3.5. must be made or completed on or before Thursday, May 15, 1986. Payment in full must accompany tenders submitted by all other investors. Payment must be in cash; in other funds immediately available to the Treasury; in Treasury bills, notes, or bonds maturing on or before the settlement date but which are not overdue as defined in the general regulations governing United States securities; or by check drawn to the order of the institution to which the tender was submitted, which must be received from institutional investors no later than Tuesday, May 13, 1986. In addition, Treasury Tax and Loan Note Option Depositaries may make payment for the Notes allotted for their own accounts and for accounts of customers by credit to their Treasury Tax and Loan Note Accounts on or before Thursday, May 15, 1986. When payment has been submitted with the tender and the purchase price of the Notes allotted is over par, settlement for the premium must be completed timely, as specified above. When payment has been submitted with the tender and the purchase price is under par, the discount will be remitted to the bidder.

5.2. In every case where full payment has not been completed on time, an amount of up to 5 percent of the par amount of Notes allotted shall, at the discretion of the Secretary of the Treasury, be forfeited to the United States.

5.3. Registered definitive securities tendered in payment for the Notes allotted are not required to be assigned if the new Notes are to be registered in the same names and forms as appear in the registrations or assignments of the securities surrendered. When the new Notes are to be registered in names and forms different from those in the inscriptions or assignments of the securities presented, the assignment should be to "The Secretary of the Treasury for (Notes offered by this circular) in the name of (name and taxpayer identifying number)". Specific instructions for the issuance and delivery of the new Notes, signed by the owner or authorized representative, must accompany the securities presented. Securities tendered in payment must be delivered at the expense and risk of the holder.

5.4. Registered definitive Notes will not be issued if the appropriate identifying number as required on tax returns and other documents submitted to the Internal Revenue Service (e.g., an individual's social security number or an employer identification number) is not furnished. Delivery of the Notes in registered definitive form will be made after the requested form of registration has been validated, the registered interest account has been established, and the Notes have been inscribed.

6. General Provisions

6.1. As fiscal agents of the United States, Federal Reserve Banks are authorized, as directed by the Secretary of the Treasury, to receive tenders, to make allotments, to issue such notices as may be necessary, to receive payment for, to issue and deliver the Notes on full-paid allotments, and to maintain, service, and make payment on the Notes.

6.2. The Secretary of the Treasury may at any time supplement or amend provisions of this circular if such supplements or amendments do not adversely affect existing rights of holders of the Notes. Public announcement of such changes will be promptly provided.

6.3. The Notes issued under this circular shall be obligations of the United States, and, therefore, the faith of the United States Government is pledged to pay, in legal tender, principal and interest on the Notes.

Gerald Murphy,

Fiscal Assistant Secretary.

[FR Doc. 86-10415 Filed 5-6-86; 11:37 am]

BILLING CODE 4810-40-M

[Department Circular—Public Debt Series—No. 17-86]

Treasury Notes of May 15, 1986, Series C-1996

Washington, May 1, 1986.

1. Invitation of Tenders

1.1. The Secretary of the Treasury, under the authority of Chapter 31 of Title 31, United States Code, invites tenders for approximately $9,000,000,000 of United States securities, designated Treasury Notes of May 15, 1996, Series C-1996 (CUSIP No. 912827 TQ 5), hereafter referred to as Notes. The Notes will be sold at auction, with bidding on the basis of yield. Payment will be required at the price equivalent of the yield of each accepted bid. The interest rate on the Notes and the price equivalent of each accepted bid will be determined in the manner described below. Additional amounts of the Notes may also be issued to Government accounts and Federal Reserve Banks of their own account in exchange for maturing Treasury securities. Additional amounts of the Notes may also be issued at the average price to Federal Reserve Banks, as agents for foreign and international monetary authorities.

2. Description of Securities

2.1. The Notes will be dated May 15, 1986, and will accrue interest from that date, payable on a semiannual basis on November 15, 1986, and each subsequent 6 months on May 15 and November 15 through the date that the principal becomes payable. They will mature May 15, 1996, and will not be subject to call for redemption prior to maturity. In the event any payment date is a Saturday, Sunday, or other nonbusiness day, the amount due will be payable (without additional interest) on the next-succeeding business day.

2.2 The Notes are subject to all taxes imposed under the Internal Revenue Code of 1954. The notes are exempt from all taxation now or hereafter imposed on the obligation or interest thereof by any State, any possession of the United States, or any local taxing authoirty, except as provided in 31 U.S.C. 3124.

2.3. The Notes will acceptable to secure deposits of Federal public monies. They will not be acceptable in payment of Federal taxes.

2.4. Notes in registered definitive form will be issued in denominations of $1,000 $5,000, $10,000, $100,000, and $1,000,000. Notes in book-entry form will be issued in multiples of those amounts. Notes will not be issued in bearer form.

2.5. Denominational exchanges of registered definitive Notes, exchanges of Notes between registered definitive and book-entry forms, and transfers will be permitted.

2.6. A book-entry Note may be held in its fully constituted form or it may be divided into its separate Principal and Interest Components and maintained as such on the book-entry records of the Federal Reserve Banks, acting as fiscal agents of the United States. The provisions specifically applicable to the separation, maintenance, and transfer of Principal and Interest Components are set forth in Section 6 of this circular. Subsections 2.1. through 2.5. of this section are descriptive of Notes in their fully constituted form; the description of the separate Principal and Interest Components is set forth in Section 6 of this circular.

2.7. The Department of the Treasury's general regulations governing United States securities apply to the Notes offered in this circular. These general regulations include those currently in effect, as well as those that may be issued at a later date.

3. Sale Procedures

3.1. Tenders will be received at Federal Reserve Banks and Branches and at the Bureau of the Public Debt, Washington, D.C. 20239, prior to 1:00 p.m., Eastern Daylight Saving time, Wednesday, May 7, 1986. Noncompetitive tenders as defined below will be considered timely if postmarked no later than Tuesday, May 6, 1986, and received no later than Thursday, May 15, 1986.

3.2. The par amount of Notes bid for must be stated on each tender. The minimum bid is $1,000, and larger bids must be in multiples of that amount. Competitive tenders must also show the yield desired, expressed in terms of an annual yield with two decimals, e.g., 7.10%. Fractions may not be used. Noncompetitive tenders must show the term "noncompetitive" on the tender form in lieu of a specified yield.

3.3. A single bidder, as defined in Treasury's single bidder guidelines, shall not submit noncompetitive tenders totaling more than $1,000,000. A noncompetitive bidder may not have entered into an agreement, nor make an agreement to purchase or sell or otherwise dispose of any noncompetitive awards of this issue prior to the deadline for receipt of tenders.

3.4. Commercial banks, which for this purpose are defined as banks accepting demand deposits, and primary dealers, which for this purpose are defined as dealers who make primary markets in Government securities and are on the list of reporting dealers published by the Federal Reserve Bank of New York, may submit tenders for accounts of customers if the names of the customers and the amount for each customer are furnished. Others are permitted to submit tenders only for their own account.

3.5. Tenders for their own account will be received without deposit from commercial banks and other banking institutions; primary dealers, as defined above; Federally-insured savings and loan associations; States, and their political subdivisions or instrumentalities; public pension and retirement and other public funds; international organizations in which the United States holds membership; foreign central banks and foreign states; Federal Reserve Banks; and Government accounts. Tenders from all others must be accompanied by full payment for the amount of Notes applied for, or by a guarantee from a commercial bank or a primary dealer of 5 percent of the par amount applied for.

3.6. Immediately after the deadline for receipt of tenders, tenders will be opened, followed by a public announcement of the amount and yield range of accepted bids. Subject to the reservations expressed in Section 4, noncompetitive tenders will be accepted in full, and then competitive tenders will be accepted, starting with those at the lowest yields, through successively higher yields to the extent required to attain the amount offered. Tenders at the highest accepted yield will be prorated if necessary. After the determination is made as to which tenders are accepted, an interest rate will be established, at a ⅛ of one percent increment, which results in an equivalent average accepted price close to 100.000 and a lowest accepted price above the original issue discount limit of 97.500. That stated rate of interest will be paid on all of the Notes. Based on such interest rate, the price on each competitive tender allotted will be determined and each successful competitive bidder will be required to pay the price equivalent to the yield bid. Those submitting noncompetitive tenders will pay the price equivalent to the weighted average yield of accepted competitive tenders. Price calculations will be carried to three decimal places on the basis of price per hundred, e.g., 99.923, and the determinations of the Secretary of the Treasury shall be final. If the amount of noncompetitive tenders received would absorb all or most of the offering, competitive tenders will be accepted in an amount sufficient to provide a fair determination of the yield. Tenders received from Government accounts and Federal Reserve Banks

will be accepted at the price equivalent to the weighted average yield of accepted competitive tenders.

3.7. Competitive bidders will be advised of the acceptance of their bids. Those submitting noncompetitive tenders will be notified only if the tender is not accepted in full, or when the price at the averge yield is over par.

4. Reservations

4.1. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders in whole or in part, to allot more or less than the amount of Notes specified in Section 1, and to make different percentage allotments to various classes of applicants when the Secretary considers it is in the public interest. The Secretary's action under this Section is final.

5. Payment and Delivery

5.1. Settlement for the Notes allotted must be made at the Federal Reserve Bank or Branch or at the Bureau of the Public Debt, wherever the tender was submitted. Settlement on Notes allotted to institutional investors and to others whose tenders are accompanied by a guarantee as provided in Section 3.5. must be made or completed on or before Thursday, May 15, 1986. Payment in full must accompany tenders submitted by all other investors. Payment must be in cash; in other funds immediately available to the Treasury; in Treasury bills, notes, or bonds maturing on or before the settlement date but which are not overdue as defined in the general regulations governing United States securities; or by check drawn to the order of the institution to which the tender was submitted, which must be received from institutional investors no later than Tuesday, May 13, 1986. In addition, Treasury Tax and Loan Note Option Depositaries may make payment for the Notes allotted for their own accounts and for accounts of customers by credit to their Treasury Tax and Loan Note Accounts on or before Thursday, May 15, 1986. When payment has been submitted with the tender and the purchase price of the Notes allotted is over par, settlement for the premium must be completed timely, as specified above. When payment has been submitted with the tender and the purchase price is under par, the discount will be remitted to the bidder.

5.2. In every case where full payment has not been completed on time, an amount of up to 5 percent of the par amount of Notes allotted shall, at the discretion of the Secretary of the Treasury, be forfeited to the United States.

5.3. Registered definitive securities tendered in payment for the Notes allotted are not required to be assigned if the new Notes are to be registered in the same names and forms as appear in the registrations or assignments of the securities surrendered. When the new Notes are to be registered in names and forms different from those in the inscriptions or assignments of the securities presented, the assignment should be to "The Secretary of the Treasury for (Notes offered by this circular) in the name of (name and taxpayer identifying number)". Specific instructions for the issuance and delivery of the new Notes, signed by the owner or authorized representative, must accompany the securities presented. Securities tendered in payment must be delivered at the expense and risk of the holder.

5.4. Registered definitive Notes will not be issued if the appropriate identifying number as required on tax returns and other documents submitted to the Internal Revenue Service (e.g., and individual's social security number or an employer identification number) is not furnished. Delivery of the Notes in registered definitive form will be made after the requested form of registration has been validated, the registered interest account has been established, and the Notes have been inscribed.

6. Separability of Principal and Interest

6.1. Under the Treasury's STRIPS program (Separate Trading of Registered Interest and Principal of Securities), a book-entry Note may be divided into its separate components and maintained as such on the book-entry records of the Federal Reserve Banks, acting as Fiscal Agents of the United States. The components of a Note are: each future semiannual interest payment (hereafter referred to as an Interest Component); and the principal payment (hereafter referred to as the Principal Component). Each Interest Component and Principal Component shall have its own CUSIP number and designation, which are set forth in Attachment A hereto.

6.2. In order for a book-entry Note to be separated into the components described in Section 6.1., the par amount of the Note must be in an amount which, based on the stated interested rate of the Note, will produce a semiannual interest payment of $1,000 or a multiple of $1,000. The minimum and multiple par amount required to obtain the separate components for this offering will be provided in the public announcement of the amount and yield range of accepted bids for the Notes. The chart in Attachment B hereto provides the minimum and multiple par amounts required to separate a security into components at various stated interest rates.

6.3. Only Notes in book-entry form may be separated into their components. Such separation may be effected at any time from the issue date until maturity. A request to obtain the separate components must be made to the Federal Reserve Bank maintaining the account for the book-entry Notes. Normally, any such request shall be executed by the Federal Reserve Bank within 3 business days after it is received.

6.4. The Principal Component will be payable on May 15, 1996.

6.5. Each Interest Component will be payable on its particular due date designated in Attachment A hereto.

6.6. In the event any payment date is a Saturday, Sunday, or other nonbusiness day, the amount due will be payable (without additional interest) on the next-succeeding business day.

6.7. Once a book-entry Note has been separated into its components, each Interest Component and the Principal Component may be maintained and transferred in multiples of $1,000, regardless of the par amount initially required for separation or the resulting amount of each Interest Component.

6.8. Interest Components and Principal Components may be held only in book-entry form.

6.9. Once there is a disposition of any amount of an Interest Component or of a Principal Component, the holder of the Note will be considered for tax purposes to have stripped the amount of principal allocable to the amount of the components disposed of as of the date such first disposition occurs. Both the retained amount allocable to the stripped principal and the amount disposed of are thereafter treated as discount obligations, and the holders of such are subject to periodic income inclusion and other provisions of the Internal Revneue Code of 1954.

6.10. Interest Components and Principal Components in multiples of $1,000 will be acceptable to secure deposits of Federal public monies at such time and such value as will be determined by the Secretary of the Treasury. They will not be acceptable in payment of Federal taxes.

6.11. Unless otherwise provided in this offering circular, the Department of the Treasury's general regulations governing United States securities apply to the Notes separated into their components.

7. General Provisions

7.1. As fiscal agents of the United States, Federal Reserve Banks are

authorized, as directed by the Secretary of the Treasury, to receive tenders, to make allotments, to issue such notices as may be necessary, to receive payment for, to issue and deliver the Note of full-paid allotments, and to maintain, service, and make payment on the Notes.

7.2. The Secretary of the Treasury may at any time supplement or amend provisions of this circular if such supplements or amendments do not adversely affect existing rights of holders of the Notes. Public announcement of such changes will be promptly provided.

7.3. The Notes issued under this circular shall be obligations of the United States, whether held in the fully constituted form or as separate Interest and Principal Components, and, therefore, the faith of the United States Government is pledged to pay, in legal tender, principal and interest on the Notes.

7.4. Attachments A and B are incorporated as part of this circular.

Gerald Murphy,

Fiscal Assistant Secretary.

CUSIP NUMBERS AND DESIGNATIONS FOR THE PRINCIPAL COMPONENT AND INTEREST COMPONENTS OF TREASURY NOTES OF MAY 15, 1996, SERIES C-1996, CUSIP NO. 912827 TQ 5

The Principal Component is designated (Interest Rate) Treasury Principal (TPRN) Series C-1996 due May 15, 1996, CUSIP No. 912820 AG 2.

INTEREST COMPONENTS

DESIGNATION	CUSIP NUMBER 912833	DESIGNATION	CUSIP NUMBER 912833
Treasury Interest (TINT) due		**Treasury Interest (TINT) due**	
November 15, 1986	EH 9	November 15, 1991	ET 3
May 15, 1987	EJ 5	May 15, 1992	EU 0
November 15, 1987	EK 2	November 15, 1992	EV 8
May 15, 1988	EL 0	May 15, 1993	EW 6
November 15, 1988	EM 8	November 15, 1993	EX 4
May 15, 1989	EN 6	May 15, 1994	EY 2
November 15, 1989	EP 1	November 15, 1994	EZ 9
May 15, 1990	EQ 9	May 15, 1995	FA 3
November 15, 1990	ER 7	November 15, 1995	FB 1
May 15, 1991	ES 5	May 15, 1996	FC 9

BILLING CODE 4810-40-M

ATTACHMENT B

MINIMUM FACE AMOUNTS WHICH ARE MULTIPLES OF $1000 REQUIRED IN ORDER TO PRODUCE INTEREST PAYMENTS THAT ARE MULTIPLES OF $1000.

COUPON (%)	MINIMUM FACE ($)	INTEREST PAYMENT ($)	COUPON (%)	MINIMUM FACE ($)	INTEREST PAYMENT ($)	COUPON (%)	MINIMUM FACE ($)	INTEREST PAYMENT ($)
5.000	40000.00	1000.00	10.125	1600000.00	81000.00	15.250	800000.00	61000.00
5.125	1600000.00	41000.00	10.250	800000.00	41000.00	15.375	1600000.00	123000.00
5.250	800000.00	21000.00	10.375	1600000.00	83000.00	15.500	400000.00	31000.00
5.375	1600000.00	43000.00	10.500	400000.00	21000.00	15.625	64000.00	5000.00
5.500	400000.00	11000.00	10.625	320000.00	17000.00	15.750	800000.00	63000.00
5.625	320000.00	9000.00	10.750	800000.00	43000.00	15.875	1600000.00	127000.00
5.750	800000.00	23000.00	10.875	1600000.00	87000.00	16.000	25000.00	2000.00
5.875	1600000.00	47000.00	11.000	200000.00	11000.00	16.125	1600000.00	129000.00
6.000	100000.00	3000.00	11.125	1600000.00	89000.00	16.250	160000.00	13000.00
6.125	1600000.00	49000.00	11.250	160000.00	9000.00	16.375	1600000.00	131000.00
6.250	32000.00	1000.00	11.375	1600000.00	91000.00	16.500	400000.00	33000.00
6.375	1600000.00	51000.00	11.500	400000.00	23000.00	16.625	1600000.00	133000.00
6.500	400000.00	13000.00	11.625	1600000.00	93000.00	16.750	800000.00	67000.00
6.625	1600000.00	53000.00	11.750	800000.00	47000.00	16.875	320000.00	27000.00
6.750	800000.00	27000.00	11.875	320000.00	19000.00	17.000	200000.00	17000.00
6.875	320000.00	11000.00	12.000	50000.00	3000.00	17.125	1600000.00	137000.00
7.000	200000.00	7000.00	12.125	1600000.00	97000.00	17.250	800000.00	69000.00
7.125	1600000.00	57000.00	12.250	800000.00	49000.00	17.375	1600000.00	139000.00
7.250	800000.00	29000.00	12.375	1600000.00	99000.00	17.500	80000.00	7000.00
7.375	1600000.00	59000.00	12.500	16000.00	1000.00	17.625	1600000.00	141000.00
7.500	80000.00	3000.00	12.625	1600000.00	101000.00	17.750	800000.00	71000.00
7.625	1600000.00	61000.00	12.750	800000.00	51000.00	17.875	1600000.00	143000.00
7.750	800000.00	31000.00	12.875	1600000.00	103000.00	18.000	100000.00	9000.00
7.875	1600000.00	63000.00	13.000	200000.00	13000.00	18.125	320000.00	29000.00
8.000	25000.00	1000.00	13.125	320000.00	21000.00	18.250	800000.00	73000.00
8.125	320000.00	13000.00	13.250	800000.00	53000.00	18.375	1600000.00	147000.00
8.250	800000.00	33000.00	13.375	1600000.00	107000.00	18.500	400000.00	37000.00
8.375	1600000.00	67000.00	13.500	400000.00	27000.00	18.625	1600000.00	149000.00
8.500	400000.00	17000.00	13.625	1600000.00	109000.00	18.750	32000.00	3000.00
8.625	1600000.00	69000.00	13.750	160000.00	11000.00	18.875	1600000.00	151000.00
8.750	160000.00	7000.00	13.875	1600000.00	111000.00	19.000	200000.00	19000.00
8.875	1600000.00	71000.00	14.000	100000.00	7000.00	19.125	1600000.00	153000.00
9.000	200000.00	9000.00	14.125	1600000.00	113000.00	19.250	800000.00	77000.00
9.125	1600000.00	73000.00	14.250	800000.00	57000.00	19.375	320000.00	31000.00
9.250	800000.00	37000.00	14.375	320000.00	23000.00	19.500	400000.00	39000.00
9.375	64000.00	3000.00	14.500	400000.00	29000.00	19.625	1600000.00	157000.00
9.500	400000.00	19000.00	14.625	1600000.00	117000.00	19.750	800000.00	79000.00
9.625	1600000.00	77000.00	14.750	800000.00	59000.00	19.875	1600000.00	159000.00
9.750	800000.00	39000.00	14.875	1600000.00	119000.00	20.000	10000.00	1000.00
9.875	1600000.00	79000.00	15.000	40000.00	3000.00	20.125	1600000.00	161000.00
10.000	20000.00	1000.00	15.125	1600000.00	121000.00	20.250	800000.00	81000.00

[FR Doc. 86–10416 Filed 5–6–86; 11:37 am]
BILLING CODE 4810-40-C

[Department Circular—Public Debt Series—No. 18-86]

Treasury Bonds of 2016

Washington, May 1, 1986.

1. Invitation for Tenders

1.1. The Secretary of the Treasury, under the authority of Chapter 31 of Title 31, United States Code, invites tenders for approximately $9,000,000,000 of United States securities, designated Treasury Bonds of 2016 (CUSIP No. 912810 DW 5), hereafter referred to as Bonds. The Bonds will be sold at auction,with bidding on the basis of yield. Payment will be required at the price equivalent of the yield of each accepted bid. The interest rate on the Bonds and the price equivalent of each accepted bid will be determined in the manner described below. Additional amounts of the Bonds may be issued to Government accounts and Federal Reserve Banks for their own account in exchange for maturing Treasury securities. Additional amounts of the Bonds may also be issued at the average price to Federal Reserve Banks, as agents for foreign and international monetary authorities

2. Description of Securities

2.1. The Bonds will be dated May 15, 1986, and will accrue interest from that date, payable on a seminannual basis on November 15, 1986, and each subsequent 6 months on May 15 and November 15 through the date that the principal becomes payable. They will mature May 15, 2016, and will not be subject to call for redemption prior to maturity. In the event any payment date is a Saturday, Sunday, or other non-business day, the amount due will be payable (without additional interest) on the next-succeeding business day.

2.2 The Bonds are subject to all taxes imposed under the Internal Revenue Code of 1954. The Bonds are exempt from all taxation now or hereafter imposed on the obligation or interest thereof by any State, any possession of the United States, or any local taxing authority, except as provided in 31 U.S.C. 3124.

2.3. The Bonds will be acceptable to secure deposits of Federal public monies. They will not be acceptable in payment of Federal taxes.

2.4. Bonds in registered definitive form will be issued in denominations of $1,00, $5,000, $10,000, $100,000, and $1,000,000. Bonds in book-entry form will be issued in multiples of those amounts. Bonds will not be issued in bearer form.

2.5. Denominational exchanges of registered definitive Bonds, exchanges of Bonds between registered definitive and book-entry forms, and transfers will be permitted.

2.6. A book-entry Bond may be held in its fully constituted form or it may be divided into its separate Principal and Interest Components and maintained as such on the book-entry records of the Federal Reserve Banks, acting as fiscal agents of the United States. The provisions specifically applicable to the separation, maintenance, and transfer of Principal and Interest Components are set forth in Section 6 of this circular. subsections 2.1. through 2.5. of this section are descriptive of Bonds in their fully constituted form; the description of the separate Principal and Interest Components is set forth in Section 6 of this circular.

2.7. The Department of the Treasury's general regulations governing United States securities apply to the Bonds offered in this circular. These general regulations include those currently in effect, as well as those that may be issued at a later date.

3. Sale Procedures

3.1. Tenders will be received at Federal Banks and Branches and at the Bureau of the Public Debt, Washington, D.C. 20239, prior to 1:00 p.m., Eastern Daylight Saving time, Thursday, May 8, 1986. Noncompetitive tenders as defined below will be considered timely if postmarked no later than Wednesday, May 7, 1986, and received no later than Thursday, May 15, 1986.

3.2. The par amount of Bonds bid for must be stated on each tender. The minimum bid is $1,000, and larger bids must be in multiples of that amount. competitive tenders must also show the yield desired, expressed in terms of an annual yield with two decimals, e.g., 7.10%. Fractions may not be used. Noncompetitive tenders must show the term "noncompetitive" on the tender form in lieu of a specified yield.

3.3. A single bidder, as defined in Treasury's single bidder guidelines, shall not submit noncompetitive tenders totaling more than $1,000,000. A noncompetitive bidder may not have entered into an agreement, nor make an agreement to purchase or sell or otherwise dispose of any noncompetitive awards of this issue prior to the deadline for receipt of tenders.

3.4. Commercial banks, which for this purpose are defined as banks accepting demand deposits, and primary dealers, which for this purpose are defined as dealers who make primary markets in Government securities and are on the list of reporting dealers published by the Federal Reserve Bank of New York, may submit tenders for accounts of customers if the names of the customers and the amount for each customer are furnished. Others are permitted to submit tenders only for their own account.

3.5. Tenders for their own account will be received without deposit from commercial banks and other banking institutions; primary dealers, as defined above; Federally-insured savings and loan associations; States, and their political subdivisions or instrumentalities; public pension and retirement and other public funds; international organizations in which the United States holds membership; foreign central banks and foreign states; Federal Reserve Banks; and Government accounts. Tenders from all others must be accompanied by full payment for the amount of Bonds applied for, or by a guarantee from a commercial bank or a primary dealer for 5 percent of the par amount applied for.

3.6. Immediately after the deadline for receipt of tenders, tenders will be opened, followed by a public announcement of the amount and yield range of accepted bids. Subject to the reservations expressed in Section 4, noncompetitive tenders will be accepted in full, and then competitive tenders will be accepted, starting with those at the lowest yields, through successively higher yields to the extent required to attain the amount offered. Tenders at the highest accepted yield will be prorated if necessary. After the determination is made as to which tenders are accepted, an interest rate will be established, at a ⅛ of one percent increment, which results in an equivalent average accepted price close to 100.000 and a lowest accepted price above the original issue discount limit of 92.500. That stated rate of interest will be paid on all of the Bonds. Based on such interest rate, the price of each competitive tender allotted will be determined and each successful competitive bidder will be required to pay the price equivalent to the yield bid. Those submitting noncompetitive tenders will pay the price equivalent to the weighted average yield of accepted competitive tenders. Price calculations will be carried to three decimal places on the basis of price per hundred, e.g., 99.923, and the determinations of the Secretary of the Treasury shall be final. If the amount of noncompetitive tenders received would absorb all or most of the offering, competitive tenders will be accepted in an amount sufficient to provide a fair determination of the yield. Tenders received from Government accounts and Federal Reserve Banks will be accepted at the price equivalent

to the weighted average yield of accepted competitive tenders.

3.7. Competitive bidders will be advised of the acceptance of their bids. Those submitting noncompetitive tenders will be notified only if the tender is not accepted in full, or when the price at the average yield is over par.

4. Reservations

4.1. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders in whole or in part, to allot more or less than the amount of Bonds specified in Section 1, and to make different percentage allotments to various classes of applicants when the Secretary considers it in the public interest. The Secretary's action under this Section is final.

5. Payment and Delivery

5.1. Settlement for the Bonds allotted must be made at the Federal Reserve Bank or Branch or at the Bureau of the Public Debt, wherever the tender was submitted. Settlement on Bonds allotted to institutional investors and to others whose tenders are accompanied by a guarantee as provided in Section 3.5. must be made or completed on or before Thursday, May 15, 1986. Payment in full must accompany tenders submitted by all other investors. Payment must be in cash; in other funds immediately available to the Treasury; in Treasury bills, notes, or bonds maturing on or before the settlement date but which are not overdue as defined in the general regulations governing United States securities; or by check drawn to the order of the institution to which the tender are submitted, which must be received from institutional investors no later than Tuesday, May 13, 1986. In addition, Treasury Tax and Loan Note Option Depositaries may make payment for the Bonds allotted for their own accounts and for accounts of customers by credit to their Treasury Tax and Loan Note Accounts on or before Thursday, May 15, 1986. When payment has been submitted with the tender and the purchase price of the Bonds allotted is over par, settlement for the premium must be completed timely, as specified above. When payment has been submitted with the tender and the purchase price is under par, the discount will be remitted to the bidder.

5.2. In every case where full payment has not been completed on time, an amount of up to 5 percent of the par amount of Bonds allotted shall, at the discretion of the Secretary of the Treasury, be forfeited to the United States.

5.3. Registered definitive securities tendered in payment for the Bonds allotted are not required to be assigned if the new Bonds are to be registered in the same names and forms as appear in the registrations or assignments of the securities surrendered. When the new Bonds are to be registered in names and forms different from those in the inscriptions or assignments of the securities presented, the assignment should be to "The Secretary of the Treasury for (Bonds offered by this circular) in the names of (names and taxpayer identifying number)". Specific instructions for the issuance and delivery of the new Bonds, signed by the owner or authorized representative, must accompany the securities presented. Securities tendered in payment must be delivered at the expense and risk of the holder.

5.4. Registered definitive Bonds will not be issued if the appropriate idenfiying number as required on tax returns and other documents submitted to the Internal Revenue Service (e.g., and indidvidual's social security number or an employer identification number) is not furnished. Delivery of the Bonds in registered definitive form will be made after the requested form of registration has been validated, the registered interest account has been established, and the Bonds have been inscribed.

6. Separability of Principal and Interest

6.1. Under the Treasury's STRIPS program (Separate Trading of Registered Interest and Principal of Securities), a book-entry Bond may be divided into its separate components and maintained as such on the book-entry records of the Federal Reserve Banks, acting as Fiscal Agents of the United States. The components of a Bond are: each future semiannual interest payment (hereaftrer referred to as an Interest Component); and the principal payment (hereafter referred to as the Principal Component). Each interest Component and Principal Component shall have its own CUSIP number and designation, which are set forth in Attachment A hereto.

6.2. In order for a book-entry Bond to be separated into the components described in Section 6.1., the par amount of the Bond must be in an amount which, based on the stated interest rate of the Bond, will produce a semiannual interest payment of $1,000 or a multiple of $1,000. The minimum and multiple par amount required to obtain the separate components for this offering will be provided in the public announcement of the amount and yield range of accepted bids for the Bonds. The chart in attachment B hereto provides the minimum and multiple par amounts required to separate a security into components at various stated interest rates.

6.3. Only Bonds in book-entry form may be separated into their components. Such separation may be effected at any time from the issue date until maturity. A request to obtain the separate componenet must be made to the Federal Reserve Bank maintaining the account for the book-entry Bonds. Normally, any such request shall be executed by the Federal Reserve Bank within 3 business days after it is received.

6.4. The Principal Component will be payable on May 15, 2016.

6.5. Each Interest Component will be payable on its particular due date designated in Attachment A hereto.

6.6. In the event any payment date is a Saturday, Sunday, or other nonbusiness day, the amount due will be payable (without additional interest) on the next-succeeding business day.

6.7. Once a book-entry Bond has been separated into its components, each Interest Component and the Principal Component may be maintained and transferred in multiples of $1,000, regardless of the par amount initially required for separation or the resulting amount of each Interest Component.

6.8. Interest Components and Principal Components may be held only in book-entry form.

6.9. Once there is a disposition of any amount of an Interest Component or of a Principal Component, the holder of the Bond will be considered for tax purposes to have stripped the amount of principal allocable to the amount of the components disposed of as the date such first disposition occurs. Both the retained amount allocable to the stripped principal and the amount disposed of are thereafter treated as discount obligations, and the holders of such are subject to periodic income inclusion and other provisions of the Internal Revenue Code of 1954.

6.10. Interest Components and Principal Components in multiples of $1,000 will be acceptable to secure deposits of Federal public monies at such time and such value as will be determined by the Secretary of the Treasury. They will not be acceptable in payment of Federal taxes.

6.11. Unless otherwise provided in this offering circular, the Department of the Treasury's general regulations governing United States securities apply to the Bonds separated into their components.

7. General Provisions

7.1. As fiscal agents of the United States, Federal Reserve Banks are

authorized, as directed by the Secretary of the Treasury, to receive tenders, to make allotments, to issue such notices as may be necessary, to receive payment for, to issue and deliver the Bonds on full-paid allotments, and to maintain, service, and make payment on the Bonds.

7.2. The Secretary of the Treasury may at any time supplement or amend provisions of this circular if such supplements or amendments do not adversely effect existing rights of holders of the Bonds. Public announcement of such changes will be promptly provided.

7.3. The Bonds issued under this circular shall be obligations of the United States, whether held in the fully constituted form or as separate Interest and Principal Components, and, therefore, the faith of the United States Government is pledged to pay, in legal tender, principal and interest on the Bonds.

7.4. Attachments A and B are incorporated as part of this offering circular.

Gerald Murphy,

Fiscal Assistant Secretary.

BILLING CODE 4810-40-M

ATTACHMENT A

CUSIP NUMBERS AND DESIGNATIONS FOR THE
PRINCIPAL COMPONENT AND INTEREST COMPONENTS OF
TREASURY BONDS OF MAY 15, 2016, CUSIP NO. 912810 DW 5

The Principal Component is designated
(Interest Rate) Treasury Principal (TPRN) 2016
due May 15, 2016, CUSIP No. 912803 AH 6.

INTEREST COMPONENTS

DESIGNATION	CUSIP NUMBER 912833	DESIGNATION	CUSIP NUMBER 912833
Treasury Interest (TINT) due		Treasury Interest (TINT) due	
November 15, 1986	EH 9	November 15, 2001	FP 0
May 15, 1987	EJ 5	May 15, 2002	FQ 8
November 15, 1987	EK 2	November 15, 2002	FR 6
May 15, 1988	EL 0	May 15, 2003	FS 4
November 15, 1988	EM 8	November 15, 2003	FT 2
May 15, 1989	EN 6	May 15, 2004	FU 9
November 15, 1989	EP 1	November 15, 2004	FV 7
May 15, 1990	EQ 9	May 15, 2005	FW 5
November 15, 1990	ER 7	November 15, 2005	FX 3
May 15, 1991	ES 5	May 15, 2006	FY 1
November 15, 1991	ET 3	November 15, 2006	FZ 8
May 15, 1992	EU 0	May 15, 2007	GA 2
November 15, 1992	EV 8	November 15, 2007	GB 0
May 15, 1993	EW 6	May 15, 2008	GC 8
November 15, 1993	EX 4	November 15, 2008	GD 6
May 15, 1994	EY 2	May 15, 2009	GE 4
November 15, 1994	EZ 9	November 15, 2009	GF 1
May 15, 1995	FA 3	May 15, 2010	JU 5
November 15, 1995	FB 1	November 15, 2010	JV 3
May 15, 1996	FC 9	May 15, 2011	JW 1
November 15, 1996	FD 7	November 15, 2011	JX 9
May 15, 1997	FE 5	May 15, 2012	JY 7
November 15, 1997	FF 2	November 15, 2012	JZ 4
May 15, 1998	FG 0	May 15, 2013	KA 7
November 15, 1998	FH 8	November 15, 2013	KB 5
May 15, 1999	FJ 4	May 15, 2014	KC 3
November 15, 1999	FK 1	November 15, 2014	KD 1
May 15, 2000	FL 9	May 15, 2015	KE 9
November 15, 2000	FM 7	November 15, 2015	KF 6
May 15, 2001	FN 5	May 15, 2016	KH 2

ATTACHMENT B

MINIMUM FACE AMOUNTS WHICH ARE MULTIPLES OF $1000 REQUIRED IN ORDER TO PRODUCE INTEREST PAYMENTS THAT ARE MULTIPLES OF $1000.

COUPON (%)	MINIMUM FACE ($)	INTEREST PAYMENT ($)	COUPON (%)	MINIMUM FACE ($)	INTEREST PAYMENT ($)	COUPON (%)	MINIMUM FACE ($)	INTEREST PAYMENT ($)
5.000	40000.00	1000.00	10.125	1600000.00	81000.00	15.250	800000.00	61000.00
5.125	1600000.00	41000.00	10.250	800000.00	41000.00	15.375	1600000.00	123000.00
5.250	800000.00	21000.00	10.375	1600000.00	83000.00	15.500	400000.00	31000.00
5.375	1600000.00	43000.00	10.500	400000.00	21000.00	15.625	64000.00	5000.00
5.500	400000.00	11000.00	10.625	320000.00	17000.00	15.750	800000.00	63000.00
5.625	320000.00	9000.00	10.750	800000.00	43000.00	15.875	1600000.00	127000.00
5.750	800000.00	23000.00	10.875	1600000.00	87000.00	16.000	25000.00	2000.00
5.875	1600000.00	47000.00	11.000	200000.00	11000.00	16.125	1600000.00	129000.00
6.000	100000.00	3000.00	11.125	1600000.00	89000.00	16.250	160000.00	13000.00
6.125	1600000.00	49000.00	11.250	160000.00	9000.00	16.375	1600000.00	131000.00
6.250	32000.00	1000.00	11.375	1600000.00	91000.00	16.500	400000.00	33000.00
6.375	1600000.00	51000.00	11.500	400000.00	23000.00	16.625	1600000.00	133000.00
6.500	400000.00	13000.00	11.625	1600000.00	93000.00	16.750	800000.00	67000.00
6.625	1600000.00	53000.00	11.750	800000.00	47000.00	16.875	320000.00	27000.00
6.750	800000.00	27000.00	11.875	320000.00	19000.00	17.000	200000.00	17000.00
6.875	320000.00	11000.00	12.000	50000.00	3000.00	17.125	1600000.00	137000.00
7.000	200000.00	7000.00	12.125	1600000.00	97000.00	17.250	800000.00	69000.00
7.125	1600000.00	57000.00	12.250	800000.00	49000.00	17.375	1600000.00	139000.00
7.250	800000.00	29000.00	12.375	1600000.00	99000.00	17.500	80000.00	7000.00
7.375	1600000.00	59000.00	12.500	16000.00	1000.00	17.625	1600000.00	141000.00
7.500	80000.00	3000.00	12.625	1600000.00	101000.00	17.750	800000.00	71000.00
7.625	1600000.00	61000.00	12.750	800000.00	51000.00	17.875	1600000.00	143000.00
7.750	800000.00	31000.00	12.875	1600000.00	103000.00	18.000	100000.00	9000.00
7.875	1600000.00	63000.00	13.000	200000.00	13000.00	18.125	320000.00	29000.00
8.000	25000.00	1000.00	13.125	320000.00	21000.00	18.250	800000.00	73000.00
8.125	320000.00	13000.00	13.250	800000.00	53000.00	18.375	1600000.00	147000.00
8.250	800000.00	33000.00	13.375	1600000.00	107000.00	18.500	400000.00	37000.00
8.375	1600000.00	67000.00	13.500	400000.00	27000.00	18.625	1600000.00	149000.00
8.500	400000.00	17000.00	13.625	1600000.00	109000.00	18.750	32000.00	3000.00
8.625	1600000.00	69000.00	13.750	160000.00	11000.00	18.875	1600000.00	151000.00
8.750	160000.00	7000.00	13.875	1600000.00	111000.00	19.000	200000.00	19000.00
8.875	1600000.00	71000.00	14.000	100000.00	7000.00	19.125	1600000.00	153000.00
9.000	200000.00	9000.00	14.125	1600000.00	113000.00	19.250	800000.00	77000.00
9.125	1600000.00	73000.00	14.250	800000.00	57000.00	19.375	320000.00	31000.00
9.250	800000.00	37000.00	14.375	320000.00	23000.00	19.500	400000.00	39000.00
9.375	64000.00	3000.00	14.500	400000.00	29000.00	19.625	1600000.00	157000.00
9.500	400000.00	19000.00	14.625	1600000.00	117000.00	19.750	800000.00	79000.00
9.625	1600000.00	77000.00	14.750	800000.00	59000.00	19.875	1600000.00	159000.00
9.750	800000.00	39000.00	14.875	1600000.00	119000.00	20.000	10000.00	1000.00
9.875	1600000.00	79000.00	15.000	40000.00	3000.00	20.125	1600000.00	161000.00
10.000	20000.00	1000.00	15.125	1600000.00	121000.00	20.250	800000.00	81000.00

[FR Doc. 86-10417 Filed 5-6-86; 11:37 am]
BILLING CODE 4810-40-M

Sunshine Act Meetings

Federal Register
Vol. 51, No. 89
Thursday, May 8, 1986

This section of the FEDERAL REGISTER contains notices of meetings published under the "Government in the Sunshine Act" (Pub. L. 94-409) 5 U.S.C. 552b(e)(3).

CONTENTS

	Item
Federal Deposit Insurance Corporation	1-3
Federal Election Commission	4
Postal Rate Commission	5
Tennessee Valley Authority	6

1

FEDERAL DEPOSIT INSURANCE CORPORATION

Pursuant to the provisions of the "Government in the Sunshine Act" (5 U.S.C. 552b), notice is hereby given that at 2:05 p.m. on Thursday, May 1, 1986, the Board of Directors of the Federal Deposit Insurance Corporation met in closed session, by telephone conference call, to: (1) Receive bids for the purchase of certain assets of and the assumption of the liability to pay deposits made in Bank of Nortonville, Nortonville, Kansas, which was closed by the Kansas State Bank Commissioner on Thursday, May 1, 1986; (2) accept the bid for the transaction submitted by Kendall State Bank, Valley Falls, Kansas, an insured State nonmember bank; (3) approve the application of Kendall State Bank, Valley Falls, Kansas, for consent to purchase certain assets of and assume the liability to pay deposits made in Bank of Nortonville, Nortonville, Kansas; and (4) provide such financial assistance, pursuant to section 13(c)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)(2)), as was necessary to facilitate the purchase and assumption transaction.

In calling the meeting, the Board determined, on motion of Director C.C. Hope, Jr. (Appointive), seconded by Mr. Robert J. Herrmann, acting in the place and stead of Director Robert L. Clarke (Comptroller of the Currency), that Corporation business required its consideration of the matters on less than seven days' notice to the public; that no earlier notice of the meeting was practicable; that the public interest did not require consideration of the matters in a meeting open to public observation; and that the matters could be considered in a closed meeting pursuant to subsections (c)(8), (c)(9)(A)(ii), and (c)(9)(B) of the 'Government in the Sunshine Act" (5 U.S.C. 552b (c)(8), (c)(9)(A)(ii), and (c)(9)(B)).

The meeting was recessed at 2:07 p.m., and at 5:06 p.m. that same day the meeting was reconvened, by telephone conference call, at which time the Board of Directors:

(A)(1) received bids for the purchase of certain assets of and the assumption of the liability to pay deposits made in The Bedford National Bank, Bedford, Iowa, which was closed by the Deputy Comptroller of the Currency, Office of the Comptroller of the Currency, on Thursday, May 1, 1986; (2) accepted the bid for the transaction submitted by American National Bank, Bedford, Iowa, a newly-chartered national bank; and (3) provided such financial assistance, pursuant to section 13(c)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)(2)), as was necessary to facilitate the purchase and assumption transaction; and

(B) adopted a resolution making funds available (1) for the payment of insured deposits made in The First National Bank of Carter, Carter, Oklahoma, which was closed by the Deputy Comptroller of the Currency, Office of the Comptroller of the Currency, on Thursday, May 1, 1986, and (2) for an advance payment to uninsured depositors and other general creditors of the closed bank equal to 60 percent of their uninsured claims.

In reconvening the meeting, the Board determined, on motion of Director C.C. Hope, Jr. (Appointive), seconded by Mr. Robert J. Herrmann, acting in the place and stead of Director Robert L. Clarke (Comptroller of the Currency), that Corporation business required its consideration of the matters on less than seven days' notice to the public; that no earlier notice of the meeting was practicable; that the public interest did not require consideration of the matters in a meeting open to public observation; and that the matters could be considered in a closed meeting pursuant to subsections (c)(8), (c)(9)(A)(ii), and (c)(9)(B) of the "Government in the Sunshine Act" (5 U.S.C. 552b (c)(8), (c)(9)(A)(ii), and (c)(9)(B)).

Dated: May 5, 1986.

Federal Deposit Insurance Corporation.

Margaret M. Olsen,

Deputy Executive Secretary.

[FR Doc. 86-9714 Filed 5-6-86; 8:45 am]

BILLING CODE 6714-01-M

2

FEDERAL DEPOSIT INSURANCE CORPORATION

Pursuant to the provisions of subsection (e)(2) of the "Government in the Sunshine Act" (5 U.S.C. 552b(e)(2)), notice is hereby given that at its open meeting held at 2:00 p.m. on Monday, May 5, 1986, the Corporation's Board of Directors determined, on motion of Chairman L. William Seidman, seconded by Director C.C. Hope, Jr. (Appointive), concurred in by Mr. Dean S. Marriott, acting in the place and stead of Director Robert L. Clarke (Comptroller of the Currency), that Corporation business required the withdrawal from the agenda for consideration in open session and the addition to the agenda for consideration at the Board's closed meeting held at 2:30 p.m. the same day, of the following matters:

Application of Basin Loans, Inc., an operating noninsured industrial bank located at 74 East Main Street, Vernal, Utah, for Federal deposit insurance.

Application of Harris Trust Company of California, San Francisco, California, for consent to exercise full trust powers.

In voting to move these matters from open session to closed session, the Board further determined, by the same majority vote, that the public interest did not require consideration of the matters in a meeting open to public observation; that the matters could be considered in a closed meeting by authority of subsections (c)(6), (c)(8), and (c)(9)(A)(ii) of the "Government in the Sunshine Act" (5 U.S.C. 552b(c)(6), (c)(8), and (c)(9)(A)(ii)); and that no earlier notice of these changes in the subject matter of the meeting was practicable.

Dated: May 6, 1986.

Federal Deposit Insurance Corporation.

Margaret M. Olsen,

Deputy Executive Secretary.

[FR Doc. 86-10472 Filed 5-6-86; 3:08 pm]

BILLING CODE 6714-01-M

3

FEDERAL DEPOSIT INSURANCE CORPORATION

Pursuant to the provisions of subsection (e)(2) of the "Government in the Sunshine Act" (5 U.S.C. 552b(e)(2)), notice is hereby given that at its closed meeting held at 2:30 p.m. on Monday, May 5, 1986, the Corporation's Board of Directors determined, on motion of Chairman L. William Seidman,

seconded by Director C.C. Hope, Jr. (Appointive), concurred in by Mr. Dean S. Marriott, acting in the place and stead of Director Robert L. Clarke (Comptroller of the Currency), that Corporation business required the withdrawal from the agenda for consideration at the meeting, on less than seven days' notice to the public, of a recommendation regarding the Corporation's assistance agreement with an insured bank pursuant to section 13 of the Federal Deposit Insurance Act.

The Board further determined, by the same majority vote, that no earlier notice of the change in the subject matter of the meeting was practicable.

Dated: May 6, 1986.

Federal Deposit Insurance Corporation.

Margaret M. Olsen,

Deputy Executive Secretary.

[FR Doc. 86-10473 Filed 5-6-86; 3:08 pm]

BILLING CODE 6714-01-M

4

FEDERAL ELECTION COMMISSION

DATE AND TIME: Tuesday, May 13, 1986, 10:00 a.m.

PLACE: 999 E Street, NW., Washington, DC.

STATUS: This meeting will be closed to the public.

ITEMS TO BE DISCUSSED:

Compliance matters pursuant to 2 U.S.C. 437g
Audits conducted pursuant to 2 U.S.C. 437g, 438(b), and Title 26, U.S.C.
Matters concerning participation in civil actions or proceedings or arbitration
Internal personnel rules and procedures or matters affecting a particular employee

* * * * *

DATE AND TIME: Thursday, May 15, 1986, 10:00 a.m.

PLACE: 999 E Street, NW., Washington, DC (Ninth Floor).

STATUS: This meeting will be open to the public.

MATTERS TO BE CONSIDERED:

Setting of Dates of future meetings
Correction and Approval of Minutes
John Glenn Presidential Committee, Inc. Proposed Final Repayment Determination and Statement of Reasons
Draft Notice of Proposed Rulemaking: Contribution Limitationis and Prohibitions (11 CFR 110.3, 110.4, 110.5 and 110.6)
Routine Administrative Matters

PERSON TO CONTACT FOR INFORMATION: Mr. Fred Eiland, Information Officer, 202-376-3155.

Marjorie W. Emmons,

Secretary of the Commission.

[FR Doc. 86-10476 Filed 5-6-86; 3:50 pm]

BILLING CODE 6715-01-M

5

POSTAL RATE COMMISSION

TIME AND DATE: Periodic meetings scheduled on short notice during the business day in the period May 13-23, 1986.

PLACE: Conference Room, Suite 300, 1333 H Street, NW., Washington, DC.

STATUS: Closed.

MATTERS TO BE CONSIDERED: Discussion of matters pertaining to Docket No. MC86-1, Destination-BMC Parcel Post Classification and Rate Changes (Experiment), 1985.

CONTACT PERSON FOR MORE INFORMATION: Charles L. Clapp, Secretary, Postal Rate Commission, Room 300, 1333 H Street, NW., Washington, DC 20268-0001, Telephone (202) 789-6840.

[FR Doc. 86-10454 Filed 5-6-86; 1:37 pm]

BILLING CODE 7715-01-M

6

TENNESSEE VALLEY AUTHORITY

"FEDERAL REGISTER" CITATION OF PREVIOUS ANNOUNCEMENT: 51 FR 16608 (May 5, 1986).

PREVIOUSLY ANNOUNCED TIME AND DATE OF MEETING: 10:30 a.m. (c.d.t.), Wednesday, May 7, 1986.

PREVIOUSLY ANNOUNCED PLACE OF MEETING: Hopkinsville Community College Auditorium, Academic Building, North Drive, Hopkinsville, Kentucky.

STATUS: Open.

ADDITIONAL MATTERS:

The following items are added to the previously announced agenda:

C. POWER ITEM

2. A proposed Letter Agreement with Mississippi Power & Light Company providing for TVA to purchase 2.976 million MWh of energy during the period May 15 through September 15.

D. PERSONNEL ITEMS

2. Employee Loan Agreement with Westinghouse Electric Corporation
3. Employee Loan Agreement with Ebasco Services Incorporated
4. Employee Loan Agreement with Institute of Nuclear Power Operations

CONTACT PERSON FOR MORE INFORMATION: Craven H. Crowell, Jr., Director of Information, or a member of his staff can respond to requests for information about this meeting. Call 615-632-8000, Knoxville, Tennessee. Information is also available at TVA's Washington Office, 202-245-0101.

SUPPLEMENTARY INFORMATION:

TVA Board Action

The TVA Board of Directors has found, the public interest not requiring otherwise, that TVA business requires the subject matter of this meeting be changed to include the additional items shown above and that no earlier announcement of this change was possible.

The members of the TVA Board voted to approve the above findings and their approvals are recorded below:

Dated: May 5, 1986.

Approved.

C.H. Dean, Jr.,

Director and Chairman.

Disapproved.

John B. Waters,

Director.

[FR Doc. 86-10401 Filed 5-6-86; 9:50 am]

BILLING CODE 8120-01-M

federal register

Thursday
May 8, 1986

Part II

Department of Transportation

Urban Mass Transportation Administration

49 CFR Part 630

Uniform System of Accounts and Records and Reporting System; and Clarification of Procedures for Addressing Noncompliance With Reporting Requirements; Proposed Rules

DEPARTMENT OF TRANSPORTATION

Urban Mass Transportation Administration

49 CFR Part 630

[Docket 86-F]

Proposed Changes to the Uniform System of Accounts and Records and Reporting System

AGENCY: Urban Mass Transportation Administration (UMTA), DOT.

ACTION: Notice of proposed rulemaking.

SUMMARY: This Notice of Proposed Rulemaking lists several proposed changes to UMTA's section 15 reporting requirements. The intent of these proposed changes is to streamline reporting requirements.

DATE: Comments must be received on or before July 7, 1986.

ADDRESS: Comments may be mailed to Docket No. 86-F, Department of Transportation, Urban Mass Transportation Administration, Room 9228, 400 Seventh Street SW., Washington, DC. All comments and suggestions received will be available for examination at the above address between 8:30 a.m. and 5:00 p.m., Monday through Friday. Receipt of comments will be acknowledged by UMTA if a self-addressed, stamped postcard is included with each comment.

FOR FURTHER INFORMATION CONTACT: Ronald Fisher, Director Information Services Staff, Room 6419, (202) 426-9157, or Katherine Cowen Power, Attorney-Advisor for Legislation and Regulation, Room 9228, (202) 426-4011, Department of Transportation, Urban Mass Transportation Administration, 400 Seventh Street SW., Washington, DC 20590.

SUPPLEMENTARY INFORMATION: This Notice of Proposed Rulemaking (NPRM) proposes several changes to the Section 15 Uniform System of Accounts and Records and Reporting System and invites comment on these proposed changes. Both systems implement section 15 of the Urban Mass Transportation Act of 1964, as amended (UMT Act), which requires transit agencies to report financial and operating information.

These proposed changes are set forth in conjunction with today's publication by UMTA of another NPRM that proposes a complete revision of 49 CFR Part 630. The changes proposed in the other NPRM are for the most part procedural; they streamline and restructure Part 630. The changes proposed in this NPRM are more substantive; they call for the elimination of certain data items contained, for the most part, in the Reference Volumes. "Reference Volume(s)" means the current edition of the Urban Mass Transportation Industry Uniform System of Accounts and Records, which is composed of Volume I—General Description; Volume II—Uniform System of Accounts and Records; and Reporting Manual and Sample Forms (all Reporting Levels). These Volumes describe transit agencies' section 15 recordkeeping and reporting requirements and are subject to periodic revision.

Additionally, the changes proposed here *will* have a slight effect on the current Part 630. While it may appear unusual to propose a total rule revision in one NPRM and propose changes to the current rule in a second NPRM, this approach will allow UMTA to reduce reporting burdens even as the overall regulation is being revised. Both NPRMs are part of an ongoing process to streamline reporting requirements, which UMTA believes would improve the Uniform Accounts and Records and Reporting Systems by reducing reporters' burdens while improving data reliability.

As stated in Docket 86-E, the companion NPRM published today, UMTA and the Office of Management and Budget (OMB) are reviewing whether UMTA's separate certification requirement is consistent with the Single Audit Act (Pub. L. 98-502, Oct. 14, 1984), which limits the Federal audit burden at the State and local level. By including references to the certification in this NPRM, UMTA does not intend to prejudge that issue.

After the comments to this NPRM have been reviewed, a Final Rule will implement changes to the current Part 630. The changes in data requirements listed in the Final Rule will be found in the next edition of the Reference Volumes.

The Proposed changes are the following:

1. UMTA proposes to eliminate the requirement that Metropolitan Planning Organizations (MPO) submit user surveys, measures of walking accessibility, and demographic data. Although this requirement is currently included at § 630.12(a)(7)(i), there are no procedures or forms to implement it. Therefore, § 630.12(a)(7)(i) would be eliminated.

In place of this requirement, UMTA proposes to require that each transit agency submit, along with its annual Section 15 Report, a statement from the local MPO stating the square miles of the transit agency's service area and its population. Rational planning procedures would be used to determine the service area and these procedures would be described in the statement. This proposed change would become effective in the next reporting year and be reflected in the next update of the Reference Volumes.

2. UMTA proposes to eliminate the reporting requirement for service consumed (unlinked passenger trip and passenger mile) data for transit agencies with 25 or fewer revenue vehicles operated in maximum service, and for all purchased transportation services (i.e., private or public carriers providing transit service under contract to a public agency). This change would become effective in the next report year and be reflected in the latest update of the reporting instructions. These agencies may still volunteer the data, especially if they are in urbanized areas of 200,000 population or more, since passenger mile data for these areas are included in the incentive tier of the section 9 formula.

UMTA has found that service consumed data obtained from these two groups are generally unreliable and that collection of the data unreasonably burdens the operators in these two groups.

3. UMTA would eliminate the section 5 apportionment factors reporting requirements now set out in Subpart D of Part 630. The section 5 formula grants program has been phased out and replaced with the section 9 program as a result of the 1982 Surface Transportation Assistance Act (STAA). UMTA already has effectively eliminated the reporting requirements of Subpart D through issuance of superseding Circulars; the deletion of Subpart D would simply conform the rule to current UMTA practice.

4. UMTA proposes to eliminate the requirement that section 15 Reports contain capacity mile data because UMTA has tentatively concluded that the reliability and usefulness of such data is outweighted by the cost and burden of amassing it. The information is currently reported on Forms 406 and 407, entitled "Transit System Service Supplied, Service Consumed, Service Personnel, and Service Operated Schedule (Rail and Non-Rail Modes)," which would be changed accordingly.

5. UMTA proposes to eliminate the requirement that "Unlinked Passenger Trips" and "Passenger Miles" data (also collected on Forms 406 and 407) be reported separately by the following average weekday time periods: average weekday a.m. peak, average weekday midday, average weekday p.m. peak,

and average weekday other. Instead, UMTA proposes to require only that the reports reflect the average weekday total, and will continue to include the average Saturday total, average Sunday total, and annual total. These changes would be reflected on Forms 406 and 407 beginning in the next report year.

UMTA has found that the disaggregated average weekday data currently being reported are relatively unreliable because the required precision and confidence levels of the statistical sampling methods decreases when the data are broken down into so many categories. The aggregated averages have a higher percent precision and confidence, and thus would be more useful to UMTA and other users of the data.

(6) UMTA proposes that the Chief Executive Officer (CEO) of each reporting agency be required to submit a certification with each annual section 15 Report. The certification would attest to:

(i) The accuracy of all data contained in the Section 15 Report;

(ii) The fact that all data submitted in the section 15 Report are in accord with section 15 definitions; and

(iii) If applicable, the fact that the transit reporting agency's accounting system used to derive all data submitted in the section 15 Report is the section 15 Uniform System of Accounts and Records.

A suggested form for the certification follows:

I hereby certify to the following concerning the financial and non-financial/operating data submitted in the (name of agency)'s section 15 report for its fiscal year ending _____:

1. The financial and non-financial/operating data (a) are accurate and truthful records of the financial transactions and operations of the (name of agency) and (b) conform, in all material respects, with the accounting and definitional requirements of the Urban Mass Transportation Administration's (UMTA) Uniform System of Accounts and Records and Reporting System.

2. The attestations below pertain to directional route mile, vehicle revenue mile, passenger mile and operating cost data used in the formula to apportion section 9 funds: [1]

a. There is a system in place and maintained for recording data in accordance with section 15 definitions;

b. There are available source documents to support the reported data. These documents will be kept for UMTA review and audit at any time up to three years following UMTA's receipt of the section 15 report.

c. There is a system in place to record these data on a continuing basis.

d. There is a system of internal controls to assure the accuracy of the data collection process and recording system.

e. The data collection methods are those suggested by UMTA or are at least equivalent in assuring quality and precision.

f. The data are accurate.

3. The accounting system from which this section 15 report is derived follows the accounting system prescribed by the Section 15 Uniform System of Accounts and Records. The (name of agency) has adopted the Uniform System of Accounts and Records and has previously submitted a section 15 report for its fiscal year ending _____ which was compiled using the Uniform System of Accounts and Records and which contained a section 15 financial data certification signed by an independent auditor.[2]

Signed: _____

Date: _____

UMTA proposes this change to assure that CEOs have seen the report and to have CEOs committed to developing accurate reports. This certification is a new requirement which would be found in the Reference Volumes.

(7) Current regulations at § 630.22 require all transit agencies subject to the section 15 reporting system to file with their annual section 15 Report a letter or report signed by an independent public accountant or other responsible independent entity such as a State audit agency attesting that the financial data reporting forms in the report conform, in all material respects, to the prescribed Uniform Systems of Accounts and Records and Reporting System. UMTA proposes to eliminate the annual financial data certification requirement for those transit agencies that (1) have adopted the Uniform System of Accounts and Records, and (2) have previously submitted a section 15 Report compiled using the Uniform System of Accounts and Records and certified by an independent auditor. Instead, the CEO would annually certify that the accounting system from which the section 15 Report is derived follows the accounting system prescribed by the section 15 Uniform System of Accounts and Records. This certification would be reflected in the latest update of the Reference Volumes.

UMTA believes that the CEO certification that the reporting agency's Chart of Accounts is the same as the Uniform System of Accounts and Records is adequate to ensure that the reporting agency will properly complete a section 15 Report. Only transit agencies using an accounting system that differs from the Uniform System may have difficulties deriving an accurate report and hence should be required to seek independent audit review in making the translation.

Executive Order 12291, Regulatory Flexibility Act, and Paperwork Reduction Act of 1980

This action has been reviewed under Executive Order 12291, and it has been determined that it is not a major rule. It will not result in annual effect on the economy of $100 million or more. This regulation is not significant under the Department's Regulatory Policies and Procedures. We find that the economic impact of this regulation is so minimal that a full regulatory evaluation is not required.

In accordance with 5 U.S.C. 605(B), as added by the Regulatory Flexibility Act, Pub. L. 96–354, the Department certifies that this rule will not have a significant economic impact on a substantial number of small entities within the meaning of the Act. It is anticipated that transit agencies will be able to save money and time as a result of the changes proposed here.

The collection of information requirements in this rule are subject to the Paperwork Reduction Act, Pub. L. 95–511, 44 U.S.C. Chapter 35. These requirements were submitted to the Office of Information and Regulatory Affairs of the Office of Management and Budget (OMB) for review. The OMB approval number is 2132–0008.

List of Subjects in 49 CFR Part 630

Mass transportation, reporting and recordkeeping requirements, Uniform System of Accounts.

Issued on: May 2, 1986.

Ralph L. Stanley,

Administrator.

[FR Doc. 86–10249 Filed 5–7–86; 8:45 am]

BILLING CODE 4910–57–M

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49 CFR Part 630

[Docket No. 86–E]

Clarification of Procedures for Addressing Noncompliance With Reporting Requirements

AGENCY: Urban Mass Transportation Adminstration (UMTA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This NPRM proposes a number of changes that would simpify the language and requirements of 49 CFR Part 630 (Uniform System of Accounts and Records and Reporting System) and revise Part 630 to conform

[1] Paragraph No. 2 is applicable only for reporting agencies that are in or serve urbanized areas with populations of 200,000 or more.

[2] Paragraph No. 3 may be included for reporting agencies which meet the applicable criteria and in lieu of an independent auditor's financial data certification.

to the Urban Mass Transportation Act of 1964 as amended (the UMT Act) by deleting superseded instructions of the rule. It proposes to restructure Part 630 in order to separate the regulatory requirements of the rule from the descriptive text. This NPRM also proposes to clarify UMTA's procedures for Section 15 Reports that are late, incomplete, uncertified, or inaccurate. The rule would continue to require the use of the Uniform System of Accounts and Records and reporting instructions currently embodied in the Reference Volumes of the Urban Mass Transportation Industry Uniform System of Accounts and Records and Reporting System.

Because the current edition of the Refeence Volumes already governs the section 15 Reports submitted by transit agencies, and this NPRM essentially would update and streamline the existing regulation to reflect current practice, this NPRM would not greatly affect submissions. Overall, the proposed corrections and changes to Part 630 would have little substantive effective on the rights and responsibilities of most UMTA grantees or beneficiaries. The proposed regulation would, however, more precisely set out how UMTA proposes to enforce the statutory mandate that transit agencies comply with section 15 as a preconditions of eligibility to receive section 9 or section 5 funds.

DATE: Comments must be received on or before July 7, 1986.

ADDRESS: Comments may be mailed to Docket No. 86–E, Department of Transportation, Urban Mass Transportation Administration, Room 9228, 400 Seventh Street SW., Washington, DC 20590.

FOR FURTHER INFORMATION CONTACT: Ronald Fisher, Director, Information Services Staff, Room 6419, (202) 426–9157, or Daniel Duff, Assistant Chief Counsel for Legislation and Regulation, Room 9228, (202) 426–4011, Department of Transportation, Urban Mass Transportation Administration, 400 Seventh Street SW., Washington, DC 20590.

SUPPLEMENTARY INFORMATION:

I. Introduction

A. Origin of the Section 15 Uniform System of Accounts and Records and Reporting System Requirements

In 1974, Congress enacted section 15 of the UMT Act. Pub. L. 93–503 specified that the Secretary of Transportation "shall, by January 10, 1977, develop, test, and prescribe a reporting system to accumulate public mass transportation financial and operating information by unifrom categories and a uniform system of accounts and records." Section 15 further provided that "[a]fter July 1, 1978, the Secretary shall not make any grants under [the then-operative section 5 formula grant program of the UMT Act] unless the applicant for such grant and any person or organization to receive benefits directly from the grant are each subject to" the uniform reporting and accounts and records systems.

To implement the requirements of Pub. L. 93–503, UMTA promulgated a rule setting out the structure and definitions of the Uniform System of Accounts and Records and the substance, procedures, and timetable for transit agencies' submissions of section 15 Reports. 41 FR 51536 (Nov. 22, 1976) (NPRM); 42 FR 3772 (Jan. 19, 1977) (Final Rule); 49 CFR Part 630.

B. Section 15 and the Revised formula Grant Programs

The 1978 amendments to the UMT Act, embodied in the Federal Public Transportation Act of 1978 (Pub. L. 95–599) (the 1978 FPTA), altered the formula for the section 5 program that had been in place since fiscal year 1975. Prior to the 1978 amendments,the formula for apportioning funds used only population and population density factors. Under the new formula, UMTA was directed to apportion funds to large urbanized areas in part on the basis of their fixed guideway and commuter rail route miles and on commuter rail train miles.

These new apportionment factors required the collection of different reporting data under section 15. UMTA accordingly promulgated an emergency regulation requiring submission of the new data. 43 FR 58935 (December 18, 1978); 49 CFR Part 630, Subpart D. With the 1978 UMT Act amendments, the section 15 requirement was no longer primarily only a source of information for policy analysis in the transit industry, but thereafter UMTA also used the data to apportion section 5 funds.

In January of 1983, the UMT Act was further amended by the Surface Transportation Assistance Act of 1982 (Pub. L. 97–424) (the 1982 STAA). The 1982 STAA created a new formula grant program under amended Section 9 of the UMT Act to succeed the section 5 program. This new formula uses transit operating data gathered in the section 15 Reporting System from transit agencies in urbanized areas of 200,000 or more inhabitants.

Recognizing the need for continued cooperation by section 9 formula grant recipients in the submission of section 15 Reports, Congress amended section 15 to specify that "[a]fter July 1, 1978, the Secretary shall not make any grants under section 5 *or* section *9* unless the applicant for such grant and any person or organization to receive benefits directly from that grant are each subject to both the reporting system and the uniform system of accounts and records. . . ." (Emphasis added.)

As was the case under the section 5 formula grant programs UMTA cannot properly allocate formula grant funds for section 9 grantees in urbanized areas of 200,000 inhabitants or more unless it receives timely and accurate section 15 Reports from transit agencies. Moreover, the current and proposed rules require all applicants and beneficiaries to report in a timely, accurate manner even if the information in their section 15 Reports is not used to calculate their formula grant allocations.

II. Overview of the Proposed Rule

Because of the significant statutory changes that have taken place since UMTA promulgated 49 CFR Part 630 in 1977 and 1978 and the technical revisions of the uniform accounts and records and reporting elements that UMTA has implemented over the years, the current rule has become outdated in many respects.

This NPRM proposes a comprehensive revision of Part 630 that would accomplish the following goals:

(A) Simplify the rule's structure by separating the procedural requirements from the description of the Uniform System of Accounts and Records and Reporting System;

(B) Clarify the procedures UMTA will follow in keeping transit agencies informed of changes and updates to the section 15 requirements; and

(C) Clarify the procedures UMTA will follow for late, incomplete, uncertified, or inaccurate section 15 Reports.

A. Simplification of the Rule's Structure

The current structure of 49 CFR Part 630 provides two information gathering systems. One system, the Uniform System of Accounts and Records, is the basic accounting system recommended for keeping financial and operating data. The other system is the section 15 Reporting System that uses summary data from the basic records for national purposes. This rule combines section 15 procedural requirements with a general overview of the Uniform System of Accounts and Records (which establishes the method of recordkeeping for mass transit financial and operating data) and the Reporting System (which sets out the requirements regarding data that must be included in the section 15

Reports filed with UMTA). Because part of the current rule is prescriptive and part is descriptive, transit agencies may find it difficult to determine which elements of Part 630 set out procedural requirements and which elements merely describe the required section 15 Reporting and Uniform Accounts and Records Systems.

To address this difficulty, UMTA proposes to replace the current Part 630 with a simpler regulation. The new regulation would prescribe section 15 procedural requirements and would continue to require the use of the current Uniform System of Accounts and Records and the Reporting System instructions and explanatory documents. UMTA proposes that information on the overall structure of the section 15 Reporting and Accounts and Records Systems be included as Appendix A to Part 630. This restructuring would create a shorter, simpler regulation setting out the procedural requirements for compliance with the Uniform System of Accounts and Records and Reporting System, and a separate, explanatory Appendix that outlines the basic elements and structure of these Systems. As with the present rule, transit agencies actually responsible for submitting section 15 Reports would need to refer directly to the current Reference Volumes of the Urban Mass Transportation Industry Uniform System of Accounts and Records and Reporting System; the general overview in the Appendix would provide sufficient detail to allow a reader to understand the purposes and methodology of the Uniform Accounts and Records and Reporting Systems, but would not provide enough detail for actual completion of a section 15 Report. These volumes are maintained by UMTA and are made available to all transit agencies, as further described below.

B. Keeping the Uniform Accounts and Records System and the Reporting Instructions and Forms Up-to-Date

For two reasons, the section 15 Reporting System and Uniform System of Accounts and Records are subject to frequent changes and refinements. First, they must remain responsive to legislative changes in grant formulas and any attendant changes in the data that transit agencies must collect, record, and report. Second, the Accounts and Records System and Reporting System are relatively new; they periodically change as experts continue to seek ways to refine them, minimize recordkeeping and paperwork burdens, and improve the quality of both the reported data and the resulting analyses.

Because of the continuing need to change and refine the Reporting System, UMTA uses several approaches to keep transit agencies current. First, UMTA periodically updates and reissues the Reporting Manual. Second, UMTA occasionally makes minor technical changes and corrections in the reporting scheme which it mails to reporters to use in completing the next reporting cycle. Third, occasionally when a mode of transportation begins reporting for the first time (as was the case for commuter rail and vanpools in fiscal year 1983), UMTA sends transitional guidance materials by letter to the affected reporters. The letters set out temporary, transitional standards that will be replaced by final requirements when the transition phase is completed. Minor changes that affect all reporting agencies are then incorporated into subsequent, revised Manuals.

UMTA proposes to continue to follow this procedure, but the proposed rule would spell out in more detail the responsibilities of the reporters and UMTA. Transit agencies would therefore be able to determine with precision their rights and responsibilities under section 15.

This NPRM refers to the "current edition" of the Urban Mass Transportation Industry Uniform System of Accounts and Records and Reporting System; UMTA proposes to define "current edition" to mean the most recently issued edition of the Uniform System of Accounts and Records and Reporting System instructions about which the reporting agency has been placed on reasonable notice, as modified by any superseding Circulars or other written modifications for which reasonable notice has been given. UMTA considers "reasonable notice," for the purposes described above, to mean the following. Reporting agencies would be responsible for the information and instructions appearing in the most recent edition of the reporting instructions if the most recent edition had been mailed to them no later than 120 days before their reporting deadline. Similarly, UMTA proposes that reporters be responsible for incorporating all minor reporting modifications about which they have received notice in writing no later than 30 days before a reporting deadline. Circulars, Manuals, and Reference Volumes will be clearly marked to indicate the documents they supersede and to explain reporting agencies' obligations.

UMTA proposes to continue to mail copies of each new edition of the Reference Volumes, Circulars, and other reporting revisions to each "Section 15 contact person" as identified in the reporting agency's most recent Section 15 Report or New Reporter Letter. Further, UMTA proposes to publish in the **Federal Register** a Notice of Availability of additional copies of (a) any new editions of the Reference Volumes, and (b) any significant corrections to the system of accounts and records and reporting instructions.

C. Procedures for Late, Incomplete, Uncertified, and Inaccurate Reports

The current rule provides that "[f]ailure to report . . . data in the manner required . . . will make the designated recipient ineligible to receive . . . " grants. 49 CFR 630.34. Clarification is needed regarding what constitutes "failure to report" and how UMTA will make or review the "ineligibility" determination. This NPRM proposes to clarify the ineligibility determination procedures to ensure that affected parties have adequate notice regarding their reporting responsibilities and the consequences of failure to comply. Specifically, UMTA proposes to address the problems of submission of late, incomplete, uncertified, and inaccurate Section 15 reports through the following amendments:

Late Reports

Current § 630.22(e) provides that "[a] 11 reports are due 120 days after the close of the fiscal year" of the reporting agency. UMTA proposes the following procedures for handling late reports:

- Proposed § 630.6(a) would retain the 120 day deadline.
- Proposed § 630.6(b) would treat failure to submit a report on time as failure to submit a report, unless the reporting entity has requested and been granted an extension.
- Proposed § 630.6(c) would grant one request for a 30-day extension for good cause (i.e., for reasons other than the transit agency's negligence) if UMTA receives the request for extension at least 30 days before the report is due.
- Proposed § 630.6(d) states that a second 30-day extension would be granted at the Administrator's discretion only upon a showing of extraordinary and unforeseeable circumstances that warrant exceptional treatment. This time extension would not be considered if it would delay apportionment of Section 9 funds.

Incomplete Reports

UMTA proposes in § 630.6(e) that, like submission of a late report, submission of an incomplete report be treated as failure to submit a report. Current regulations do not specify what constitutes submission of an incomplete section 15 report. UMTA therefore proposes to define a complete report as a report containing all required forms listed in the current edition of the Reporting Manual. All forms submitted would have to be completed in such a way that UMTA can carry out its data gathering and analytic functions. While UMTA does not intend to classify a report as incomplete if one question is inadvertently omitted or an arithmetic error is uncovered, UMTA would expect reports to reflect a good faith effort on the part of the reporting agency to answer every required question accurately and completely.

Failure to Report

Current § 630.34 provides for differing treatment of failures to report fixed guideway/commuter rail data (Section 630.32) and bus data (Section 630.33). Section 630.34 provides that "[f]ailure to report bus data in the manner required . . . will make the recipient ineligible to receive section 5 grants after March 1, 1979."

UMTA proposes to unify the treatment of failure to report for all transit data by using the current § 630.34 bus data approach for all Section 15 Report data: failure to submit any report at all, or failure to submit a complete and timely section 15 report, would render the reporting agency ineligible to receive any section 5 and/or section 9 funds during the entire Federal fiscal year for which the section 15 report year data in question are used to apportion section 9 funds. This would apply to all transit reporting agencies regardless of the size of the urbanized areas served by them. A reporting agency would be eligible to receive the apportioned funds for the applicable Federal fiscal year in some future year if a complete report is received by UMTA within 120 days of the original report due date. If a report is received within that time, an adjustment may be made using the late section 9 data in the succeeding year's apportionment to the urbanized area when applicable, i.e., population of 200,000 or more. If changes in the authorizing statute occurred in the intervening year, grantees' allocations would be subject to any additional restrictions that Congress imposed.

Uncertified Reports

Each section 15 reporter in or serving (an) urbanized area(s) of 200,000 or more inhabitants was required to submit with its Fiscal Year 1981/1982 Supplemental Reports and its Fiscal Year 1983 section 15 Report a certification of the validity of the operating data to be used in the section 9 apportionment formula. This certification was to be signed by the Senior Operating Official or other individual of comparable position in the public or private organization operating the service. For Fiscal Year 1984 and subsequent section 15 reporting years, each reporting agency in or serving (an) urbanized area(s) of 200,000 or more inhabitants must submit with its Section 15 Report a certification that a recordkeeping system and internal controls exist to collect data to be used for the section 9 apportionment formula in accordance with UMTA's definitions. The certification must be signed by an independent auditor rather than the Senior Operating Official. In past years, some reporters have failed to comply with these requirements, thereby calling into question the validity of the data submitted.

All transit agencies must also submit a letter or report signed by an independent public accountant or other responsible independent entity such as a State audit agency. It should certify that the financial data reporting forms conform in all material respects to the prescribed Uniform System of Accounts and Records. UMTA is also proposing to eliminate the annual financial data certification requirement for those transit agencies that have adopted the Uniform System of Accounts and Records and have previously compiled and submitted a report using the Uniform System of Accounts and Records System that was certified by an independent auditor. The Chief Executive Officer (CEO) would then annually certify that the accounting system in use is the section 15 Uniform System of Accounts and Records. This proposed change is described in a second notice published by UMTA today, "Notice of Proposed Changes in the Uniform System of Accounts and Records and Reporting System."

Failure to provide the necessary section 9 and financial certification statements at the time a section 15 Report is filed does not directly impede UMTA's ability to calculate the formula grant allocation. UMTA proposes to include the data in the calculation of the urbanized area's section 9 formula apportionment if the reporting agency submits an otherwise complete report that has the certification by the CEO. The CEO should also commit to obtain the necessary certification(s) from the independent auditor in a timely manner. However, until the validity of the data submitted has been assured through the receipt of the required certification(s) from the independent auditor, UMTA proposes to withhold release of the section 9 apportionment attributable to the reporting agency's data. UMTA also proposes to make necessary adjustments in a future fiscal year apportionment if as a result of the auditor's certification(s) the data are changed or disputed.

Inaccurate Data-Vehicle Revenue Miles

UMTA has identified vehicle revenue miles as one data reporting element for which questions about the accuracy of an agency's submission have frequently arisen. Vehicle revenue miles are the miles a vehicle travels when in revenue service. A transit vehicle is in revenue service only when the vehicle is available to the public and there is a reasonable expectation of carrying passengers that either directly pay fares, are subsidized by public policy, or provide payment through some contract arrangement. The miles a vehicle travels when out of service, i.e., returning to the garage, changing routes, etc., and when there is no reasonable expectation of carrying revenue passengers, are considered deadhead miles. The total vehicle miles traveled by revenue vehicles consist of miles traveled when in revenue service and these deadhead miles.

Until now, UMTA has not had formalized written procedures for resolving disputes over the accuracy of the vehicle revenue mile portion of the total vehicle mile data submitted by reporting agencies. If a reporting agency's figures for total vehicle miles and the portion considered vehicle revenue miles seemed outside the normal range, i.e., showed no or virtually no deadhead miles, UMTA staff have tried to reach an agreement regarding the disputed data with the responsible local official(s). At times, this approach has led to delay and to a virtual standoff requiring UMTA to exercise its unilateral authority to withhold the disputed portion of the grantee's funding allocation.

This NPRM proposes the adoption of a formula and procedures for resolution of possible future disagreements over vehicle revenue mile data. Comments are invited on the specific proposal for resolving questions on the portion of total vehicle miles considered to be vehicle revenue miles.

Dispute Resolution Mechanism for Vehicle Revenue Miles

Following the close of each reporting year, UMTA would calculate the statistical range for vehicle miles that are vehicle revenue miles for each mode of transportation. UMTA would use these figures to screen the net vehicle revenue miles being reported by each transit agency for the subsequent reporting year. The figures would not be made public except as described below, and in the ordinary course of compiling mass transportation information.

On receipt of a reporting agency's section 15 Report, UMTA would compare the percentage of total vehicle miles that are vehicle revenue miles for each mode reported to UMTA with the previous year's statistical ranges. If a reporting agency's vehicle revenue mile data are on the high side of the statistical range, UMTA would automatically initiate verification and calculation procedures as follows:

The Administrator would write directly to the CEO of the reporting agency, informing the CEO that the reporting agency's figure for vehicle revenue miles is too high based on statistical analyses.

The CEO would be invited to provide UMTA with additional documentation to justify its data. Such documentation might include, among other things, route maps, locations of garages and layover points, maintenance facilities, or ridership data from the garage to the end of the line. The CEO would have ten working days to respond and would be advised that a re-certification of the accuracy of the vehicle revenue miles must accompany the transit agency's ultimate submission of documentation.

The Administrator would render a decision on whether the documentation supports the vehicle revenue miles reported. In the event the documentation does not justify the reported figure, the Administrator would propose a new figure. The CEO would have ten working days to reach agreement with the Administrator on a figure.

If the transit agency's data do not support the reported vehicle revenue miles and the CEO rejects the Administrator's determination or fails to reach agreement on a new figure within ten working days, UMTA proposes to impute to the reporting agency the vehicle revenue miles figure originally proposed by the Administrator. The Administrator would render the decision in writing, which would constitute a final (i.e., appealable) UMTA action.

Negative Certification Findings

UMTA has determined that if an independent auditor's certification(s) of the section 9 data items indicates that any of the data do not appear accurate or have not been collected and reported in accordance with UMTA's definitions and/or confidence and precision levels, or expresses any other negative finding, such as the lack of documentation or reliable recordkeeping system, then UMTA will enter a zero for the questionable data item(s) for use in computing the section 9 apportionment.

D. Waiver of Reporting Requirements

Proposed § 630.9 provides procedures and grounds for waivers of reporting requirements. Current § 630.34 provides for waiver "when such a waiver would be in the public interest," but does not spell out in further detail the basis on which UMTA will consider granting such waivers. The proposed section clarifies that waivers would be granted at the discretion of the Administrator only upon a showing that the party seeking waiver cannot furnish the data required without unreasonable expense and inconvenience.

III. The Appendix: Overview and Explanation of the Transportation Industry Uniform System of Accounts and Records and Reporting System

Appendix A, attached to the revised Part 630, would explain the overall structure and operation of the section 15 Reporting and Accounts Records System. UMTA intends this Appendix to provide a general overview of the Systems. It is important to emphasize that in the actual preparation of a Report, reporters must use Part 630, the Reporting Manual, and any other materials provided by UMTA. Appendix A would describe the required and voluntary levels of reporting and recordkeeping used in both the Reporting and the Accounts and Records Systems. It also would describe the use and structure of both the Uniform System of Accounts and Records and the Reporting System. Finally, Appendix A would provide a list of required reporting forms in Table 9.

One of these forms, found at Table 9(3)(b), provides for certification by an independent auditor of the section 15 data used to apportion section 9 funds in urbanized areas with a population greater than 200,000. UMTA and the Office of Management and Budget (OMB) are reviewing this matter to determine whether this separate certification is consistent with the Single Audit Act (Pub. L. 98–502, Oct. 14, 1984), which limits the Federal audit burden at the State and local level. By including the certification in Table 9 in this NPRM, UMTA does not intend to prejudge that issue.

IV. Notice of Proposed Changes in the Uniform System of Accounts and Records and Reporting System

UMTA is publishing today in a separate notice, as an NPRM also, several proposed changes in its reporting requirements, and requests comments on them. These proposed changes are the following:

- Proposed elimination of requirements for capacity mile data;
- Proposed elimination of requirements for user surveys, walking accessibility data, and demographic data (to be replaced with a requirement for service area and population data);
- Proposed elimination of the reporting requirement for service consumed (unlinked passenger trip and passenger mile) data for transit agencies with 25 or fewer revenue vehicles operated in maximum service and for all purchased transportation services (i.e., private or public carriers providing transit service under contract to a public agency);
- Proposed elimination of the section 5 apportionment factors;
- Proposed elimination of several time period categories of "Unlinked Passenger Trips" and "Passenger Miles" data;
- Proposed requirement that the Chief Executive Officer of each reporting agency be required to submit a certification with each annual section 15 Report;
- Proposed elimination of annual financial data certification requirement by an independent auditor for transit agencies that have adopted the Uniform System of Accounts and Records and have been certified by an independent auditor for at least one reporting cycle.
- These proposed changes are discussed in greater detail in the accompanying NPRM, "Notice of Proposed Changes in the Uniform System of Accounts and Records and Reporting System."

V. Regulatory Impacts

A. Executive Order 12291

This action has been reviewed under Executive Order 12291, and it has been determined that it is not a major rule. It will not result in an annual effect on the economy of $100 million or more. This regulation is not significant under the Department's Regulatory Policies and Procedures. UMTA finds that the

economic impact of this regulation is so minimal that a full regulatory evaluation is not required.

B. Regulatory Flexibility Act

In accordance with 5 U.S.C. 605(b), as added by the Regulatory Flexibility Act, Pub. L. 96–354, UMTA certifies that this rule will not have a significant economic impact on a substantial number of small entities within the meaning of the Act. To the extent the new regulation would be more easily understood and more clearly states the basic reporting procedures, it may save small entities time in determining their rights and responsibilities.

C. Environmental Impacts

This proposed regulation would not adversely affect the environment.

D. Paperwork Reduction Act

The collection of information requirements in the present rule are subject to the Paperwork Reduction Act, Pub. L. 96–511, 44 U.S.C. Chapter 35. These requirements were submitted to and approved by the Office of Information and Regulatory Affairs of the Office of Management and Budget (OMB). The OMB approval number is 2132–0008. As this proposed rule does not affect the approved reporting requirements now required by existing Part 630, UMTA has determined that there are no new information collection requirements.

List of Subjects in 49 CFR Part 630

Mass transportation, reporting and record keeping requirements, Uniform system of Accounts.

Pursuant to the foregoing, 49 CFR Chapter VI would be amended by revising Part 630 to read as follows:

PART 630—UNIFORM SYSTEM OF ACCOUNTS AND RECORDS AND REPORTING SYSTEM

Sec.

630.1 Purpose.
630.2 Scope.
630.3 Definitions.
630.4 Requirements.
630.5 Failure to report data.
630.6 Late and incomplete reports.
630.7 Inaccurate data—vehicle revenue miles.
630.8 Negative certification findings.
630.9 Waiver of reporting requirements.
630.10 Data adjustments.
Appendix A—Overview and Explanation of the Urban Mass Transportation Industry Uniform System of Accounts and Records and Reporting System.

Authority: Sec. 111 Pub. L. 93–503, 88 Stat. 1573 (49 U.S.C. 1611); Secs. 303(a) and 304(c), Pub. L. 97–424, 96 Stat. 2141 (49 U.S.C. 1607); and 49 CFR 1.51.

§ 630.1 Purpose.

The purposes of this part are to prescribe the requirements and procedures necessary for compliance with the Uniform System of Accounts and Records and the Reporting System which are mandated by section 15 of the Urban Mass Transportation Act of 1964, as amended, 49 U.S.C. 1611, and to set forth the procedures for addressing a recipient's failure to comply with these requirements.

§ 630.2 Scope.

These regulations apply to all applicants and beneficiaries of Federal financial assistance under section 5 or section 9 of the UMT Act (49 U.S.C. 1607).

§ 630.3 Definitions.

(a) Except as otherwise provided, terms defined in the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.) are used in this part as so defined.

(b) Terms defined in the current edition of the Urban Mass Transportation Industry Uniform System of Accounts and Records and Reporting System are used in this part as so defined.

(c) For purposes of this part:

"Administrator" means the Urban Mass Transportation Administrator or the Administrator's designee.

"Applicant" means applicant for assistance under section 5 or section 9 of the UMT Act.

"Assistance" means Federal financial assistance for the acquisition, construction, or operation of public mass transportation services.

"Beneficiary means any organization operating and delivering urban transit services that receives benefits directly from assistance under section 5 or section 9 of the UMT Act.

"Chief Executive Officer" means the top full-time executive responsible for the transit system.

"Current Edition" of the Urban Mass Transportation Industry Uniform System of Accounts and Records and Reporting System means the most recently issued edition of the Reference Volumes, as modified by any Circulars or other written modifications, about which the reporting agency has received reasonable notice. For the Reference Volumes, "reasonable notice" is given for the applicable report if the most recent edition is mailed to the reporting agency at least 120 days before the agency's reporting deadline. For Circulars and other written modifications, "reasonable notice" is given if the reporting agency is mailed the modifications at least 30 days before a reporting deadline.

"Mass Transportation Agency" or "transit agency" means an agency authorized to transport people by bus, rail, or other conveyance, either publicly or privately owned, and which provides to the public general or special service (but not including school, charter, or sightseeing service) on a regular and continuing, scheduled or unscheduled, basis. Transit agencies are classified according to the mode of transit service operated. A multi-mode transit agency is one operating two or more modes, as such modes are defined in the current edition of the Urban Mass Transportation Industry Uniform System of Accounts and Records and Reporting System.

"Metropolitan Planning Organization" menas the organization designated by the Governor as being responsible, together with the State, for carrying out the provisions of 23 U.S.C. 134 (Federal-Aid Highway Planning Requirements) and capable of meeting the requirements of 49 U.S.C. 1607(a) (Urban Mass Transportation Planning Requirements). This organization is the forum for cooperative decisionmaking by principal elected officials of general purpose local government.

"Reference Volume(s)" means the current edition of the Urban Mass Transportation Industry Uniform System of Accounts and Records, which is composed of Volume I—General Description; Volume II—Uniform System of accounts and Records; and Reporting Manual and Sample Forms (All Reporting Levels). These Volumes are subject to periodic revision. Beneficiaries and applicants are responsible for ensuring that they are using the current edition of the Reference Volumes.

"The UMT Act" means the Urban Mass Transportation Act of 1964, as amended. (49 U.S.C. 1601 et seq.)

"Vehicle revenue miles" means the miles a vehicle travels when in revenue service. A transit vehicle is in revenue service only when the vehicle is available to the public and there is reasonable expectation of carrying passengers that either directly pay fares, are subsidized by public policy, or provide payment through some contract arrangement. The miles a vehicle travels when out of service, i.e., returning to the garage, changing routes, etc., and when there is no reasonable expectation of carrying revenue passengers are considered deadhead miles. The total miles traveled by revenue vehicles

consist of miles traveled when in revenue service and these deadhead miles.

§ 630.4 Requirements.

(a) *Uniform System of Accounts and Records.* All applicants for and direct beneficiaries of Federal financial assistance under the UMT Act must comply with the applicable requirements of the Section 15 Uniform System of Accounts and Records, as set forth in the current edition of the "Urban Mass Transportation Industry Uniform System of Accounts and Records and Reporting System," and Circulars. Copies of the referenced document are available from the Urban Mass Transportation Administration, Office of Technical Assistance, Information Services Staff (URT-7), 400 7th Street SW., Room 6419, Washington, DC 20590. These materials are subject to periodic revision. Revisions of these documents will be mailed to all persons required to comply, and a Notice of any significant change in these materials will be published in the **Federal Register.**

(b) *Reporting system.* All applicants for and direct beneficiaries of Federal financial assistance under the UMT Act must comply with the applicable requirements of the section 15 Reporting System, as set forth in the current edition of the "Urban Mass Transportation Industry Uniform System of Accounts and Records and Reporting System," and Circulars. Copies of the referenced document are available for the Urban Mass Transportation Administration, Office of Technical Assistance, Information Services Staff (URT-7), 400 7th Street SW., Room 6419, Washington, DC 20590. These materials are subject to periodic revision. Revisions of these documents will be mailed to all persons required to comply, and a Notice of any significant change in these materials will be published in the **Federal Register.**

§ 630.5 Failure to report data.

(a) *Declaration of ineligibility.* Failure to report data in accordance with the applicable requirements and timetable set out in the current edition of the Urban Mass Transportation Industry Uniform System of Accounts and Records and Reporting System will result in the Administrator declaring the reporting agency ineligible to receive any section 5 or section 9 grants during an entire Federal fiscal year. This fiscal year shall be the year of the section 9 apportionment based, in part, on section 15 data from the section 15 reporting year in which the agency failed to submit a timely and complete report. This would apply to all transit agencies regardless of whether the reporting agency's data could have been used for this apportionment (i.e., without regard to the size of the urbanized area served by the reporting agency). The reporting agency will not be eligible to receive any of the apportioned section 9 funds for this Federal fiscal year in some future year unless a complete report for the year in question is received by UMTA within 120 days of the original (i.e., unextended) report due date. If a reporting agency that serves an urbanized area of 200,000 or more inhabitants submits its complete, late report within the 120 days of its original report due date, the apportionment to the urbanized area in the succeeding year may be adjusted to reflect the applicable data items submitted, subject to the availability of funds and statutory authority.

(b) *Notification of ineligibility.* A reporting agency which has been declared ineligible to receive a section 5 or section 9 grant because of failure to report data will receive written notification of its ineligibility from the Administrator.

(c) *Status of ineligibility declaration.* Notification to an agency of its ineligibility for section 5 or section 9 grant funds will constitute a final UMTA action.

§ 630.6 Late and Incomplete Reports.

(a) Reports must be submitted not later than the 120th calendar day following the last day of the reporting agency's fiscal year.

(b) Failure to submit the required reports by the date due will be treated under § 630.5 as failure to report data.

(c) One extension of 30 days may be requested by each reporting agency. UMTA will consider such requests only if they are received at least 30 days in advance of the due date. UMTA will grant one 30-day extension upon a showing of good cause. Administrative convenience of the reporting agency does not constitute good cause.

(d) A second 30-day extension will be granted at the Administrator's discretion only where unforeseeable circumstances beyond the reporting agency's control have made it impossible to meet the due date. No second extensions will be granted if they would delay the apportionment of formula grants to other grantees.

(e) *Incomplete Reports—Omissions other than missing auditors' section 9 data certifications and financial certifications.*

(1) Submission of a report which does not contain all required reporting forms, data, and Chief Executive Officer certification in substantial conformance with the definitions, procedures, and format requirements set out in the section 15 Uniform System of Accounts and Records and Reporting System will be treated under §630.5 as a failure to report data.

(2) The Administrator may, at the Administrator's discretion, treat an incomplete report as a request for one thirty-day extension. The thirty-day extension will be effective on the date of UMTA's written notification letter to the reporting agency that the report is incomplete.

(f) *Incomplete Reports— Auditor Certifications.* Submission of an otherwise complete report that does not contain the independent auditor's certification of the data used to compute section 9 apportionments and of the financial data, if required, but that contains the required certification by the Chief Executive Officer and commitment to obtain the required auditor's certification(s) in a timely manner, will result in the Administrator's including the data in the calculation of the urbanized area's section 9 apportionment and withholding release of the urbanized area's Section 9 apportionment attributable to the reporting agency's data until after proper certification(s) has been received and accepted by the Administrator. UMTA will also make necessary adjustments in a future fiscal year apportionment if as a result of the auditor's certification(s) the data are changed or disputed.

§ 630.7 Inaccurate data—vehicle revenue miles.

(a) A transit agency's vehicle revenue mile data are rebuttably presumed to be erroneous if statistical checks in the validation of these data for each mode varies by a significant amount on the high side from the previous year's national data set for that mode. The previous year's statistical ranges will be determined by the Administrator for each transit mode for which a section 15 Report is required to be filed.

(b) In the event the portion of a reporting agency's total vehicle miles that are considered in revenue service varies significantly on the high side from an analysis of the previous year's data, the Administrator will send written notice to the agency's Chief Executive Officer, notifying the Officer of that fact, and that:

(1) The transit agency's submission has triggered a rebuttable presumption of error and has prompted a request for additional documentation to rebut the presumption;

(2) The Chief Executive Officer is invited to submit, within ten working days of receipt of the notice, further documentation in support of the vehicle revenue mile data initially submitted. Such documentation—

(i) Must include a re-certification or attestation of accuracy, signed by the Chief Executive Officer, in order to receive consideration; and

(ii) May include, for example: route maps; locations of garages and/or layover points; locations of maintenance facilities; and ridership data covering distances from the garage to the end of the line.

(c) If the Administrator receives additional documentation and re-certification from the Chief Executive Officer within the ten day time limit, he or she will review the documentation and make a determination as to whether it has adequately justified the data.

(1) If the Administrator is satisfied that the documentation supports the vehicle revenue mile data, the Administrator will accept the report as submitted and so notify the agency in writing.

(2) If the Administrator determines that the documentation supports a vehicle revenue mile figure different from that submitted by the reporter, the Administrator will notify the reporter's Chief Executive Officer in a certified letter (return receipt) of the figure he or she determines appropriate and will invite the reporting agency to accept the determination.

(d) The Chief Executive Officer will have ten working days from the date of receiving the Administrator's letter to resolve with the Administrator a final figure for vehicle revenue miles. Lacking agreement on a new figure, UMTA will use the figure in the Administrator's letter for Section 9 formula purposes.

(1) The figures used for section 9 purposes will also be used in the processing and publishing of the section 15 Annual Report.

(2) The reporting transit agency may request that this item be given special attention in the next triennial review of the agency. Should an adjustment be warranted based on that review, this will be accommodated in a future year section 9 apportionment to the extent feasible.

(3) The use of the vehicle revenue mile figure in the Administrator's letter will constitute a final UMTA action.

§630.8 Negative certification findings.

UMTA will enter a zero for use in computing the section 9 apportionment for any questionable data item(s) in a reporting agency's section 15 Report if the independent auditor's section 9 data certification for that Report indicates that any of the data do not appear accurate or have not been collected and reported in accordance with UMTA's definitions and/or confidence and precision levels, or expresses any other negative finding, such as the lack of adequate documentation or reliable recordkeeping system.

§630.9 Waiver of reporting requirements.

(a) Requests for waivers of reporting requirements must be received 60 days before the date due in order to receive consideration.

(b) The Administrator may, at the Administrator's discretion, consider a waiver request or grant a waiver on the Administrator's own initiative not received 60 days in advance if good cause is shown by the requesting party.

(c) Waivers of one or more sections of the reporting requirements may be granted at the discretion of the Administrator on a showing that the party seeking waiver cannot without unreasonable expense and inconvenience furnish the data required.

§630.10 Data adjustments.

Errors in the data used in making the apportionment may be discovered after any particular year's apportionment is completed. Adjustments to correct for these errors may be made in a subsequent year's apportionment to the extent it is feasible.

Appendix A—Overview and Explanation of the Urban Mass Transportation Industry Uniform System of Accounts and Records and Reporting System

A. Introduction

Section 15 of the UMT Act provides for establishment of two information-gathering and analytic systems: a Uniform System of Accounts and Records, and a Reporting System for the collection and dissemination of public mass transportation financial and operating data by uniform categories. The purpose of these two systems is to provide information on which to base public transportation planning and public sector investment decisions.

The Uniform System of Accounts and Records consists of:

(i) Various categories of accounts and records for classifying financial and operating data;

(ii) Precise definitions as to what data elements are to be included in these categories; and

(iii) Definitions of practices for systematic collection and recording of such information.

While a specific accounting system is recommended for this recordkeeping, it is possible to make a translation from most existing accounting systems to comply with the section 15 Reporting System, which consists of forms and procedures:

(i) For transmitting data from transit agencies to UMTA;

(ii) For editing and storing the data; and

(iii) For UMTA to report information to various groups.

Under the terms of UMT Act section 15, all applicants for and beneficiaries of Federal assistance under section 5 or section 9 of the Act (i.e., under the formula grant programs) must comply with the Reporting System and the Uniform System of Accounts and Records in order to be eligible for Federal monies. It should be noted that separate and complete section 15 Reports must be submitted by or for each purchased transportation service provider that operates 50 or more revenue vehicles for the purchased service during the maximum service period.

B. Purpose of this Appendix

This Appendix presents a general introduction to the structure and operation of the two systems. It is not a detailed set of instructions for completion of a section 15 Report or establishment of a System of Accounts and Records. Persons in need of more information should refer to the current edition of the Urban Mass Transportation Industry Uniform System of Accounts and Records and Reporting System, available from: Urban Mass Transportation Administration, Office of Technical Assistance, Information Services Staff (URT-7), 400 Seventh Street, SW., Room 6419, Washington, DC 20590, (202) 426-9157.

The current edition of the Urban Mass Transportation Industry Uniform System of Accounts and Records and Reporting System is composed of:

Volume I—General Description (Jan. 10, 1977)
Volume II—Uniform System of Accounts and Records (Jan. 10, 1977)
Reporting Manual and Sample Forms (All Reporting Levels) (June 1985)

UMTA periodically updates these reference documents or supplements them to revise or clarify section 15 definitions and reporting forms and instructions. Section 630.4 makes clear that reporting agencies must use the most recent edition of the reference documents and reporting forms to comply with the section 15 requirements. UMTA therefore urges local officials to check with UMTA before completing a section 15 Report to avoid unnecessary errors and delays.

C. Special (Reduced) Reporting Requirements

The unique characteristics of certain transportation modes require UMTA to tailor certain information collection and recording requirements and reporting forms to such modes. At the present time, there are specific reduced reporting requirements for commuter rail systems and vanpool services.

Thus, transit agencies that operate commuter rail systems or vanpool services must comply with the applicable requirements of the "Special (Reduced) Reporting Requirements for Commuter Rail Services" or the "Special (Reduced) Reporting Requirements for Vanpool Services," respectively. Copies of these reduced requirements are available from UMTA.

D. Required and Voluntary Levels of Reporting and Recordkeeping

UMTA, in close cooperation with the transit industry, developed both systems to be adaptable to the varying sizes of transit agencies. The systems also provide for the varying levels of recordkeeping specificity and complexity that are necessary to accommodate variations in size, local laws, and modes of transport. All transit agencies covered by the section 15 reporting and recordkeeping requirements must maintain at least a minimum level of detail in their section 15 Reports and Accounts and Records Systems. This minimal level is designated R (or Required).

The Uniform Systems set out three additional, and progressively more detailed, levels of reporting and keeping records on revenue and expense data. The most detailed of these levels indicates the subcategories of data that should be aggregated to record each object class or expense function at the other levels and thus serves to define the more aggregated data. The definitions for the required data are consistent with and summarized from those for the more extensive voluntary data. Transit agencies voluntarily may adopt these levels (or modify them to suit local needs). The three voluntary reporting and recordkeeping levels are designated Level C (least detailed), Level B (next most detailed) and Level A (most detailed).

E. The Uniform System of Accounts and Records

The Uniform System of Accounts and Records consists of a financial accounting and operational recordkeeping system designed for mass transportation managers and planners. Its uniformity permits more thorough and accurate comparisons and analyses of different transit agencies' operating costs and efficiencies than if each had a unique recordkeeping and accounting system. The System establishes various categories of accounts and records for classifying mass transportation operating and financial data, and includes precise definitions of transportation terminology to ensure that all users share a common understanding of how to use and interpret the data collected.

(1) Use of the Accounts and Records System

Beneficiaries of and applicants for Federal assistance are not required to use the Uniform System of Accounts and Records in keeping their own records. If an applicant or beneficiary chooses *not* to use the System, however, it must nevertheless be able to translate its accounts and records system to the accounts prescribed in the System. The accounting system that the reporter uses must permit preparation of financial and operating data that conforms to the Uniform System directly from its records at the end of the fiscal year, and must be consistent with the following:

(i) The data must have been developed using the accrual basis of accounting. Those transit systems that use cash-basis accounting, in whole or in part, in their books of account will have to make work sheet adjustments to record the data on the accrual basis.

(ii) Transit agencies must follow or be able to directly translate their system to the accounting treatment specified in the publication "Urban Mass Transportation Industry Uniform System of Accounts and Records and Reporting System."

(iii) The transit agency's accounting categories (chart of accounts) must be correctly related, via a clear audit trail, to the accounting categories prescribed in the Uniform System.

(2) General Structure of Uniform Accounts and Records System In the Section 15 System, operating expenses incurred by the transit system are classified by mode. The expenses of each mode are recorded in two dimensions:

(i) The type of expenditure (expense object class); and

(ii) The function or activity performed.

The expense object classes are typical of those of most transit accounting systems. Table 1 presents the expense object classes required under section 15. Table 2 is a more detailed list which includes recommended expense object classes that have been developed to assist transit agencies in implementing the section 15 requirements. Discussion about the remaining tables appears before each table.

Table 1.—Required Expense Object Classes

Expense Object Classes

501. Labor.
  01 Operators' Salaries and Wages.
  02 Other Salaries and Wages.
502. Fringe Benefits.
503. Services.
504. Materials and Supplies.
  01 Fuel and Lubricants.
  02 Tires and Tubes.
  99 Other Materials and Supplies.
505. Utilities.
506. Casualty and Liability Costs.
507. Taxes.
508. Purchased Transportation.
  01 Less Than 50 Vehicles.
  02 50 or More Vehicles.
509. Miscellaneous Expense.
510. Expense Transfers.
511. Expense Transfers.
512. Leases and Rentals.
513. Depreciation.
  13 Amortization of Intangibles.
514. Purchase Lease Payments.
515. Related Parties Lease Agreement.
516. Other Reconciling Items.

Table 2.—Recommended Expense Object Classes

Recommended Expense Object Classes

501. Labor.*
  01 Operators' Salaries and Wages.*
  02 Other Salaries and Wages.*
502. Fringe Benefits.*
  01 FICA or Railroad Retirement.
  02 Pension Plans (including long-term disability insurance).
  03 Hospital, Medical and Surgical Plans.
  04 Dental Plans.
  05 Life Insurance Plans.
  06 Short-Term Disability Insurance Plans.
  07 Unemployment Insurance.
  08 Workmen's Compensation Insurance or Federal Employees Liability Act Contributions.
  09 Sick Leave.
  10 Holiday (including all premiums paid for working on holidays).
  11 Vacation.
  12 Other Paid Absence (bereavement pay, military pay, jury duty pay, etc.).
  13 Uniform and Work Clothing Allowances.
  14 Other Fringe Benefits.
  15 Distribution of Fringe Benefits.
503. Services*.
  01 Management Service Fees.
  02 Advertising Fees.
  03 Professional and Technical Services.
  04 Temporary Help.
  05 Contract Maintenance Services.
  06 Custodial Services.
  07 Security Services.
  99 Other Services.
504. Materials and Supplies.*
  01 Fuel and Lubricants.*
  02 Tires and Tubes.*
  99 Other Materials and Supplies.*
505. Utilities.*
  01 Propulsion Power.
  02 Utilities Other Than Propulsion Power.
506. Casualty and Liability Costs.*
  01 Premiums for Physical Damage Insurance.
  02 Recoveries of Physical Damage Losses.
  03 Premiums for Public Liability and Property Damage Insurance.
  04 Payouts for Uninsured Public Liability and Property Damage Settlements.
  05 Provision for Uninsured Public Liability and Property Damage Settlements.
  06 Payouts for Insured Public Liability and Property Damage Settlements.
  07 Recoveries of Public Liability and Property Damage Settlements.
  08 Premiums for Other Corporate Insurances.
  09 Other Corporate Losses.
  10 Recoveries of Other Corporate Losses.
507. Taxes.*
  01 Federal Income Tax.
  02 State Income Tax.
  03 Property Tax.
  04 Vehicle Licensing and Registration Fees.
  05 Fuel and Lubricant Taxes.
  06 Electric Power Taxes.
  99 Other Taxes.
508. Purchased Transportation.*
  01 Less Than 50 Vehicles.*
  02 50 or More Vehicles.*
509. Miscellaneous Expenses.*
  01 Dues and Subscriptions.
  02 Travel and Meetings.

03 Bridge, Tunnel and Highway Tolls.
04 Entertainment Expense.
05 Charitable Donations.
06 Fines and Penalties.
07 Bad Debt Expense.
08 Advertising/Promotion Media.
99 Other Miscellaneous Expense.

510. Expense Transfers.*
01 Function Reclassifications.
02 Expense Reclassifications.
03 Capitalization of Nonoperating Costs.

511. Interest Expenses.*
01 Interest on Long-Term Debt Obligations (net of interest capitalized).
02 Interest on Short-Term Debt Obligations.

512. Leases and Rentals.*
01 Transit Way and Transit Way Structures and Equipment.
02 Passenger Stations.
03 Passenger Parking Facilities.
04 Passenger Revenue Vehicles.
05 Service Vehicles.
06 Operating Yards or Stations.
07 Engine Houses, Car Shops and Garages.
08 Power Generation and Distribution Facilities.
09 Revenue Vehicles Movement Control Facilities.
10 Data Processing Facilities.
11 Revenue Collection and Processing Facilities.
12 Other General Administration Facilities.

513. Depreciation.*
01 Transit Way and Transit Way Structures and Equipment.
02 Passenger Stations.
03 Passenger Parking Facilities.
04 Passenger Revenue Vehicles.
05 Service Vehicles.
06 Operating Yards or Stations.
07 Engine Houses, Car Shops and Garages.
08 Power Generation and Distribution Facilities.
09 Revenue Vehicle Movement Control Facilities.
10 Data Processing Facilities.
11 Revenue Collection and Processing Facilities.
12 Other General Administration Facilities.
13 Amortization of Intangibles.

514. Purchase Lease Payments.*
515. Related Parties Lease Agreement.*
516. Other Reconciling Items.*

*Denotes required object classes.

Within each object class, the Uniform System categorizes expenditures by four basic functions: vehicle operations, vehicle maintenance, non-vehicle maintenance, and general administration. UMTA has developed the four standard functional classifications for uniformity and to enhance the usefulness of the data collected under Section 15. They may differ significantly from the classifications formerly used by transit operators (indeed, they have changed since the inception of the Section 15 System), but it is hoped that use of these classifications will, over time, yield useful results.

The four functional classifications are used for recordkeeping and reporting of R- and C-level data. Levels B and A use progressively more detailed breakdowns of each function. Table 3 shows the three levels of functional classifications and how they relate to each other.

TABLE 3.—AGGREGATION OF FUNCTIONS FOR EXPENSE CLASSIFICATION

Level A	Level B	Level C and R
011 Transportation Administration	010 Administration of Transportation	
012 Revenue Movement Control		010 Vehicle Operations.
021 Scheduling of Transportation Operations	020 Scheduling of Transportation Operations	
031 Revenue Vehicle Operation	030 Revenue Vehicle Operation	
041 Maint. Administration-Vehicles	041 Maint. Administration-Vehicles	
051 Servicing Revenue Vehicles	050 Servicing Revenue Vehicles	
061 Insp. & Maint. of Revenue Vehicles	060 Insp. & Maint. of Revenue Vehicles	
062 Accident Repairs of Revenue Vehicles	062 Accident Repairs of Revenue Vehicles	041 Vehicles Maintenance.
071 Vandalism Repairs of Revenue Vehicles	070 Vandalism Repairs of Revenue Vehicles	
081 Servicing & Fuel of Service Vehicles	080 Servicing & Fuel of Service Vehicles	
091 Insp. & Maint. of Service Vehicles	090 Insp. & Maint. of Service Vehicles	
042 Maint. Administration-Non-Vehicles	042 Maint. Administration-Non-Vehicles	
101 Maint. of Vehicle Movement Control Systems	100 Maint. of Vehicle Movement Control Systems	
111 Maint. of Fare Collection of Counting Equip	110 Maint. of Fare Collection of Counting Equip	
121 Maint. of Roadway & Track		
122 Maint. of Structure Tunnels & Subways		
123 Maint. of Passenger Stations		
124 Maint. of Operating Station Bldgs. Grounds & Equip		042 Non-Vehicle Maint.
125 Maint. of Garage & Shop Bldgs. Grounds & Equip	120 Maint. of Other Bldgs. Grounds & Equip	
126 Maint. of Communication System		
127 Maint. of Gen. Admin. Bldgs. Grounds & Equip		
128 Accident Repairs of Bldgs. Grounds & Equip		
131 Vandalism Repairs of Bldgs. Grounds & Equip	130 Vandalism Repairs of Bldgs. Grounds & Equip	
141 Operation & Maint. of Electric Power Facilities	140 Operation & Maint. of Electric Power Facilities	
145 Preliminary Transit System Development	145 Preliminary Transit System Development	
151 Ticketing & Fare Collection	150 Ticketing & Fare Collection	
161 System Security		
165 Injuries & Damages		
166 Safety		
167 Personnel Administration		
168 General Legal Services		
169 General Insurance		
170 Data Processing	160 General Administration	160 Gen. Administration.
171 Finance & Accounting		
172 Purchasing & Stores		
173 General Engineering		
174 Real Estate Management		
175 Office Management & Services		
176 General Management		
162 Customer Services		
163 Promotion		
164 Market Research	179 Marketing	
177 Planning		

TABLE 3.—AGGREGATION OF FUNCTIONS FOR EXPENSE CLASSIFICATION—Continued

Level A	Level B	Level C and R
181 General Function	180 General Function	

Table 4 presents the revenue object classes required under section 15. Table 5 is a more detailed list which includes recommended revenue object classes that have been developed to assist transit agencies in implementing the section 15 requirements.

Table 4.—Required Revenue Object Classes

Required Revenue Object Classes

401. Passenger Fares for Transit Service.
402. Special Transit Fares.
403. School Bus Service Revenues.
404. Freight Tariffs.
405. Charter Service Revenues.
406. Auxiliary Transportation Revenues.
407. Nontransportation Revenues.
408. Taxes Levied Directly by Transit System.
409. Local Cash Grants and Reimbursements.
410. Local Special Fare Assistance.
411. State Cash Grants and Reimbursements.
412. State Special Fare Assistance.
413. Federal Cash Grants and Reimbursements.
430. Contributed Services.
440. Subsidy From Other Sectors of Operations.

Table 5.—Recommended Revenue Object Classes

Recommended Revenue Object Classes

401. Passenger Fares for Transit Service.*
  01 Full Adult Fares.
  02 Senior Citizen Fares.
  03 Student Fares.
  04 Child Fares.
  05 Handicapped Rider Fares.
  06 Park and Ride—Parking Revenues Only.
  99 Other Primary Ride Fares.
402. Special Transit Fares.*
  01 Contract Fares for Postmen.
  02 Contract Fares for Policemen.
  03 Special Route Guarantees.
  04 Other Special Contract Transit Fares—State and Local Government.
  05 Other Special Contract Transit Fares—Other Sources.
  07 Non-Contract Special Service Fares.
403. School Bus Service Revenues.*
  01 Passenger Fares from School Bus Service.
404. Freight Tariffs.*
  01 Hauling Freight.
405. Charter Service Revenues.*
  01 Passenger Fares from Charter Service.
406. Auxiliary Transportation Revenues.*
  01 Station Concessions.
  02 Vehicle Concessions.
  03 Advertising Services.
  04 Automotive Vehicle Ferriage.
  99 Other Auxiliary Transportation Revenues.
407. Nontransportation Revenues.*
  01 Sales of Maintenance Services.
  02 Rental of Revenue Vehicles.
  03 Rental of Buildings and Other Property.
  04 Investment Income.
  05 Parking Lot Revenue.
  99 Other Nontransportation Revenues.
408. Taxes Levied Directly by Transit System.*
  01 Property Tax Revenue.
  02 Sales Tax Revenue.
  03 Income Tax Revenue.
  04 Payroll Tax Revenue.
  05 Utility Tax Revenue.
  99 Other Tax Revenue.
409. Local Cash Grants and Reimbursements.*
  01 General Operating Assistance.
  02 Special Demonstration Project Assistance—Local Projects.
  03 Special Demonstration Project Assistance—Local Share for State Projects.
  04 Special Demonstration Project Assistance—Local Share for UMTA Projects.
  05 Reimbursement of Taxes Paid.
  06 Reimbursement of Interest Paid.
  07 Reimbursement of Transit System Maintenance Costs.
  08 Reimbursement for Snow Removal Costs.
  09 Reimbursement of Security Costs.
  99 Other Financial Assistance.
410. Local Special Fare Assistance.*
  01 Handicapped Citizen Fare Assistance.
  02 Senior Citizen Fare Assistance.
  03 Student Fare Assistance.
  99 Other Special Fare Assistance.
411. State Cash Grants and Reimbursements.*
  01 General Operating Assistance.
  03 Special Demonstration Projects Assistance—State Projects.
  04 Special Demonstration Project Assistance—State Share for UMTA Projects.
  05 Reimbursement of Taxes Paid.
  06 Reimbursement of Interest Paid.
  07 Reimbrusement of Transit System Maintenance Costs.
  09 Reimbursement of Security Costs.
  99 Other Financial Assistance.
412. State Special Fare Assistance.*
  01 Handicapped Citizen Fare Assistance.
  02 Senior Citizen Fare Assistance.
  03 Student Fare Assistance.
  99 Other Special Fare Assistance.
413. Federal Cash Grants and Reimbursements.*
  01 General Operating Assistance.
  04 Special Demonstration Project Assistance.
  99 Other Financial Assistance.
430. Contributed Services.*
  01 State and Local Government.
  02 Contra Account for Expense.
440. Subsidy From Other Sectors of Operations.*
  01 Subsidy from Utility Rates.
  02 Subsidy from Bridge and Tunnel Tolls.
  99 Other Subsidies.

*Denotes required object classes.

Table 6 presents the classification for assets, liabilities and capital accounts required under section 15. Table 7 is a more detailed list which includes recommended balance sheet accounts that have been developed to assist transit agencies in implementing the section 15 requirements.

Table 6.—Required Balance Sheet Object Classes

Required Balance Sheet Object Classes

Assets

101. Cash and Cash Items.
102. Receivables.
103. Materials and Supplies Inventory.
104. Other Current Assets.
105. Work in Progress.
111. Tangible Transit Operating Property.
  03 Accumulated Depreciation.
112. Tangible Property Other Than for Transit Operations.
  02 Accumulated Depreciation.
121. Intangible Assets.
  06 Accumulated Amortization.
131. Investments.
141. Special Funds.
151. Other Assets.

Liabilities

201. Trade Payables.
202. Accrued Payroll Liabilities.
203. Accrued Tax Liabilities.
204. Short-Term Debt.
205. Other Current Liabilities.
211. Advances Payable.
221. Long-Term Debt.
231. Estimated Liabilities.
241. Deferred Credits.

Capital

301. Public (Governmental) Entity Ownership.
302. Private Corporation Ownership.
303. Private Noncorporate Ownership.
304. Grants, Donations and Other Paid-In Capital.
305. Accumulated Earnings (Losses).

Table 7.—Recommended Balance Sheet Object Classes

Recommended Balance Sheet Object Classes

Assets

101. Cash and Cash Items.*
- 01 Cash.
- 02 Working (Imprest) Funds.
- 03 Special Deposits, Interest.
- 04 Special Deposits, Dividends.
- 05 Special Deposits, Other.
- 06 Temporary Cash Investments.

102. Receivables.*
- 01 Accounts Receivable.
- 02 Notes Receivable.
- 03 Interest and Dividends Receivable.
- 04 Receivables from Associated Companies.
- 05 Receivable Subscriptions to Capital Stock.
- 06 Receivables for Capital Grants.
- 07 Receivables for Operating Assistance.
- 08 Other Receivables.
- 09 Reserve for Uncollectible Accounts.

103. Materials and Supplies Inventory.*

104. Other Current Assets.*

105. Work in Progress.*
- 01 Unbilled Work for Others.
- 02 Capital Projects.

111. Tangible Transit Operating Property.*
- 01 Property Cost.
- 02 Leased-Out Property Cost.
- 03 Accumulated Depreciation.*

112. Tangible Property Other Than for Transit Operations.*
- 01 Property Cost.
- 02 Accumulated Depreciation.*

121. Intangible Assets.*
- 01 Organization Costs.
- 02 Franchises.
- 03 Patents.
- 04 Goodwill.
- 05 Other Intangible Assets.
- 06 Accumulated Amortization.*

131. Investments.*
- 01 Investments and Advances, Associated Companies.
- 02 Other Investments and Advances.
- 03 Reserve for Revaluation of Investments.

141. Special Funds.*
- 01 Sinking Funds.
- 02 Capital Asset Funds.
- 03 Insurance Reserve Funds.
- 04 Pension Funds.
- 05 Other Special Funds.

151. Other Assets.*
- 01 Prepayments.
- 02 Miscellaneous Other Assets.

Liabilities

201. Trade Payables.*
- 01 Accounts Payable.
- 02 Payables to Associated Companies.

202. Accrued Payroll Liabilities.*

203. Accrued Tax Liabilities.*

204. Short-Term Debt.*
- 01 Notes Payable.
- 02 Matured Equipment and Long-Term Obligations.
- 03 Unmatured Equipment and Long-Term Obligations, Current Portion.
- 04 Matured Interest Payable.
- 05 Accrued Interest Payable.
- 06 Current Pension Liabilities.

205. Other Current Liabilities.*
- 01 Unredeemed Fares.
- 02 C.O.D.s Unremitted.
- 03 Dividends Declared and Payable.
- 04 Short-Term Construction Liabilities.
- 05 Miscellaneous Other Current Liabilities.

211. Advances Payable.*
- 01 Advances Payable to Associated Companies.
- 02 Other Advances Payable.

221. Long-Term Debt.*
- 01 Equipment Obligations.
- 02 Bonds.
- 03 Receivers' and Trustees' Securities.
- 04 Long-Term Construction Liabilities.
- 05 Other Long-Term Obligations.
- 06 Unamortized Debt Discount and Expense.
- 07 Unamortized Premium on Debt.
- 08 Reacquired and Nominally Issued Long-Term Obligations.

231. Estimated Liabilities.*
- 01 Long-Term Pension Liabilities.
- 02 Uninsured Public Liability and Property Damage Losses.
- 03 Other Estimated Liabilities.

241. Deferred Credits.*

Capital

301. Public (Governmental) Entity Ownership.*

302. Private Corporation Ownership.*
- 01 Preferred Capital Stock.
- 02 Common Capital Stock.
- 03 Premiums and Assessments on Capital Stock.
- 04 Discount on Capital Stock.
- 05 Commission and Expense on Capital Stock.
- 06 Capital Stock Subscribed.
- 07 Reacquired Securities.
- 08 Nominally Issued Securities.

303. Private Noncorporate Ownership.*
- 01 Sole Proprietorship Capital.
- 02 Partnership Capital.

304. Grants, Donations and Other Paid-In Capital.*
- 01 Federal Government Capital Grants.
- 02 State Government Capital Grants.
- 03 Local Government Capital Grants.
- 04 Nongovernmental Donations and Other Paid-In Capital.

305. Accumulated Earnings (Losses).*
- 01 Accumulated Earnings (Losses).
- 02 Dividend Appropriations.
- 03 Restricted Accumulated Earnings.

* Denotes required object classes.

The Uniform System of Accounts and Records also includes collecting and recording of certain operating data elements. The required operating data elements are listed in Table 8.

Table 8.—Required Operating Data Elements

Basic Information

Transit System Identification
Contractural Relationship Identification
Vehicles (for Directly Operated and Purchased Transportation Services) Operated in and Available for Maximum Service by Mode, Vehicle Type, and Ownership Identification
Supplementary Information
Summary of Statistics Used for the Section 9 Apportionment by Mode, Fixed Guideway and Nonfixed Guideway Operations, Type of Service, and Urbanized Area

Service Periods

Revenue Vehicles Maintenance Performance and Energy Consumption
Roadcalls for Mechanical Failure
Roadcalls for Other Reasons
Labor Hours for Inspection and Maintenance
Number of Light Maintenance Facilities
Energy Consumption

Transit Way Mileage

Fixed Guideway Classifications for Rail and Nonrail Modes
Directional Route Miles
Miles of Track
Number of Crossings
Number of Stations

Employee Equivalents

Operating and Capital Employee Equivalents for Labor Classifications

Service Supplied

Number of Vehicles, Trains, and Passenger Cars in Operation
Total Actual Vehicle, Train, and Passenger Car Revenue Miles
Total Scheduled Vehicle and Passenger Car Revenue Miles
Total Actual Vehicle, Train, and Passenger Car Miles
Miles of Charter and School Bus Service
Total Actual Vehicle, Train, and Passenger Car Revenue Hours
Total Actual Vehicle, Train, and Passenger Car Hours
Hours of Charter and School Bus Service

Service Consumed (Not required of transit agencies with 25 or fewer revenue vehicles operated in maximum service and for all purchased transportation services, i.e., private or public carriers providing transit service under contract to a public agency)
Unlinked Passenger Trips
Passenger Miles

Service Personnel Classifications
Service Operated and Nonoperated (Days) Classifications
Revenue Vehicle Inventory

The definitions for the above expense object classes, functions, revenue object classes, balance sheet object classes, and operating data elements are contained in the Reference Volumes.

F. The Reporting System

The section 15 Reporting System consists of forms and procedures for transmitting data from transit agencies to UMTA. All beneficiaries of Federal financial assistance must submit the required forms and information in order to allow UMTA to: (1) store and generate data and information on the Nation's mass transportation systems; and (2) (for urbanized areas of 200,000 or more inhabitants) calculate the apportionment allocations for the Section 9 formula grant program. The reporting requirements include the following major

segments, which are based on information assembled through the Uniform System of Accounts and Records:

(1) Balance sheet.
(2) Revenue report.
(3) Expense report.
(4) Nonfinancial operating data reports.
(5) Miscellaneous auxiliary questionnaires and subsidiary schedules.
(6) Data certifications.
(7) Metropolitan Planning Organization statement.

The following Table 9 lists all reporting forms required to be filed (R-Level) by all reporters:

Table 9.—Required-level Reporting Forms

Basic Information Forms

Transit System Identification Schedule
Contractual Relationship Identification Schedule
Maximum Service Vehicles Summary Schedule—Directly Operated Service
Maximum Service Vehicles Summary Schedule—Purchased Transportation
Supplemental Information Schedule
Section 9 Statistics Summary

Capital Report Forms

Balance Sheet Summary Schedule
Capital Subsidiary Schedule—Sources of Public Capital Assistance

Revenue Report Forms

Revenue Summary Schedule
Revenue Subsidiary Schedule—Sources of Public Assistance

Expense Report Forms

Expenses Classified by Function
Operators Wages Subsidiary Schedule[1]
Fringe Benefits Subsidiary Schedule[1]
Pension Plan Questionnaire[1]

Non-Financial Operating Data Report Forms

Transit System Service Period Schedule
Revenue Vehicle Maintenance Performance and Energy Consumption Schedule
Transit Way Mileage Schedule
Transit System Employee Equivalent Schedule
Transit System Accidents Schedule
Transit System Service Supplied, Service Consumed, Service Personnel, and Service Operated Schedule[2]
Revenue Vehicle Inventory Schedule

The section 15 Reporting System includes several data certification requirements.

(a) Transit reporting agencies must submit with their section 15 Report a letter or report signed by an independent public accountant or other responsible independent entity such as a State audit agency. This statement must attest to the conformity, in all material respects, of the financial data reporting forms in the section 15 Report with the Uniform System of Accounts and Records and Reporting System. The letter or report shall also state whether any of the reporting forms do not conform to the section 15 requirements, and describe the discrepancies.

A transit reporting agency need not submit the above financial data certification if it (1) has adopted the Uniform System of Accounts and Records, (2) has previously submitted a section 15 Report compiled using the Uniform System of Accounts and Records with certification by an independent auditor, and (3) it submits with its Report a certification signed by the agency's Chief Executive Officer attesting that the accounting system from which the section 15 Report is derived follows the accounting system prescribed by the section 15 Uniform System of Accounts and Records.

A suggested form of a financial data certification letter or report follows:

"In connection with our regular examination of the financial statements of _____, for the year ended _____, on which we have reported separately under date of _____, we have also reviewed the reporting forms listed below and included in the _____ report for the year ended _____, required under section 15 of the Urban Mass Transportation Act, for conformity in all material respects with the requirements of the Urban Mass Transportation Administration as set forth in its applicable Uniform System of Accounts and Records and Reporting System. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We did not make a detailed examination such as would be required to determine that each transaction has been recorded in accordance with the Uniform System of Accounts and Records.

List of Reporting Forms Being Reported Upon

Based on our review, in our opinion, the accompanying reporting forms identified above (except as noted below) conform in all material respects with the accounting requirements of the Urban Mass Transportation Administration as set forth in its applicable Uniform System of Accounts and Records and Reporting System.

(b) Certification of the data used to apportion section 9 funds is required for all reporting agencies that are in or serve urbanized areas with populations of 200,000 or more. The section 9 data certification must be signed by an independent auditor. The data used to apportion section 9 funds are: directional route miles, vehicle revenue miles, passenger miles, and operating cost. The certification should attest to the following items.

—A system is in place and maintained for recording data in accordance with section 15 definitions;
—To the accuracy of all data contained in the section 15 Report; that all data submitted in the section 15 Report accord with section 15 definitions; and
—If applicable, that the transit reporting agency's accounting system used to derive all data submitted in the section 15 Report is the section 15 Uniform System of Accounts and Records.

A suggested form of a CEO section 15 certification statement follows:

"I hereby certify to the following concerning the financial and non-financial/operating data submitted in the (name of agency's) section 15 report for its fiscal year ending_____:

1. The financial and non-financial/operating data (a) are accurate and truthful records of the financial transactions and operations of the (name of agency) and (b) conform, in all material respects, with the accounting and definition requirements of the Urban Mass Transportation Administration's (UMTA) Uniform System of Accounts and Records and Reporting system.

2. The attestations below pertain to directional route mile, vehicle revenue mile, passenger mile and operating cost data used in the formula to apportion section 9 funds:[3]

a. There is a system in place and maintained for recording data in accordance with section 15 definitions;

b. There are available source documents to support the reported data. These documents will be kept for UMTA review and audit at any time up to three years following UMTA's receipt of the section 15 report.

c. There is a system in place to record these data on a continuing basis.

d. There is a system of internal controls to assure the accuracy of the data collection process and recording system.

e. That data collection methods are those suggested by UMTA or are at least equivalent in assuring quality and precision.

f. The data are accurate.

3. The accounting system from which this section 15 report is derived follows the accounting system prescribed by the section 15 Uniform System of Accounts and Records. The (name of agency) has adopted the Uniform System of Accounts and Records and has previously submitted a section 15 report for its fiscal year ending_____ which was compiled using the Uniform System of Accounts and Records and which contained a section 15 financial data certification signed by an independent auditor."[4]

_____

Signed

_____

Date

(4) All transit agencies must submit with their annual section 15 Report a statement from their local Metropolitan Planning Organizations providing the agencies' service area square miles and service area populations.

Issued on: May 2, 1986.

Ralph L. Stanley,

Administrator.

[FR Doc. 86-10248 Filed 5-7-86; 8:45 am]

BILLING CODE 4910-57-M

[1] Transit agencies with 25 or fewer revenue vehicles operated in maximum service are not required to submit this Form.

[2] Transit agencies with 25 or fewer revenue vehicles operated in maximum service and all purchased transportation services (i.e., private or public carriers providing transit service under contract to a public agency) are not required to report Service Consumed data.

[3] Paragraph No. 2 is applicable only for reporting agencies that are in or serve urbanized areas with populations of 200,000 or more.

[4] Paragraph No. 3 may be included for reporting agencies which meet the applicable criteria and in lieu of an independent auditor's financial data certification.

federal register

Thursday
May 8, 1986

Part III

Department of Education

Handicapped Children's Early Education Program; Annual Funding Priorities; Notice

Budget Estimates

Part III

Department of Education

Handicapped Children's Early Education Program: Annual Funding Priorities

DEPARTMENT OF EDUCATION

Handicapped Children's Early Education Program; Annual Funding Priorities

AGENCY: Department of Education.

ACTION: Notice of Final Annual Funding Priorities.

SUMMARY: The Secretary announces annual funding priorities for the Handicapped Children's Early Education Program. These priorities would support applications which: (a) stress community involvement and cooperation of agencies at State and local levels for handicapped children age birth through five; (b) address the needs of unserved and underserved populations age birth through two, especially those children with severe or multiple handicaps; or (c) demonstrate provision of comprehensive services in the least restrictive environment for handicapped children age three through five.

EFFECTIVE DATE: These priorities take effect either 45 days after publication in the **Federal Register** or later if Congress takes certain adjournments. If you want to know the effective date of these priorities, call or write the Department of Education contact person.

FOR FURTHER INFORMATION CONTACT: Dr. Thomas E. Finch, Early Childhood Branch, Division of Innovation and Development, Special Education Programs, Department of Education, 330 C Street SW., (Switzer Building, Room 3511—M/S 2313), Washington, DC 20202. Telephone: (202) 732–1084.

SUPPLEMENTARY INFORMATION: The Handicapped Children's Early Education Program (HCEEP) was established under Pub. L. 91–230 on April 13, 1970, and is currently authorized by section 623 of Part C of the Education of the Handicapped Act, as amended by Pub. L. 98–199. The purpose of the program is to support experimental preschool and early childhood education projects and early childhood State Plan projects. These projects are intended to demonstrate improved program models for handicapped children from birth through eight years of age. The focus of this competition is on the development of model demonstration projects to assist in developing and implementing innovative and experimental practices that establish specific strategies and products worthy of dissemination and replication. Awards will be made in all priority areas described below. The Secretary may award grants or cooperative agreements.

A notice of proposed annual funding priorities was published in the **Federal Register** on October 3, 1985 at 50 FR 40472. The public was given thirty days in which to comment. No comments were received.

Priorities

In accordance with the Education Department General Administrative Regulations at 34 CFR 75.105(b)(2) and 75.105(c)(3)(i), and subject to available funds, the Secretary gives an absolute preference to each application which provides satisfactory assurance that the recipient will use funds made available to conduct the following activities:

(a) *Community Involvement Demonstrations.* This priority supports projects which stress community involvement and cooperation of agencies at State and local levels which serve handicapped children from birth through age five (0–5). Five grants are anticipated to be awarded for a total of $500,000.

(b) *Severely Handicapped Infants Demonstrations.* This priority supports projects which address the needs of unserved and underserved handicapped infants from birth through two years (0–2), especially those who are severely and multiply handicapped. Nine grants are anticipated to be awarded for a total of $935,000.

(c) *Least Restrictive Environment.* This priority supports projects which provide comprehensive services for handicapped children aged three through five (3–5) in the least restrictive environment which facilitate entry into the regular classroom. Projects would focus on the development of an integrated service delivery model to support innovative practices and methods which reflect consideration of child development, involvement of medical, social, education and other related services, and which include parent participation. Six grants are anticipated to be awarded for a total of $600,000.

(20 U.S.C. 1423)

(Catalog of Federal Domestic Assistance Number 84.024; Handicapped Children's Early Education Program)

Dated: May 5, 1986.

William J. Bennett,

Secretary of Education.

[FR Doc. 86–10354 Filed 5–7–86; 8:45 am]

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federal register

Thursday
May 8, 1986

Part IV

Department of Agriculture

Cooperative State Research Service

Rangeland Research Grants Program for Fiscal Year 1986; Solicitation of Applications; Notice

DEPARTMENT OF AGRICULTURE

Cooperative State Research Service

Rangeland Research Grants Program for Fiscal Year 1986; Solicitation of Applications

Notice is hereby given that under the authority contained in Section 1480 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended (7 U.S.C. 3333), the Cooperative State Research Service (CSRS) of the United States Department of Agriculture (USDA) anticipates awarding standard project grants for basic studies in certain areas of rangeland research. The total amount expected to be available for this program during fiscal year 1986 is approximately $454,991. No more than $80,000 will be awarded for the support of any one project, regardless of the amount requested. The award of any grant is contingent upon the availability of funds.

Under this program, the Secretary may award grants to land-grant colleges and universities, State agricultural experiment stations, and to colleges, universities, and Federal laboratories having a demonstrable capacity in rangeland research. Except in the case of Federal laboratories, each grant recipient must match the Federal funds expended on a research project based on a formula of 50 percent Federal and 50 percent non-Federal funding. Proposals received from scientists at non-United States organizations or institutions will not be considered for support.

Applicable Regulations

This program is subject to the provisions found at 7 CFR Part 3401 (51 FR 16152, April 30, 1986). These provisions set forth procedures to be followed when submitting grant proposals, rules governing the evaluation of proposals, the awarding of grants, and regulations relating to the post-award administration of grant projects. Pursuant to Section 1473 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended (7 U.S.C. 3319), funds made available under this program to recipients other than Federal laboratories shall not be subject to reduction for indirect costs or for tuition remission costs; therefore, funds should not be requested for these costs except in the case of Federal laboratories. In addition, USDA Uniform Federal Assistance Regulations, 7 CFR Part 3015, as amended will apply to this program.

How to Obtain Application Materials

Copies of this solicitation, the Research Grant Application Kit, and the Administrative Provisions for this program (7 CFR Part 3401) may be obtained by writing to the address or calling the telephone number which follows: Proposal Services Unit, Grants Administrative Management, Office of Grants and Program Systems, U.S. Department of Agriculture, Room 007, Justin Smith Morrill Building, 15th and Independence Avenue SW., Washington, DC 20251, Telephone Number (202) 475–5049.

What to Submit

An original and nine copies of each proposal submitted under this program are requested. This number of copies is necessary to permit thorough, objective peer evaluation of all proposals received before funding decisions are made. In addition to other required forms and certifications included in the Research Grant Application Kit, an original and nine copies of Form S&E–661, "Grant Application," are requested. Proposers should submit the original copy of this form which must contain pen-and-ink signatures of the principal investigator(s) and the authorized organizational representative.

All copies of each proposal must be mailed in one package. Please see that each copy of each proposal is *stapled securely* in the upper left-hand corner. DO NOT BIND. Information should be typed on one side of the page only.

Every effort should be made to ensure that the proposal contains all pertinent information when submitted. Prior to mailing, compare your proposal with the Application Requirements checklist contained in the Research Grant Application Kit and instructions found in 7 CFR Part 3401. If applicable, the research grant proposal must state that the 50 percent non-Federal funding requirement will be met.

Where and When to Submit Grant Applications

Each research grant application must be submitted to: Grants Administrative Management; Attention: Proposal Services Unit; Office of Grants and Program Systems; U.S. Department of Agriculture; Room 007, Justin Smith Morrill Building; 15th and Independence Avenue SW.; Washington, DC 20251.

To be considered for funding during Fiscal Year 1986, proposals must be received in the Grants Administrative Management office by the close of business on *June 9, 1986.* One copy of each proposal not selected for funding will be retained for a period of one year. The remaining copies will be destroyed.

Specific Areas of Research to be Supported in Fiscal Year 1986

Standard project grants will be awarded to support basic research in certain areas of rangeland research. Proposals will be considered in the following specific areas: (1) Management of rangelands and agricultural land as integrated systems for more efficient utilization of crops and waste products in the production of food and fiber; (2) methods of managing rangeland watersheds to maximize efficient use of water and improve water yield, water quality, and water conservation, to protect against onsite and offsite damage to rangeland resources from floods, erosion and other detrimental influences, and to remedy unsatisfactory and unstable rangeland conditions; and (3) revegetation and rehabilitation of rangelands including the control of undesirable species of plants.

If necessary, further information may be obtained by calling Dr. Wayne K. Murphey, CSRS–USDA; telephone: (202) 447–2044.

Supplementary Information

For reasons set forth in the Final rule-related Notice to 7 CFR Part 3015, Subpart V (48 FR 29115, June 24, 1983), this program is excluded from the scope of Executive Order 12372, which requires intergovernmental consultation with State and local officials.

Under the provisions of the Paperwork Reduction Act of 1980 (44 U.S.C. 3504(h)), the collection of information requirements contained in this Notice has been approved under OMB Document No. 0525–0001.

Done at Washington, DC, this 5th day of May 1986.

John Patrick Jordan,

Administrator, Cooperative State Research Service.

[FR Doc. 86–10383 Filed 5–7–86; 8:45 am]

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Reader Aids

Federal Register

Vol. 51, No. 89

Thursday, May 8, 1986

INFORMATION AND ASSISTANCE

SUBSCRIPTIONS AND ORDERS

Subscriptions (public)	202-783-3238
Problems with subscriptions	275-3054
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Public laws (Slip laws)	275-3030

PUBLICATIONS AND SERVICES

Daily Federal Register

General information, index, and finding aids	523-5227
Public inspection desk	523-5215
Corrections	523-5237
Document drafting information	523-5237
Legal staff	523-4534
Machine readable documents, specifications	523-3408

Code of Federal Regulations

General information, index, and finding aids	523-5227
Printing schedules and pricing information	523-3419

Laws 523-5230

Presidential Documents

Executive orders and proclamations	523-5230
Public Papers of the President	523-5230
Weekly Compilation of Presidential Documents	523-5230

United States Government Manual 523-5230

Other Services

Library	523-4986
Privacy Act Compilation	523-4534
TDD for the deaf	523-5229

FEDERAL REGISTER PAGES AND DATES, MAY

16155-16280.....1
16281-16484.....2
16485-16654.....5
16655-16806.....6
16807-16992.....7
16993-17166.....8

CFR PARTS AFFECTED DURING MAY

At the end of each month, the Office of the Federal Register publishes separately a List of CFR Sections Affected (LSA), which lists parts and sections affected by documents published since the revision date of each title.

1 CFR

315.....16659

3 CFR

Proclamations:
5470.....16655
5471.....16657

5 CFR

550.....16669

Proposed Rules:
831.....16701

7 CFR

210.....16807
225.....16807
226.....16807
246.....16155
272.....16281
273.....16281
301.....16993
917.....16670
918.....16812
925.....16285
1435.....16285

Proposed Rules:
911.....16347
1240.....16702
1493.....16532
1747.....17034

8 CFR

238.....16288

9 CFR

77.....17001
92.....16485

10 CFR

Proposed Rules:
20.....16535
300.....16854

12 CFR

Ch. VII.....16292
201.....16672
353.....16485
556.....16288, 16501
611.....16291

Proposed Rules:
Ch. V.....16542, 16550
204.....16855
523.....16536
541.....16542
545.....16542
561.....16542, 16550
563.....16542, 16550
570.....16542
611.....17035
614.....17035
615.....17035
618.....17035
740.....16710
741.....16710
745.....16710

13 CFR

120.....17002
123.....17002
309.....16292

Proposed Rules:
121.....16176

14 CFR

39.....16155, 16294, 16506-16508, 16806, 17005-17009
71.....16295, 16510, 16610, 16673
75.....16295, 16814
95.....16814

Proposed Rules:
39.....16347, 17049-17056
73.....16858

15 CFR

376.....16674
379.....16296
399.....16818

16 CFR

13.....16510-16513
305.....16516

Proposed Rules:
13.....16566

18 CFR

271.....16157

19 CFR

101.....16158
115.....16159
178.....16159

Proposed Rules:
211.....16858

20 CFR

404.....16166, 16818
416.....16818

Proposed Rules:
416.....17057

21 CFR

5.....17010
74.....16674
81.....16674
82.....16674
176.....16167, 17011
177.....16827
182.....16829
186.....16829
330.....16258
331.....16258

332 16258
357 16258
441 16516
558 16675
884 16652
Proposed Rules:
630 16620
805 16792

22 CFR

Proposed Rules:
213 17068

23 CFR

625 16830
626 16830
630 16830
645 16830
650 16830
655 16830
666 16830
810 16830
922 16830

24 CFR

882 16296
990 16835

26 CFR

1 ..... 16297, 16298
53 16300
54 16300
141 16300
301 16300
602 ..... 16298, 16300
Proposed Rules:
1 16348

27 CFR

5 16167

28 CFR

0 ..... 16841, 16842
16 16676
21 16171
Proposed Rules:
16 16724

29 CFR

2676 16677

30 CFR

935 16677
Proposed Rules:
250 16348
256 16348
731 16859
732 16859
761 16859
772 16859
773 16859
779 16859
780 16859
783 16859
784 16859

31 CFR

306 16174

32 CFR

706 ..... 16174, 16680–16682

33 CFR

100 17012
117 ..... 16306, 17012
118 16306
162 17013
165 17016
402 16843
Proposed Rules:
117 ..... 16568, 17070
166 17071
167 17071

36 CFR

251 16682
Proposed Rules:
62 16349

38 CFR

21 ..... 16314, 16317, 16517
Proposed Rules:
4 16350

39 CFR

10 17017
111 17019
951 16517
Proposed Rules:
10 17073

40 CFR

147 16683
166 16844
180 ..... 16688, 16844
260 16422
264 16422
265 16422
270 16422
721 16684
1502 16846
Proposed Rules:
65 16353
180 16178
261 16860

42 CFR

400 16772
405 16772
412 16772
433 16318
442 16688
489 16772
Proposed Rules:
51e 16724
400 16792
405 16792
489 16792

43 CFR

4 16319
Proposed Rules:
11 16636

46 CFR

552 17025
Proposed Rules:
572 16354

47 CFR

Ch. I 16688
2 16847
68 16689
69 17026
73 17027
97 17029
Proposed Rules:
1 16321
31 16178
73 ..... 16322, 16324, 16726
Proposed Rules:
73 16357–16360
97 17074

48 CFR

25 16802
52 16802
501 16690
504 16690
513 16175
514 16690
515 16690
525 16692
552 16692
553 ..... 16175, 16690
Proposed Rules:
6 16988
8 16988
15 16988
41 16988
52 ..... 16462, 16988

49 CFR

571 ..... 16325, 16517, 16694, 16847
1011 16851
1105 16851
1152 16851
Proposed Rules:
192 16362
630 ..... 17144, 17145
1135 16363
1312 16877

50 CFR

17 ..... 16474, 16526
301 ..... 16466, 16471
604 16530
611 17030
630 16530
642 16530
650 16520
661 16520
Proposed Rules:
17 ..... 16363, 16483, 16569
216 16365
654 17075

LIST OF PUBLIC LAWS

Note: No public bills which have become law were received by the Office of the Federal Register for inclusion in today's **List of Public Laws.**

Last List May 7, 1986