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PART I

(Part II begins on page 16981)

(Part III begins on page 16999)

HIGHLIGHTS OF THIS ISSUE

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

(Continued inside)

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Contents

(*Continued on next page*)

(Continued on next page)

List of CFR Parts Affected

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

A cumulative guide is published separately at the end of each month. The guide lists the parts and sections affected by documents published since January 1, 1971, and specifies how they are affected.

3 CFR

PRESIDENTIAL DOCUMENTS OTHER THAN PROCLAMATIONS AND EXECUTIVE ORDER:

Memorandum of August 23, 1971 ---- 16887

7 CFR

51 ---- 16893
55 ---- 16894
908 ---- 16894

PROPOSED RULES:

68 ---- 16928
Ch. IX ---- 16928
931 ---- 16933
981 ---- 16933
991 ---- 16933

10 CFR

2 ---- 16896
20 (2 documents) ---- 16897, 16898
30 (2 doucments) ---- 16897, 16898
31 ---- 16898
40 ---- 16897
50 ---- 16897
55 ---- 16897
70 ---- 16897
71 ---- 16897
73 ---- 16897
150 ---- 16898

12 CFR

7 ---- 17000
211 ---- 16899

13 CFR

PROPOSED RULES:

121 ---- 16946

14 CFR

25 ---- 16899
71 ---- 16900
97 ---- 16900
121 ---- 16899
1204 ---- 16901

PROPOSED RULES:

71 (5 documents) ---- 16938–16940

18 CFR

2 ---- 16902

21 CFR

8 ---- 16902

PROPOSED RULES:

170 ---- 16934
172 ---- 16934

24 CFR

Ch. III (2 (doucments) ---- 16903, 16904

25 CFR

217 ---- 16904

26 CFR

PROPOSED RULES:

1 ---- 16922
13 ---- 16922

32A CFR

OEP (Ch. 1):
CIRC. 2 ---- 16920

33 CFR

117 ---- 16904

PROPOSED RULES:

117 (2 documents) ---- 16937

43 CFR

PUBLIC LAND ORDERS:

5084 ---- 16905
5109 ---- 16905

45 CFR

1201 ---- 16905

46 CFR

308 ---- 16907

47 CFR

0 ---- 16907
1 ---- 16907
15 (2 documents) ---- 16907, 16911
83 ---- 16912
87 ---- 16913
89 (2 documents) ---- 16913, 16915
91 (2 documents) ---- 16913, 16916
93 (2 documents) ---- 16914, 16916

PROPOSED RULES:

21 ---- 16940
64 ---- 16916

49 CFR

Appendix C ---- 16916

50 CFR

32 (5 documents) ---- 16918–16920

Presidential Documents

Title 3—The President

MEMORANDUM OF AUGUST 23, 1971

Government Patent Policy

Memorandum for Heads of Executive Departments and Agencies

THE WHITE HOUSE,
Washington, August 23, 1971.

On October 10, 1963, President Kennedy forwarded to the Heads of Executive Departments and Agencies a Memorandum and Statement of Government Patent Policy for their guidance in determining the disposition of rights to inventions made under Government-sponsored grants and contracts. On the basis of the knowledge and experience then available, this Statement first established Government-wide objectives and criteria, within existing legislative constraints, for the allocation of rights to inventions between the Government and its contractors.

It was recognized that actual experience under the Policy could indicate the need for revision or modification. Accordingly, a Patent Advisory Panel was established under the Federal Council for Science and Technology for the purpose of assisting the agencies in implementing the Policy, acquiring data on the agencies' operations under the Policy, and making recommendations regarding the utilization of Government-owned patents. In December 1965, the Federal Council established the Committee on Government Patent Policy to assess how this Policy was working in practice, and to acquire and analyze additional information that could contribute to the reaffirmation or modification of the Policy.

The efforts of both the Committee and the Panel have provided increased knowledge of the effects of Government patent policy on the public interest. More specifically, the studies and experience over the past 7 years have indicated that:

(a) A single presumption of ownership of patent rights to Government-sponsored inventions either in the Government or in its contractors is not a satisfactory basis for Government patent policy, and that a flexible, Government-wide policy best serves the public interest;

(b) The commercial utilization of Government-sponsored inventions, the participation of industry in Government research and development programs, and commercial competition can be influenced by the following factors: the mission of the contracting agency; the purpose and nature of the contract; the commercial applicability and market potential of the invention; the extent to which the invention is developed by the contracting agency; the promotional activities of the contracting agency; the commercial orientation of the contractor and the extent of his privately

financed research in the related technology; and the size, nature and research orientation of the pertinent industry;

(c) In general, the above factors are reflected in the basic principles of the 1963 Presidential Policy Statement.

Based on the results of the studies and experience gained under the 1963 Policy Statement certain improvements in the Policy have been recommended which would provide (1) agency heads with additional authority to permit contractors to obtain greater rights to inventions where necessary to achieve utilization or where equitable circumstances would justify such allocation of rights, (2) additional guidance to the agencies in promoting the utilization of Government-sponsored inventions, (3) clarification of the rights of States and municipal governments in inventions in which the Federal Government acquires a license, and (4) a more definitive data base for evaluating the administration and effectiveness of the Policy and the feasibility and desirability of further refinement or modification of the Policy.

I have approved the above recommendations and have attached a revised Statement of Government Patent Policy for your guidance. As with the 1963 Policy Statement, the Federal Council shall make a continuing effort to record, monitor and evaluate the effects of this Policy Statement. A Committee on Government Patent Policy, operating under the aegis of the Federal Council for Science and Technology, shall assist the Federal Council in these matters.

This memorandum and statement of policy shall be published in the FEDERAL REGISTER.

Richard Nixon

Statement of Government Patent Policy

Basic Considerations

A. The Government expends large sums for the conduct of research and development which results in a considerable number of inventions and discoveries.

B. The inventions in scientific and technological fields resulting from work performed under Government contracts constitute a valuable national resource.

C. The use and practice of these inventions and discoveries should stimulate inventors, meet the needs of the Government, recognize the equities of the contractor, and serve the public interest.

D. The public interest in a dynamic and efficient economy requires that efforts be made to encourage the expeditious development and civilian use of these inventions. Both the need for incentives to draw forth private initiatives to this end, and the need to promote healthy competition in industry must be weighed in the disposition of patent rights under Government contracts. Where exclusive rights are acquired by the contractor, he remains subject to the provisions of the antitrust laws.

E. The public interest is also served by sharing of benefits of Government-financed research and development with foreign countries to a degree consistent with our international programs and with the objectives of U.S. foreign policy.

F. There is growing importance attaching to the acquisition of foreign patent rights in furtherance of the interests of U.S. industry and the Government.

G. The prudent administration of Government research and development calls for a Government-wide policy on the disposition of inventions made under Government contracts reflecting common principles and objectives, to the extent consistent with the missions of the respective agencies. The policy must recognize the need for flexibility to accommodate special situations.

Policy

Section 1. The following basic policy is established for all Government agencies with respect to inventions or discoveries made in the course of or under any contract of any Government agency, subject to specific statutes governing the disposition of patent rights of certain Government agencies.

(a) Where

(1) a principal purpose of the contract is to create, develop or improve products, processes, or methods which are intended for commercial use (or which are otherwise intended to be made available for use) by the general public at home or abroad, or which will be required for such use by governmental regulations; or

(2) a principal purpose of the contract is for exploration into fields which directly concern the public health, public safety, or public welfare; or

(3) the contract is in a field of science or technology in which there has been little significant experience outside of work funded by the Government, or where the Government has been the principal developer of the field, and the acquisition of exclusive rights at the time of contracting might confer on the contractor a preferred or dominant position; or

(4) the services of the contractor are

(i) for the operation of a Government-owned research or production facility; or

(ii) for coordinating and directing the work of others,

the Government shall normally acquire or reserve the right to acquire the principal or exclusive rights throughout the world in and to any inventions made in the course of or under the contract.

In exceptional circumstances the contractor may acquire greater rights than a nonexclusive license at the time of contracting where the head of the department or agency certifies that such action will best serve the public interest. Greater rights may also be acquired by the contractor after the invention has been identified where the head of the department or agency determines that the acquisition of such greater rights is consistent with the intent of this Section 1(a) and is either a necessary incentive to call forth private risk capital and expense to bring the invention to the point of practical application or that the Government's contribution to the invention is small compared to that of the contractor. Where an identified invention made in the course of or under the contract is not a primary object of the contract, greater rights may also be acquired by the contractor under the criteria of Section 1(c).

(b) In other situations, where the purpose of the contract is to build upon existing knowledge or technology, to develop information, products, processes, or methods for use by the Government, and the work called for by the contract is in a field of technology in which the contractor has acquired technical competence (demonstrated by factors such as know-how, experience, and patent position) directly related to an area in which the contractor has an established nongovernmental commercial position, the contractor shall normally acquire the principal or exclusive rights throughout the world in and to any resulting inventions.

(c) Where the commercial interests of the contractor are not sufficiently established to be covered by the criteria specified in Section 1(b) above, the determination of rights shall be made by the agency after the invention has been identified, in a manner deemed most likely to serve the public interest as expressed in this policy statement, taking particularly into account the intentions of the contractor to bring the invention to the point of commercial application and the guidelines of Section 1(a) hereof, provided that the agency may prescribe by regulation special situations where the public interest in the availability of the inventions would best be served by permitting the contractor to acquire at the time of contracting greater rights than a nonexclusive license.

(d) In the situations specified in Sections 1(b) and 1(c), when two or more potential contractors are judged to have presented proposals of equivalent merit, willingness to grant the Government principal or exclusive rights in resulting inventions will be an additional factor in the evaluation of the proposals.

(e) Where the principal or exclusive rights in an invention remain in the contractor, he should agree to provide written reports at reasonable intervals, when requested by the Government, on the commercial use that is being made or is intended to be made of inventions made under Government contracts.

(f) Where the principal or exclusive rights in an invention remain in the contractor, unless the contractor, his licensee, or his assignee has taken effective steps within three years after a patent issues on the invention to bring the invention to the point of practical application or has made the invention available for licensing royalty-free or on terms that are reasonable in the circumstances, or can show cause why he should retain the principal or exclusive rights for a further period of time, the Government shall have the right to require the granting of a nonexclusive or exclusive license to a responsible applicant(s) on terms that are reasonable under the circumstances.

(g) Where the principal or exclusive rights to an invention are acquired by the contractor, the Government shall have the right to require the granting of a nonexclusive or exclusive license to a responsible applicant(s) on terms that are reasonable in the circumstances (i) to the extent that the invention is required for public use by governmental regulations, or (ii) as may be necessary to fulfill health or safety needs, or (iii) for other public purposes stipulated in the contract.

(h) Whenever the principal or exclusive rights in an invention remain in the contractor, the Government shall normally acquire, in addition to the rights set forth in Sections 1(e), 1(f), and 1(g),

(1) at least a nonexclusive, nontransferable, paid-up license to make, use, and sell the invention throughout the world by or on behalf of the Government of the United States (including any Government agency) and States and domestic municipal governments, unless the agency head determines that it would not be in the public interest to acquire the license for the States and domestic municipal governments; and

(2) the right to sublicense any foreign government pursuant to any existing or future treaty or agreement if the agency head determines it would be in the national interest to acquire this right; and

(3) the principal or exclusive rights to the invention in any country in which the contractor does not elect to secure a patent.

(i) Whenever the principal or exclusive rights in an invention are acquired by the Government, there may be reserved to the contractor a revocable or irrevocable nonexclusive royalty-free license for the practice of the invention throughout the world; an agency may reserve the right to revoke such license so that it might grant an exclusive license when it determines that some degree of exclusivity may be necessary to encourage further development and commercialization of the invention. Where the Government has a right to acquire the principal or exclusive rights to an invention and does not elect to secure a patent in a foreign country, the Government may permit the contractor to acquire such rights in any foreign country in which he elects to secure a patent, subject to the Government's rights set forth in Section 1(h).

SEC. 2. Under regulations prescribed by the Administrator of General Services, Government-owned patents shall be made available and the technological advances covered thereby brought into being in the shortest time possible through dedication or licensing, either exclusive or nonexclusive, and shall be listed in official Government publications or otherwise.

SEC. 3. The Federal Council for Science and Technology in consultation with the Department of Justice shall prepare at least annually a report concerning the effectiveness of this policy, including recommendations for revision or modification as necessary in light of the practices and determinations of the agencies in the disposition of patent rights under their contracts. The Federal Council for Science and Technology shall continue to

(a) develop by mutual consultation and coordination with the agencies common guidelines for the implementation of this policy, consistent with existing statutes, and to provide overall guidance as to disposition of inventions and patents in which the Government has any right or interest; and

(b) acquire data from the Government agencies on the disposition of patent rights to inventions resulting from federally financed research and development and on the use and practice of such inventions to serve as bases for policy review and development; and

(c) make recommendations for advancing the use and exploitation of Government-owned domestic and foreign patents.

Each agency shall record the basis for its actions with respect to inventions and appropriate contracts under this statement.

SEC. 4. Definitions: As used in this policy statement, the stated terms in singular and plural are defined as follows for the purposes hereof:

(a) *Government agency*—includes any executive department, independent commission, board, office, agency, administration, authority, Government corporation, or other Government establishment of the executive branch of the Government of the United States of America.

(b) *States*—means the States of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam and the Trust Territory of the Pacific Islands.

(c) *Invention, or Invention or discovery*—includes any art, machine, manufacture, design, or composition of matter, or any new and useful improvement thereof, or any variety of plant, which is or may be patentable under the Patent Laws of the United States of America or any foreign country.

(d) *Contractor*—means any individual, partnership, public or private corporation, association, institution, or other entity which is a party to the contract.

(e) *Contract*—means any actual or proposed contract, agreement, grant, or other arrangement, or subcontract entered into with or for the benefit of the Government where a purpose of the contract is the conduct of experimental, developmental, or research work.

(f) *Made*—when used in relation to any invention or discovery means the conception or first actual reduction to practice of such invention in the course of or under the contract.

(g) *To the point of practical application*—means to manufacture in the case of a composition or product, to practice in the case of a process, or to operate in the case of a machine and under such conditions as to establish that the invention is being worked and that its benefits are reasonably accessible to the public.

[FR Doc.71-12623 Filed 8-25-71;10:41 am]

Rules and Regulations

Title 7—AGRICULTURE

Chapter I—Consumer and Marketing Service (Standards, Inspections, Marketing Practices), Department of Agriculture

SUBCHAPTER C—REGULATIONS AND STANDARDS UNDER THE AGRICULTURAL MARKETING ACT OF 1946

PART 51—FRESH FRUITS, VEGETABLES, AND OTHER PRODUCTS (INSPECTION, CERTIFICATION AND STANDARDS)

Subpart—U.S. Standards for Grades of Fresh Cranberries [1]

On page 13396 of the FEDERAL REGISTER of July 21, 1971 there was published a notice of proposed rule making to revise these grade standards by revising the definitions of damage by bruises and by moisture in § 51.2781, and by changing the title of the standards from U.S. Consumer Standards for Fresh Cranberries to U.S. Standards for Grades of Fresh Cranberries. The grade name U.S. Grade A is changed to U.S. No. 1. These grade standards are issued under authority of the Agricultural Marketing Act of 1946 (60 Stat. 1087, as amended; 7 U.S.C. 1621–1627), which provides for the issuance of official U.S. grades to designate different levels of quality for the voluntary use of producers, buyers and consumers. Official grading services are also provided under this Act upon request of any financially interested party and upon payment of a fee to cover the cost of such services.

Interested persons were given until August 15, 1971 to submit written data, views, or arguments regarding the proposal. No comments have been received and the proposed revised standards are hereby adopted without change and are set forth below.

It is hereby found that good cause exists for not postponing the effective date of this revision beyond the date of publication hereof in the FEDERAL REGISTER, in that: (1) The 1971 packing season for fresh cranberries will begin early in September and it is in the interest of the public and the industry that this revision be placed in effect at the earliest possible date; and (2) no special preparation is required for compliance with this revision on the part of members of the cranberry industry or of others.

Accordingly these standards shall become effective upon publication in the FEDERAL REGISTER (8–26–71) and will thereupon supersede the U.S. Consumer Standards for Fresh Cranberries which have been in effect since August 7, 1956 (7 CFR 51. 2775–51.2784).

Dated: August 23, 1971.

G. R. GRANGE,
Deputy Administrator,
Marketing Services.

[1] Packing of the product in conformity with the requirements of these standards shall not excuse failure to comply with the provisions of the Federal Food, Drug, and Cosmetic Act or with applicable State laws and regulations.

GENERAL

Sec.
51.2775 General.

GRADES

51.2776 U.S. No. 1.

DEFINITIONS

51.2777 Similar varietal characteristics.
51.2778 Clean.
51.2779 Mature.
51.2780 Damage.
51.2781 Fairly well colored.
51.2782 Fairly uniform in color.
51.2783 Diameter.

METRIC CONVERSION TABLE

51.2784 Metric conversion table.

AUTHORITY: The provisions of this subpart issued under secs. 203, 205, 60 Stat. 1087, as amended, 1090 as amended; 7 U.S.C. 1622, 1624.

GENERAL

§ 51.2775 General.

(a) These standards apply only to the commonly cultivated cranberry (Vaccinium macrocarpon).

(b) Compliance with these standards is determined by analyzing samples of 100 berries each drawn at random from individual containers representative of the lot. The tolerances for off-size and defective berries apply to the lot and there is no restriction on the percentage that may occur in individual samples or containers: *Provided,* That the averages for the entire lot are within the tolerances specified for the grade.

GRADES

§ 51.2776 U.S. No. 1.

"U.S. No. 1" consists of cranberries which meet the following requirements:

(a) Basic requirements:

(1) One variety or similar varietal characteristics;

(2) Clean;

(3) Mature;

(4) Firm; and,

(5) Not soft or decayed.

(b) Free from damage caused by:

(1) Moisture;

(2) Bruises;

(3) Freezing;

(4) Smothering;

(5) Scarring;

(6) Sunscald;

(7) Foreign material;

(8) Disease;

(9) Insects; or,

(10) Mechanical or other means.

(c) Color: Individual cranberries shall be at least fairly well colored, and the cranberries in the container shall be fairly uniform in color.

(d) Size: Unless otherwise specified, the diameter of each cranberry shall be not less than thirteen thirty-seconds of an inch.

(e) Tolerances: In order to allow for variations incident to proper grading and handling in this grade, the following tolerances, by count, in any lot are provided:

(1) 3 percent for cranberries which fail to meet the size requirements;

(2) 5 percent for cranberries which fail to meet the remaining requirements of the grade, but not more than three-fifths of this amount, or 3 percent, shall be allowed for cranberries which are soft or decayed at shipping point: *Provided,* That an additional tolerance of 2 percent, or a total of not more than 5 percent, shall be allowed for soft or decayed berries en route or at destination; and,

(3) 5 percent for containers in which the cranberries fail to meet the requirements of fairly uniform in color.

DEFINITIONS

§ 51.2777 Similar varietal characteristics.

"Similar varietal characteristics" means that the cranberries in the container are similar in color and shape.

§ 51.2778 Clean.

"Clean" means that the cranberries are practically free from dirt, dust, spray residue, or other foreign material.

§ 51.2779 Mature.

"Mature" means that the cranberry has reached the stage of development which will insure the proper completion of the ripening process. Cranberries which show more than a slight amount of green color shall be considered immature.

§ 51.2780 Damage.

"Damage" means any specific defect described in this section; or an equally objectionable variation of any one of these defects, any other defect, or any combination of defects, which materially detracts from the appearance, or the edible or marketing quality of the individual cranberry or the general appearance of the cranberries in the container. The following specific defects shall be considered as damage:

(a) Moisture when the cranberries in the container are wet from the juice from crushed, leaking, or decayed berries. Cranberries which are moist from condensation or which have been cleaned by water shall not be considered damaged by moisture;

(b) Bruises when the affected area is soft and watery beneath the skin;

(c) Scarring which detracts from the appearance of the individual cranberry to a greater extent than scars aggregating the area of a circle one-fourth inch in diameter on a cranberry eighteen thirty-seconds of an inch in diameter;

(d) Insects when any larvae or holes caused by them are present or when feeding injury exceeds the area of a circle one-eighth inch in diameter; and,

(e) Foreign material which materially detracts from the appearance of the cranberries in the container.

§ 51.2781 Fairly well colored.

"Fairly well colored" means that 75 percent of the surface of the individual cranberry, in the aggregate, shows pink or red color characteristic of the variety.

§ 51.2782 Fairly uniform in color.

"Fairly uniform in color" means that the berries in the individual containers do not show sufficient variation in color to materially detract from the general appearance of the berries in the container.

§ 51.2783 Diameter.

"Diameter" means the greatest dimension measured at right angles to a line from stem to blossom end of the berry.

METRIC CONVERSION TABLE

§ 51.2784 Metric conversion table.

Inches	Millimeters (mm)	Inches	Millimeters (mm)
1/8	3.175	19/32	14.288
1/4	6.350	19/32	15.081
13/32	9.525	29/32	15.875
13/32	10.319	21/32	16.669
14/32	11.112	22/32	17.462
15/32	11.906	23/32	18.256
16/32	12.700	24/32	19.050
17/32	13.494		

[FR Doc.71-12551 Filed 8-25-71;8:50 am]

PART 55—VOLUNTARY INSPECTION AND GRADING OF EGG PRODUCTS

Laboratory Analysis Fees

Correction

In F.R. Doc. 71-8599 appearing at page 11795 in the issue of Saturday, June 19, 1971, the first entry in the table under § 55.550(b) should read as follows:

Solids $5.50

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

[Valencia Orange Reg. 363]

PART 908—VALENCIA ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

Limitation of Handling

§ 908.663 Valencia Orange Regulation 363.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 908, as amended (7 CFR Part 908, 35 F.R. 16625), regulating the handling of Valencia oranges grown in Arizona and designated part of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendations and information submitted by the Valencia Orange Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such Valencia oranges, as hereinafter provided, will trend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 553) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for Valencia oranges and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such Valencia oranges; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on August 24, 1971.

(b) *Order.* (1) The respective quantities of Valencia oranges grown in Arizona and designated part of California which may be handled during the period August 27, 1971, through September 2, 1971, are hereby fixed as follows:

(i) District 1: 132,000 cartons;
(ii) District 2: 468,000 cartons;
(iii) District 3: Unlimited.

(2) As used in this section, "handler," "District 1," "District 2," "District 3," and "carton" have the same meaning as when used in said amended marketing agreement and order.

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

Dated: August 25, 1971.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Consumer and Marketing Service.

[FR Doc.71-12626 Filed 8-25-71;11:30 am]

Title 10—ATOMIC ENERGY

Chapter I—Atomic Energy Commission

CIVIL PENALTIES

On December 17, 1970, the Atomic Energy Commission published in the FEDERAL REGISTER (35 F.R. 19122) proposed amendments to 10 CFR Part 2, "Rules of Practice", regarding civil penalties.

The proposed amendments set out the procedures which the Commission proposed to follow in imposing civil penalties authorized under section 234 of the Atomic Energy Act of 1954, as amended (the Act). Conforming amendments to 10 CFR Parts 20, 30, 40, 50, 55, 70, 71, 73, and 150 were also proposed.

Interested persons were invited to submit written comments and suggestions for consideration in connection with the proposed amendments within 60 days after publication of the notice of proposed rule making in the FEDERAL REGISTER. After consideration of the comments received and other factors involved, the Commission has adopted the proposed amendments with certain modifications.

Significant differences from the amendments published for comment are:

(1) Section 2.700, which describes the scope of Subpart G, governing procedure in Commission adjudications, has

been amended to cover specifically hearings held on civil penalties.

(2) The provision in proposed § 2.205 for requesting a hearing in connection with the assessment of a civil penalty has been revised to make clear that a request for a hearing need not be made until after an answer to a notice of violation has been filed and an order imposing a civil penalty entered by the Director of Regulation.

(3) The provision in proposed § 2.205 for reference of unpaid civil penalty orders to the Attorney General for collection has been clarified to cover specifically situations in which no answer is filed or an answer is filed but no hearing is requested, as well as situations in which the order is issued after a hearing.

(4) Section 2.203, which requires approval of the presiding officer of a stipulation for settlement in other enforcement proceedings (such as modification, suspension or revocation of a license) has been amended to include also compromise of civil penalties. Since a monetary penalty would be assessed as a deterrent to actions which affect such important matters as the public health and safety and the common defense and security, it appears that, once the matter has been set for hearing, the compromise of a civil penalty, like the settlement of a matter involving a situation such as license suspension or revocation imposed for the same reasons, should not be effected without the approval of the presiding officer. The provision in proposed § 2.205 to the effect that the Director of Regulation may compromise any civil penalty has been revised to reflect the amendment of § 2.203.

Editorial and organization changes have also been made.

Several comments noted the absence of criteria to be used by the Commission in defining the types of cases in which civil penalties will be used and the size of civil penalties likely to be imposed. Although subject to modification, as experience is gained, the Commission's plans for utilization of civil penalties are described below.

Civil penalties, as a method of enforcement, are believed to be appropriate in cases where the illegal acts do not involve an immediate serious threat to public health and safety or the common defense and security (such as the diversion of nuclear materials), but the circumstances of the case indicate that an enforcement measure more severe than a notice of violation is appropriate. Civil penalties, where appropriate, will provide suitable remedial action without the undesirable side effects of suspension or revocation, such as depriving a licensee or his employees of their means of livelihood or the public of an essential service.

Cases involving an immediate serious threat to public health and safety or the common defense and security (such as the diversion of nuclear materials) will continue to be handled by immediate steps as necessary to remove the threat, and by enforcement action such as license suspension or revocation, cease and desist order, or other appropriate action.

Civil penalties and other enforcement methods are, however, not necessarily mutually exclusive and may in appropriate cases be cumulative. For example, rather than a lengthy suspension, a briefer suspension coupled with a civil penalty might be best adapted to the enforcement situation.

The Commission believes that the following cases are typical of those that would be appropriate for imposition of a civil penalty, when the violations represent a threat to public health and safety or the common defense and security (such as the diversion of nuclear materials), but the threat is not of an immediate nature:

(1) Those in which a licensee is found to have repeated violations of license requirements.

(2) Those in which a licensee has willfully violated the provisions of the Commission's rules or regulations or conditions of the license.

(3) Those cases in which a licensee fails to take timely corrective action on matters which may affect public health and safety or the common defense and security (such as the diversion of nuclear materials), and which have previously been brought to the attention of the licensee.

(4) Certain cases in which a person has violated the various requirements for a license in the Act and in the Commission's regulations.

In addition, violations which do not represent a threat to public health and safety or the common defense and security (such as the diversion of nuclear materials) will be subject to a civil penalty if it is determined that the violations are willful.

In determining the amount of a suitable penalty, the Commission will consider all relevant factors including, among others, the nature and number of the violations (i.e., the significance from the standpoint of health and safety of the public or of the common defense and security such as safeguarding of special nuclear material), the steps taken by the person to correct the violations, the licensee's history of previous violations and his demonstrated good faith in correcting them promptly, and the appropriateness of the penalty to the size of the licensee's business conducted under license. Where a person is found to have multiple violations, the amount of the penalty would be multiplied by the number of violations. Furthermore, section 234 of the Act provides that if any violation is a continuing one, each day of violation shall constitute a separate violation for the purpose of computing the applicable civil penalty. In a case where, despite the exercise of reasonable diligence, a licensee was not aware of the violation until brought to its attention by the Commission, the computation of the period of violation would normally begin at that time or after the time allowed the licensee for corrective action. On the other hand, if the evidence showed that a licensee had knowingly permitted violations to continue, the computation of the period of violation might begin at the time the licensee permitted the violations to continue.

In summary, a penalty of up to $5,000 may be imposed for each violation and for each day that the violation exists, up to a maximum total penalty of $25,000 during a 30-day period. Generally, however, the notice of violation will specify the total penalty being assessed, which will include consideration of the number of violations and the number of days the violations have existed. The notice of violation could also impose a daily penalty which would accrue, if the violations are not corrected as of a prescribed date.

The Commission plans to assess civil penalties in amounts ranging up to a maximum of $5,000 per violation. Such factors, among others, as the extent of the threat to public health and safety or the common defense and security resulting from the violation, the willfulness of the violation and the number of similar violations by the person charged will be considered in fixing the amount of the civil penalty. As experience in the use of civil penalties for enforcement purposes is gained, the Commission may develop and publish additional criteria for the determination of the amounts of civil penalties for specific types of violations.

Several of the comments expressed concern about such matters as the failure of the proposed amendments to provide specifically for informal conferences with the regulatory staff or the Director of Regulation with respect to the subject matter of the notice of violation or the amount of the proposed penalty either before or after the notice of violation is sent; the use of the term "notice of violation" rather than "notice of alleged violation"; the fact that the Director of Regulation has been delegated authority by the Commission to institute the notice of violation and proposed penalty and also has been delegated authority to consider the answer and revise the penalty thereafter; and the failure to provide specifically for alternative actions such as cease and desist orders.

Most of the above comments would apply equally to the other provisions of Subpart B of Part 2 dealing with other types of enforcement action. It has not proved necessary in the past to refer to "alleged violations" rather than "violations" or provide specifically in the regulation for such matters as informal conferences on the subject matter of the violation or the proposed enforcement action, which are, of course, available to persons charged with violation of AEC regulations. No persuasive reason has been presented for making such changes in Part 2 with respect to civil monetary penalties, which are less drastic than other available enforcement actions such as suspension or revocation of a license.

The Commission considers that the provisions of §§ 2.205 and of 2.203, which have been specifically made applicable to civil penalty proceedings, are sufficient

to permit the informal disposition of proceedings for imposition of civil penalties.

The Commission does not view as unfair or otherwise inappropriate the fact that the Director of Regulation will have authority to institute the proceeding for the imposition of a civil penalty and will also have authority to consider the answer to the charges and thereafter revise, impose or mitigate the penalty, particularly in view of the opportunity provided for an administrative hearing before an officer other than the Director of Regulation and for a trial de novo in a civil action to collect a civil penalty under section 234c of the Act.

Under the Commission's organization, inspectors and first-line supervisory personnel would not be authorized to impose civil penalties. The pertinent delegations of authority from the Director of Regulation to the Directors of the Divisions of Compliance and Nuclear Materials Safeguards, and delegations from the Directors to their staffs will be available for inspection in the Commission's Public Document Room at 1717 H Street NW., Washington, D.C.

The Commission does not view a decision to institute proceedings for the imposition of a civil penalty as precluding the use of other kinds of enforcement action, if such other action later appears desirable. However, it is not deemed necessary to provide specifically for such alternatives.

The comments exhibited disparate views on the matter of whether the notice pertaining to the proposed imposition of civil penalties should be included in the notice of violation issued pursuant to § 2.201. Ordinarily, such notices will be combined wherever practicable. The amendments set forth below, however, do not require a combined notice. There may be occasions when the Commission will wish to issue a notice of proposed imposition of civil penalty if no answer, or an inadequate answer, is received to a notice of violation issued under § 2.201 (a). Conversely, if it is initially determined that the imposition of a civil penalty is appropriate in a particular case of violation, it would be appropriate to inform the person charged with violation of the intended enforcement action at the time the notice of violation is issued.

Pursuant to the Atomic Energy Act of 1954, as amended, and sections 552 and 553 of Title 5 of the United States Code, the following amendments to Title 10, Chapter I, Code of Federal Regulations, Parts 2, 20, 30, 40, 50, 55, 70, 71, 73, and 150, are published as a document subject to codification effective thirty (30) days after publication in the FEDERAL REGISTER.

PART 2—RULES OF PRACTICE

1. Section 2.1 of 10 CFR Part 2 is amended to read as follows:

§ 2.1 Scope.

This part governs the conduct of all proceedings under the Atomic Energy Act of 1954, as amended, for (a) granting, suspending, revoking, amending, or taking other action with respect to any license, authorization, construction permit, or application to transfer a license; (b) imposing civil penalties under section 234 of the Act; (c) public rulemaking; and (d) declaring a patent to be affected with the public interest, and the granting of a patent license under section 153 of the Act, but excluding all other patent matters.

2. The heading of Subpart B of 10 CFR Part 2 is amended to read as follows:

Subpart B—Procedure for Imposing Requirements by Order, or for Modification, Suspension, or Revocation of a License, or for Imposing Civil Penalties

3. Section 2.200 of 10 CFR Part 2 is amended to read as follows:

§ 2.200 Scope of subpart.

(a) This subpart prescribes the procedure in cases initiated by the regulatory staff to impose requirements by order on a licensee or to modify, suspend, or revoke a license, or for such other action as may be proper.

(b) This subpart also prescribes the procedures in cases initiated by the regulatory staff to impose civil penalties pursuant to section 234 of the Act.

4. Section 2.203 of 10 CFR Part 2 is amended to read as follows:

§ 2.203 Settlement and compromise.

At any time after the issuance of an order designating the time and place of hearing in a proceeding to modify, suspend, or revoke a license or for other action, the regulatory staff and a licensee or other person may enter into a stipulation for the settlement of the proceeding or the compromise of a civil penalty. The stipulation or compromise shall be subject to approval by the designated presiding officer or, if none has been designated, by the Chief Hearing Examiner, according due weight to the position of the regulatory staff. The presiding officer, or if none has been designated, the Chief Hearing Examiner, may order such adjudication of the issues as he may deem to be required in the public interest to dispose of the proceeding. If approved, the terms of the settlement or compromise shall be embodied in a decision or order settling and discontinuing the proceeding.

5. A new § 2.205 is added to 10 CFR Part 2 to read as follows:

§ 2.205 Civil penalties.

(a) Before instituting any proceeding to impose a civil penalty under section 234 of the Act, the Director of Regulation shall serve a written notice of violation upon the person charged. This notice may be included in a notice issued pursuant to § 2.201. The notice of violation shall specify the date or dates, facts, and the nature of the alleged act or omission with which the person is charged, and shall identify specifically the particular provision or provisions of the law, rule, regulation, license, permit, or cease and desist order involved in the alleged violation and shall state the amount of each penalty which the Director of Regulation proposes to impose. The notice of violation shall also advise the person charged that the civil penalty may be paid in the amount specified therein, or the proposed imposition of the civil penalty may be protested in its entirety or in part, by a written answer, either denying the violation, or showing extenuating circumstances. The notice of violation shall advise the person charged that upon failure to pay a civil penalty subsequently determined by the Commission, if any, the penalty may, unless compromised, remitted or mitigated, be collected by civil action pursuant to section 234c of the Act.

(b) Within twenty (20) days of the date of a notice of violation or other time specified in the notice, the person charged may either pay the penalty in the amount proposed or answer the notice of violation. The answer to the notice of violation shall state any facts, explanations, and arguments, denying the charges of violation, or demonstrating any extenuating circumstances, error in the notice of violation, or other reason why the penalty should not be imposed and may request remission or mitigation of the penalty.

(c) If the person charged with violation fails to answer within the time specified in paragraph (b) of this section, the Director of Regulation will issue an order imposing the civil penalty in the amount set forth in the notice of violation described in paragraph (a) of this section.

(d) If the person charged with violation files an answer to the notice of violation, the Director of Regulation, upon consideration of the answer, will issue an order dismissing the proceeding or imposing, mitigating, or remitting the civil penalty. The person charged may, within twenty (20) days of the date of the order or other time specified in the order, request a hearing.

(e) If the person charged with violation requests a hearing, the Commission will issue an order designating the time and place of hearing.

(f) If a hearing is held, an order will be issued after the hearing by the presiding officer or the Commission dismissing the proceeding or imposing, mitigating, or remitting the civil penalty.

(g) The Director of Regulation may comprise any civil penalty, subject to the provisions of § 2.203.

(h) If the civil penalty is not compromised, or is not remitted by the Director of Regulation, the presiding officer or the Commission, and if payment is not made within ten (10) days following either the service of the order described in paragraph (c) or (f) of this section, or the expiration of the time for requesting a hearing described in paragraph (d) of this section, no such request having been made, the Director of Regulation may refer the matter to the Attorney General for collection.

(i) Except when payment is made after compromise or mitigation by the

Department of Justice or as ordered by a court of the United States, following reference of the matter to the Attorney General for collection, payment of civil penalties imposed under section 234 of the Act shall be made by check, draft, or money order payable to the Treasurer of the United States, and mailed to the Director of Regulation.

6. 2.700 of 10 CFR Part 2 is amended to read as follows:

§ 2.700 Scope of subpart.

The general rules in this subpart govern procedure in all adjudications initiated by the issuance of an order to show cause, an order pursuant to § 2.205 (e), or a notice of hearing.

PART 20—STANDARDS FOR PROTECTION AGAINST RADIATION

7. Section 20.601 of 10 CFR Part 20 is amended to read as follows:

§ 20.601 Violations.

An injunction or other court order may be obtained prohibiting any violation of any provision of the Act or any regulation or order issued thereunder. A court order may be obtained for the payment of a civil penalty imposed pursuant to section 234 of the Act for violation of section 53, 57, 62, 63, 81, 82, 101, 103, 104, 107, or 109 of the Act or any rule, regulation, or order issued thereunder, or any term, condition or limitation of any license issued thereunder, or for any violation for which a license may be revoked under section 186 of the Act. Any person who willfully violates any provision of the Act or any regulation or order issued thereunder may be guilty of a crime and, upon conviction, may be punished by fine or imprisonment or both, as provided by law.

PART 30—RULES OF GENERAL APPLICABILITY TO LICENSING OF BY-PRODUCT MATERIAL

8. Section 30.63 of 10 CFR Part 30 is amended to read as follows:

§ 30.63 Violations.

An injunction or other court order may be obtained prohibiting any violation of any provision of the Act or any regulation or order issued thereunder. A court order may be obtained for the payment of a civil penalty imposed pursuant to section 234 of the Act for violation of section 53, 57, 62, 63, 81, 82, 101, 103, 104, 107, or 109 of the Act of any rule, regulation, or order issued thereunder, or any term, condition, or limitation of any license issued thereunder, or for any violation for which a license may be revoked under section 186 of the Act. Any person who willfully violates any provision of the Act or any regulation or order issued thereunder may be guilty of a crime and, upon conviction, may be punished by fine or imprisonment or both, as provided by law.

PART 40—LICENSING OF SOURCE MATERIAL

9. Section 40.81 of 10 CFR Part 40 is amended to read as follows:

§ 40.81 Violations.

An injunction or other court order may be obtained prohibiting any violation of any provision of the Act or any regulation or order issued thereunder. A court order may be obtained for the payment of a civil penalty imposed pursuant to section 234 of the Act for violation of section 53, 57, 62, 63, 81, 82, 101, 103, 104, 107 or 109 of the Act or any rule, regulation, or order issued thereunder, or any term, condition, or limitation of any license issued thereunder, or for any violation for which a license may be revoked under section 186 of the Act. Any person who willfully violates any provision of the Act or any regulation or order issued thereunder may be guilty of a crime and, upon conviction, may be punished by fine or imprisonment or both, as provided by law.

PART 50—LICENSING OF PRODUCTION AND UTILIZATION OF FACILITIES

10. Section 50.110 of 10 CFR Part 50 is amended to read as follows:

§ 50.110 Violations.

An injunction or other court order may be obtained prohibiting any violation of any provision of the Act or any regulation or order issued thereunder. A court order may be obtained for the payment of a civil penalty imposed pursuant to section 234 of the Act for violation of section 53, 57, 62, 63, 81, 82, 101, 103, 104, 107 or 109 of the Act or any rule, regulation, or order issued thereunder, or any term, condition, or limitation of any license issued thereunder, or for any violation for which a license may be revoked under section 186 of the Act. Any person who willfully violates any provision of the Act or any regulation or order issued thereunder may be guilty of a crime and, upon conviction, may be punished by fine or imprisonment or both, as provided by law.

PART 55—OPERATORS' LICENSES

11. Section 55.50 of 10 CFR Part 55 is amended to read as follows:

§ 55.50 Violations.

An injunction or other court order may be obtained prohibiting any violation of any provision of the Act or any regulation or order issued by the Commission under the Act. A court order may be obtained for the payment of a civil penalty imposed pursuant to section 234 of the Act for violation of sections 53, 57, 62, 63, 81, 82, 101, 103, 104, 107, or 109 of the Act or any rule, regulation, or order issued thereunder, or any term, condition or limitation of any license issued thereunder, or for any violation for which a license may be revoked under section 186 of the Act. Any person who willfully violates any provision of the Act or of the regulations in this part may be guilty of a crime and, upon conviction, may be punished by fine or imprisonment or both, as provided by law.

PART 70—SPECIAL NUCLEAR MATERIAL

12. Section 70.71 of 10 CFR Part 70 is amended to read as follows:

§ 70.71 Violations.

An injunction or other court order may be obtained prohibiting any violation of any provision of the Act or any regulation or order issued thereunder. A court order may be obtained for the payment of a civil penalty imposed pursuant to section 234 of the Act for violation of section 53, 57, 62, 63, 81, 82, 101, 103, 104, 107, or 109 of the Act or any rule, regulation, or order issued thereunder, or any term, condition, or limitation of any license issued thereunder, or for any violation for which a license may be revoked under section 186 of the Act. Any person who willfully violates any provision of the Act or any regulation or order issued thereunder may be guilty of a crime and, upon conviction, may be punished by fine or imprisonment or both, as provided by law.

PART 71—PACKAGING OF RADIOACTIVE MATERIAL FOR TRANSPORT

13. Section 71.64 of 10 CFR Part 71 is amended to read as follows:

§ 71.64 Violations.

An injunction or other court order may be obtained prohibiting any violation of any provision of the Act or any regulation or order issued thereunder. A court order may be obtained for the payment of a civil penalty imposed pursuant to section 234 of the Act for violation of section 53, 57, 62, 63, 81, 82, 101, 103, 104, 107, or 109 of the Act or any rule, regulation, or order issued thereunder, or any term, condition, or limitation of any license issued thereunder, or for any violation for which a license may be revoked under section 186 of the Act. Any person who willfully violates any provision of the Act or any regulation or order issued thereunder may be guilty of a crime, and, upon conviction, may be punished by fine or imprisonment or both, as provided by law.

PART 73—PHYSICAL PROTECTION OF SPECIAL NUCLEAR MATERIAL

14. An undesignated centerhead "Enforcement" is added to 10 CFR Part 73 following § 73.42.

15. A new § 73.51 is added to 10 CFR Part 73 to read as follows:

§ 73.51 Violations.

An injunction or other court order may be obtained prohibiting any violation of any provision of the Act or any regulation or order issued thereunder. A court

order may be obtained for the payment of a civil penalty imposed pursuant to section 234 of the Act for violation of section 53, 57, 62, 63, 81, 82, 101, 103, 104, 107, or 109 of the Act or any rule, regulation, or order issued thereunder, or any term, condition, or limitation of any license issued thereunder, or for any violation for which a license may be revoked under section 186 of the Act. Any person who willfully violates any provision of the Act or any regulation or order issued thereunder may be guilty of a crime and, upon conviction, may be punished by fine or imprisonment or both, as provided by law.

PART 150—EXEMPTIONS AND CONTINUED REGULATORY AUTHORITY IN AGREEMENT STATES UNDER SEC. 274

16. Section 150.30 of 10 CFR Part 150 is amended to read as follows:

§ 150.30 Violations.

An injunction or other court order may be obtained prohibiting any violation of any provision of the Act or any regulation or order issued thereunder. A court order may be obtained for the payment of a civil penalty imposed pursuant to section 234 of the Act for violation of section 53, 57, 62, 63, 81, 82, 101, 103, 104, 107, or 109 of the Act or any rule, regulation, or order issued thereunder, or any term, condition, or limitation of any license issued thereunder, or for any violation for which a license may be revoked under section 186 of the Act. Any person who willfully violates any provision of the Act or any regulation or order issued thereunder may be guilty of a crime and, upon conviction, may be punished by fine or imprisonment or both, as provided by law.

(Secs. 161, 234, 68 Stat. 948, 83 Stat. 444; 42 U.S.C. 2201, 2282)

Dated at Washington, D.C., this 6th day of August 1971.

For the Atomic Energy Commission.

W. B. McCool,
Secretary of the Commission.

[FR Doc.71-12491 Filed 8-25-71;8:48 am]

EXEMPT QUANTITY OF BARIUM-133

On May 25, 1971, the Atomic Energy Commission published in the FEDERAL REGISTER (36 F.R. 9468) proposed amendments to Parts 20, 30, and 31 of its regulations. The proposed amendments would (a) add a listing of 10 microcuries for barium-133 to the schedule of exempt quantities of byproduct material, § 30.71, Schedule B, 10 CFR Part 30; (b) add a similar listing to Appendix C, 10 CFR Part 20; (c) revoke § 31.4, 10 CFR Part 31 which sets forth the existing general license for small quantities of byproduct material that was extended to accommodate the petition from Nuclear-Chicago Corp.; and (d) amend § 30.18(b), 10 CFR Part 30, to reference the new date of revocation of that general license.

Interested persons were invited to submit written comments and suggestions for consideration in connection with the proposed amendments within 30 days after publication of the notice of proposed rule making in the FEDERAL REGISTER. After consideration of the comments received on the notice of proposed rule making and other factors involved, the Commission has adopted the proposed amendments without modification, as set forth below.

The addition of a listing for barium-133 to § 30.71, Schedule B, 10 CFR Part 30, accommodates two of three items for which Nuclear-Chicago Corp., requested exemption from regulatory control, i.e., a sealed source of barium-133 contained within a Liquid Scintillation Counting System for the purpose of internal calibration and standardization, and a unit identified as a "Thyroid Phantom" containing barium-133 and cesium-137, used to educate medical students and practitioners in the identification of thyroid maladies. A third item was withdrawn from consideration by the petitioner. The Commission considers the "Thyroid Phantom" marketed by Nuclear-Chicago Corp., to be an encapsulated source which, with the inclusion of barium-133 in § 30.71, Schedule B, falls within the specification of items which may be transferred in accordance with a license issued under § 32.18, 10 CFR Part 32, "Specific Licenses to Manufacture, Distribute, or Import Exempted and Generally Licensed Items Containing Byproduct Material", to persons exempt pursuant to § 30.18, 10 CFR Part 30. Following addition of barium-133 to § 30.71, Schedule B, existing § 30.15(a)(9), 10 CFR Part 30, will provide exemption from licensing requirements for such sources in liquid scintillation counters.

Under the amendments and the provision of § 150.15(a)(6), 10 CFR Part 150, "Exemptions and Continued Regulatory Authority in Agreement States Under Section 274", a producer, packager, repackager, or importer who intends to distribute, on a commercial basis, quantities of byproduct material for use under the exemption, even if licensed to manufacture, process, or produce such quantities by an Agreement State, would be required to obtain a specific license from the Commission authorizing the import or commercial distribution of such quantities. To obtain a license, the applicant must meet the criteria of § 32.18, 10 CFR Part 32. Likewise, a person who intends to incorporate byproduct material into ionizing radiation measuring instruments or to import such products containing byproduct material for sale or distribution to persons exempt pursuant to § 30.15(a)(9), 10 CFR Part 30, would be required to obtain a specific license from the Commission pursuant to § 32.14, 10 CFR Part 32.

The Commission has found that the exemption from licensing of 10 microcuries of barium-133 under the conditions set forth in the regulations will not constitute an unreasonable risk to the common defense and security and to the health and safety of the public.

Pursuant to the Atomic Energy Act of 1954, as amended, and sections 552 and 553 of title 5 of the United States Code, the following amendments to Title 10, Chapter I, Code of Federal Regulations, Parts 20, 30, and 31, are published as a document subject to codification, to be effective thirty (30) days after publication in the FEDERAL REGISTER.

PART 20—STANDARDS FOR PROTECTION AGAINST RADIATION

1. Appendix C of 10 CFR Part 20 is amended by adding a value of 10 microcuries for barium-133, to be inserted between the listings for barium-131 and barium-140, as follows:

APPENDIX C

Material	*Microcuries*
* * *	* * *
Barium-133	10
* * *	* * *

PART 30—RULES OF GENERAL APPLICABILITY TO LICENSING OF BYPRODUCT MATERIAL

2. Section 30.18(b) is amended to read as follows:

§ 30.18 Exempt quantities.

* * * * *

(b) Any person who possesses byproduct material received or acquired prior to September 25, 1971 under the general license then provided in § 31.4 of this chapter is exempt from the requirements for a license set forth in section 81 of the Act and from the regulations in Parts 30-34 of this chapter to the extent that such person possesses, uses, transfers, or owns such byproduct material.

* * * * *

3. Section 30.71, Schedule B, is amended by adding a value of 10 microcuries for barium-133, to be inserted between the current listings for barium-131 and barium-140, to read as follows:

§ 30.71 Schedule B.

Byproduct material	*Microcuries*
* * *	* * *
Barium-133 (Ba 133)	10
* * *	* * *

PART 31—GENERAL LICENSES FOR BYPRODUCT MATERIAL

§ 31.2 [Amended]

§§ 31.4, 31.100 [Revoked]

4. Sections 31.2(b), 31.4 and 31.100 of 10 CFR Part 31 are revoked.

(Sec. 81, 68 Stat. 935; 42 U.S.C. 2111; sec. 161, 68 Stat. 948; 42 U.S.C. 2201)

Dated at Germantown, Md., this 18th day of August 1971.

For the Atomic Energy Commission.

W. B. McCool,
Secretary of the Commission.

[FR Doc.71-12511 Filed 8-25-71;8:50 am]

Title 12—BANKS AND BANKING

Chapter II—Federal Reserve System

SUBCHAPTER A—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

[Reg. K]

PART 211—CORPORATIONS ENGAGED IN FOREIGN BANKING AND FINANCING UNDER THE FEDERAL RESERVE ACT

Leasing

§ 211.106 Leasing of personal property and equipment.

(a) A question has been raised with the Board as to the extent to which a corporation organized under section 25 (a) of the Federal Reserve Act (an "Edge corporation") may engage, directly or indirectly, in leasing personal property and equipment. Pursuant to section 25(a) of the Federal Reserve Act, Edge corporations are organized for the purpose of engaging in international or foreign banking or other international or foreign financial operations and are empowered, among other things, to lend money and to exercise powers incidental thereto. Accordingly, the Board has in the past granted consent to such leasing activities if they are confined to financing and to this end has conditioned its consent in such a way as to restrict such activities to full-payout leases (without allowance for salvage value or estimated tax benefits) and to prohibit the acquisition of property for leasing purposes prior to the signing of a lease.

(b) In implementing a portion of the "Bank Holding Company Act Amendments of 1970," the Board has recently determined that the leasing of personal property and equipment is under certain circumstances "closely related to banking" within the meaning of section 4(c)(8) of the Bank Holding Company Act, as amended. The types of leasing activities that qualify in this respect are described in § 222.4(a)(6) of this chapter (Regulation Y), and are the subject of a Board interpretation at § 222.123(d) of this chapter. The standard there adopted by the Board is somewhat less rigorous than the full-payout standard previously employed in conditioning the Board's consent to leasing activities of Edge corporations and their subsidiaries.

(c) The Board's interpretation to which reference has been made states: "Permissible leasing activities are limited to transactions where the lease is the functional equivalent of an extension of credit to the lessee." The Board is satisfied that the purpose of confining the leasing activities of Edge corporations and their subsidiaries to financing will be adequately served if their activities are governed by the standard adopted by the Board with respect to permissible leasing activities of bank holding companies and their subsidiaries. The Board therefore has concluded that an Edge corporation may, directly or indirectly, conduct leasing operations of a type permitted by § 222.4(a)(6) of this chapter (Regulation Y).

(d) The Board continues to view leasing operations which include the maintenance of an inventory for future rental as not being financial in nature and hence as being outside both the purposes and the powers of Edge corporations and their subsidiaries.

(Interprets and applies 12 U.S.C. 615)

By order of the Board of Governors, August 17, 1971.

[SEAL] NORMAND BERNARD, *Assistant Secretary.*

[FR Doc.71-12494 Filed 8-25-71;8:48 am]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Administration, Department of Transportation

[Docket No. 10745; Amdt. Nos. 25-28, 121-77]

PART 25—AIRWORTHINESS STANDARDS: TRANSPORT CATEGORY AIRPLANES

PART 121—CERTIFICATION AND OPERATIONS: DOMESTIC, FLAG, AND SUPPLEMENTAL AIR CARRIERS AND COMMERCIAL OPERATORS OF LARGE AIRCRAFT

Emergency Slide Lighting

The purpose of these amendments to Parts 25 and 121 of the Federal Aviation Regulations is to exclude from the emergency lighting operating requirements, emergency slide lighting systems that serve only one assist means, are independent of the airplane's emergency lighting system, and are automatically activated when the slide is deployed.

These amendments were proposed in Notice 70-48 issued on December 18, 1970, and published in the FEDERAL REGISTER (35 F.R. 250), on December 25, 1970.

Parts 123 and 135 of the Federal Aviation Regulations require compliance with the emergency lighting operating requirements of § 121.310(d). Therefore, these amendments apply to air travel clubs conducting operations under Part 123 and Part 135 certificate holders using large, passenger-carrying airplanes.

Two of the comments received to Notice 70-48 contained unqualified support for the proposal, and another suggested that the proposal would not increase the level of safety above that provided by the present regulations. The agency is of the opinion, however, that the regulations must be responsive to improvements in technology and should not exclude those developments which provide at least a level of safety equivalent to that now required.

Another comment suggested that slide-illuminating lights be mounted on the airplane external to the slide, and connected so that they can be used to illuminate the area below the associated exit should the slide fail to deploy. Since this recommendation is outside the scope of the proposal, it cannot be included in this regulatory action.

One comment noted that the proposal makes no provision for manual activation of the lights and stated that this would not allow a backup for the automatic activation, nor allow the system to be checked by a crewmember prior to flight. The FAA believes that since the slide lighting systems covered by the amendment are periodically checked and maintained, they provide an adequate level of safety without provisions for manual activation. However, if service experience should indicate otherwise, further regulatory action will be taken. In this connection, it should be pointed out that the amendments do not prohibit the use of slide lighting systems which provide both manual activation and automatic activation upon deployment.

Two of the comments received point out that the FAA has approved at least one slide lighting system that is activated automatically upon deployment in which both the light and power source are mounted on the exit door, external to the slide. The commentators suggest that while this system is not "wholly contained" in the slide as that term is used in the notice, the system does satisfy the intent of the proposal, and should be authorized by the regulations.

The FAA agrees that the slide lighting systems proposed to be excepted need not be wholly contained, but they must serve one slide only, be independent of the airplane's main emergency lighting system, and be automatically activated when the slide is deployed. Accordingly, the amendments to §§ 25.812(e) and 121.310(d) are changed from the proposal in the notice to reflect this means of compliance. Consistent with these changes, § 25.812(g)(2) is also amended to achieve consistency within the regulations.

Interested parties have been given an opportunity to participate in the making of these amendments, and due consideration has been given to all comments received. Since the changes made by this amendment to the wording of the proposal in notice 70-48 are minor in nature and impose no additional burden on any person, I find that further notice and public procedure relating to them are unnecessary.

In consideration of the foregoing, and for the reasons given in Notice 70-48, Parts 25 and 121 of the Federal Aviation Regulations are amended, effective September 25, 1971, as follows:

1. The introductory sentences in paragraphs (e) and (g)(2) of § 25.812 are amended respectively to read:

§ 25.812 Emergency lighting.

* * * * *

(e) Except for subsystems provided in

accordance with paragraph (g) of this section that serve no more than one assist means, are independent of the airplane's main emergency lighting system, and are automatically activated when the assist means is deployed, the emergency lighting system must be designed as follows:

* * * * *

(g) * * *

(2) If the emergency lighting subsystem illuminating the assist means serves no other assist means, is independent of the airplane's main emergency lighting system, and is automatically activated when the assist means is deployed, the lighting provisions—

* * * * *

2. The introductory sentence to paragraph (d) of § 121.310 is amended to read:

§ 121.310 Additional emergency equipment.

* * * * *

(d) *Emergency light operation.* Except for lights forming part of emergency lighting subsystems provided in compliance with § 25.812(g) of this chapter (as prescribed in paragraph (h) of this section) that serve no more than one assist means, are independent of the airplane's main emergency lighting systems, and are automatically activated when the assist means is deployed, each light required by paragraphs (c) and (h) of this section must comply with the following:

* * * * *

(Secs. 313(a), 601, 604, Federal Aviation Act of 1958, 49 U.S.C. 1354(a), 1421, 1424; sec. 6(c), Department of Transportation Act, 49 U.S.C. 1655(c))

Issued in Washington, D.C., on August 19, 1971.

J. H. SHAFFER,
Administrator.

[FR Doc.71-12466 Filed 8-25-71;8:46 am]

[Airspace Docket No. 71-RM-1]

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

Alteration of Control Zone and Transition Area

On June 22, 1971 a notice of proposed rule making was published in the FEDERAL REGISTER (36 F.R. 11869), stating that the Federal Aviation Administration was considering amendments to Part 71 of the Federal Aviation Regulations that would alter the descriptions of the Lewiston, Mont., control zone and transition area.

Interested persons were given 30 days in which to submit written comments, suggestions, or objections. No objections have been received and the proposed amendments are hereby adopted without change.

Effective date. These amendments shall be effective 0901 G.m.t., October 14, 1971.

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

Issued in Aurora, Colo., on August 9, 1971.

M. M. MARTIN,
Director, Rocky Mountain Region.

In § 71.171 (36 F.R. 2055) the description of the Lewistown, Mont., control zone is amended to read as follows:

LEWISTOWN, MONT.

Within a 5-mile-radius of the Lewistown Municipal Airport (latitude 47°02'39" N., longitude 109°28'15" W.) and within 1.5 miles each side of the Lewistown VORTAC 090° radial, extending from the 5-mile-radius zone to the VORTAC.

In § 71.181 (36 F.R. 2140) the description of the Lewistown, Mont., transition area is amended to read as follows:

LEWISTOWN, MONT.

That airspace extending upward from 700 feet above the surface within a 7-mile-radius of the Lewistown, Mont., Municipal Airport (latitude 47°02'39" N., longitude 109°28'15" W.) and within 4 miles each side of the Lewistown VORTAC 289° radial, extending from the 7-mile-radius area to 10.5 miles west of the VORTAC; that airspace extending upward from 1,200 feet above the surface within 4.5 miles north and 9.5 miles south of the Lewistown VORTAC 289° radial, extending from the VORTAC to 18.5 miles west of the VORTAC, and within 5 miles north and 8 miles south of the Lewistown VORTAC 109° radial, extending from the VORTAC to 7 miles east of the VORTAC.

[FR Doc.71-12467 Filed 8-25-71;8:46 am]

[Docket No. 11337; Amdt. 771]

PART 97—STANDARD INSTRUMENT APPROACH PROCEDURES

Miscellaneous Amendments

This amendment to Part 97 of the Federal Aviation Regulations incorporates by reference therein changes and additions to the Standard Instrument Approach Procedures (SIAPs), that were recently adopted by the Administrator to promote safety at the airports concerned.

The complete SIAPs for the changes and additions covered by this amendment are described in FAA Forms 3139, 8260-3, 8260-4, or 8260-5 and made a part of the public rule making dockets of the FAA in accordance with the procedures set forth in Amendment No. 97-696 (35 F.R. 5609).

SIAPs are available for examination at the Rules Docket and at the National Flight Data Center, Federal Aviation Administration, 800 Independence Avenue SW., Washington, DC 20590. Copies of SIAPs adopted in a particular region are also available for examination at the headquarters of that region. Individual copies of SIAPs may be purchased from the FAA Public Document Inspection Facility, HQ-405, 800 Independence Avenue SW., Washington, DC 20590, or from the applicable FAA regional office in accordance with the fee schedule prescribed in 49 CFR 7.85. This fee is payable in advance and may be paid by check, draft, or postal money order payable to the Treasurer of the United States. A weekly transmittal of all SIAP changes and additions may be obtained by subscription at an annual rate of $125 per annum from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

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

In consideration of the foregoing, Part 97 of the Federal Aviation Regulations is amended as follows, effective on the date specified:

Section 97.19 is amended by establishing, revising, or canceling the following Radar SIAPs, effective September 23, 1971:

Wilkes-Barre, Pa.—Wilkes-Barre-Wyoming Valley Airport; Radar 1, Original; Canceled.

Section 97.21 is amended by establishing, revising, or canceling the following L/FM SIAPs, effective September 23, 1971:

Delta Junction, Alaska—Allen AAF; LFR-A, Amdt. 12; Revised.

Section 97.23 is amended by establishing, revising, or canceling the following VOR-VOR/DME SIAPs, effective September 23, 1971:

Atlantic City, N.J.—NAFEC Atlantic City/Pomona Airport; VOR Runway 4, Amdt. 9; Revised.
Atlantic City, N.J.—NAFEC Atlantic City/Pomona Airport; VOR Runway 13, Original; Established.
Atlantic City, N.J.—NAFEC Atlantic City/Pomona Airport; VOR Runway 31, Amdt. 9; Revised.
Big Lake, Alaska—Big Lake No. 2 Airport; VOR Runway 6, Amdt. 1; Revised.
Delta Junction, Alaska—Allen ARF; VOR Runway 18, Amdt. 3; Revised.
East Stroudsburg, Pa.—Birchwood-Pocono Airpark; VOR-A, Original; Canceled.
East Stroudsburg, Pa.—Stroudsburg Pocono Airport; VOR-1, Original; Canceled.
Portland, Oreg.—Portland International Airport; VOR-A, Amdt. 5; Revised.
Tucson, Ariz.—Tucson International Airport; VOR-A, Amdt. 1; Revised.
Atlantic City, N.J.—NAFEC Atlantic City/Pomona Airport; VOR/DME Runway 22, Original; Established.

Section 97.25 is amended by establishing, revising or canceling the following LOC-LDA SIAPs, effective August 5, 1971:

Oklahoma City, Okla.—Will Rogers World Airport; LOC (BC) Runway 17R, Amdt. 13; Canceled.

Section 97.25 is amended by establishing, revising or canceling the following LOC-LDA SIAPs, effective September 23, 1971:

Portland, Oreg.—Portland International Airport; LOC (BC) Runway 10L, Amdt. 8; Revised.
Shreveport, La.—Shreveport Regional Airport; LOC (BC) Runway 31, Amdt. 10; Revised.

Section 97.27 is amended by establishing, revising or canceling the following NDB/ADF SIAPs, effective August 5, 1971:

Oklahoma City, Okla.—Will Rogers World Airport; NDB (ADF) Runway 35L/R, Amdt. 16; Canceled.

Section 97.27 is amended by establishing, revising or canceling the following NDB/ADF SIAPs, effective August 12, 1971:

Oklahoma City, Okla.—Will Rogers World Airport; NDB Runway 17L, Amdt. 13; Revised.

Section 97.27 is amended by establishing, revising or canceling the following NDB/ADF SIAPs, effective September 23, 1971:

Atlantic City, N.J.—NAFEC Atlantic City/Pomona Airport; NDB Runway 13, Amdt. 6; Revised.
Klamath Falls, Oreg.—Kingsley Field; NDB-A, Amdt. 1; Revised.
Portland, Oreg.—Portland International Airport; NDB-A, Amdt. 18; Revised.
Portland, Oreg.—Portland International Airport; NDB Runway 28R, Amdt. 6; Revised.
Shreveport, La.—Shreveport Regional Airport; NDB Runway 13, Amdt. 15; Revised.
Tucson, Ariz.—Tucson International Airport; NDB-A, Amdt. 1; Revised.

Section 97.29 is amended by establishing, revising, or canceling the following ILS SIAPs, effective August 5, 1971:

Oklahoma City, Okla.—Will Rogers World Airport; ILS Runway 35L, Amdt. 14; Canceled.

Section 97.29 is amended by establishing, revising, or canceling the following ILS SIAPs, effective September 23, 1971:

Atlantic City, N.J.—NAFEC Atlantic City/Pomona Airport; ILS Runway 13, Amdt. 11; Revised.
Portland, Oreg.—Portland International Airport; ILS Runway 10R, Amdt. 21; Revised.
Portland, Oreg.—Portland International Airport; ILS Runway 28R, Amdt. 6; Revised.
Shreveport, La.—Shreveport Regional Airport; ILS Runway 13, Amdt. 15; Revised.

Section 97.31 is amended by establishing, revising, or canceling the following Radar SIAPs, effective September 23, 1971:

Atlantic City, N.J.—NAFEC Atlantic City/Pomona Airport; Radar-1, Amdt. 9; Revised.
Portland, Oreg.—Portland International Airport; Radar-1, Amdt. 18; Revised.

(Secs. 307, 313, 601, 1110, Federal Aviation Act of 1958; 49 U.S.C. 1438, 1354, 1421, 1510; sec. 6(c) Department of Transportation Act, 49 U.S.C. 1655(c) and 5 U.S.C. 552(a)(1))

Issued in Washington, D.C., on August 19, 1971.

JAMES F. RUDOLPH,
Director, Flight Standards Service.

NOTE: Incorporation by reference provisions in §§ 97.10 and 97.20 (35 F.R. 5610) approved by the Director of the Federal Register on May 12, 1969.

[FR Doc.71-12369 Filed 8-25-71;8:45 am]

Chapter V—National Aeronautics and Space Administration

PART 1204—ADMINISTRATIVE AUTHORITY AND POLICY

Subpart 12—Debriefing of Unsuccessful Companies in Competitive Negotiated Procurements

New Subpart 12 is added:

Sec.
1204.1200 Scope of subpart.
1204.1201 Policy.
1204.1202 Procedures.

AUTHORITY: The provisions of this Subpart 12 issued under 42 U.S.C. 2473(b)(1).

§ 1204.1200 Scope of subpart.

This subpart sets forth NASA policy and procedures for debriefing unsuccessful proposers in competitive negotiated procurements.

§ 1204.1201 Policy.

(a) It is NASA policy to provide a debriefing, when so requested in writing, to a company that has unsuccessfully competed for a NASA procurement. Such a debriefing is to inform the unsuccessful competitor of those areas of his proposal where he was judged to be weak or deficient; whether those weaknesses or deficiencies were factors in his not having been selected; and, importantly, also identify the factors which were the basis on which the successful contractor was selected. If the successful competitor was selected on the basis of the quality of his proposal to satisfy the mission requirement, the unsuccessful firm should be told that, including a general comparison of significant areas, but not by engaging a point-by-point comparison of all elements considered in the evaluation criteria. If the successful competitor was selected on the basis of cost, the unsuccessful competitor should be told that such is the case. If the successful contractor was selected on the basis of other factors, those specific factors should be identified.

(b) If an unsuccessful proposer feels that his exclusion from the award was not justified, he will rely, at least in part, on the information given him in the debriefing to determine whether he should seek recourse against that exclusion. Accordingly, it is essential that debriefings be conducted in a scrupulously fair, objective, and impartial manner, and that the information given the company be absolutely factual and consistent with: (1) The findings of the Source Evaluation Board and with the basis on which the Selection Official made his decision; or (2) where Source Evaluation Board procedures were not employed, the findings of the Contracting Officer and the basis on which he made his decision.

(c) The debriefing should not reveal:

(1) Confidential business information, trade secrets, techniques, or processes of the other companies which competed for the contract;

(2) The relative merits or technical standing of the other unsuccessful competitors or the scoring of the Source Evaluation Board when such a Board was employed.

(d) The principles expressed in this subpart, except where relevant only to Source Evaluation Board procedures, apply to all NASA competitive negotiated procurements.

§ 1204.1202 Procedures.

(a) Any NASA employee who receives from an unsuccessful proposer a request, written or oral, for a debriefing shall immediately refer that request to the official designated to coordinate debriefing matters at the cognizant field installation or headquarters office.

(b) When the designated installation official has received a request for a debriefing, he shall so inform other concerned officials at the installation and, in the case of procurement actions where the Administrator was the Selection Official, cognizant NASA headquarters personnel.

(c) Debriefings are to be conducted by senior NASA officials. In cases where the selection has been made by the Administrator, the Associate Administrator for Organization and Management will designate an official familiar with the rationale for the selection to conduct the debriefing, with participation by cognizant field installation personnel. Similarly, in cases where the selection has been made by the field installation Director or a headquarters staff or program office head, the Director or office head shall designate an official and necessary supporting staff to perform the debriefing. In cases where formal Source Evaluation Board procedures have not been applied, the installation Procurement Officer or his designee shall perform the debriefing.

(d) Where a company has been an unsuccessful competitor in a negotiated NASA procurement and submits, prior to the award of the contract, a written request for a debriefing, such a debriefing will be provided at the earliest feasible time after announcement of the selection decision and prior to award of contract. "Selection decision" means the final selection of the one successful contractor of the contractors where more than one contract is to be awarded.

Effective date. The provisions of this Subpart 1204.12 are effective September 1, 1971.

RICHARD C. MCCURDY,
Associate Administrator for Organization and Management.

[FR Doc.71-12460 Filed 8-25-71;8:53 am]

Title 18—CONSERVATION OF POWER AND WATER RESOURCES

Chapter I—Federal Power Commission

[Docket No. R-427, Order 437]

PART 2—GENERAL POLICY AND INTERPRETATIONS

Statement of Policy

Statement of policy implementing the Economic Stabilization Act of 1970 (Public Law 91-379, 84 Stat. 799, as amended by Public Law 92-15, 85 Stat. 38) and Executive Order No. 11615, Docket No. R-427, Order No. 437.

The Commission finds:

(1) The requirements of 5 U.S.C. section 553(b) for notice and hearing do not apply to this general Statement of Policy.

(2) In addition, the provisions of 5 U.S.C. section 553 need not be followed because notice and public procedure are impracticable and contrary to the public interest.

(3) Present national and international conditions as described by the President of the United States in his address to the Nation on August 15, 1971, Executive Order No. 11615, and the President's invocation of the powers conferred upon him by the Congress in the Economic Stabilization Act of 1970 as amended necessitate the assertion of the Commission policy delineated heretofore in this Statement of Policy.

The Commission orders:

(A) Part 2, General Policy and Interpretations, Subchapter A, Chapter I of Title 18, Code of Federal Regulations is amended by adding a new § 2.90 to read as follows:

§ 2.90 Implementation of Executive Order No. 11615.

(a)(1) It is the general policy of the Federal Power Commission to implement the Economic Stabilization Act of 1970, as amended, and Executive Order No. 11615 (Attachment A)[1] concerning the stabilization of prices, rents, wages, and salaries insofar as those laws pertain to the Commission's regulatory jurisdiction under the Natural Gas Act (52 Stat. 821 et seq. as amended), the Federal Power Act (41 Stat. 1063 et seq. as amended), and all other statutes vesting legal authority in this Commission, including such regulations, definitions, orders, exceptions and exemptions as may be hereinafter issued by the President or the Cost of Living Council.

(2) This Statement of Policy may be amended from time to time as circumstances require.

(b)(1) In any situation where it is unlawful to collect rates or charges except in accordance with a rate schedule in effect pursuant to the Regulations of the Commission, no natural gas company, public utility, nor licensee (herein "company") will be deemed in default of any law, or regulation thereunder, administered by the Commission because that company has complied with Executive Order 11615, or any modification thereof. In our view, the Executive Order precludes upward revision of any rate schedule in effect during the 30-day period ending August 14, 1971. In the event of a change in rate schedule during that 30-day period, the rate schedule last permitted to go into effect by the Commission shall control.

(2) A rate which is being collected on August 14, 1971, whether or not subject to refund, shall continue to be collected, subject to further Commission order.

(3) Any rate filing made subsequent to August 14, 1971 (or such filing having been made prior to August 14, 1971, but with rates to become effective after August 14, 1971, whether by termination of a suspension period or by automatic or other escalations, including tracking, or otherwise), which rate would be an increase proscribed by Executive Order 11615, shall not take effect for the duration of the period set forth in the Executive Order, including any extension or modification thereof, or for the duration of any suspension period set by the Commission pursuant to the Natural Gas Act or the Federal Power Act, whichever is longer.

(4) The charges of "small producers" (as defined in Order No. 428, issued March 18, 1971, 36 F.R. 5598, March 25, 1971), shall be stabilized at levels not greater than the highest of those pertaining to a substantial volume of actual transactions by each individual small producer during the 30-day period ending August 14, 1971, for so long as Executive Order No. 11615 is applicable.

(c) Nothing herein contained shall be construed as preventing any filing permitted by the Federal Power Act, the Natural Gas Act, or other authorities, and the regulations issued thereunder. The Commission's regulatory functions shall continue to be operative and shall be in accordance with the requirements, purposes, and policies of those Acts, subject to Executive Order No. 11615, as it may affect implementation of Commission orders.

(B) This Statement of Policy is effective as of August 15, 1971.

(C) This Statement of Policy shall remain in full force and effect until modified by subsequent Commission order or Statement of Policy and shall be applicable to all orders of this Commission heretofore or hereafter issued pertaining to the subject matter of Executive Order No. 11615.

(D) The Secretary shall cause prompt publication of this order to be made in the FEDERAL REGISTER.

Issued: August 18, 1971.

Effective: August 15, 1971.

By the Commission.

KENNETH F. PLUMB,
Secretary.

[FR Doc.71-12527 Filed 8-25-71;8:52 am]

[1] Filed as part of the original document. See also 36 F.R. 15727.

Title 21—FOOD AND DRUGS

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

SUBCHAPTER A—GENERAL

PART 8—COLOR ADDITIVES

Subpart A—Definitions and Procedural and Interpretative Regulations

MISCELLANEOUS AMENDMENTS

In response to the opinion of the Court of Appeals for the Second Circuit in the case of Toilet Goods Association, et al. v. Finch and Ley, and the judgment of the District Court for the Southern District of New York on remand in that case, and pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (secs. 701(a), 706, 52 Stat. 1055, 74 Stat. 399 et seq.; 21 U.S.C. 371(a), 376), and under authority delegated to the Commissioner of Food and Drugs (21 CFR 2.120), Part 8 is amended as follows:

1. Section 8.1 is amended by revising paragraphs (f) and (u) to read as follows:

§ 8.1 Definitions and interpretations.

* * * * *

(f) A "color additive" is any material, not exempted under section 201(t) of the act, that is a dye, pigment, or other substance made by a process of synthesis or similar artifice, or extracted, isolated, or otherwise derived, with or without intermediate or final change of identity, from a vegetable, animal, mineral, or other source and that, when added or applied to a food, drug, or cosmetic or to the human body or any part thereof, is capable (alone or through reaction with another substance) of imparting a color thereto. Substances capable of imparting a color to a container for foods, drugs, or cosmetics are not color additives unless the customary or reasonably foreseeable handling or use of the container may reasonably be expected to result in the transmittal of the color to the contents of the package or any part thereof. Food ingredients such as cherries, green or red peppers, chocolate, and orange juice which contribute their own natural color when mixed with other foods are not regarded as "color additives"; but where a food substance such as beet juice is deliberately used as a color, as in pink lemonade, it is a "color additive." Food ingredients as authorized by a definition and standard of identity prescribed by regulations pursuant to section 401 of the act are "color additives," where the ingredients are specifically designated in the definitions and standards of identity as permitted for use for coloring purposes. An ingredient of an animal feed whose intended function is to impart, through the biological processes of the animal, a color to the meat, milk, or eggs of the animal is a color additive and is not exempt from the requirements of the

statute. This definition shall apply whether or not such ingredient has nutritive or other functions in addition to the property of imparting color. An ingested drug the intended function of which is to impart color to the human body is a "color additive." For the purposes of this part, the term "color" includes black, white, and intermediate grays, but substances including migrants from packaging materials which do not contribute any color apparent to the naked eye are not "color additives."

* * * * *

(u) The "hair dye" exemption in section 601(a) of the act applies to coal tar hair dyes intended for use in altering the color of the hair and which are, or which bear or contain, color additives derived from coal tar with the sensitization potential of causing skin irritation in certain individuals and possible blindness when used for dyeing the eyelashes or eyebrows. The exemption is permitted with the condition that the label of any such article bear conspicuously the statutory caution and adequate directions for preliminary patch-testing. The exemption does not apply to coloring ingredients in hair dyes not derived from coal tar, and it does not extend to poisonous or deleterious diluents that may be introduced as wetting agents, hair conditioners, emulsifiers, or other components in a color shampoo, rinse, tint, or similar dual-purpose cosmetic that alter the color of the hair.

* * * * *

2. Section 8.35 is amended by revising the section heading and paragraph (a), as follows:

§ 8.35 Criteria for evaluating the safety of color additives.

(a) In deciding whether a petition is complete and suitable for filing and in reaching a decision on any petition filed, the Commissioner will apply the "safe-for-use" principle. This will require the presentation of all needed scientific data in support of a proposed listing to assure that each listed color additive will be safe for its intended use or uses in or on food, drugs, or cosmetics. The Commissioner may list a color additive for use generally in or on food, in or on drugs, or in or on cosmetics when he finds from the data presented that such additive is suitable and may safely be employed for such general use; he may list an additive only for more limited use or uses for which it is proven suitable and may safely be employed; and he is authorized to prescribe broadly the conditions under which the additive may be safely employed for such use or uses. This may allow the use of a particular dye, pigment, or other substance with certain diluents, but not with others, or at a higher concentration with some than with others.

* * * * *

Notice and public procedure and delayed effective date are unnecessary prerequisites to this promulgation, since these amendments reflect the decision of the Court of Appeals for the Second Circuit and of the District Court for the Southern District of New York.

Effective date. This order shall be effective on the date of its publication in the FEDERAL REGISTER (8–26–71).

(Secs. 701(a), 706, 52 Stat. 1055, 74 Stat. 399 et seq.; 21 U.S.C. 371(a), 376)

Dated: August 16, 1971.

CHARLES C. EDWARDS,
Commissioner of Food and Drugs.

[FR Doc.71–12474 Filed 8–25–71;8:47 am]

Title 24—HOUSING AND HOUSING CREDIT

Chapter III—Housing Assistance Administration, Department of Housing and Urban Development

[Docket No. R–71–137]

PROTOTYPE COST LIMITS FOR PUBLIC HOUSING

In the FEDERAL REGISTER issued for Saturday, May 1, 1971 (36 F.R. 8213–8232), prototype per unit cost schedules were published pursuant to section 209(a) of the Housing and Urban Development Act of 1970. While these schedules are currently being evaluated in light of public comments received pursuant to invitation in the issuing order, consideration of subsequent factual project cost data received from the Boston, Mass. Area Office indicates that certain prototype per unit cost schedules should be revised.

Inasmuch as the new prototype cost schedules cannot be utilized until the costs themselves become effective by publication in the FEDERAL REGISTER, continuity of contract approvals requires the immediate publication of this material. Accordingly, it is impracticable to provide notice and public procedure with respect to those cost limits in accordance with the Department's recently adopted Publication Policy (24 CFR Part 10), and good cause exists for making them effective on the date of publication in the FEDERAL REGISTER.

For the foregoing reasons the following changes are made to the schedules as originally published in Volume 36 of the FEDERAL REGISTER:

1. On page 8214 delete the Boston, Cape Cod, Pittsfield, Springfield, Worcester, Fall River, Lowell, Salem, Mass., and Providence, Newport, Westerly, Pawtucket, and Woonsocket, R.I. schedules under Region I and substitute the revised prototype per unit cost schedules shown on appendix I set forth below, Prototype Per Unit Cost Schedules.

(Sec. 7(d) of Dept. of HUD Act, 42 U.S.C. 3535(d))

Effective date. This rule is effective upon the date of publication in the FEDERAL REGISTER (8–26–71).

EUGENE A. GULLEDGE,
Assistant Secretary-Commissioner.

PROTOTYPE PER UNIT COST SCHEDULE

REGION I

	Number of bedrooms						
	0	1	2	3	4	5	6
Boston, Mass.:							
Detached and semi-detached	11,900	14,200	15,750	18,800	22,650	25,150	26,350
Row dwellings	11,350	13,500	15,000	17,900	21,550	24,000	25,050
Walk-up	11,250	13,850	15,750	18,700	21,600	23,800	24,950
Elevator-structure	13,850	16,100	20,400				
Cape Cod, Mass.:							
Detached and semi-detached	11,350	13,550	15,050	17,950	21,600	24,000	25,150
Row dwellings	10,850	12,900	14,300	17,100	20,550	22,900	23,900
Walk-up	10,750	13,200	15,050	17,850	20,600	22,700	23,800
Elevator-structure	13,200	15,350	19,450				
Pittsfield, Mass.:							
Detached and semi-detached	11,250	13,450	14,900	17,800	21,400	23,800	24,900
Row dwellings	10,750	12,750	14,200	16,900	20,400	22,700	23,700
Walk-up	10,650	13,100	14,900	17,700	20,400	22,500	23,600
Elevator-structure	13,100	15,200	19,300				
Springfield, Mass.:							
Detached and semi-detached	11,600	13,800	15,300	18,300	22,050	24,450	25,650
Row dwellings	11,050	13,150	14,600	17,400	20,950	23,350	24,350
Walk-up	10,950	13,450	15,300	18,200	21,000	23,150	24,250
Elevator-structure	13,450	15,650	19,850				
Worcester, Mass.:							
Detached and semi-detached	11,450	13,700	15,200	18,100	21,850	24,250	25,400
Row dwellings	10,950	13,000	14,450	17,250	20,750	23,150	24,150
Walk-up	10,850	13,350	15,200	18,000	20,800	22,950	24,050
Elevator-structure	13,350	15,500	19,650				
Fall River, Mass.:							
Detached and semi-detached	11,450	13,650	15,150	18,050	21,750	24,150	25,300
Row dwellings	10,900	12,950	14,400	17,200	20,700	23,050	24,050
Walk-up	10,800	13,300	15,150	17,950	20,750	22,850	23,950
Elevator-structure	13,500	15,700	19,900				
Lowell, Mass.:							
Detached and semidetached	11,700	13,950	15,450	18,450	22,250	24,700	25,900
Row dwellings	11,150	13,250	14,750	17,600	21,150	23,550	24,600
Walk-up	11,050	13,600	15,450	18,350	21,200	23,350	24,500
Elevator-structure	13,550	15,750	20,000				
Salem, Mass.:							
Detached and semidetached	11,350	13,550	15,000	17,900	21,600	24,000	25,100
Row dwellings	10,800	12,850	14,300	17,050	20,550	22,900	23,900
Walk-up	10,750	13,200	15,000	17,850	20,600	22,700	23,800
Elevator-structure	13,350	15,500	19,650				
Providence, R.I.:							
Detached and semidetached	10,700	12,800	14,200	16,950	20,400	22,650	23,700
Row dwellings	10,200	12,100	13,500	16,100	19,400	21,550	22,550
Walk-up	10,100	12,450	14,200	16,800	19,400	21,400	22,450
Elevator-structure	12,000	14,000	17,650				

PROTOTYPE PER UNIT COST SCHEDULE

REGION I

	Number of bedrooms						
	0	1	2	3	4	5	6
Newport, R.I.:							
Detached and semidetached	10,800	12,900	14,350	17,100	20,600	22,850	23,950
Row dwellings	10,300	12,200	13,650	16,250	19,600	21,750	22,750
Walk-up	10,200	12,550	14,350	16,950	19,600	21,600	22,650
Elevator-structure	12,100	14,150	17,800				
Westerly, R.I.:							
Detached and semidetached	10,800	12,900	14,350	17,100	20,600	22,850	23,950
Row dwellings	10,300	12,200	13,650	16,250	19,600	21,750	22,750
Walk-up	10,200	12,550	14,350	16,950	19,600	21,600	22,650
Elevator-structure	12,100	14,150	17,800				
Pawtucket, R.I.:							
Detached and semidetached	10,700	12,800	14,200	16,900	20,400	22,650	23,700
Row dwellings	10,200	12,100	13,500	16,100	19,400	21,550	22,550
Walk-up	10,100	12,450	14,200	16,800	19,400	21,400	22,450
Elevator-structure	11,950	13,950	17,600				
Woonsocket, R.I.:							
Detached and semidetached	10,600	12,650	14,050	16,750	20,150	22,400	23,450
Row dwellings	10,100	11,950	13,350	15,900	19,200	21,300	22,300
Walk-up	10,000	12,300	14,050	16,600	19,200	21,150	22,200
Elevator-structure	11,700	13,650	17,200				

[FR Doc.71-12373 Filed 8-25-71;8:45 am]

[Docket No. R-71-138]

PROTOTYPE COST LIMITS FOR PUBLIC HOUSING

In the FEDERAL REGISTER issued for Saturday, May 1, 1971 (36 F.R. 8213-8232), prototype per unit cost schedules were published pursuant to section 209(a) of the Housing and Urban Development Act of 1970. While these schedules are currently being evaluated in light of public comments received pursuant to invitation in the issuing order, consideration of subsequent factual project cost data received from the Camden, N.J. Area Office indicates that certain prototype per unit cost schedules should be revised.

Inasmuch as the new prototype cost schedules cannot be utilized until the costs themselves become effective by publication in the FEDERAL REGISTER, continuity of contract approvals requires the immediate publication of this material. Accordingly, it is impracticable to provide notice and public procedure with respect to these cost limits in accordance with the Department's recently adopted Publication Policy (24 CFR Part 10), and good cause exists for making them effective on the date of publication in the FEDERAL REGISTER.

For the foregoing reasons the following changes are made to the schedules as originally published in Volume 36 of the FEDERAL REGISTER:

1. On page 8215, delete the Camden, Atlantic City, Burlington, Gloucester, and Trenton, N.J. prototype per unit cost schedules under Region II and substitute the revised prototype per unit cost schedules for Camden, Atlantic City, Burlington, Gloucester, Trenton, and a new addition to the schedule, Vineland, N.J., shown on appendix I set forth below, Prototype Per Unit Cost Schedules, revised July 19, 1971.

(Sec. 7(d) of Dept. of HUD Act, 42 U.S.C. 3535(d))

Effective date. This rule is effective upon the date of publication in the FEDERAL REGISTER (8-26-71).

EUGENE A. GULLEDGE,
Assistant Secretary-Commissioner.

PROTOTYPE PER UNIT COST SCHEDULE

REGION II

	Number of bedrooms						
	0	1	2	3	4	5	6
Camden, N.J.:							
Detached and semidetached	11,150	13,350	14,800	17,650	21,300	23,650	24,800
Row dwellings	10,650	12,750	14,150	16,850	20,200	22,550	23,550
Walk-up	9,100	11,250	12,800	15,150	17,550	19,300	20,350
Elevator-structure	14,250	16,550	20,950				
Atlantic City, N.J.:							
Detached and semidetached	10,750	12,850	14,250	17,000	20,500	22,750	23,850
Row dwellings	10,250	12,250	13,600	16,200	19,450	21,700	22,650
Walk-up	8,750	10,850	12,300	14,600	16,900	18,600	19,600
Elevator-structure	13,800	16,000	20,300				
Burlington, N.J.:							
Detached and semidetached	11,200	13,400	14,850	17,700	21,350	23,700	24,850
Row dwellings	10,700	12,800	14,200	16,900	20,250	22,600	23,600
Walk-up	9,150	11,300	12,850	15,200	17,600	19,350	20,400
Elevator-structure	14,350	16,650	21,050				
Gloucester, N.J.:							
Detached and semidetached	11,150	13,350	14,800	17,650	21,300	23,650	24,800
Row dwellings	10,650	12,750	14,150	16,850	20,200	22,550	23,550
Walk-up	9,100	11,250	12,800	15,150	17,550	19,300	20,350
Elevator-structure	14,250	16,550	20,950				
Trenton, N.J.:							
Detached and semidetached	11,350	13,600	15,100	18,000	21,700	24,100	25,300
Row dwellings	10,850	13,000	14,400	17,200	20,600	23,000	24,000
Walk-up	9,300	11,450	13,050	15,450	17,900	19,650	20,750
Elevator-structure	14,550	16,900	21,400				
Vineland, N.J.:							
Detached and semidetached	11,500	13,750	15,250	18,200	21,950	24,350	25,550
Row dwellings	10,950	13,150	14,550	17,350	20,800	23,250	24,250
Walk-up	9,350	11,600	13,200	15,600	18,100	19,900	20,950
Elevator-structure	14,700	17,050	21,600				

[FR Doc.71-12374 Filed 8-25-71;8:45 am]

Title 25—INDIANS

Chapter I—Bureau of Indian Affairs, Department of the Interior

SUBCHAPTER S—CONSTRUCTION

PART 217—MONSE UNIT, COLVILLE INDIAN IRRIGATION PROJECT, WASHINGTON

AUGUST 18, 1971.

This notice is published in the exercise of rule-making authority delegated by the Secretary of the Interior to the Commissioner of Indian Affairs by 230 DM 2 (32 F.R. 13938). The authority to issue or delete regulations on Indian affairs is vested in the Secretary of the Interior by sections 161, 463, and 465 of the Revised Statutes (5 U.S.C. 301; 25 U.S.C. 2 and 9).

The lands within the Monse Unit of the Colville Indian Irrigation Project were acquired by the Public Utilities District No. 1, Douglas County, State of Washington, as a part of the Wells Hydroelectric Project. A Notice of Satisfaction of All Federal Irrigation Charges, Release of Liens for Such Charges, and Termination of Federal Responsibility was published on page 8714 of the June 3, 1969 issue of the FEDERAL REGISTER (34 F.R. 8714). Since the Federal Government's responsibility to operate and maintain the Monse Unit of the Colville Indian Reservation has ended, Part 217 is no longer applicable.

Therefore, Subchapter S, Chapter I, of Title 25 of the Code of Federal Regulations is hereby amended by the deletion of Part 217—Monse Unit, Colville Indian Irrigation Project, Washington.

Since this deletion removes regulations no longer applicable, advance notice and public procedure thereon have been deemed unnecessary. Therefore, advance notice and public procedure are dispensed with under the exception provided in subsection (b)(B) of 5 U.S.C. 553 (Supp. V, 1965-1969).

Since this notice deletes regulations which have not been in effect since June 3, 1969, the 30-day deferred effective date is considered unnecessary and is dispensed with under the exception provided in subsection (d)(3) of 5 U.S.C. 553 (Supp. V, 1965-1969). Accordingly, this deletion will become effective upon the date of publication in the FEDERAL REGISTER (8-26-71).

JOHN O. CROW,
Deputy Commissioner.

[FR Doc.71-12499 Filed 8-25-71;8:49 am]

Title 33—NAVIGATION AND NAVIGABLE WATERS

Chapter I—Coast Guard, Department of Transportation

SUBCHAPTER J—BRIDGES

[CGFR 71-78]

PART 117—DRAWBRIDGE OPERATION REGULATIONS

Neponset River, Mass.

This amendment revokes the regulations for the New York, New Haven, and

Hartford railroad bridge across the Neponset River, mile 1.4, and the Neponset Avenue bridge at mile 1.5. The New York, New Haven, and Hartford railroad drawbridge has been removed and replaced by a fixed bridge. The bascule leaves of the Neponset Avenue bridge have been removed and a fixed bridge will be completed that will replace this bridge.

Accordingly, Part 117 of Title 33 of the Code of Federal Regulations is amended by revising subparagraphs (1) and (3) of § 117.75(*l*) to read as follows:

§ 117.75 Boston Harbor, Massachusetts, and adjacent waters; bridges.

* * * * *

(*l*) *Neponset River.* (1) Granite Avenue Bridge:

(i) From May 1 through October 31 the draw shall open on signal.

(ii) From November 1 through April 30 from 8 a.m. to 4 p.m. the draw shall open on signal.

(iii) From November 1 through April 30 from 4 p.m. to 8 a.m. the draw shall open on signal if at least 24 hours' notice has been given.

* * * * *

(3) The owners of or agency controlling the bridge shall post the drawbridge regulations and the procedures for giving advance notice on the upstream and downstream sides of the bridge or elsewhere in such a manner that they can read from an approaching vessel.

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

Effective date. This revision shall become effective on the date of publication in the FEDERAL REGISTER (8-26-71).

Dated: August 17, 1971.

R. E. HAMMOND,
Rear Admiral, U.S. Coast Guard,
Chief, Office of Operations.

[FR Doc.71-12514 Filed 8-25-71;8:50 am]

Title 43—PUBLIC LANDS

Chapter II—Bureau of Land Management, Department of the Interior

APPENDIX—PUBLIC LAND ORDERS

[Public Land Order 5084]

[Oregon 7256 (Wash.)]

WASHINGTON

Withdrawal for National Forest Research Natural Area

Correction

In F.R. Doc. 71-10677 appearing on page 13925 in the issue for Wednesday, July 28, 1971, in the sixth line of the description for Wind River Research Natural Area the reference to "E½NW¼ N½SE¼" should read "E½NW¼, N½ SE¼".

[Public Land Order 5109]

[Wyoming 27005]

WYOMING

Withdrawal for Administrative Site

By virtue of the authority vested in the President and pursuant to Executive Order No. 10355 of May 26, 1952 (17 F.R. 4831), it is ordered as follows:

1. Subject to valid existing rights, the following described national forest lands which are under the jurisdiction of the Department of Agriculture, are hereby withdrawn from appropriation under the mining laws (30 U.S.C., Ch. 2), but not from leasing under the mineral leasing laws, and reserved for use by the Bureau of Land Management for the South Pass Administrative Site:

SHOSHONE NATIONAL FOREST

SIXTH PRINCIPAL MERIDIAN

T. 30 N., R. 100 W.,
Sec. 36, lots 9 and 17.

The areas described contain 75.90 acres in Fremont County.

2. The withdrawal made by this order does not alter the applicability of those public land laws governing the use of the national forest lands under lease, license, or permit, or governing the disposal of their mineral or vegetative resources other than under the mining laws. However, leases, licenses, or permits will be issued only if it is determined that such use will not interfere with the use of the lands for the purpose for which they are withdrawn by this order.

HARRISON LOESCH,
Assistant Secretary of the Interior.

AUGUST 20, 1971.

[FR Doc.71-12502 Filed 8-25-71;8:49 am]

Title 45—PUBLIC WELFARE

Chapter XII—Environmental Protection Agency

PART 1201—CONTROL OF AIR POLLUTION FROM NEW MOTOR VEHICLES AND NEW MOTOR VEHICLE ENGINES

Definition of "Useful Life" and Requirements for Maintenance Instructions

On May 11, 1971, a notice of proposed rule making was published in the FEDERAL REGISTER (36 F.R. 8698) which set out the text of proposed amendments to the regulations in this part to define the "useful life" of motor vehicles and engines and to prescribe requirements relative to the obligation of the manufacturer of any motor vehicle or engine subject to any standard in this part to provide to the ultimate purchaser of such vehicle or engine maintenance instructions necessary to assure the proper functioning of its emission control systems.

Pursuant to the above notice, a number of comments have been received from representatives of domestic and foreign manufacturers and from other interested parties. Due consideration has been given to all relevant matter presented and a number of amendments have been made to the regulations as proposed.

It has been determined that it is not appropriate to make the Administrator's approval of maintenance instructions a condition precedent to certification. However, such instructions will have to be submitted to the Administrator before being supplied to the ultimate purchaser. The Administrator will notify the manufacturer of his determination whether such instructions are "reasonable and necessary to assure the proper functioning of emission control devices and systems."

Industry generally objected to the requirement to provide a description of maintenance necessary to correct major malfunctions and a description of the noticeable symptoms of such malfunctions. Since such descriptions would have had to be quite complex and since most malfunctions related to emission control are not detectable by the vehicle operator, this requirement would have had little practical effect and therefore has been deleted from the final rule.

Representatives of the automotive aftermarket industry commented that these regulations raised a possibility that original equipment manufacturers would put unnecessary restrictions on the purchasers as a condition of maintaining the warranty required by section 207 of the Act and this would operate to the detriment of the independent service and replacement parts industries. Because of the extraordinary complexity of this issue and the antitrust implications of such conduct, it is inappropriate to deal with this issue in these regulations, which cover only a small part of the warranty area. However, it emphasized that nothing in these regulations is intended to encourage original equipment manufacturers to limit in any way the choice of the ultimate purchaser between comparable replacement parts and service operations.

In addition, the final rule contains some clarifying modifications.

The amendments to 45 CFR Part 1201, set forth below are hereby adopted effective on publication in the FEDERAL REGISTER (8-26-71) and are applicable to motor vehicles and engines beginning with the 1972 model year, except that Subpart M is applicable to motor vehicles and engines beginning with the 1973 model year.

The current regulations which appear at 45 CFR Part 1201, will remain in effect for the purpose of their applicability to earlier model year vehicles and engines.

(Secs. 202(d), 208, 301(a) of the Act; secs. 6, 8, Public Law 91-604, sec. 2, Public Law 90-

148; 84 Stat. 1690, 1694, 81 Stat. 504; 42 U.S.C. 1857f–1, 1857f–5, 1857g(a))

Dated: August 23, 1971.

WILLIAM D. RUCKELSHAUS,
Administrator.

Part 1201 of Chapter XII, Title 45 of the Code of Federal Regulations is amended as follows:

1. In § 1201.1, a new definition is added as follows:

§ 1201.1 Definitions.

(a) * * *

(33) "Useful life" means:

(i) In the case of light duty vehicles, a period of use of 5 years or 50,000 miles, whichever first occurs;

(ii) In the case of gasoline fueled heavy duty engines, a period of use of 5 years or of 50,000 miles of vehicle operation (or an equivalent period of 1,500 hours of dynamometer operation), whichever first occurs;

(iii) In the case of heavy duty diesel engines, a period of use of 5 years or of 100,000 miles of vehicle operation (or an equivalent period of 1,000 hours of dynamometer operation), whichever first occurs.

2. In § 1201.3, paragraph (b)(2) is revised to read as follows:

§ 1201.3 General standards: Increase in emissions, unsafe conditions.

* * * * *

(b) * * *

(2) Every manufacturer of new motor vehicles or new motor vehicle engines subject to any of the standards imposed by this part shall, prior to taking any of the actions specified in section 203(a)(1) of the Act, test or cause to be tested motor vehicles or motor vehicle engines in accordance with good engineering practice to ascertain that such test vehicles or engines will meet the requirements of this section for the useful life of the vehicle or engine.

3. In § 1201.12, the first sentence is revised. As amended, § 1201.12 reads as follows:

§ 1201.12 Test Procedures.

Every manufacturer of new motor vehicles or new motor vehicle engines subject to the standard prescribed in this subpart shall, prior to taking any of the actions specified in section 203(a)(1) of the Act, test or cause to be tested motor vehicles or motor vehicle engines in accordance with good engineering practice to ascertain that such test vehicles or engines, with proper maintenance, will meet the requirements of § 1201.11 for the useful life of the vehicle or engine. * * *

4. In § 1201.92, paragraphs (a) and (b) are revised. As amended, § 1201.92 reads as follows:

§ 1201.92 Compliance with emission standards.

(a) The exhaust and fuel evaporative emission standards in §§ 1201.21 and 1201.22 apply to the emissions of vehicles for their useful life.

(b) Since emission control efficiency decreases with mileage accumulated on the vehicle, the emission level of a vehicle which has accumulated 50,000 miles will be used as the basis for determining compliance with the standards.

* * * * *

5. In § 1201.113, paragraphs (a) and (b) are revised. As amended, § 1201.113 reads as follows:

§ 1201.113 Compliance with emission standards.

(a) The exhaust emission standards in § 1201.31 apply to the emissions of engines for their useful life.

(b) Since emission control efficiency decreases with the accumulation of hours on the engine, the emission level of an engine which has accumulated 1,500 hours of dynamometer operation will be used as the basis for determining compliance with the standards.

* * * * *

6. In § 1201.133, paragraphs (a) and (b) are revised. As amended, § 1201.133 reads as follows:

§ 1201.133 Compliance with emission standards.

(a) The emission standards in § 1201.41 apply to the emissions of engines for their useful life.

(b) Since emission control efficiency decreases with the accumulation of hours on the engine, the emission level of an engine which has accumulated 1,000 hours of dynamometer operation will be used as the basis for determining compliance with the standards.

* * * * *

7. A new subpart M, is added as follows:

Subpart M—Performance of Motor Vehicles and Motor Vehicle Engines During Their Useful Life

Sec.
1201.160 Maintenance instructions.
1201.161 Submission of maintenance instructions.

(AUTHORITY: The provisions of this Subpart M issued under secs. 202(d), 208, 301(a) of the Act; secs. 6, 8, Public Law 91–604, sec. 2, Public Law 90–148; 84 Stat. 1690, 1694, 81 Stat. 504; 42 U.S.C. 1857f–1, 1857f–5, 1857g(a))

Subpart M—Performance of Motor Vehicles and Motor Vehicle Engines During Their Useful Life

§ 1201.160 Maintenance instructions.

(a) The manufacturer shall furnish or cause to be furnished to the ultimate purchaser of each new motor vehicle or engine subject to any of the standards prescribed in this part, written instructions for the mantenance and use of the vehicle or engine by the ultimate purchaser as may be reasonable and necessary to assure the proper functioning of emission control systems.

(1) Such instructions shall be provided for those vehicle and engine components listed in Appendix F to this part (and for any other components) to the extent that maintenance of these components is necessary to assure the proper functioning of emission control systems.

(2) Such instructions shall be in clear, and to the extent practicable, nontechnical language.

(b) The maintenance instructions required by this section shall contain a general description of the documentation which the manufacturer will require from the ultimate purchaser or any subsequent purchaser as evidence of compliance with the instructions.

§ 1201.161 Submission of maintenance instructions.

(a) The manufacturer shall provide to the Administrator, no later than the time of the submission required by § 1201.53, a copy of the maintenance instructions which the manufacturer proposes to supply to the ultimate purchaser, in accordance with § 1201.160(a). The Administrator will review such instructions to determine whether they are reasonable and necessary to assure the proper functioning of the vehicle's or engine's emission control systems. The Administrator will notify the manufacturer of his determination whether such instructions are reasonable and necessary to assure the proper functioning of the emission control systems.

(b) Any revision to the maintenance instructions which will affect emissions shall be supplied to the Administrator at least 30 days before being supplied to the ultimate purchaser unless the Administrator consents to a lesser period of time.

8. Appendix F is added as follows:

APPENDIX F

VEHICLE AND ENGINE COMPONENTS

A. Gasoline Fueled Light Duty Vehicles and Heavy Duty Engines.

I. Basic Mechanical Components—Engine:
1. Intake and exhaust valves.
2. Drive belts.
3. Manifold and cylinder head bolts.
4. Engine oil and filter.
5. Engine coolant.
6. Cooling system hoses and connections.
7. Vacuum fittings, hoses and connections.

II. Fuel System
1. Fuel specification—octane rating, lead content.
2. Carburetor—idle r.p.m., mixture ratio.
3. Choke mechanism.
4. Fuel system filter and fuel system lines and connections.
5. Choke plate and linkage.

III. Ignition Components
1. Ignition timing and advance systems.
2. Distributor breaker points and condenser.
3. Spark plugs.
4. Ignition wiring.
5. Operating parts of distributor.

IV. Crankcase Ventilation System:
1. PCV valve.
2. Ventilation hoses.
3. Oil filler breather cap.
4. Manifold inlet (carburetor spacer, etc).

V. External Exhaust Emission Control System:
1. Secondary air injection system hoses.
2. Air system manifolds.
3. Control valves and air pump.
4. Manifold reactors.
5. Catalytic mufflers.
6. Exhaust recirculation.
7. Water injection.

VI. Evaporative Emission Control System:
1. Engine compartment hose connections.
2. Carbon storage media.
3. Fuel tank pressure-relief valve operation.
4. Fuel vapor control valves.
VII. Air Inlet Components
1. Carburetor air cleaner filter.
2. Hot air control valve.

B. Heavy Duty Diesel Engines.

I. Engine Mechanical Components:
1. Valve train.
2. Cooling system.
a. Coolant.
b. Thermostat.
c. Filter.
3. Lubrication.
a. Oil Filter.
b. Lubricant.
II. Fuel System:
1. Fuel type.
2. Fuel pump.
3. Fuel filters.
4. Injectors.
5. Governor.
III. Air Inlet Components:
1. Air cleaner.
2. Inlet ducting.
IV. External Exhaust Emission Control System
1. Rack limiting devices (aneroid, throttle delay, etc.)
2. Manifold reactor.
3. Catalytic mufflers.
4. Exhaust recirculation.
5. Water injection.

AUTHORITY: The provisions of this Subpart M issued under secs. 202(d), 208, 301(a) of the Act; secs. 6, 8, Public Law 91-604, sec. 2, Public Law 90-148; 84 Stat. 1690, 1694, 81 Stat. 504; 42 U.S.C. 1857 (f-1, 1857 f-5, 1857g(a))

[FR Doc.71-12541 Filed 8-25-71;8:52 am]

Title 46—SHIPPING

Chapter II—Maritime Administration, Department of Commerce

SUBCHAPTER G—EMERGENCY OPERATIONS

[General Order 75, 2d Rev., Amdt. 23]

PART 308—WAR RISK INSURANCE

Miscellaneous Amendments

Part 308 is hereby amended to reflect the following changes:

Amend § 308.6 *Period of interim binders and renewal procedure*, § 308.106 *Standard form of war risk hull insurance interim binder and optional disbursements insurance endorsement*, § 308.206 *Standard form of war risk protection and indemnity insurance interim binder*, and § 308.305 *Standard form of Second Seamen's war risk insurance interim binder*, by changing the expiration dates contained therein to read "midnight, March 7, 1972, G.m.t."

(Sec. 204, 49 Stat. 1987, as amended; 46 U.S.C. 1114)

Dated: August 23, 1971.

By order of the Assistant Secretary of Commerce for Maritime Affairs.

JAMES S. DAWSON, Jr.,
Secretary.

[FR Doc.71-12552 Filed 8-25-71;8:51 am]

Title 47—TELECOMMUNICATION

Chapter I—Federal Communications Commission

[FCC 71-875]

PART 0—COMMISSION ORGANIZATION

Facilities Required for Coast Stations

Order. In the matter of amendment of Part 0 of the Commission's rules to authorize the staff to waive the equipment requirements of § 81.104(c)(2).

1. When requested, limited coast station licensees are granted exemptions from the watch requirements on 156.8 MHz, as set forth in § 81.191(d), in those cases where it is determined that the area served by the limited coast VHF station is covered by either a public coast VHF station, a U.S. Coast Guard or other government VHF station. Such exemptions do not relieve the licensee from complying with § 81.104(c)(2). This section requires, in effect, that the licensee install the equipment necessary to receive and transmit on 156.8 MHz.

2. To grant an exemption from the watch requirement and then require the licensee to install and maintain appropriate 156.8 MHz equipment often serves no useful purpose. The Commission has concluded that it would be conductive to the orderly and expeditious handling of its business and would serve the public interest to authorize appropriate staff members to act in these matters when it is determined that there is little, if any, derogation of the safety system and the equipment requirement would place an unreasonable burden on the applicant.

3. The amendment relates to internal Commission organization and practice, and hence, the prior notice, procedure, and effective date provisions of 5 U.S.C. section 553 are not applicable. Authority for the promulgation of this amendment is contained in sections 4(i), 5(d), and 303(r) of the Communications Act of 1934, as amended.

4. *Accordingly, it is ordered*, Effective September 8, 1971, that Part 0 of the rules and regulations is amended, as set forth below.

(Secs. 4, 5, 303, 48 Stat., as amended, 1066, 1068, 1082; 47 U.S.C. 154, 155, 303)

Adopted: August 18, 1971.

Released: August 23, 1971.

FEDERAL COMMUNICATIONS COMMISSION,[1]
[SEAL] BEN F. WAPLE,
Secretary

Part 0 *Commission Organization*, is amended as follows:

1. In paragraph (b) of § 0.331 a new subparagraph (22) is added to read as follows:

§ 0.331 Authority delegated.

* * * * *

(b) * * *

(22) To act on requests for waivers of the equipment requirements of § 81.104(c)(2) of this chapter when a limited coast station has been exempted from the watch requirements of § 81.191(d).

[FR Doc.71-12533 Filed 8-25-71;8:53 am]

[1] Commissioner H. Rex Lee absent.

[Docket No. 13863; FCC 71-873]

PART 1—PRACTICE AND PROCEDURE

PART 15—RADIO FREQUENCY DEVICES

Field-Disturbance Sensors

1. On December 7, 1960, the Commission issued a Notice of Inquiry[1] in the instant proceeding for the purpose of eliciting technical and background information to aid in making a decision on petitions filed by Radar-Eye Corp. (RM-64) and Electro-Security Corp. (RM-153). Both of these petitions requested amendment of the rules to provide for the operation of field-disturbance sensors used as intrusion detection alarms.

2. After giving due consideration to the information elicited by the Inquiry, the Commission, on June 20, 1963, issued a notice of proposed rule making[2] hereafter, First NPRM), which anticipated amendment of Part 15 to provide regulations governing the use of a radio frequency operated intruder alarm. The First NPRM proposed classification of field-disturbance sensors (intruder alarms) as restricted radiation devices under Part 15; operation on 915±5 MHz, 2450±15 MHz, and 22,125±100 MHz; and limitation of emission field strength to 500 uV/m at 100 feet in the specified bands and to 15 u/Vm at 100 feet outside of the specified bands. The First NPRM also proposed field-disturbance sensors (intruder alarms) be type approved. Comments in response to the First NPRM indicated that the alarm industry could not market reliable systems at a reasonable cost under the rules as proposed. A major objection categorized the Commission's proposed limitations on both the fundamental and out-of-band emissions as unduly stringent. Objections were also raised to the proposed requirement for type approval.

3. In view of these objections, the Commission reconsidered its proposal, and on May 5, 1965, issued a Second Notice of Proposed Rule Making[3] (hereafter, Second NPRM). As requested by several respondents, band limits on two of the frequencies proposed in the First NRPM were relaxed to provide wider permitted bands—tolerance at 915 MHz was increased from ±5 MHz to ±10 MHz and at 2450 MHz from ±15 MHz to ±25 MHz; with the tolerance at 22,125 MHz remaining unchanged at ±100 MHz. A fourth band, 10,525 MHz ±25 MHz, was added to the three originally proposed, spanning the gap between 2450 and

[1] 25 F.R. 12956, Dec. 17, 1960.
[2] 28 F.R. 6567, June 26, 1963.
[3] 30 F.R. 6541, May 12, 1965.

22,125 MHz. In line with several recommendations, the level of permitted emission on the fundamental frequency of operation was increased from 500 uV/m at 100 feet to one volt per meter at 100 feet, while the limit on out-of-band emissions was relaxed from the original across-the-board absolute level of 15 uV/m at 100 feet to require 60 dB suppression on harmonics and 80 dB suppression on other spurious emissions.

4. Comments in response to the Second NPRM requested that the Commission revise the proposed rules to provide for the use of modulation; this would permit sophisticated range control techniques to be used for reducing the incidence of false alarms. These comments pointed out that such techniques had become economically feasible through technological advancements and development of solid state components.

5. During the pendency of this proceeding, other changes had occurred. In a rule making proceeding, the frequencies between 806 and 960 MHz had been reallocated largely to the land mobile services.[4] The Communications Act had been amended by the addition of § 302 to give the Commission authority to control the manufacture and marketing of devices capable of causing interference.[5] The Commission was made aware that the so-called intruder alarm not only was being used to warn of unauthorized entry upon property, but also was being used to count objects on production lines and for other similar detection purposes. In view of these changes, the Commission found it necessary to issue a further notice of proposed rule making, to update the rules proposed in the Second NPRM and to take cognizance of the technological development that had occurred.

6. On December 2, 1970, the Commission issued a Third Notice of Proposed Rule Making (hereafter, Third NPRM)[6] which redesignated "RF operated intruder alarms" as "field disturbance sensors", to broaden the coverage of the regulations. The Third NPRM added a provision for modulated emissions on all permitted bands of operation except at 10,525 MHz, where emission was restricted to AΦ only. In providing for modulation, the Commission proposed to increase operating band limits at 915 MHz from ±10 MHz to ±13 MHz. A fifth band, 5800 MHz ±15 MHz, was added to the four proposed in the Second NPRM, thus making all of the ISM microwave frequencies available for these sensors. To reduce the likelihood of interference to the newly allocated land mobile frequencies, the permitted level of emission was reduced from the 1 volt per meter at 100 feet, as proposed in the Second NPRM, to 50,000 uV/m at 100 feet. In addition, to reconcile the proposed certification procedure for field disturbance sensors to the requirements of its marketing regulations[7] adopted on May 22, 1970, the Commission revised its proposed certification procedure to require application to the Commission for a grant of certification prior to marketing and operation. A concomitant amendment was proposed in Part 1 to add filing and grant fees[8] for the certification of a field disturbance sensor.

7. Comments on the Third NPRM were received from the following manufacturers of field disturbance sensors:

Advanced Devices Laboratory, Inc. (Advanced Devices).
Alarmtronics Engineering, Inc. (Alarmtronics).
Electro Security Devices.
Frowds, Ltd.
Hewlett-Packard Co. (H-P).
Johnson Service Co.
Minnesota Mining and Manufacturing Co. (3M).
Mosler Safe Co. (Mosler).
Pacific Technology, Inc.
Monsanto Radio Communications Co. (Monsanto).

Other comments were received from two industry representatives:

Central Station Industry Frequency Advisory Committee.
Security Equipment Manufacturers Association (SEMA).

In addition, a comment was filed by Oliver F. Cheney, as an individual, and a reply comment was filed by Mosler.

8. Essentially the comments were divided into two categories with regard to allowable level of on-frequency emission and frequency of operation; one group limited discussion to operation at 915 MHz, whereas the other discussed operation either at 10,525 MHz, or at 10,525 and 22,125 MHz. In general, the four comments that were addressed to operation at 915 MHz did not object to the Commission's proposed limitation on the permitted level of emission at the fundamental frequency for field disturbance sensors although one manufacturer of a 915 MHz CW sensor which uses a directional antenna requested an allowable emission limit of at least 250,000 uV/m at 100 feet for this frequency. The second manufacturer of a 915 MHz sensor commented that our proposed limit was reasonable, and the third, recommending an even lower limit, stated that our proposed limit was more than adequate. The fourth manufacturer acquiesced to our proposed in-band emission limitation, but voiced objections to other aspects of our proposal. On the other hand, each comment addressed to operation at 10,525 MHz objected to the Commission's on-frequency emission limitation and argued for a higher allowable limit, except for one manufacturer who was in accord with the proposed limitation. A number of the objecting comments alleged that our proposed limitation would not permit sensors to emit sufficient signal within a protected area to obtain satisfactory surveillance coverage unless a supersensitive receiver were used. Several of these comments argued, also, that the Commission's proposed limitation on out-of-band emissions was likely to impose excessively high manufacturing costs. Contending that lack of a provision for modulation seriously limits the usefulness of sensors, the majority of respondents questioned the need for a proscription against modulation at 10,525 MHz, and cited the absence of data showing that operation of field disturbance sensors would actually result in harmful interference to any licensed service.

COMMENTS PERTAINING TO 10,525 MHz

9. Hewlett-Packard states that it has developed a Doppler radar module operating at 10,525 MHz which is suitable for use in a field disturbance sensor. Arguing that use of modulation would improve the reliability of a field disturbance sensor by allowing the detection range to be set at a predetermined distance, thereby reducing the possibility of false alarms, Hewlett-Packard requests that modulation be permitted at 10,525 MHz. Further, Hewlett-Packard argues that operation in the 10,525 MHz band allows more precise range resolution and more accurate control of field patterns, for the purpose of reducing the possibility of interference by a field disturbance sensor to the licensed services, or to other adjacent field disturbance sensors. Stating that certain modulation techniques which do not require excessive bandwidth can be employed to control range resolution to within a few feet, H-P recommends that the Commission allow frequency modulation at 10,525 MHz with the condition that total bandwidth not exceed 10 MHz.

10. In further argument which opposes the Commission's proposed emission limitations, H-P states that its testing programs have determined that a 50,000 uV/m signal strength at 100 feet is insufficient to give reliable sensor operation at 10,000 MHz. Receiver sensitivity in the face of this level of field strength, H-P maintains, must be set so high that the sensor would be susceptible to false triggering by spurious signals. Based on calculations and experiment, H-P states it has determined that a more reasonable level of field strength is 300,000 uV/m at 100 feet which gives its sensor a range of 150 to 200 feet. In anticipation of opposition to raising the permitted emission level at 10,525 MHz, H-P submitted supplemental information containing calculations to support statements made in its original comment. These calculations show that, under normal operating conditions, H-P's field disturbance sensor, even when modulated, would emit a sig-

[4] For the record of this rule making proceeding, see FCC Docket No. 18262. For the notice of inquiry and notice of proposed rule making, see 33 F.R. 10807, July 30, 1968. For the first report and order and second notice of inquiry, and notice of proposed rule making, see 35 F.R. 8644, June 4, 1970.

[5] Section 302, entitled "Devices which Interfere with Radio Reception", was added to the Communications Act on July 5, 1968, by Public Law 90-379, 82 Stat. 290. Under authority granted by § 302, the Commission adopted marketing regulations for radio frequency devices in its Report and Order in Docket No. 18426 (35 F.R. 7894, May 22, 1970).

[6] 35 F.R. 18674, December 9, 1970.

[7] See footnote 5 supra.

[8] The matter of fees for equipment authorizations is discussed in the Commission's Report and Order in Docket No. 18802, adopted July 1, 1970 (35 F.R. 10988, July 8, 1970).

nal well below the threshold sensitivity of the typical police radar unit, and consequently H-P claims that the police radar would receive a signal incapable of affecting its operation.

11. SEMA also argues that modulation at 10,525 MHz is essential to prevent mutual interference in a multi-unit installation and to reduce the incidence of false alarms, caused by extraneous disturbances. In addition, SEMA in argument similar to that of H-P, contends emission limitations are too severe in view of present sensor technology. SEMA also points out that the best way of reducing false alarms is to use a relatively strong output signal with a relatively insensitive receiver. This method of operation SEMA contends, could not be achieved under the proposed regulations. To provide for satisfactory field disturbance sensor operation, SEMA suggests that our proposed emission limitations be revised so as to permit on-frequency emissions of 200,000 uV/m at 100 feet and harmonic emissions of 1000 uV/m at 100 feet. The Johnson Service Company argues that restricting 10,525 MHz transmission to AØ emission while permitting modulation at all other frequencies appears to be both inconsistent and unnecessary, particularly in view of the lack of any documented evidence showing that harmful interference would occur if modulation were permitted. Acknowledging the need to use modulation techniques and then excluding one frequency from the use of such techniques, the Johnson Service Co. argues, is tantamount to removing the excluded frequency from the permitted bands. To provide for the current version of its field disturbance sensor, which operates as a homodyne CW Doppler radar using a high gain antenna to achieve a controlled detection range in excess of 100 feet, the Johnson Service Co. requests that the Commission adopt a 2-year limitation of 500,000 uV/m at 100 feet for in-band emissions. During this 2-year period, the Johnson Service Co. suggests that adequacy of emission levels be studied in terms of permitted frequencies, with a view toward reducing the emission limit to 50,000 uV/m at 100 feet. In further discussion, the Johnson Service Co. claims that its sensor is designed to take advantage of the reflective and absorptive properties of common building materials on microwave energy, and thereby confine emissions to the desired surveillance area.

12. Alarmtronics contends that from a cost and reliability standpoint, operation in the 10,525 MHz band is optimum because of the present level of development in state-of-the-electronics art components. Modulation, however, is a must Alarmtronics argues, because it is the only practical method for preventing mutual interference among multiple-unit installations, and for reducing false alarming caused by a disturbance outside of the intended detection range. In addition, Alarmtronics argues that the permitted on-frequency emission limitation should be raised from 50,000 uV/m at 100 feet to 150,000 uV/m at 100 feet to provide for sensors that are capable of operating effectively without being so supersensitive as to operate on the edge of instability. At the same time, Alarmtronics objects to our proposed limitation on harmonics, and suggests that the limit be raised to 1000 uV/m at 100 feet. To support its argument for relaxing our proposed emission limitations at 10,525 MHz, Alarmtronics contends that, at higher frequencies, the radiated field can be precisely defined and confined to the protected area by ordinary building materials. Advanced Devices, claiming to be the largest U.S. manufacturer of field disturbance sensors operating at 10,525 MHz, states that, although all existing space protection sensors now operate without modulation, new, more sophisticated sensors operating at this frequency will use modulation in many applications to limit the range of detection. Advanced Devices, describes its sensor which uses a solid state RF generator and a 20 dB directional antenna, and argues that our proposed emission limitations will not permit practical performance levels. In this connection, Advanced Devices suggests that our proposed limit for on-frequency emissions be increased to 500,000 uV/m at 100 feet. For harmonic emissions, Advanced Devices requests that required suppression be no greater than 40 dB, and for other spurious emissions, that require suppression be set at 60 dB. Alleging that, since RF energy emitted at 10,525 MHz and 22,125 MHz is easier to confine to a given area because of the greater attenuating effect of ordinary building materials in the walls of a structure on microwave energy than on energy at lower frequencies, the Central Station Industry Frequency Advisory Committee recommends that the permitted emission limitation be increased to 500,000 uV/m for these two frequencies.

13. Monsanto, another proponent of modulation at 10,525 MHz, states that it is currently conducting field demonstrations to show that frequency modulation of a sensor at a rate greater than the maximum Doppler frequency generated by a police radar would eliminate the possibility of interference to radar speed meters. Except for its opposition to our prohibition against modulation at 10,525 MHz, Monsanto is in complete accord with the technical provisions of our proposed rules, including the proposed limitation on emissions, and supports the requirement for equipment certification.

Comments Pertaining to Operation at 915 MHz

14. Electro Security Devices, addressing its comment to operation at 915 MHz, states that the Commission's proposed limit is far more than adequate for detection of a human at 100 feet, and recommends that the permitted level of emission on the fundamental be lowered to 10,000 uV/m at 100 feet. Continuing its comment, Electro Security Devices states that detection beyond 100 feet is not limited to the same extent by the field strength of emissions as it is limited by trade-off of detector stability for gain. Moreover, Electro Security Devices maintains that reliable and highly sensitive detection devices (sensors) can be manufactured with present state-of-the-electronic-art components, at a reasonable cost. Stating that rules making sensors immediately available to the consumer will be of great public service, 3M, without opposition to our proposed limitation on emissions at the fundamental frequency, strongly endorses the course of action taken in the Third NPRM. However 3M objects to our proposed limitations on harmonic and other spurious emissions, and argues that these limitations are unnecessarily stringent. Alternatively, 3M proposes suppressing harmonics 25 dB below the fundamental or providing an absolute limit of 250 uV/m at 100 feet, and suppressing other spurious emissions 50 dB below the fundamental or providing an absolute limit of 25 uV/m at 100 feet. These limits, 3M contends are typical of what is practicable for a well designed CW field disturbance sensor. Pacific Technology states that the Commission's proposed emission limitations are reasonable for a single sensor. For facilities which cannot be protected adequately by a single sensor, Pacific Technology suggests a multi-sensor installation using a number of CW Doppler sensors operating on closely spaced crystal controlled frequencies. Mosler states that, to maintain an adequate signal-to-noise ratio, its sensor operating at 915 MHz, in competition with ISM equipment, must radiate a field of not less than 250,000 uV/m at 100 feet, and accordingly urges the Commission to revise its proposed limitation upward to this level for CW sensors. The Mosler sensor as described in its engineering statement uses a sophisticated processing technique, plus a directional antenna to eliminate the occurrence of false alarms. Rather than using modulation techniques to reduce false alarms, Mosler states that its sensor relies on the properties of a directional antenna to restrict the area of coverage.

15. Proponents of a higher allowable level of emission presented arguments which purport to show that the limitation of 50,000 uV/m at 100 feet proposed by the Commission is too stringent to provide for reliable and efficient sensor operation. In general, the sensors developed by these parties operate either at 10,525 MHz or at 22,125 MHz, and employ relatively high gain directional antennas to direct the radiated energy, and thus extend the range of detection while restricting the field of coverage. This technique, which concentrates the radiated energy along the axis of the antenna, yields, in most cases, a higher level of field strength than proposed in our Second NPRM. The comments indicated that the various sensors using such techniques emit up to 500,000 uV/m at 100 feet to achieve an adequate detection range. In contrast to sensors which operate at 10,525 and 22,125 MHz, and cannot function satisfactorily within our proposed on-frequency limitation of 50,000 uV/m at 100 feet, it would appear that most sensors operating at 915 MHz (and

presumably at 2,450 MHz and 5,800 MHz) are capable of operating satisfactorily within this limitation. In this connection, three manufacturers of 915 MHz sensors stated that they have developed sensors capable of operating at or below the Commission's proposed limit. None of the comments indicated that serious design work had been done at either 2,450 or at 5,800 MHz, although at least one manufacturer expressed an interest in investigating feasibility of operation on these two frequencies.

16. In several comments, manufacturers objected to the Commission's proposed emission limitations on the ground that an inadequate detection range would be provided. Stating that the required detection range for a sensor was roughly from 100 to 200 feet, these manufacturers urged the Commission to raise the permissible level of emissions. None of these manufacturers, however, presented definitive information showing why an extended detection range is necessary for effective operation of a simple space protection sensor. Moreover, none of the objecting parties presented technical data to show what levels of field strength are required to give reliable operation at varying detection ranges. More important, no information was submitted showing that a sensor emitting the recommended levels of RF energy would not constitute a source of harmful interference.

COMMISSION'S DECISION

17. The Commission is not convinced that a detection range on the order of 200 feet is necessary to provide adequate security protection for the limited areas envisaged by the instant proceeding. In this connection, the Commission reiterates its discussion characterizing the nature of a space protection field disturbance sensor. The Commission in its Third NPRM in this subject proceeding stated in part:

> In the course of this proceeding, it has become evident that field disturbance sensors (intrusion detection devices) can be divided into two general types. One type uses essentially a point source of RF energy to detect motion in a limited area in the vicinity of the source. In this type of sensor (alarm), the emitter and the receiver (or detector) are essentially at the same point and the sensor (alarm) can be described as a space protection system. This is the type of field disturbance sensor (intruder alarm system) dealt with in these proposed regulations.

18. The Johnson Service Co., Alarmtronics, Frowds, Ltd., SEMA, and the Central Station Industry Frequency Advisory Committee have contended individually that when a microwave sensor is operated within a building constructed of ordinary building materials there results a certain amount of signal attenuation, because of the absorption and reflection of microwave energy. On the basis that only an insignificant amount of RF energy will leak out of most buildings, these parties have asked the Commission to revise upward its proposed limitations on emissions at 10,525 MHz and at 22,125 MHz. The Commission agrees that some attenuation does occur when RF energy propagates through walls. Such attenuation, however, is so variable, depending as it does on the nature of the construction, that little reliance can be placed thereon in establishing levels of emission. Accordingly, the Commission is not persuaded on this basis to revise its proposed emission limitations for field disturbance sensors.

19. However, in view of the other arguments presented, the Commission has reconsidered the in-band emission limitations proposed for 10,525 MHz and for 22,125 MHz, and has adopted an on-frequency emission limitation of 250,000 uV/m at 100 feet for these two frequencies. For the bands 915, 2450, and 5800 MHz the Commission has adopted an on-frequency emission limitation of 50,000 uV/m at 100 feet, as originally proposed in its Third NPRM. At the same time, the Commission has been persuaded by the comments opposing its proposed proscription against modulation at 10,525 MHz, and has deleted the A0 emission limitation proposed for this frequency; this will provide for modulation at each of the permitted bands of operation. In making this decision, the Commission noted that none of the parties who had responded to its Second NPRM and had objected* to sensor operation at 10,525 MHz reiterated these objections by responding to the Third NPRM. In line with the requests of several respondents to the Third NPRM, the Commission has relaxed its proposed limitations on out-of-band emissions, and has adopted regulations requiring that the emission of RF energy both on harmonics and on all other spurious frequencies be suppressed at least 50 dB below the level permitted for the fundamental.

20. SEMA has recommended that a "grandfather clause" be adopted to provide for the thousands of field disturbance sensors now in operation. Alarmtronics requested that a reasonable amount of time be provided for manufacturers and importers to obtain the necessary certification. The Commission is aware that prior to October 1, 1970, when its marketing regulations became effective, many noncomplying field disturbance sensors used as security alarms were being sold to consumers who, in good faith, purchased them with little or no knowledge of their interference potential. Most of these devices were being operated illegally, since they could not meet the technical standards set out in § 15.7 of the rules.[10]

SEMA is now asking the Commission to give legal status to these devices by providing limits to accommodate their operation. Alarmtronics, in effect, is asking that the Commission permit continued marketing of noncomplying intruder detection sensors until grant of certification can be secured; however, Alarmtronics gives no guarantee that these devices can ultimately comply with the rules being adopted. The major objective of the Commission's marketing regulations[11] is to keep devices which do not accord with its technical standards out of the user market. In light of the duration of this proceeding, we believe that industry has had sufficient opportunity to prepare for the rules it had requested.[12] Accordingly, the Commission can find no basis for granting either request, and consequently is not authorizing the marketing or operation of any field disturbance sensor unless it complies with the technical standards and certification requirements herein adopted.

21. Pointing out that speed measuring equipment (suc as police radars) will be operated on a share basis with field disturbance sensors at 10,525 MHz, Advanced Devices argues that, if the limitations proposed for field disturbance sensors are applied to measuring equipment, the useful range of this equipment would be limited to impractically short distances. This argument is specious, since it is based on an unwarranted assumption. Speed measuring epuipment is classified as radiolocation equipment and may be licensed as such in various bands of the Public Safety Radio Services (§ 89.101), Industrial Radio Services (§ 91.604), and/or Land Transportation Services (§ 93.112). As a licensed station such speed measuring equipment is governed by the regulations under which it is licensed—not by these new Part 15 regulations. Notwithstanding, the Commission will interpose no objection to the operation of speed measuring equipment (or other radiolocation devices) under the regulations for field disturbance sensors where it is shown that the device comes within the scope of these regulations. It also follows that a speed measuring equipment operated under Part 15 must operate on a sufferance basis only (§ 15.311) and may not cause interference to any of the licensed services.[13]

22. Pursuant to our policy to impose filing and grant fees for certification of equipment § 1.1120 of Part 1 is amended

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* See paragraph 20, Third NPRM, Docket No. 13863, 35 F.R. 18674, Dec. 9, 1970.

[10] Under the provisions of § 15.7, these alarms are treated as restricted radiation devices, and are subject to a field strength limitation of 15 uV/m at a distance of $\lambda/2\pi$. With the issuance of this order, devices will no longer be subject to the provisions of § 15.7 but must comply with the regulations in Subpart F of Part 15 adopted herein.

[11] See footnote 5 supra.

[12] In this connection, it should be noted that the Third NPRM issued on December 2, 1970, represented a third change in the proposed regulations and was designed to meet the requirements of industry as indicated in the comments submitted in this proceeding.

[13] Regardless of whether licensed or intended for operation under Part 15 all speed measuring equipment is, or shortly will be, subject to a Commission equipment authorization procedure. For type acceptance under Part 89, see § 89.117(b); for type acceptance under Part 93, see § 93.109(b); and for type acceptance under Part 91, see the proposal in RM-1773. For certification under Part 15, see § 15.313, herein adopted.

to set out a fee schedule for the certification of field disturbance sensors.

23. In view of the foregoing and pursuant to the authority contained in §§ 4(i), 302, 303(g), and 303(r) of the Communications Act of 1934, as amended: *It is ordered*, That, effective October 5, 1971, Parts 1 and 15 are amended in the manner set forth below. *It is further ordered*, That this proceeding is hereby terminated.

(Secs. 4, 302, 303, 48 Stat., as amended, and 82 Stat.; 1066, 290, 1082; 47 U.S.C. 154, 302, 303)

Adopted: August 18, 1971.

Released: August 24, 1971.

FEDERAL COMMUNICATIONS COMMISSION,[14]
[SEAL] BEN F. WAPLE,
Secretary.

Parts 1 and 15 are amended as follows:

1. Section 1.1120 of Part 1 is amended by adding a new item 6 in the fee schedule under Certification to read as follows:

§ 1.1120 Schedule of fees for equipment approval, acceptance or certification.

* * * * *

Item	Certification	Filing fee	Grant fee
...	...	...	...
6	Application for certification of a field disturbance sensor	$10	$25

2. Section 15.4 is amended by adding a new paragraph (j) to read as follows:

§ 15.4 General definitions.

* * * * *

(j) *Field disturbance sensor.* A restricted radiation device which establishes a radio frequency field in its vicinity and detects changes in that field resulting from movement of persons or objects within the radio frequency field.

3. A new Subpart F (§§ 15.301–15.317) is added to Part 15 to read as follows:

Subpart F—Field Disturbance Sensors

Sec.
15.301 Scope of this subpart.
15.303 Restriction on operation.
15.305 General technical specification.
15.307 Frequency tolerance.
15.309 Emission limitations.
15.311 Interference from a field disturbance sensor.
15.313 Certification of a field disturbance sensor.
15.315 Description of measurement procedure.
15.317 Frequency range over which measurements are required.

AUTHORITY: The provisions of this Subpart F issued under secs. 4, 302, 303, 48 Stat., as amended, and 82 Stat., 1066, 290, 1082; 47 U.S.C. 154, 302, 303.

Subpart F—Field Disturbance Sensors

§ 15.301 Scope of this subpart.

This subpart provides rules governing the operation of restricted radiation devices which are used as field disturbance sensors. Typical examples of devices regulated by these rules are microwave intrusion sensors and devices that use RF energy for production line counting and sensing.

§ 15.303 Restriction on operation.

No field disturbance sensor may be operated unless it has been certificated and labeled as complying with the requirements of this part.

§ 15.305 General technical specification.

(a) A field disturbance sensor may be operated on any frequency (including frequencies above 900 MHz) subject to the requirement that the field strength of emissions on the fundamental or on a harmonic or on other spurious frequencies shall not exceed 15 uV/m at a distance of $\lambda/2\pi$ from the sensor.

NOTE: The distance $\lambda/2\pi$ is equivalent in feet to 157 divided by the frequency in MHz.

(b) Alternative to paragraph (a) of this section, a field disturbance sensor may be operated on any frequency listed below, subject to the technical requirements set out in §§ 15.307 and 15.309 of this part.

915 MHz	10,525 MHz
2450 MHz	22,125 MHz
5800 MHz	

§ 15.307 Permitted bands of operation.

The carrier frequency of a field disturbance sensor operating on one of the frequencies listed in § 15.305(b) and any modulation components thereof shall be kept within the following band limits:

Nominal operating frequency (MHz)	*Band Limits (MHz)*
915	±13
2450	±15
5800	±15
10,525	±25
22,125	±50

NOTE. To minimize the possibility of out-of-band operation because of frequency drift due to aging of components or other causes, it is recommended that the carrier frequency be kept within the central 80 percent of the permitted band.

§ 15.309 Emission limitations.

(a) For a field disturbance sensor operating within any frequency band listed in § 15.307, the field strength of emissions on the fundamental shall be limited in accordance with the following:

Frequency (MHz)	*Field Strength*
915, 2450, 5800	50,000 uV/m at 100 ft.
10,525, 22,125	250,000 uV/m at 100 ft.

(b) Spurious emissions (including emissions on a harmonic of any frequency listed in paragraph (a) of this section) shall be suppressed at least 50 dB below the level of the fundamental; however, suppression below 15 uV/m at 100 ft. is not required.

NOTE. For pulsed operation, measured field strength shall be determined from the averaged absolute voltage during a 0.1 second interval when field strength is at its maximum value. Below 1000 MHz, the measurement bandwidth shall comply with the requirements set out in the American National Standards Institute Specifications C63.2–1963 and C63.3–1964. Above 1000 MHz the measurement bandwidth shall be 5 MHz.

§ 15.311 Interference from a field disturbance sensor.

(a) Operation of a field disturbance sensor is subject to the general conditions of operation set out in § 15.3.

(b) The operator of a field disturbance sensor who is advised that his sensor is causing interference to an authorized radio service shall promptly stop operating the sensor, and operation shall not be resumed until the condition causing the harmful interference has been eliminated.

§ 15.313 Certification of a field disturbance sensor.

The procedure for certification of a field disturbance sensor is identical to the procedure for a radio control for a door opener as set out in §§ 15.260–15.264 inclusive, and §§ 15.268–15.272 inclusive, except that § 15.264(b) shall not apply.

§ 15.315 Description of measurement procedure.

The report of measurements shall describe in detail the measurement procedure that was used. If a published standard was used, reference to the standard is sufficient, provided any departure from the standard is described in detail.

§ 15.317 Frequency range over which measurements are required.

(a) For a field disturbance sensor operating below 100 MHz, the spectrum shall be scanned from the lowest frequency generated in the device up to 1000 MHz. Field strength for all significant emissions shall be measured and reported.

(b) For a field disturbance sensor operating above 100 MHz the spectrum shall be scanned from the lowest frequency generated in the device up to 10 GHz, provided that for sensors operating on frequencies above 5 GHz, the spectrum shall be scanned to the highest frequency feasible, above 10 GHz. Field strengths of all significant emissions shall be measured and reported.

[FR Doc.71-12528 Filed 8-25-71;8:53 am]

[FCC 71-847]

PART 15—RADIO FREQUENCY DEVICES

Radio Control Transmitter for a Door Opener

Order. In the matter of amendment of Part 15 of the Commission's rules and regulations to conform § 15.215 to Part 2.

1. Section 15.215(c), adopted on March 24, 1971, by a second report and order[1] in Docket No. 15657, lists, among others, 404–406 MHz as a prohibited

[14] Commissioner H. Rex Lee absent.

[1] 36 F.R. 6504, Apr. 6, 1971.

band for a radio door control.[3] This regulation provides that emissions from neither the transmitter part nor the receiver part of the control may fall on any of the prohibited frequencies in order to minimize the probability of interference to either the aeronautical or the radio astronomy services.

2. On November 10, 1970, the Commission by order[4] shifted the Radio Astronomy Service allocation from 404–406 MHz to 406–410 MHz. To continue providing the protection to radio astronomy heretofore provided, it is necessary to conform § 15.215 by making a similar shift in the list of prohibited frequencies in that section. Accordingly, the rule amendment herein adopted revises § 15.215(c) to delete the band 404–406 MHz, and to add the band 406–410 MHz.

3. Since the amendment adopted by the instant order conforms Part 15 to a previous rule revision that was made in accordance with required rule making procedures, the Commission finds that compliance with the prior notice provisions of 5 U.S.C. 553 is unnecessary.

4. *Accordingly, it is ordered,* That, pursuant to the authority contained in sections 4(i), 302, and 303(r) of the Communications Act of 1934, as amended, § 15.215(c) in Part 15 of the Commission's rules is amended effective November 1, 1971, to read as follows:

§ 15.215 Provisions for a radio control transmitter for a door opener.

* * * * *

(c) Emission of RF energy from the transmitter, as well as from the receiver part of the control, shall not fall within any of the bands listed below:

MHz	*MHz*	*GHz*
73–75.4	608–614	10.68–10.70
108–118	960–1215	15.35–15.4
121.4–121.6	1400–1427	19.3–19.4
242.8–243.2	1535–1670	31.3–31.5
265–285	2690–2700	88–90
328.6–335.4	4200–4400	
406–410	4990–5250	

(Secs. 4, 302, 303, 48 Stat., as amended & 82 Stat.; 1006, 290, 1082; 47 U.S.C. 154, 302, 303)

* * * * *

Adopted: August 18, 1971.

Released: August 23, 1971.

FEDERAL COMMUNICATIONS COMMISSION,[4]
[SEAL] BEN F. WAPLE,
Secretary.

[FR Doc.71-12534 Filed 8-25-71;8:53 am]

[Docket No. 19076; FCC 71-851]

PART 83—STATIONS ON BOARD IN MARITIME SERVICES

Use of Frequencies by Ship Stations

Report and order. In the matter of amendment of Part 83 of the Commission's rules with respect to use of frequencies by ship stations.

1. A notice of proposed rule making in the above captioned matter was released on November 6, 1970, and published in the FEDERAL REGISTER of November 11, 1970 (35 FR 17360). The dates for filing comemnts and replies have passed.

2. The notice proposed revisions to permit channel 09 to be used for intership communications between all types of vessels concerning commercial, operational or economic matters directly relating to the purposes for which the commercial vessels are used; or for the needs of the other vessels. As we said in our Notice of Proposed Rulemaking, there is an unsatisfied requirement for a common VHF channel, other than a safety channel, for intership communications available to all vessels for their needs. At present, the Commission's rules, Part 83 provide for the use of 156.450 MHz, channel 09, by all vessels for ship to shore communications concerning the needs of the vessel. In addition, commercial transport vessels may use the frequency for intership communications with other commercial transport vessels concerning the needs of this class of vessel. Vessels that are not commercial transport vessels may not use channel 09 for intership communications. This limitation has caused some misunderstanding and confusion on the part of ship station licensees. Vessels other than commercial transport vessels monitoring channel 09 will hear intership commmunications and often they assume that they may engage in intership communciations on this channel. In other situations, a commercial vessel will work another vessel on channel 09 and not know if it is a commercial vessel or not. No information has been received that indicates that these reasons for the proposal are incorrect or inappropriate.

3. Associated Branch Pilots (PILOTS) were the only commentators on this proposal. PILOTS provide pilotage for the port of New Orleans and state that they have used Channel 09 for intership communications with 500 commercial vessels per month since the inception of VHF and to permit noncommercial vessels to use Channel 09 for intership communications would force PILOTS to change to another channel. PILOTS state that in order to change the intership channel for commercial vessels operating in the New Orleans area, it would be necessary to notify vessels worldwide to make this change. PILOTS requested that, should the Commission implement the rules as proposed, the effective date be delayed 1 year to allow for changeover to other intership channels.

4. PILOTS asserts that our proposal would add from 50–100 recreational and fishing vessels to those now permitted to use Channel 09 for intership communications. We believe that the majority of these vessels now equipped with VHF will have one or more of the existing noncommercial intership channels installed and will continue to use these channels for intership communications with noncommercial vessels. We do not believe that the increased traffic on Channel 09 caused by the addition of noncommercial operators would render the channel useless; therefore, no extended changeover period is necessary.

5. In view of the foregoing, *it is ordered,* That pursuant to the authority contained in section 4(i) and 303 (b) and (r) of the Communications Act of 1934, as amended, Part 83 of the Commission's rules is amended, effective October 5, 1971, as set forth below.

6. *It is further ordered,* That the proceeding in Docket 19076 is terminated.

(Secs. 4, 303, 48 Stat., as amended, 1066, 1082; 47 U.S.C. 154, 303)

Adopted: August 18, 1971.

Released: August 23, 1971.

FEDERAL COMMUNICATIONS COMMISSION,[1]
[SEAL] BEN F. WAPLE,
Secretary.

Part 83 is amended as follows:

1. In § 83.351 paragraph (a)(5) is amended to add 6 and 40 to conditions of use for the frequency 156.450 MHz and paragraph (b)(6) is changed to express limitations and conditions of use.

§ 83.351 Frequencies available.

(a) * * *

(5) * * * *Carrier frequency (MHz) Conditions of use*

* * * * *

156.450 ..... 6, 34, 40, 41, 49, 50

* * * * *

(b) * * *

(6) The frequency 156.450 MHz may be used for communications between commercial transport vessels and other vessels:

(i) Concerning the commercial, operational or economic matters relating directly to the purposes for which the commercial transport vessel is used; or

(ii) Relating directly to the needs of the other vessel.

* * * * *

2. In § 83.359 the table "noncommercial" is amended to change the points of communications on channel 09.

§ 83.359 Frequencies in the band 152-162Mc/s available for assignment.

Channel designator	Frequency (MHz) Ship	Coast	Points of communication
*	*	*	* *
NONCOMMERCIAL			
68	156.425	156.425	Intership and ship to coast.
09	156.450	156.450	Do.
69	156.475	156.475	Ship to coast.
70	156.525	.....	Intership.
71	156.575	156.75	Ship to coast.
72	156.625	.....	Intership.
78	156.925	156.925	Ship to coast.
*	*	*	* *

[FR Doc.71-12535 Filed 8-25-71;8:53 am]

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[3] The list of prohibited frequencies was adopted as § 15.211(a)(6) by the First Report & Order, July 21, 1965, in Docket 15657 (30 F.R. 9315). This proceeding is commonly referred to as the garage door rule making.

[4] FCC 70-1204, 26 FCC 2d 455 (1970), 35 F.R. 17720.

[4] Commissioner H. Rex Lee absent.

[1] Commissioner H. Rex Lee absent.

[Docket No. 19174; FCC 71-874]

RECIPROCAL SHARING OF OPERATIONAL FIXED STATIONS

1. On March 17, 1971, we issued a notice of proposed rule making to amend Parts 87, 89, 91, and 93 of the Commission Rules to provide specifically for reciprocal sharing of private microwave systems. The Notice was published in the FEDERAL REGISTER on March 24, 1971, 36 F.R. 5522.

2. In that notice, we noted that in recent years licensees of private microwave systems have found it advantageous to enter into arrangements under which one permits the use of communications channels in his system in exchange for the use of comparable communications channels in the microwave system of the other, and that these sharing arrangements have obvious merit, both in terms of spectrum economy and the fuller utilization of private systems. We also noted, however, that compliance by licensees proposing to share their systems in this manner with the precise cost-sharing and annual report requirements of the existing rules is extremely difficult, if not impossible, and we proposed to amend those rules to make specific provisions to cover mutual sharing arrangements. With one exception, the comments filed [1] supported our proposal and urged its early approval.

3. The only opposition was filed by GTE Service Corporation. GTE's stated position is that sharing of private systems should not be "liberalized" because of the "* * * possible adverse impact of expanded sharing upon existing communications common carriers". GTE's concern is misplaced. The purpose of our proposal was not to expand or liberalize permissible sharing of private microwave sharing beyond that now authorized by our rules. Sharing, even under the mutual sharing arrangements considered here, will still be limited as specified by the rules. See, for example, § 91.9(b) of the Commission's rules. The purpose of our proposal was to exempt mutual sharing arrangements, which are permissible under the basic sharing rules, from strict compliance with the cost-sharing and annual reporting requirements of those rules because, as we said above, compliance is impractical. Thus, the issue in this proceeding is a narrow one. On this issue, we stated in the Notice that it would serve no useful purpose to require a licensee proposing to enter into a mutual sharing arrangement with another to evaluate the monetary worth of the microwave channels it would receive and of the microwave channels it would furnish so as to insure a strict equalization of costs. Nothing GTE has stated persuades us that our initial tentative conclusion on this matter was unsound.

4. Accordingly, on the basis of the record of this proceeding and our experience with the limited number of mutual sharing arrangements we have authorized in the past, we conclude that it would be in the public interest to facilitate such arrangements for the shared use of private microwave systems in the manner proposed. *Therefore, it is ordered,* Pursuant to sections 4(i) and 303 of the Communications Act of 1934, as amended, That, Parts 87, 89, 91, and 93 of the Commission's rules are amended, as shown below, effective October 5, 1971.

5. *It is further ordered,* That this proceeding is terminated.

(Secs. 4, 303, 48 Stat., as amended, 1066, 1082; 47 U.S.C. 154, 303)

Adopted: August 18, 1971.

Released: August 23, 1971.

FEDERAL COMMUNICATIONS COMMISSION,[2]

[SEAL] BEN F. WAPLE,
Secretary.

Parts 87, 89, 91, and 93, of the Commission's rules are amended as follows.

PART 87—AVIATION SERVICES

1. In § 87.467, paragraphs (d) and (i) are amended to read as follows:

§ 87.467 Cooperative use of operational stations.

* * * * *

(d) Licensed facilities may be cooperatively used under this section only (1) without charge to any of the participants in its use, or (2) on a nonprofit, cost sharing basis pursuant to a written contract between the parties involved which provides that the licensee shall have control of the licensed facilities and that contributions to capital and operating expenses are accepted only on a cost sharing nonprofit basis, prorated equitably, among all participants using the facilities, or (3) on a reciprocal basis (e.g., use of one licensee's facilities in exchange for the use of another licensee's facilities) without charge for either capital or operating expense, pursuant to a written contract between the licensees involved.

* * * * *

(i) When radio facilities are shared under the provisions of this section without charge and without any other consideration from any other participants, or on a reciprocal basis, or when the facilities are shared solely by governmental entities, in lieu of the statements required to be filed by paragraph (h) of this section, the licensee shall file with the Commission within 90 days after the close of his fiscal year a statement advising the Commission of that fact.

* * * * *

PART 89—PUBLIC SAFETY RADIO SERVICES

2. In § 89.14 paragraphs (d) and (i) are amended to read as follows:

§ 89.14 Cooperative use of fixed radio stations.

* * * * *

(d) Licensed facilities may be cooperatively used under this section only (1) without charge to any of the participants in its use, or (2) on a nonprofit, cost sharing basis pursuant to a written contract between the parties involved which provides that the licensee shall have control of the licensed facilities and that contributions to capital and operating expenses are accepted only on a cost sharing nonprofit basis, prorated equitably, among all participants using the facilities, or (3) on a reciprocal basis (e.g., use of one licensee's facilities in exchange for the use of another licensee's facilities) without charge for either capital or operating expense, pursuant to a written contract between the licensees involved.

* * * * *

(i) When radio facilities are shared under the provisions of this section without charge and without any other consideration from any other participants, or on a reciprocal basis, or when the facilities are shared solely by governmental entities, in lieu of the statements required to be filed by paragraph (h) of this section, the licensee shall file with the Commission within 90 days after the close of his fiscal year a statement advising the Commission of that fact.

* * * * *

PART 91—INDUSTRIAL RADIO SERVICES

3. In § 91.9, paragraphs (d) and (i) are amended to read as follows:

§ 91.9 Cooperative use of operational fixed radio stations.

* * * * *

(d) Licensed facilities may be cooperatively used under this section only (1) without charge to any of the participants in its use, or (2) on a nonprofit, cost sharing basis pursuant to a written contract between the parties involved which provides that the licensee shall have control of the licensed facilities and that contributions to capital and operating expenses are accepted only on a cost sharing nonprofit basis, prorated equitably, among all participants using the facilities, or (3) on a reciprocal basis (e.g., use of one licensee's facilities in exchange for the use of another licensee's facilities) without charge for either capital or operating expense, pursuant to a written contract between the licensees involved.

* * * * *

(i) When radio facilities are shared under the provisions of this section without charge and without any other consideration from any other participants, or on a reciprocal basis, or when the facilities are shared solely by governmental entities, in lieu of the statements

[1] Comments were filed by the Association of American Railroads (AAR), the Central Committee on Communication Facilities of the American Petroleum Institute, Forest Industries Radio Communications (FIRC), GTE Service Corp. (GTE), Microwave Communications, Inc. (MCI), the National Association of Manufacturers (NAM), the Utilities Telecommunications Council (UTC), and the Southern Pacific Transportation Co. (Southern Pacific). Reply comments were not filed.

[2] Commissioner H. Rex Lee absent.

required to be filed by paragraph (h) of this section, the licensee shall file with the Commission within 90 days after the close of his fiscal year a statement advising the Commission of that fact.

* * * * *

PART 93—LAND TRANSPORTATION RADIO SERVICES

4. In § 93.4, paragraphs (d) and (i) are amended to read as follows:

§ 93.4 Cooperative use of fixed radio stations.

* * * * *

(d) Licensed facilities may be cooperatively used under this section only (1) without charge to any of the participants in its use, or (2) on a nonprofit, cost-sharing basis pursuant to a written contract between the parties involved which provides that the licensee shall have control of the licensed facilities and that contributions to capital and operating expenses are accepted only on a cost-sharing nonprofit basis, prorated equitably, among all participants using the facilities, or (3) on a reciprocal basis (e.g., use of one licensee's facilities in exchange for the use of another licensee's facilities) without charge for either capital or operating expense, pursuant to a written contract between the licensees involved.

* * * * *

(i) When radio facilities are shared under the provisions of this section without charge and without any other consideration from any other participants, or on a reciprocal basis, or when the facilities are shared solely by governmental entities, in lieu of the statements required to be filed by paragraph (h) of this section, the licensee shall file with the Commission within 90 days after the close of his fiscal year a statement advising the Commission of that fact.

* * * * *

[FR Doc.71-12532 Filed 8-25-71;8:53 am]

[Docket No. 19086; FCC 71-854]

EXPANDED USE OF NONVOICE EMISSIONS

1. On November 13, 1970, a notice of proposed rule making (FCC 70-1205) was released in the above-entitled matter to amend rule parts 89, 91 and 93 to permit general non-voice operations on voice frequencies in the land mobile radio services. The notice was published in the FEDERAL REGISTER on November 18, 1970 (35 F.R. 17747). By subsequent Order (Mimeo 60476), adopted December 17, 1970, the comment and reply comment periods were extended from December 21, 1970 to January 21, 1971, and from December 31, 1970 to February 1, 1971, respectively. All comments[1] and reply comments submitted in response to the Notice have been fully considered in arriving at the determinations herein.

2. Rule changes proposed in this proceeding reflect recent trends in equipment development and increased user interest for licensing non-voice radio operations to combat growing congestion on private land mobile frequencies. Nonvoice techniques appear to be capable of accommodation on mobile frequencies, make relatively little demand upon the spectrum, and promise significant advantages in speeding up communications and reducing the redundancy rate associated with voice communications. The proposals would allow operation of nonvoice systems on most of the same land mobile channels below 950 MHz that are used for voice operations in the Public Safety, Industrial and Land Transportation Radio Services. Within this framework, the comments unanimously supported amendment of the rules to allow operation of non-voice systems on land mobile voice frequencies. The comment of Communications Industries, Inc. was typical of the reaction:

> In the past 10 or 15 years the State of the electronic art has advanced so that it is now feasible in certain applications to gain an overall circuit efficiency by using nonvoice techniques along with voice communications on Land Mobile channels. The Commission has recognized this by permitting under certain conditions nonvoice emissions for alarms telemetering, etc. Technical progress is continuing, particularly in the solid state field, and it is now possible to transmit data reliably, economically, and at very high speeds. We have reason to believe that future solid state developments will further improve efficiency of such transmission. It is, therefore, timely that the Commission now consider permitting data transmissions on a secondary noninterference basis to radiotelephone transmissions on a particular channel.

3. The Commission agrees on the basis of its own observations as well as the comments that limited use of nonvoice techniques is feasible and should be encouraged to improve efficiency of operations on land-mobile frequencies. Accordingly, we are amending our rules to implement a program essentially as proposed to permit the use of nonvoice methods on voice channels. The rule changes will not, however, cover telemetry, radioteleprinter, radio facsimile, or automatic mobile locating systems as these activities were excluded in the proposals. Nor did the proposals affect operations or frequencies already designated for use of F2, F9, A2, or A9 emission, or present specific rule provisions for secondary alarming or paging systems.[2]

4. In advancing rule changes for expanded nonvoice operations, it was necessary that consideration be given to minimizing harmful impact upon regular voice communications. The Commission proposed to maintain the priority of voice operations by permitting nonvoice systems to operate on land mobile frequencies only on a secondary, noninterference basis to radiotelephone systems. The comments generally agreed with this proposal and a number stated that we should give meaning to the noninterference standard by requiring licensees to employ automatic monitoring or sensoring devices to test occupancy and prevent operation on an occupied channel. A requirement of this nature can be met at nominal cost and will "give teeth" to the noninterference standard. For these reasons, we are adopting the suggested "sensoring" requirement as an adjunct to the protection of voice transmissions.

5. Another proposal designed to reduce interference would limit the length of a nonvoice transmission together with automatic repeats to not more than 2 seconds duration. Speed Call Corporation (formerly Dynacoustics Laboratories, Inc), the original petitioner in this proceeding, had proposed a 3-second transmission time but now contends that even 3 seconds "would tend to inhibit unnecessarily" nonvoice communications. It maintains that "the only perceivable purpose of restriction on the duration of the tones is to prevent overwhelming or encroachment upon the primary voice uses" which "can be accomplished by electronic monitoring" of channel occupancy. Another objection was from SEACO-Computer Display and Northern California APCO who believe that time limitations on nonvoice transmissions should not be adopted until experience dictates what the standard should be.

6. The Commission does not agree with these views. We share the opinion expressed in many of the comments that 2 seconds provides an adequate and reasonable transmission period for accommodating the limited types of nonvoice communications contemplated by this proceeding and will encourage the use of more efficient digital systems as opposed to tone systems that require somewhat longer transmission times. Consequently, the 2-second limitation should not unduly restrict nonvoice operations. The time limit will help, however, to reduce potential interference from devices that utilize excessive redundancy and will contribute to maximizing efficiency in the use and development of nonvoice techniques. We are, therefore, adopting the 2-second limitation.

7. One other provision related to protection of voice operations was the proposal that nonvoice users have a primary voice requirement. While this requirement would no doubt help to preserve voice systems on land mobile frequencies, it would also, as stated by the Association of American Railroads, "appear to prohibit the obtaining of licenses under this rule for controlling the movement of locomotives and trains * * * because * * * a frequency used for this purpose could not be used for simultaneous voice emissions in any given geographical area." A similar issue was raised by Phelps Dodge and Wisconsin Power and Light Co. with respect to remote control of railroad cars in open

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[1] A complete listing of the parties who submitted comments is contained in Appendix I.

[2] However, paging on a case-by-case basis, as now included under the general provisions of §§ 89.105(d), 91.103(b), and 93.103(b), is affected by necessary rule revisions. To assure that these paging operations can continue to be authorized without regard to the proposed rule revisions, an exception is being provided in the new rules.

pit mining operations.[2] The Commission finds that the noninterference requirements which we have already determined to adopt will afford sufficient protection to voice systems. Imposing a primary voice requirement would not add significantly to that measure of protection. Therefore, we are deleting the proposed primary voice requirement to permit the operations described for railroad and mining activities and other similar purposes where the use of voice transmissions would not be necessary.

8. The Commission asked for comments concerning standardized use of the ASCII[4] code to transmit nonvoice instructions, canned messages and identification. There was no support for this requirement. It was argued that a standard code is premature, that the ASCII code may be too sophisticated for many purposes, or, most importantly, that the ASCII code may not be the most efficient standard code available. The consensus was that nonvoice systems should be permitted to develop and be proven in operation before standardization can be attempted. The Special Industrial Radio Association for example refers to the need for "maximum flexibility in the development of equipment and operating techniques", while RYDAX Inc. suggests that "it would be better if industry groups could be persuaded to make recommendations on details of modulation and codes" before adopting standards. In light of these factors, we have determined not to standardize on a nonvoice coding system for message content at the present time. Instead, for these communications, licensees will be permitted to use codes of their choice which should be described as an attachment to applications.

9. The use of nonstandard codes for required station identification is a different problem. The Commission cannot meet its regulatory responsibility by permitting different codes for identification since it is neither practical nor possible to equip our monitoring staff to interpret the multiplicity of codes that might be used if no limitation was placed upon station identification. For now, therefore, required station identification of nonvoice operations will have to be made by voice. Fortunately, as noted by Aeronautical Radio, Inc.: "Most, if not all, nonvoice systems will be used in conjunction with a voice system which could be used for unambiguous station identification." Nevertheless, the Commission recognizes that voice identification is inefficient and burdensome. Consequently, we expect to propose in the near future a requirement that land mobile stations be automatically identified. Until this requirement can be put into effect, to somewhat offset the deficiencies of voice identification methods, we are providing that base and mobile stations may be identified by the base station alone even when the mobile units operate on a different frequency.

10. A number of the comments raised issues which the Commission is not going to attempt to deal with in this proceeding. One question commonly posed was whether or not different, perhaps less stringent, nonvoice standards should be adopted for public safety services than for the other categories of land mobile services. There were also suggestions for additional operating standards such as the possibility of imposing a delay requirement between the 2-second nonvoice transmission, or limiting the repetition rate of these communications. The point is, however, that, as with regard to the question of whether to adopt the ASCII code requirement, these problems and similar matters in the comments can not be satisfactorily resolved at this time. It is simply too soon to determine or evaluate the effects of widespread nonvoice operations on land mobile voice channels. That there will be difficulties and that changes will be necessary appears inevitable. For example, the limitations adopted to protect voice operations from nonvoice transmission are reasonably consistent with the present relative status of these different modes. This does not mean, however, that if experience indicates the need for phasing out radio telephone on specific frequencies, this will not be done. On the contrary, the Commission intends regular review of practices and developments in this operational area to assure that changes of these kinds which prove warranted are promptly effected. Thus, the rules being adopted should be regarded as an operating plan for the immediate future only since they will be updated as necessary in a continuing effort to achieve optimum and effective utilization of land mobile frequencies.

11. In consideration of the foregoing, the Commission finds that amendment of its rules, essentially as proposed, to permit the operation of nonvoice radio systems on voice channels in the land mobile radio services is in the public interest and should be approved. *Accordingly, it is ordered*, That effective October 5, 1971, Parts 89, 91, and 93 of the Commission's rules are amended as shown in the attached Appendix II. *It is further ordered*, That this proceeding is terminated.

(Secs. 4, 303, 48 Stat., as amended, 1066, 1082; 47 U.S.C. 154, 303)

Adopted: August 18, 1971.

Released: August 23, 1971.

FEDERAL COMMUNICATIONS COMMISSION,[3]
[SEAL] BEN F. WAPLE,
Secretary.

[3] Commissioner H. Rex Lee absent.

[2] We are not concerned here with those activities which require a continuous carrier mode of operation. Those operations are covered in part by rules which became effective May 21, 1971 (Docket No. 18642, FCC 71-333), to permit expanded use of remote control and digital signaling devices utilizing low power on certain 150 and 450 MHz frequencies in the Business Radio Service. Also, under consideration in a separate proceeding is a petition (RM-1548) from the Association of American Railroads requesting expanded uses of radio for remote control of locomotives.

[4] American Standard Code for Information Interchange.

APPENDIX I

PARTIES WHO SUBMITTED COMMENTS IN DOCKET NO. 19086

Aeronautical Radio, Inc.
American Petroleum Institute.
Associated Public Safety Communications Officers, Inc.
Association of American Railroads.
Automobile Club of Southern California, AAA.
California State Communications Division.
Communications Industries, Inc.
Dynacoustics, Inc.
Electronic Industries Association.
Forest Industries Radio Communications.
General Railway Signal Co.
GTE Sylvania Inc.
International Taxicab Association.
Kustom Electronics, Inc.
McDonough Co.
Minnesota Mining and Manufacturing Co.
National Association of Business and Educational Radio, Inc.
National Association of Manufacturers.
Northern California Chapter, APCO, Inc.
Phelps Dodge Corp.
RCA Corp.
RYDAX, Inc.
SEACO Computer Display, Inc.
Special Industrial Radio Service Association, Inc.
Speed Call Corp.
Southern California Radio Taxicab Association.
Telestrator Industries, Inc.
Utilities Telecommunications Council.
Vega Electronics.
Westinghouse Air Brake Co.
Wisconsin Power and Light Co.

APPENDIX II

Parts 89, 91, and 93 of the Commission's Rules are amended as follows:

PART 89—PUBLIC SAFETY RADIO SERVICES

1. Section 89.105(d) is revised to read as follows:

§ 89.105 Types of emission.

* * * * *

(d) Except for tone paging utilization and except as otherwise provided in this part, use of A2, A9, F2, or F9 emission (audio frequency tone shift or tone phase shift) by stations in these services may be authorized only in accordance with the following limitations and requirements:

(1) Authorizations are limited to mobile service frequencies below 950 MHz.

(2) Operations must be on a secondary, non-interference basis to any authorized radiotelephony operation.

(3) Sensoring or monitoring devices must be employed to minimize interference to co-channel transmissions and shall be incorporated as automatic circuitry in the associated receiver to prevent non-voice signaling in the presence of another signal.

(4) Maximum duration of a non-voice transmission, including automatic repeats, may not exceed 2 seconds.

(5) Required station identification for non-voice operations must be made by A3 emission and may be given by the base station for a base-mobile system.

(6) Applications to use non-voice operations must include detailed description of the coding system(s) to be employed for message content.

PART 91—INDUSTRIAL RADIO SERVICES

2. Section 91.103(b) is revised to read as follows:

§ 91.103 Types of emission.

* * * * *

(b) Except for tone paging utilization and except as otherwise provided in this part, use of A2, A9, F2, or F9 emission (audio frequency tone shift or tone phase shift) by stations in these services may be authorized only in accordance with the following limitations and requirements:

(1) Authorizations are limited to mobile service frequencies below 950 MHz.

(2) Operations must be on a secondary, non-interference basis to any authorized radiotelephony operation.

(3) Sensoring or monitoring devices must be employed to minimize interference to co-channel transmissions and shall be incorporated as automatic circuitry in the associated receiver to prevent non-voice signaling in the presence of another signal.

(4) Maximum duration of a non-voice transmission, including automatic repeats, may not exceed 2 seconds.

(5) Required station identification for non-voice operations must be made by A3 emission and may be given by the base station for a base-mobile system.

(6) Applications to use non-voice operations must include detailed description of the coding system(s) to be employed for message content.

PART 93—LAND TRANSPORTATION RADIO SERVICES

3. Section 93.103(b) is revised to read as follows:

§ 93.103 Types of emission.

* * * * *

(b) Except for tone paging utilizations and except as otherwise provided in this Part, use of A2, A9, F2, or F9 emission (audio frequency tone shift or tone phase shift) by stations in these services may be authorized only in accordance with the following limitations and requirements:

(1) Authorizations are limited to mobile service frequencies below 950 MHz.

(2) Operations must be on a secondary, noninterference basis to any authorized radiotelephony operation.

(3) Sensoring or monitoring devices must be employed to minimize interference to co-channel transmissions and shall be incorporated as automatic circuitry in the associated receiver to prevent nonvoice signaling in the presence of another signal.

(4) Maximum duration of a nonvoice transmission, including automatic repeats, may not exceed 2 seconds.

(5) Required station identification for nonvoice operations must be made by A3 emission and may be given by the base station for a base-mobile system.

(6) Applications to use nonvoice operations must include detailed description of the coding system(s) to be employed for message content.

[FR Doc.71-12531 Filed 8-25-71;8:53 am]

Title 49—TRANSPORTATION

Chapter III—Federal Highway Administration, Department of Transportation

SUBCHAPTER B—MOTOR CARRIER SAFETY REGULATIONS

[Docket No. MC-7; Notice 71-21]

APPENDIX C—QUESTIONS FOR WRITTEN EXAMINATION

The Director, Bureau of Motor Carrier Safety, is revising Appendix C to the Motor Carrier Safety Regulations for the purpose of taking into account recent amendments to the regulations and in order to clarify some questions found to be unclear. Since this amendment imposes no additional burden on any person and does not affect substantive rights, duties, or obligations, notice and public procedure are unnecessary, and it is effective upon publication in the FEDERAL REGISTER (8-26-71).

In consideration of the foregoing, Appendix C to Subchapter B in Chapter III of Title 49 CFR is revised to read as set forth below.

(Sec. 204, the Interstate Commerce Act, 49 U.S.C. 304; sec. 6, Department of Transportation Act, 49 U.S.C. 1655; delegations of authority at 49 CFR 1.48 and 389.4)

Issued on August 18, 1971.

KENNETH L. PIERSON,
Acting Director,
Bureau of Motor Carrier Safety.

APPENDIX C—(REVISED 7/71) QUESTIONS FOR WRITTEN EXAMINATION

As required in § 391.35, the written examination shall consist of at least 30 questions, and they shall be chosen in such manner as to test the examinee's knowledge of Parts 390-397 of the Motor Carrier Safety Regulations (and Hazardous Materials Regulations, if the examinee may drive a vehicle transporting hazardous materials).

Questions shall be taken from those formulated below and reproduced in such form and manner as to be answered True or False. Each question is preceded by the applicable section of the Motor Carrier Safety Regulations and the correct answer in parentheses.

Sections	*Questions*
391.1(b) (True)	A motor carrier may require drivers to meet additional or more stringent requirements than those in the Federal regulations.
391.1(c) (True)	A motor carrier who employs himself as a driver must comply with both the rules in this part that apply to motor carriers and the rules in this part that apply to drivers.
391.11(b)(1) (True)	A driver engaged in over-the-road interstate transportation must be at least 21 years of age.
391.11(b)(2) (True)	A driver must be able to understand highway traffic signs in the English language.
391.15(b)(2) (False)	Under the Motor Carrier Safety Regulations, a driver's traffic record does not affect his qualification to drive in interstate commerce.
391.15(b)(2) (False)	A driver may drive a commercial vehicle in interstate commerce if his State operator's license has been suspended.
391.41(a) (True)	A driver required to have a physical examination must carry on his person the Medical Examiner's Certificate or a photographically reproduced copy of the certificate whenever he is on duty.
391.41(b)(3) (True)	A person who has diabetes and must take insulin for its control is not qualified to drive a commercial vehicle.
391.41(b)(10) (False)	A driver who cannot distinguish the colors red, green, and amber, is qualified to drive.
391.41(b)(10) (True)	A driver is qualified even though he must wear corrective lenses to meet minimum vision requirements.
391.41(b)(11) (True)	A driver is qualified even though he needs to use a hearing aid to meet the minimum hearing level.
391.41(12) (True)	A driver may not be addicted to or use narcotics or habit-forming drugs.
391.45(b) (True)	A driver must be physically examined at least every 24 months.
391.45(c) (True)	If a driver suffers a physical or mental injury or impairment which could affect his ability to perform normal duties, he must undergo a new physical examination and recertification before returning to driving.
392.1 (True)	A driver must be familiar with the rules set forth in the Motor Carrier Safety Regulations.
392.2 (False)	A driver may exceed the posted speed limit if he is late and must make a scheduled arrival.
392.2 (False)	A driver operating in interstate commerce is required to comply with only Federal regulations, not State laws.
392.3 (False)	A driver may continue to drive if he is ill or fatigued in order to complete his run.
392.5(a)(2) (False)	A driver may drink an alcoholic beverage while on duty.
392.9 (True)	No motor vehicle shall be driven unless the driver assures himself that the emergency equipment (fire extinguishers, flares, flags, etc.) is in place and ready for use.
392.9(a) (True)	A driver may not drive if the load or other objects obscure his view or interfere with his driving.

Sections	Questions
392.9(c) (True)	If the emergency equipment or exit from the cab is blocked by a person, cargo, or other objects, the driver may not operate the unit.
392.9(e) (False)	A driver of a bus transporting passengers need not be concerned with the loading of baggage, miscellaneous express, or freight aboard the vehicle.
392.10 (False)	All commercial motor vehicles must stop at railroad crossings.
392.11 (True)	The driver of a vehicle approaching a railroad crossing, who is not required to stop, should slow down so that he can stop in the event of danger before he reaches the rails and should proceed only if it is safe to cross.
392.15(e) (True)	Drivers shall not use turn signals as "do pass," or "okay to pass" for vehicles approaching from the rear.
392.21 (False)	There are no regulations for parking of trucks in the Motor Carrier Safety Regulations.
392.22(c)(1),(2) (True)	If your vehicle becomes disabled, an emergency signal must be placed at a minimum of 100 feet to the front, another 10 feet from the rear, and a third 100 feet to the rear of the disabled vehicle on a straight and level road.
392.25 (False)	Flame-producing emergency signals may be carried on motor vehicles transporting explosives.
392.33 (True)	A motor vehicle may not be driven if any of the required lights or reflectors are obscured by dirt or part of the load.
392.40(e) (True)	A driver must report all details of an accident in which he is involved, to the motor carrier employing him, regardless of the amount of property damage.
392.41 (True)	After his vehicle strikes a parked vehicle, a driver must stop immediately and attempt to locate the owner of the parked vehicle.
392.41 (False)	If, after striking a parked vehicle, the driver has been unable to find the owner or operator, he can leave the scene without taking any further action.
392.42 (True)	If a driver receives a notice that his license, permit, or privilege to operate a motor vehicle has been revoked, suspended, or withdrawn, he must notify the carrier that employs him before the end of the following business day.
392.50(b) (False)	A driver may smoke in the vicinity of his vehicle while it is being fueled.
392.60 (False)	There are no restrictions in the Motor Carrier Safety Regulations preventing a driver from transporting passengers on a vehicle other than a bus.
392.62 (True)	No driver, while driving a bus, may engage in any unnecessary conversation or other activities tending to distract his attention from the operation of the bus.
392.65 (True)	If there is direct access between the sleeper berth and a cab, a driver does not have to stop the vehicle when the co-driver enters or leaves the sleeper berth.
392.68 (False)	A driver may disengage the gears while going down a slight grade in order to pick up speed.
393.1 (True)	The regulations prohibit driving a motor vehicle if certain of its parts and accessories are not in working order.
393.12(a) (True)	All buses and trucks over 80 inches wide must have three identification lamps mounted on the vehicle centerline.
393.18(d) (False)	During hours of darkness, loads projecting beyond the sides and over 4 feet beyond the rear of a motor vehicle must be marked by red flags only.
393.32 (True)	Detachable connections cannot be made by twisting together wires from the towed and towing units.
393.41(a) (True)	Parking brakes must be adequate to hold the vehicle on any grade on which it is operated.
393.42(c) (False)	Truck-tractors having only two axles need not have brakes on the front wheels.
393.43(d) (True)	Trailer brakes must automatically apply when the trailer "breaks loose" from the tractor.
393.60(c) (False)	Labels and stickers required by law may be affixed at the top of motor vehicle windshields.
393.65(e)(1) (True)	The filling opening of every fuel tank must be covered by a secure cap or similar device.
393.70(f)(5) (True)	Full trailers and converter dollies must have safety chains in addition to the tow bar, attaching them to the towing vehicle.
393.77(a)(6) (False)	Portable heaters may be used in the cabs of motor vehicles.
393.80 (False)	Only one rear vision mirror is required on all motor vehicles.
393.82 (True)	All vehicles must be equipped with a speedometer, except driveaway-towaway operations.
393.95(a) (True)	All vehicles must be equipped with fire extinguishers.
393.95(d) (True)	Tire chains must be carried when a driver is likely to encounter conditions requiring their use.
393.95(f)(3) (True)	Three red emergency reflectors and two red flags provide adequate warning devices for a stopped or disabled vehicle.
393.96(c) (False)	First aid kits are required on all motor vehicles.
395.1 (True)	Drivers shall be familiar with the rules governing the hours-of-service limitations.
395.1(a)(1) (False)	If a dispatcher notifies you that your truck will not be ready for an hour but that you must stand by until it is ready, your time waiting for the truck is logged as off-duty.
395.2(a)(1) (False)	A driver awaiting dispatch at a carrier's terminal may show his time as off-duty time.
395.2(a)(2) (False)	Time spent inspecting or servicing your vehicle is off-duty time.
395.2(a)(4) (True)	In a two-man operation using a conventional cab truck or tractor not equipped with a sleeper berth, time spent by each occupant riding but not driving would be logged as on-duty time.
395.2(a)(5) (False)	Time spent loading or unloading a vehicle may be logged as off-duty time.
395.2(a)(7) (True)	Time spent at the scene of a breakdown, or repairing vehicle must be logged as on-duty time.
395.2(g) (False)	A driver may use the seat of his vehicle as a sleeper berth and log his time in it as sleeper berth time.
395.3(a) (False)	A driver may drive after having been on duty for 15 hours.
395.3(a) (True)	Off-duty time may be spent resting in a sleeper berth in two periods, neither of which is less than 2 hours.
395.3(a) (False)	Local drivers are not subject to the hours-of-service regulations.
395.3(b) (True)	A driver may not be on duty more than 60 hours in any period of 7 consecutive days, or 70 hours in any 8 consecutive days in the case of a carrier who operates every day of the week.
395.8(a) (True)	Drivers are required to make true and accurate entries on their logs.
395.8(a) (True)	Failure to make logs when required, or making false entries on the logs, make both the driver and the carrier liable to prosecution.
395.8(a) (True)	A driver is accountable for each entry he makes on his daily log even when he makes entries under company instructions.

Sections	Questions
395.8(b) (True)	A driver's logs must be kept current to the time of his last change of duty status.
395.8(c) (True)	A driver must make out his logs in his own handwriting.
395.8(r) (False)	A driver may wait until the end of a trip to make out his logs even if the trip takes 2 or more days.
395.8(r) (True)	When drivers' logs are required, the driver must forward the original of his log to the carrier each day.
395.8(s) (False)	A driver must retain a duplicate copy of each daily log for 30 days in his files at home.
395.8(t) (True)	If all of your driving is wholly within a 50-mile radius of your home terminal and the carrier keeps required records you do not have to keep a daily log.
395.13 (True)	If a driver is stopped during a road check and is found to be in violation of the on-duty or driving time rules, he may be placed "out of service" at that point.
396.4 (False)	If a motor vehicle, being operated on a highway, is discovered to be in an unsafe condition, likely to be hazardous or to result in a breakdown, the driver may continue to operate it to the carrier's terminal or shop facility, if the terminal or shop is within 200 miles.
396.4 (False)	A driver may drive a motor vehicle, which by reason of its mechanical condition is so imminently hazardous as to be likely to cause an accident or breakdown, if he has reported the vehicle's condition to his supervisor.
396.5(a) (True)	Certain representatives of the Bureau of Motor Carrier Safety are authorized to inspect vehicles and cargo of motor carriers in operation.
396.5(c)(1) (True)	Representatives of the Bureau of Motor Carrier Safety may declare a motor vehicle "out of service" if, by reason of its mechanical condition or loading, it is so imminently hazardous as to be likely to cause an accident or a breakdown.
396.5(c)(2) (False)	Vehicles that have been marked "out of service" may be operated before necessary repairs have been made.
396.5(c)(4) (True)	Only the person who makes the repairs may certify that the repairs required by an out-of-service notice have been completed.
396.5(c)(4) (True)	The Motor Carrier Safety Regulations allow drivers to make repairs to their vehicles if assistance is not readily available.
396.6 (True)	Motor vehicles damaged in an accident may not be driven until a qualified inspector determines that they are in safe operating condition.
396.7 (True)	Drivers are required to prepare written daily vehicle condition reports.
396.7 (False)	A written vehicle condition report need not be prepared by a driver who informs his shop steward of all defects or deficiencies of the motor vehicle within two hours after returning to the terminal or shop facility.
397.1(a) (False)	The rules in Part 397, Transportation of Hazardous Materials; Driving and Parking Rules, do not apply to over-the-road drivers (interstate), only to city deliveries.
397.1(a)(1) (False)	Motor carriers are not required to instruct their employees about the hazardous materials regulations.
397.5(a) (True)	Motor vehicles transporting Class A or Class B explosives must be attended at all times.
397.5(c) (False)	Motor vehicles transporting dangerous articles other than explosives may never be left unattended upon any public street or highway.
397.9(a) (True)	Motor vehicles transporting explosives and other dangerous articles must avoid congested places, unless there is no practicable alternative.
397.13 (False)	Smoking is permitted on any motor vehicle transporting hazardous materials.
397.15(b) (True)	When a motor vehicle, which contains hazardous materials is being fueled, a person must be in control of the fueling process at the point where the fuel tank is filled.
177.817(c) (True)	When transporting dangerous articles, a driver must have in his possession a shipping paper which shows the proper name and classification of the article in transit.
177.823(a)(3) (True)	When required, hazardous material placards must be on both sides, front and rear of the vehicle.
177.823(b)(1) (True)	A tank vehicle used exclusively for transporting gasoline or other flammable liquids must be marked or placarded, whether it is loaded or empty.
177.823(d) (True)	All hazardous material placards must be removed from van-type trailer after a hazardous commodity is unloaded from the trailer.

[FR Doc.71-12485 Filed 8-25-71;8:47 am]

Title 50—WILDLIFE AND FISHERIES

Chapter I—Bureau of Sport Fisheries and Wildlife, Fish and Wildlife Service, Department of the Interior

PART 32—HUNTING

Certain Wildlife Refuges in Kansas, New Mexico, and Oklahoma

The following special regulations are issued and are effective on date of publication in the FEDERAL REGISTER (8-26-71).

§ 32.12 **Special regulations; migratory game birds; for individual wildlife refuge areas.**

KANSAS

FLINT HILLS NATIONAL WILDLIFE REFUGE

Public hunting of teal ducks on the Flint Hills National Wildlife Refuge, Kans., is permitted from September 4 through September 12, 1971, inclusive, but only on the area designated by signs as open to hunting. This open area, comprising 5,165 acres, is delineated on maps available at refuge headquarters, Burlington, Kans., and from the Regional Director, Bureau of Sport Fisheries and Wildlife, Post Office Box 1306, Albuquerque, NM 87103. Hunting shall be in accordance with all applicable State and Federal regulations covering the hunting of teal ducks subject to the following special conditions:

(1) Vehicle access shall be restricted to designated parking areas and to existing roads.

(2) Blind construction by the public is permitted but limited to temporary above-ground construction. Blind construction does not constitute a reservation of hunting space. Daily occupancy of blinds erected on refuge hunting units will be determined on a first-come first-served basis.

The provisions of this special regulation supplement the regulations which govern hunting on wildlife refuge areas generally which are set forth in Title 50, Code of Federal Regulations, Part 32, and are effective through September 12, 1971.

KIRWIN NATIONAL WILDLIFE REFUGE

Public hunting of teal ducks on the Kirwin National Wildlife Refuge, Kans., is permitted from September 4 through September 12, 1971, inclusive, but only on the area designated by signs as open to hunting. This open area, comprising 3,300 acres, is delineated on maps available at refuge headquarters, 5 miles west of Kirwin, Kans., and from the Regional Director, Bureau of Sport Fisheries and Wildlife, Post Office Box 1306, Albuquerque, NM 87103. Hunting shall be in accordance with all applicable State and

Federal regulations covering the hunting of teal ducks subject to the following special condition:

(1) Temporary blinds, constructed above ground from natural vegetation, are permitted. Digging of holes or pits to serve as blinds is prohibited.

QUIVIRA NATIONAL WILDLIFE REFUGE

Public hunting of teal ducks on the Quivira National Wildlife Refuge, Kans., is permitted from September 4 through September 12, 1971, inclusive, but only on the areas designated by signs as open to hunting. This open area, comprising 7,990 acres, is delineated on maps available at refuge headquarters, Stafford, Kans., and from the Regional Director, Bureau of Sport Fisheries and Wildlife, Post Office Box 1306, Albuquerque, NM 87103. Hunting shall be in accordance with all applicable State and Federal regulations covering the hunting of teal ducks.

The provisions of this special regulation supplement the regulations which govern hunting on wildlife refuge areas generally which are set forth in Title 50, Code of Federal Regulations, Part 32, and are effective through September 12, 1971.

NEW MEXICO

BITTER LAKE NATIONAL WILDLIFE REFUGE

Public hunting of teal ducks on the Bitter Lake National Wildlife Refuge, N. Mex., is permitted from September 18 through September 26, 1971, inclusive, but only on the area designated by signs as open to hunting. This open area, comprising 3,320 acres in hunting areas B and C, is delineated on maps available at refuge headquarters, Roswell, N. Mex., and from the Regional Director, Bureau of Sport Fisheries and Wildlife, Post Office Box 1306, Albuquerque, NM 87103. Hunting shall be in accordance with all applicable State and Federal regulations covering the hunting of teal ducks.

The provisions of this special regulation supplement the regulations which govern hunting on wildlife refuge areas generally which are set forth in Title 50, Code of Federal Regulations, Part 32, and are effective through September 26, 1971.

OKLAHOMA

TISHOMINGO NATIONAL WILDLIFE REFUGE

Public hunting of teal ducks on the Tishomingo National Wildlife Refuge, Okla., is permitted from September 11 through September 19, 1971, inclusive, but only on the area designated by signs as open to hunting. This open area, comprising 3,170 acres, is delineated on maps available at refuge headquarters, Tishomingo, Okla., and from the Regional Director, Bureau of Sport Fisheries and Wildlife, Post Office Box 1306, Albuquerque, NM 87103. Hunting shall be in accordance with all applicable State and Federal regulations covering the hunting of teal ducks.

The provisions of this special regulation supplement the regulations which govern hunting on wildlife refuge areas generally which are set forth in Title 50, Code of Federal Regulations, Part 32, and are effective through September 19, 1971.

W. O. NELSON, Jr.,
Regional Director,
Albuquerque, N. Mex.

AUGUST 20, 1971.

[FR Doc.71-12503 Filed 8-25-71;8:49 am]

PART 32—HUNTING

Lacreek National Wildlife Refuge, S. Dak.

The following special regulation is issued and is effective on date of publication in the FEDERAL REGISTER (8-26-71).

§ 32.22 Special regulations; upland game; for individual wildlife refuge areas.

SOUTH DAKOTA

LACREEK NATIONAL WILDLIFE REFUGE

Public hunting of upland game on the Lacreek National Wildlife Refuge, S. Dak., is permitted only on the areas designated by signs as open to hunting. The two open areas; Little White Recreation Area (310 acres) and Habitat Unit 10 (1,000 acres) are delineated on a map available at the refuge headquarters, Martin, S. Dak. 57551 and from the Regional Director, Bureau of Sport Fisheries and Wildlife, Federal Building, Fort Snelling, Twin Cities, Minn. 55111. Hunting shall be in accordance with all applicable State and Federal regulations governing the hunting of upland game subject to the following special conditions:

Little White River Recreation Area

(a) Species permitted to be taken: Pheasants and grouse (sharp-tailed and pinnated) during the seasons specified below.

(b) Open season: Grouse—from sunrise to sunset each day from September 18 through October 31, 1971; Pheasants from noon to sunset daily daily from October 16 through October 31, 1971.

(c) The hunting of other upland species, as may be authorized by South Dakota State regulations, is permitted from October 16 through October 31, 1971

Habitat Unit 10

(a) Species permitted to be taken: Pheasants during the season specified below. The hunting of other upland species, as may be authorized by South Dakota State regulations, is prohibited.

(b) Open season: Pheasant—from noon to sunset daily from October 16 through October 31, 1971.

(c) Hunting will be allowed by special permit only. Hunting permits will be issued at designated entrances to the hunting area.

The provision of this special regulation supplement the regulations which govern hunting in wildlife refuge area generally which are set forth in Title 50, Code of Federal Regulations, Part 32, and are effective until February 28, 1972.

VICTOR M. HALL,
Refuge Manager, Lacreek National Wildlife Refuge, Martin, S. Dak.

AUGUST 18, 1971.

[FR Doc.71-12509 Filed 8-25-71;8:49 am]

PART 32—HUNTING

Long Lake National Wildlife Refuge, N. Dak.

The following special regulation is issued and is effective on date of publication in the FEDERAL REGISTER (8-26-71).

§ 32.32 Special regulations; big game; for individual wildlife refuge areas.

NORTH DAKOTA

LONG LAKE NATIONAL WILDLIFE REFUGE

Public hunting of deer on the Long Lake National Wildlife Refuge, N. Dak., is permitted only on the area designated by signs as open to hunting. This open area, comprising approximately 19,500 acres, is delineated on a map available at the refuge headquarters and from the Regional Director, Bureau of Sport Fisheries and Wildlife, Federal Building, Fort Snelling, Twin Cities, Minn. 55111. Hunting shall be in accordance with all applicable State regulations covering the hunting of deer subject to the following conditions:

(1) Hunting is permitted from 12 noon to sunset November 12, 1971, and from sunrise to sunset November 13, 1971, through November 21, 1971.

(2) All hunters must exhibit their hunting license, deer tag, game and vehicle contents to Federal and State officers upon request.

The provisions of this special regulation supplement the regulations which govern hunting on wildlife refuge areas generally which are set forth in Title 50, Code of Federal Regulations, Part 32, and are effective through November 21, 1971.

LOUIS S. SWENSON,
Refuge Manager, Long Lake National Wildlife Refuge, Moffit, N. Dak.

AUGUST 19, 1971.

[FR Doc.71-12508 Filed 8-25-71;8:49 am]

PART 32—HUNTING

National Elk Refuge, Wyo.

The following special regulation is issued and is effective on date of publication in the FEDERAL REGISTER (8-26-71).

§ 32.32 Special regulations; big game; for individual wildlife refuge areas.

WYOMING

NATIONAL ELK REFUGE

Public hunting of elk on the National Elk Refuge, Wyo., is permitted from October 16, 1971, through November 5, 1971, only on the area designated by

signs as open to hunting. This open area, comprising 18,247 acres is delineated on maps available at refuge headquarters, Jackson, Wyo., and from the Regional Director, Bureau of Sport Fisheries and Wildlife, Post Office Box 1306, Albuquerque, NM 87103. Hunting shall be in accordance with all applicable State regulations covering the hunting of elk subject to the following special conditions:

(1) A special permit is required in addition to a valid 1971 State elk hunting license. Sixty special permits shall be issued to applicants by drawing at refuge headquarters at 12:30 p.m. on Friday, October 15, 1971, and every Friday thereafter through October 29, 1971. Permits are good for 1 week only.

(2) Access to the refuge shall be only through the main gate east of refuge headquarters in Jackson.

(3) Motorized vehicle travel in the hunting area is restricted to the roads designated by appropriate signs and delineated on maps available at refuge headquarters. This is interpreted to mean that motor vehicles may not leave designated roadways for the purpose of loading or picking up a kill.

(4) Persons without permits may accompany special permit holders in the same vehicle but only permit holders are allowed to possess a firearm.

(5) Persons successful in drawing a permit may not draw again in succeeding weeks.

(6) Permits will be revoked in the event of a violation of refuge regulations and violations can result in denial of future privileges as per the Code of Federal Regulations.

The provisions of this special regulation supplement the regulations which govern hunting on wildlife refuge areas generally which are set forth in Title 50, Code of Federal Regulations, Part 32, and are effective through November 5, 1971.

DON E. REDFAERN,
Refuge Manager, National Elk Refuge, Jackson, Wyo.

AUGUST 16, 1971.

[FR Doc.71-12510 Filed 8-25-71;8:49 am]

PART 32—HUNTING

Slade National Wildlife Refuge, N. Dak.

The following special regulation is issued and is effective on date of publication in the FEDERAL REGISTER (8-26-71).

§ 32.32 Special regulations; big game; for individual wildlife refuge areas.

NORTH DAKOTA

SLADE NATIONAL WILDLIFE REFUGE

Public hunting of deer on the Slade National Wildlife Refuge, N. Dak., is permitted only on the area designated by signs as open to hunting. This open area, comprising 2,840 acres, is delineated on a map available at the refuge headquarters and from the Regional Director, Bureau of Sport Fisheries and Wildlife, Federal Building, Fort Snelling, Twin Cities, Minn. 55111. Hunting shall be in accordance with all applicable State regulations covering the hunting of deer subject to the following conditions:

(1) Hunting is permitted from 12 noon to sunset November 12, 1971, and from sunrise to sunset November 13, 1971, through November 21, 1971.

(2) All hunters must exhibit their hunting license, deer tag, game and vehicle contents to Federal and State officers upon request.

The provisions of this special regulation supplement the regulations which govern hunting on wildlife refuge areas generally which are set forth in Title 50, Code of Federal Regulations, Part 32, and are effective through November 21, 1971.

LOUIS S. SWENSON,
Refuge Manager, Slade National Wildlife Refuge, Dawson, N. Dak.

AUGUST 19, 1971.

[FR Doc.71-12504 Filed 8-25-71;8:49 am]

TITLE 32A—NATIONAL DEFENSE, APPENDIX

Chapter I—Office of Emergency Preparedness

[OEP Economic Stabilization Reg. 1; Circular No. 2]

SUPPLEMENTARY GUIDANCE FOR APPLICATION

Economic Stabilization Circular No. 2

This circular is designed for general information only. The statements herein are intended solely as general guides drawn from OEP Economic Stabilization Regulation No. 1 and from specific determinations by the Cost of Living Council and do not constitute legal rulings applicable to cases which do not conform to the situations clearly intended to be covered by such guides.

NOTE: Provisions of this and subsequent circulars are subject to clarification, revision, or revocation.

This second circular covers determinations by the Council from August 21, 1971, through August 24, 1971.

APPENDIX I

ECONOMIC STABILIZATION CIRCULAR NO. 2

100. *Purpose.* (a) On August 15, 1971, President Nixon issued Executive Order No. 11615 providing for stabilization of prices, rents, wages, and salaries, and establishing the Cost of Living Council, a Federal agency. The order delegated to the Council all of the powers conferred on the President by the Economic Stabilization Act of 1970, as amended.

(b) By its order No. 1 the Council delegated to the Director of the Office of Emergency Preparedness authority to administer the program for the stabilization of prices, rents, wages, and salaries as directed by section 1 of Executive Order No. 11615.

(c) The purpose of this circular, the second in a series to be issued, is to furnish guidance to Federal officials and the public in order to promote maximum understanding and cooperation in the application of the program.

200. *Authority.* Relevant legal authority for the program includes the following:

The Constitution
Economic Stabilization Act of 1970, Public Law 91-379, 84 Stat. 799; Public Law 92-15, 85 Stat. 38.
Executive Order No. 11615, 36 F.R. 15127, August 17, 1971.
Cost of Living Council Order No. 1.
OEP Economic Stabilization Regulation No. 1, as amended (36 F.R. 16515, August 21, 1971).

300. *General guidelines.* (a) The guidance provided in this circular is in the nature of additions to or clarifications of previous determinations of the Cost of Living Council covered in OEP Economic Stabilization Circular No. 1.

(b) The numbering system used in this circular corresponds to that used in OEP Economic Stabilization Circular No. 1.

400. *Price guidelines.*

406. *Commodities and services.* (a) The rate for renewal of insurance policies may be increased if the rate was announced prior to August 15, 1971, and a substantial number of transactions occurred at the increased rate. No additional increases in rates are permitted during the freeze.

(b) Service charges and other fees charged by banks (for example, safe deposit boxes) are subject to the freeze.

(c) The fees or charges which a State or local government charges for water, gas, sewer, and similar services may not be increased during the freeze. However, fees for licenses or legal penalties, such as traffic tickets, may be increased.

(d) Utility rates and transportation fares are covered by the freeze.

(e) Prices to be charged for items such as second-hand furniture shall be determined on the basis of what comparable items were sold for during the base period (usually July 15 to August 14, inclusive). In such cases, the facts determining the price arrived at should be kept as a matter of record.

(f) Prices of school lunches which are supported by the Department of Agriculture are covered by the freeze.

(g) The food industry relies heavily on promotional discounts to encourage retailers to carry a particular item. When such discounts were offered in the month prior to August 15, must they be continued through the entire freeze period?

The answer depends on the price at which substantial transactions were made in the firm's normal marketing area during the base period. If an item was discounted to certain retailers within a marketing area who had not previously carried the item while substantial transactions were also being made to other retailers in the same marketing area at regular prices, the price can be increased to the nondiscounted rate. Otherwise, the discounts must be offered throughout the freeze.

(h) Rate increases on maritime freight which were filed before the freeze to take effect on September 1 and October 1, 1971, will not be allowed to take effect as scheduled.

500. *Wage and salary guidelines.*

501. *Specific guidelines.* (a) Military pay is subject to the terms and conditions of the President's freeze on wage increases. Military personnel who qualify for proficiency pay increases and similar learning pay programs of the military will be treated in the same manner as civilians are treated, i.e., increases will be authorized if the person has increased his proficiency or has been promoted to a new position.

Exemptions. Certain exemptions are granted to the military: Pay for personnel in the combat zone, missing in action personnel, prisoners of war and hospitalized war casualties are exempted from the freeze and their increases may go into effect as scheduled.

In addition, benefits for military personnel placed in a retired status during the freeze period will be computed and paid as if the freeze were not in effect on the date of their establishing that status.

(b) If a firm has a range of salaries for the same job, the employee may be paid any salary within the range which the qualifications of the applicant justify as long as the average wage paid by the firm in this job classification does not increase.

(c) Wage increases may be granted during the freeze for workers whose wages are closely tied to increases for other workers that were negotiated before the freeze if the following conditions prevail:

(1) The agreement to which the increases are linked was reached before August 15;

(2) Prior to August 15, work was performed (by the workers whose wages are closely tied to the increases reached before the freeze) that would be eligible for payment at the new rate;

(3) The increased wage rate for the workers whose wages are closely tied to negotiated increases was scheduled to go into effect on the same day as the negotiated wage increases as a matter of established practice;

(4) The workers are employees of the same firm; and

(5) The company is able to demonstrate that this procedure is an established practice.

(d) Previously planned increases in pension benefits for those retired before the freeze or those about to retire are allowed, but unplanned increases are not allowed. For example, a scheduled increase in pensions which is planned for October 1 may go into effect. A person who retires on October 15 may also receive this increase.

(e) Fringe benefits are considered a form of compensation and cannot be raised during the freeze period.

(f) A company cannot institute a previously planned profit sharing program during the freeze. Such a program is considered to be a fringe benefit and cannot be increased from the base period level during the freeze.

(g) Welfare payments are not payments for services rendered and therefore are not wages.

(h) Teachers who were eligible to be paid over a 12-month period but in fact are being paid over a 10-month period are eligible for a pay raise which was in effect in the school district before August 15, 1971.

600. *Rent guidelines.*

602. *Specific guidelines.* (a) If a tenant's lease expires during the freeze, his rent cannot be raised to the level which is being paid by new tenants in similar units.

(b) Stated-aided and Federal low-rent housing programs mandate that rents raise according to the income of the individual. Therefore, under these programs, increases in rentals tied to family incomes at rates established prior to August 15, 1971, will be permitted as long as rates per given amount of family income are not raised.

1001. *Effective date.* This circular, unless modified, superseded or revoked, is effective on the date of publication for a period terminating on November 12, 1971.

Dated: August 25, 1971.

G. A. LINCOLN,
Director, Office of Emergency Preparedness.

[FR Doc.71-12630 Filed 8-25-71;12:06 pm]

Proposed Rule Making

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[26 CFR Parts 1, 13]

INCOME TAX

Amortization of Certain Railroad Rolling Stock

Notice is hereby given that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury or his delegate. Prior to the final adoption of such regulations, consideration will be given to any comments or suggestions pertaining thereto which are submitted in writing, preferably in quintuplicate, to the Commissioner of Internal Revenue, Attention: CC:LR:T, Washington, D.C. 20224, by September 27, 1971. Any written comments or suggestions not specifically designated as confidential in accordance with 26 CFR 601.601(b) may be inspected by any person upon written request. Any person submitting written comments or suggestions who desires an opportunity to comment orally at a public hearing on these proposed regulations should submit his request, in writing, to the Commissioner by September 27, 1971. In such case, a public hearing will be held, and notice of the time, place, and date will be published in a subsequent issue of the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

[SEAL] JOHNNIE M. WALTERS,
Commissioner of Internal Revenue.

In order to conform the Income Tax Regulations (26 CFR Part 1) to the amendments made by the portion of section 705 of the Tax Reform Act of 1969 (83 Stat. 670) relating to amortization of certain railroad rolling stock, such regulations are amended as set forth hereinafter. Section 1.184-5 of the regulations hereby adopted supersedes those provisions of § 13.0 of Temporary Income Tax Regulations Under the Tax Reform Act of 1969 (26 CFR Part 13), relating to section 184(b) of the Internal Revenue Code of 1954, which were prescribed by T.D. 7032, approved March 9, 1970 (35 F.R. 4330).

PARAGRAPH 1. The following new sections are added immediately after § 1.182-6.

§ 1.184 Statutory provisions; amortization of certain railroad rolling stock.

SEC. 184. *Amortization of certain railroad rolling stock*—(a) *Allowance of deduction.* Every person, at his election, shall be entitled to a deduction with respect to the amortization of the adjusted basis (for determining gain) of any qualified railroad rolling stock (as defined in subsection (d)), based on a period of 60 months. Such amortization deduction shall be an amount, with respect to each month of such period within the taxable year, equal to the adjusted basis of the qualified railroad rolling stock at the end of such month divided by the number of months (including the month for which the deduction is computed) remaining in the period. Such adjusted basis at the end of the month shall be computed without regard to the amortization deduction for such month. The amortization deduction provided by this section with respect to any qualified railroad rolling stock for any month shall be in lieu of the depreciation deduction with respect to such rolling stock for such month provided by section 167. The 60-month period shall begin, as to any qualified railroad rolling stock, at the election of the taxpayer, with the month following the month in which such rolling stock was placed in service or with the succeeding taxable year.

(b) *Election of amortization.* The election of the taxpayer to take the amortization deduction and to begin the 60-month period with the month following the month in which the qualified railroad rolling stock was placed in service, or with the taxable year succeeding the taxable year in which such rolling stock is placed in service, shall be made by filing with the Secretary or his delegate, in such manner, in such form, and within such time, as the Secretary or his delegate may by regulations prescribe, a statement of such election.

(c) *Termination of amortization deduction.* A taxpayer which has elected under subsection (b) to take the amortization deduction provided by subsection (a) may, at any time after making such election, discontinue the amortization deduction with respect to the remainder of the amortization period, such discontinuance to begin as of the beginning of any month specified by the taxpayer in a notice in writing filed with the Secretary or his delegate before the beginning of such month. The depreciation deduction provided under section 167 shall be allowed, beginning with the first month as to which the amortization deduction does not apply, and the taxpayer shall not be entitled to any further amortization deduction under this section with respect to such rolling stock.

(d) *Qualified railroad rolling stock.* Except as provided in subsection (e)(4), the term "qualified railroad rolling stock" means, for purposes of this section, rolling stock of the type used by a common carrier engaged in the furnishing or sale of transportation by railroad and subject to the jurisdiction of the Interstate Commerce Commission if—

(1) Such rolling stock is—

(A) Used by a domestic common carrier by railroad on a full-time basis, or on a part-time basis if its only additional use is an incidental use by a Canadian or Mexican common carrier by railroad on a per diem basis, or

(B) Owned and used by a switching or terminal company all of whose stock is owned by one or more domestic common carriers by railroad, and

(2) The original use of such rolling stock commences with the taxpayer after December 31, 1968.

(e) *Special rules*—(1) *In general.* Except as otherwise provided in this subsection, this section shall apply to qualified railroad rolling stock placed in service after 1968 and before 1975.

(2) *Placed in service in 1969.* If any qualified railroad rolling stock is placed in service in 1969—

(A) The month as to which the amortization period shall begin with respect to such rolling stock shall be determined as if such rolling stock were placed in service on December 31, 1969, and

(B) Subsections (a) and (b) shall be applied by substituting "48" for "60" each place that it appears in such subsections.

This section shall not apply to any qualified railroad rolling stock placed in service in 1969 and owned by any person who is not a domestic common carrier by railroad, or a corporation at least 95 percent of the stock of which is owned by one or more such common carriers.

(3) *Placed in service in 1970.* If any qualified railroad rolling stock is placed in service in 1970 by a domestic common carrier by railroad or by a corporation at least 95 percent of the stock of which is owned by one or more such common carriers, then subsection (a) shall be applied, without regard to paragraph (2), as if such rolling stock were placed in service on December 31, 1969.

(4) *Railroad rolling stock not in short supply.* The Secretary or his delegate shall determine (with the assistance of the Secretary of Transportation) which types of railroad rolling stock are not in short supply and shall prescribe regulations designating such types. The term "qualified railroad rolling stock" shall not include any rolling stock which—

(A) Is of the type of rolling stock designated by such regulations as not in short supply, and

(B) Is placed in service after (i) 1972, or (ii) 30 days after the date on which such regulations are promulgated, whichever is later.

(5) *Adjusted basis.* (A) The adjusted basis of any qualified railroad rolling stock, with respect to which an election has been made under this section, shall not be increased, for purposes of this section, for amounts chargeable to capital account for additions or improvements after the amortization period has begun.

(B) Costs incurred in connection with a used unit of railroad rolling stock which are properly chargeable to capital account shall be treated as a separate unit of railroad rolling stock for purposes of this section.

(C) The depreciation deduction provided by section 167 shall, despite the provisions of subsection (a), be allowed with respect to the portion of the adjusted basis which is not taken into account in applying this section.

(6) *Constructive termination.* If at any time during the amortization period any qualified railroad rolling stock ceases to meet the requirements of subsection (d)(1), the taxpayer shall be deemed to have terminated under subsection (c) his election under this section. Such termination shall be effective beginning with the month following the month in which such cessation occurs.

(7) *Method of accounting for date placed in service.* For purposes of subsections (a) and (b), in the case of qualified railroad rolling stock placed in service after December 31, 1969, and before January 1, 1975, the taxpayer may elect (unless paragraph (3) is

applicable), to begin the 60-month period with the date when such rolling stock is treated as having been placed in service under a method of accounting for acquisitions and retirements of property which—

(A) Prescribes a date when property is placed in service, and

(B) Is consistently followed by the taxpayer.

(f) *Life tenant and remainderman.* In the case of qualified railroad rolling stock leased to a domestic common carrier, and held by one person for life with remainder to another person, the deduction under this section shall be computed as if the life tenant were the absolute owner of the property and shall be allowable to the life tenant.

(g) *Cross reference.* For treatment of certain gain derived from the disposition of property the adjusted basis of which is determined with regard to this section, see section 1245.

[Sec. 184 as added by sec. 705, Tax Reform Act 1969 (83 Stat. 670)]

§ 1.184–1 Amortization of certain railroad rolling stock.

(a) *Allowance of deduction.*—(1) *In general.* (i) Under section 184(a), every person, at his election, shall be entitled to a deduction with respect to the amortization of the adjusted basis (as defined in § 1.184–4) of any qualified railroad rolling stock (as defined in § 1.184–2) placed in service after December 31, 1968, and before January 1, 1975, based on a period of 60 months (or 48 months if the rules in subparagraph (2) of this paragraph are applicable). Under section 184(b) and § 1.184–5, the taxpayer may elect to begin such 60-month period (or 48-month period, if applicable), either with the month following the month in which such railroad rolling stock is placed in service or with the first month of the taxable year succeeding the taxable year in which such railroad rolling stock is placed in service. However, a taxpayer may elect to begin amortization deductions on the date a unit of railroad rolling stock is deemed placed in service under certain consistently followed accounting conventions as described in paragraph (d) of § 1.184–3. See § 1.184–3 for rules regarding when a unit of railroad rolling stock is deemed placed in service for purposes of section 184 and this section.

(ii) Under section 184(c), a taxpayer which has elected to take the amortization deduction provided by section 184 (a) may, at any time after making such election and prior to the expiration of the amortization period, elect or be deemed to elect to discontinue the amortization deduction for the remainder of the amortization period in the manner prescribed in subparagraphs (1) and (2) of § 1.184–5(b) respectively. In addition, if on or before [the date of publication in the FEDERAL REGISTER of the regulations under section 184] an election under section 184(a) has been made, consent is hereby given to revoke such election without the consent of the Commissioner in the manner prescribed in paragraph (b)(3) of § 1.184.5.

(2) *Railroad rolling stock placed in service in 1969.* (i) In the case of qualified railroad rolling stock placed in service within the meaning of paragraph (a) of § 1.184–3 after December 31, 1968, and before January 1, 1970, section 184 and this section shall be applicable only with respect to such railroad rolling stock which is owned either by a domestic common carrier by railroad or by corporation of which at least 95 percent of each class of stock, voting and nonvoting, is owned by one or more domestic common carriers by railroad. The stock ownership requirement in the preceding sentence must be met on the date the railroad rolling stock is placed in service (within the meaning of paragraph (a) of § 1.184–3) and at all times subsequent during the taxpayer's taxable year in which such railroad rolling stock is so placed in service. For any subsequent month for which the taxpayer claims amortization based on a period of 48 months such requirement must be met as of the beginning of such month. See paragraph (c) of § 1.184–2 for the definition of the term "domestic common carrier by railroad".

(ii) The amortization deduction under section 184 and § 1.184–1 with respect to such railroad rolling stock shall be determined based on a 48-month period rather than on a 60-month period. The month as to which the 48-month amortization period shall begin with respect to such railroad rolling stock shall be determined as if such railroad rolling stock were placed in service on December 31, 1969. See the rules in paragraph (b) of § 1.184–3.

(3) *Amount of deduction.* (i) With respect to each month of such 60-month (or 48-month) period which falls within the taxable year, such amortization deduction shall be an amount equal to the adjusted basis of the unit of qualified railroad rolling stock at the end of such month divided by the number of months (including the month for which the deduction is computed) remaining in such 60-month (or 48-month) period. For purposes of this paragraph, the adjusted basis at the end of any month shall be computed without regard to the amortization deduction for such month. The total amortization deduction with respect to a unit of qualified railroad rolling stock for a particular taxable year is the sum of the amortization deductions allowable for each month of the 60-month (or 48-month) period which falls within such taxable year.

(ii) If a unit of qualified railroad rolling stock is sold, exchanged, or otherwise disposed of during a particular month, the amortization deduction (if any) allowable to the original holder in respect of that month shall be that portion of the amount to which such person would be entitled for a full month which the number of days in such month during which the unit of qualified railroad rolling stock was held by such person bears to the total number of days in such month. See subparagraph (5)(ii) (of this paragraph for rules applicable in the case of certain corporate acquisitions.

(4) *Effect on other deductions.* (i) The amortization deduction provided by section 184 with respect to any railroad rolling stock for any month shall be in lieu of the depreciation deduction which would otherwise be allowable under section 167 for such month.

(ii) (a) Under section 184(e)(5)(C), if a portion of the adjusted basis (as determined under section 1011) of a unit of railroad rolling stock is not subject to amortization under section 184, such portion may be subject to an allowance for depreciation under section 167 and the regulations thereunder.

(b) For example, if a unit of used railroad rolling stock placed in service prior to January 1, 1969, with respect to which an election under section 184 cannot be made (see section 184(e)(1)), is reconstructed in 1971, the reconstruction expenditures which are treated as a separate unit of railroad rolling stock for purposes of section 184 under section 184(e)(5)(B) and § 1.184–4(b)(3) may be amortized under section 184. The portion of the adjusted basis which is not attributable to such reconstruction may continue to be depreciated over the period authorized under section 167.

(iii) See section 179 and paragraph (e)(1)(ii) of § 1.179–1 for additional first-year depreciation in respect of qualified railroad rolling stock.

(5) *Special rules.* (i) Under section 184(f), if qualified railroad rolling stock is leased to a domestic common carrier by railroad, and is held by one person for life with the remainder to another person, the amortization deduction under section 184(a) shall be computed as if the life tenant were the absolute owner of the property and shall be allowable to the life tenant during his life.

(ii) If the assets of a corporation which has elected to take the amortization deduction under section 184(a) are acquired by another corporation in a transaction to which section 381 (relating to carryovers in certain corporate acquisitions) applies, the acquiring corporation is to be treated as if it were the acquired corporation for purposes of this section.

(iii) For rules relating to the deduction for amortization under section 184 for estates and trusts, see section 642(f) and § 1.642(f)–1. For rules relating to amortization in the case of partnerships, see section 703 and § 1.703–1.

(iv) For rules relating to the treatment of certain gain derived from the disposition of property the adjusted basis of which is determined with regard to section 184, see section 1245 and the regulations thereunder.

(b) *Examples.* This section may be illustrated by the following examples:

Example (1). On September 30, 1971, the M Railroad, a domestic common carrier by railroad which is a calendar year taxpayer, placed in service a new boxcar, a unit of qualified railroad rolling stock, at a cost of $18,000. M Railroad elects to take amortization deductions with respect to the boxcar and to begin the 60-month amortization period with October 1971, the month following the month in which the boxcar was placed in service. The adjusted basis for purposes of computing the amortization deduction under section 184(a) at the end of October 1971 (determined without regard to the amortization deduction under section 184

(a) for that month) is $18,000. The allowable amortization deduction with respect to the boxcar for the taxable year 1971 is $900, computed as follows:

Monthly amortization deductions:	
October: $18,000 divided by 60	$300
November: $17,700 ($18,000 minus $300) divided by 59	300
December: $17,400 ($17,700 minus $300) divided by 58	300
Total amortization deduction for 1971	$900

Example (2). Assume the same facts as in example (1). Assume further that on November 10, 1971, the boxcar is materially damaged in a train wreck, as a result of which its adjusted basis is properly reduced by $8,850 pursuant to section 1016 and the regulations thereunder because of a deduction allowed under section 165. The allowable amortization deduction with respect to such boxcar for the taxable year ending December 31, 1971, is $600, computed as follows:

Monthly amortization deductions:	
October: $18,000 divided by 60	$300
November: $8,850 ($18,000 minus $300 and $8,850) divided by 59	150
December: $8,700 ($8,850 minus $150 divided by 58	150
Total amortization deduction for 1971	$600

Example (3). Assume in example (1) that M elects to begin the 60-month amortization period with January 1972, the taxable year succeeding the taxable year in which the railroad rolling stock is placed in service. M is entitled to take a deduction for depreciation of such railroad rolling stock for the taxable year 1971, such deduction being assumed for purposes of this example to be $1,500. Accordingly, the adjusted basis of such railroad rolling stock at the end of January 1972 (without regard to the amortization deduction for such month) is $16,500 ($18,000 minus $1,500). For the taxable year 1972, M is entitled to an amortization deduction of $3,300, computed as follows:

Monthly amortization deductions:	
January: $16,500 divided by 60	$275
February: $16,225 ($16,500 minus $275) divided by 59	275
March: $15,950 ($16,225 minus $275) divided by 58	275
For the remaining 9 months (similarly computed)	2,475
Total amortization deduction for 1972	$3,300

Example (4). Assume the same facts as in example (3). Assume further that on April 15, 1973, M properly files notice of its election to discontinue the amortization deduction beginning with the month of May 1973. The adjusted basis of the railroad rolling stock as of May 1, 1973, is $12,100, computed as follows:

Depreciation deduction for 1971 (see example (3))		$1,500
Yearly amortization deductions:		
1972 (as computed in example (3))	$3,300	
1973 (for the first 4 months of 1973 computed in accordance with with example (3))	1,100	
Total amortization deductions for 16 months		$4,400
Total depreciation and amortization deductions		$5,900
Basis of railroad rolling stock		$18,000
Less: Depreciation and amortization deductions		5,900
Adjusted basis as of May 1, 1973		$12,100

Beginning as of May 1, 1973, the deduction for depreciation under section 167 is allowable with respect to the railroad rolling stock on its adjusted basis of $12,100.

§1.184–2 Definitions.

(a) *Qualified railroad rolling stock*—(1) *In general.* The term "qualified railroad rolling stock" means, for purposes of section 184 and section 1.184–1, railroad rolling stock (as defined in subparagraph (2) of this paragraph)—

(i) Of the type normally used by a common carrier engaged in the furnishing or sale of transportation by railroad and subject to regulation under part I of the Interstate Commerce Act (49 U.S.C. Chapter 1),

(ii) Which is used as provided in subparagraph (3) of this paragraph,

(iii) The original use of which begins as provided in subparagraph (4) of this paragraph, and

(iv) Which is not railroad rolling stock

not in short supply (see section 184(e)(4) and paragraph (b) of this section).

(2) *Railroad rolling stock.* The term "railroad rolling stock" means transportation equipment designed to move exclusively by means of fixed rail or rails, the expenditures for which are of a type chargeable to the equipment investment accounts in the uniform system of accounts for railroad companies prescribed by the Interstate Commerce Commission (see 49 CFR Part 1201). Such railroad rolling stock shall not include floating equipment or other equipment which does not move exclusively by means of fixed rail. For example, the term "railroad rolling stock" includes locomotives, boxcars, gondola cars, flatcars, piggyback cars, three-tiered automobile carriers, passenger cars, self-propelled passenger cars, and cars designed to carry containerized freight. However, such term does not include barges, tugboats, truck trailers, and removable containers which are used on cars designed to carry containerized freight.

(3) *Use requirement.* (i) Railroad rolling stock must be—

(*a*) Used by a domestic common carrier by railroad (as defined in paragraph (c) of this section) on a full-time basis, or

(*b*) Used by a domestic common carrier by railroad on a part-time basis if its only additional use is an incidental use on a per diem basis by a common carrier by railroad organized under the laws of, and operating in, Canada or Mexico, of

(*c*) Owned and used by a railroad switching corporation or a railroad terminal corporation (as defined in paragraph (d) of this section) all the stock of which is owned by one or more domestic common carriers by railroad.

(ii) For purposes of this subparagraph, in the case of railroad rolling stock owned by one person and leased or subleased to another, the railroad rolling stock shall be considered to be used by the ultimate lessee or sublessee who actually uses such rolling stock.

(iii) For purposes of subdivision (i)(*b*) of this subparagraph a use on an assigned service, such as an assigned use primarily between two points (whether or not for the benefit of more than one shipper), shall not be deemed to be an incidental use between such points. For purposes of this section a specifically identified unit of railroad rolling stock which is assigned, either directly or pursuant to an arrangement which has the effect of a direct assignment, to a particular shipper other than on a shipment by shipment basis shall be deemed to be used by the shipper and not by the railroad which transports the rolling stock. For purposes of this section, if a unit of railroad rolling stock is not owned by a domestic common carrier by railroad but is merely transported by such carrier from one place to another for another person, such unit of railroad rolling stock shall not be deemed to be used by such domestic common carrier by railroad.

(iv) A unit of railroad rolling stock shall be deemed to be used on a full-time basis by a domestic common carrier by railroad even though such unit of railroad rolling stock is transported by a water carrier, railroad switching company, or railroad terminal company for part of its journey.

(v) A unit of railroad rolling stock shall not be deemed to be used on a full-time basis by a domestic common carrier by railroad if such unit is used primarily to transport passengers for recreation or amusement. For example, railroad rolling stock which is used primarily to transport passengers from a point of origin along a scenic route or within an amusement park, returning such passengers to the point of origin within a period of 24 hours or less, will not be deemed to be used on a full-time basis by a domestic common carrier by railroad for purposes of section 184.

(4) *Original use requirement.* (i) The original use of the railroad rolling stock must commence after December 31, 1968, with the person electing the amortization deduction under section 184(a). The term "original use" means the first use to which the railroad rolling stock is put, whether or not such use corresponds to the use of such railroad rolling stock by the person electing amortization.

(ii) Where new railroad rolling stock which is to be purchased by a third party and leased to a domestic common carrier by railroad is temporarily (for a period no longer than 12 months) delivered to the common carrier by the manufacturer of such railroad rolling stock under interim short-term arrangements made to insure ultimate conveyance of full title to a third-party lessor, "original use" for purposes of section 184(d)(2) of such railroad rolling stock will be deemed to have commenced with the third-party lessor provided a lease of the railroad rolling stock to the same common carrier is consummated within the above-mentioned 12-month period. In such a case if such third-party lessor elects the amortization deduction under section 184 with respect to such railroad rolling stock, no depreciation or amortization under either Code section 167, 179 or this section will be allowable prior to the completion of the permanent financing

arrangement and acquistion of ownership by the third-party lessor. Under these circumstances, the railroad rolling stock will be considered "placed in service" on the date the lease is consummated.

(b) *Railroad rolling stock not in short supply.* (1) The term "qualified railroad rolling stock" shall not include any railroad rolling stock of the types designated in subparagraph (2) of this paragraph as not in short supply, which is placed in service after—

(i) December 31, 1972, or

(ii) 30 days after the date of publication of the Treasury decision which designates such type of railroad rolling stock as not in short supply,

whichever is later.

(2) [Reserved]

(c) *Domestic common carrier by railroad.* (1) The term "domestic common carrier by railroad" means a domestic common carrier by railroad which is regulated with respect to rates, routes, or schedules either by the Interstate Commerce Commission under Part I of the Interstate Commerce Act (49 U.S.C. Chapter 1), or by a similar regulatory agency of a State or territory. However, the term "domestic common carrier by railroad" does not include a railroad switching or terminal company.

(2) The term "railroad" means a line of rails providing a track for railroad rolling stock. A barge company which transports railroad rolling stock is not a common carrier by railroad even though the railroad rolling stock rests upon rails affixed to a barge, and even though the barge company maintains trackage with which to connect its barges to the trackage of a carrier by railroad.

(d) *Railroad terminal corporation.* For purposes of this section, the term "railroad terminal corporation" means a domestic railroad corporation—

(1) All of the shareholders of which are domestic common carriers by railroad, and

(2) The primary business of which is the providing of railroad terminal and switching facilities and services to domestic common carriers by railroad and to the shippers and passengers of such domestic common carriers by railroad.

§ 1.184–3 Special rules for date placed in service.

(a) *In general.* (1) Section 184 and section 1.184–1 shall be applicable only with respect to qualified railroad rolling stock placed in service after December 31, 1968, and before January 1, 1975.

(2) Except as otherwise provided in this section, railroad rolling stock shall be deemed to be placed in service in the earlier of the following months:

(i) The month in which, under the taxpayer's depreciation practice, the period for depreciation with respect to such railroad rolling stock begins or would have begun; or

(ii) The month in which such railroad rolling stock is placed in a condition or state of readiness and availability for use.

Thus, if a unit of railroad rolling stock meets the conditions of subdivision (ii) of this subparagraph in a given month, it shall be considered placed in service in such month notwithstanding that the period for depreciation with respect to such railroad rolling stock begins in a succeeding month because, for example, under the taxpayer's depreciation practice such railroad rolling stock is accounted for in a multiple asset account and depreciation is computed under an "averaging convention" (see § 1.167(a)–(10), or depreciation with respect to such railroad rolling stock is computed under the retirement method. See the principles set forth in paragraph (d) of § 1.46–3.

(3) Notwithstanding the provisions of subparagraph (2) of this paragraph, in the case of railroad rolling stock with respect to which the original use is deemed to commence at the time specified in subparagraph (4)(ii) of § 1.184–2(a), such railroad rolling stock shall be deemed to be placed in service for purposes of section 184 and this section at such time.

(b) *Placed in service in 1969.* (1) In the case of qualified railroad rolling stock placed in service (within the meaning of paragraph (a) of this section) after December 31, 1968, and before January 1, 1970, section 184 and § 1.184–1 shall be applicable only with respect to railroad rolling stock owned either by a domestic common carrier by railroad or by a corporation of which at least 95 percent of the outstanding shares of each class of stock, voting and nonvoting, is owned by one or more domestic common carriers by railroad. The stock ownership requirement in the preceding sentence must be met on the date the railroad rolling stock is placed in service (within the meaning of paragraph (a) of this section) and at all times subsequent during the taxpayer's taxable year in which such railroad rolling stock is so placed in service. For any subsequent month for which the taxpayer claims amortization based on a period of 48 months such requirement must be met as of the beginning of such month.

(2) In the case of such railroad rolling stock placed in service during 1969—

(i) The month with respect to which the amortization period under § 1.184–1 shall begin with respect to such railroad rolling stock shall be determined as if such railroad rolling stock were placed in service on December 31, 1969, and

(ii) The amortization deduction under section 184 and § 1.184–1 with respect to such railroad rolling stock shall be determined based on a 48-month period rather than on a 60-month period. The adjusted basis for purposes of computing the amortization deduction under section 184 shall be based on the adjusted basis of such railroad rolling stock as of the beginning of the 48-month period.

(3) The provisions of this paragraph may be illustrated by the following examples:

Example (1). M Company, a corporation with two classes of stock outstanding, a voting common and a nonvoting preferred, purchased a new railroad hopper car on April 1, 1969, for $21,000, and immediately placed it in service by leasing it to R Railroad, a domestic common carrier by railroad. On April 1, 1969, and subsequently throughout 1969 and 1970 all of the outstanding preferred and common stock of M is owned by R and two other railroads, both of which are domestic common carriers by railroad. M, a calendar year taxpayer, elects to begin taking amortization deductions with respect to the hopper car for the month of January 1970, since under this paragraph the hopper car is deemed to be placed in service on December 31, 1969, for purposes of the amortization deduction under section 184. M claims depreciation during 1969 which, for purposes of this example, is assumed to be $1,125. The adjusted basis on January 1, 1970, for purposes of computing the amortization deduction under section 184 is $19,875 ($21,000 less $1,125 depreciation taken). The amortization deduction for the month of January 1970, based on a 48-month amortization period is $414.06 ($19,875 divided by 48 months). Similar amortization deductions could be claimed for each remaining month of 1970.

Example (2). If, in example (1) above, only 80 percent of the outstanding preferred stock of M Corporation was owned by one or more domestic common carriers by railroad, the railroad rolling stock placed in service during 1969 would not be eligible for the amortization deduction under section 184 (see paragraph (a)(2) of § 1.184–1).

Example (3). If, in example (1) above, on December 15, 1970, M Corporation issued a sufficient number of new shares of preferred and common stock to persons who are not domestic common carriers by railroad so that 95 percent of the outstanding stock of each class is not owned by one or more domestic common carriers by railroad, the railroad rolling stock is no longer eligible for the amortization deduction under section 184 after December 31, 1970. M Corporation is deemed to have terminated its election under section 184(c) and paragraph (b)(2) of § 1.184–5.

(c) *Placed in service in 1970.* (1) In the case of qualified railroad rolling stock which is placed in service (within the meaning of paragraph (a) of this section) after December 31, 1969, and before January 1, 1971, and which is owned—

(i) By a domestic common carrier by railroad,

(ii) By a corporation of which at least 95 percent of the outstanding shares of each class of stock, voting and nonvoting, is owned by one or more domestic common carriers by railroad, or

(iii) By a lessor who leases the railroad rolling stock to either a domestic common carrier by railroad or a corporation described in subdivision (ii) of this subparagraph,

such railroad rolling stock shall be deemed to have been placed in service on December 31, 1969, for purposes of the amortization deduction provided by section 184. The 95 percent stock ownership requirement must be met with respect to each unit of such qualified railroad rolling stock on the date such railroad rolling stock is placed in service (within the meaning of paragraph (a) of this section) and at all times subsequent thereto during 1970.

(2) If the taxpayer elects the amortization deduction under section 184(a)

and § 1.184–1 with respect to such railroad rolling stock, the month with respect to which the 60-month amortization period begins shall be determined as if such railroad rolling stock were placed in service on December 31, 1969.

(3) The provisions of this paragraph may be illustrated by the following examples:

Example (1). M Company, a corporation with two classes of stock outstanding, a voting common and a nonvoting preferred, purchased a new railroad gondola car on July 1, 1970, for $12,000, and immediately placed it in service by leasing it to R Railroad, a domestic common carrier by railroad. On July 1, 1970, and subsequently throughout 1970, all of the outstanding preferred stock and all of the outstanding common stock of M is owned by R and two other railroads, both of which are domestic common carriers by railroad. M, a calendar year taxpayer, elects to amortize the gondola car over a 60-month period under section 184. Since, under this paragraph, the gondola car is deemed to have been placed in service on December 31, 1969, M is allowed a full 12 months amortization for 1970 even though the gondola car was actually placed in service on July 1, 1970. M is not entitled under any circumstances to a deduction for depreciation under section 167 or for the additional first year depreciation under section 179 with respect to the gondola car for its 1970 taxable year.

Example (2). Assume that until January 1, 1971, all of the outstanding preferred stock and all of the outstanding common stock of M is owned by R and two other railroads, both of which are domestic common carriers by railroad. On January 1, 1971, M issues a sufficient number of previously unissued shares of its nonvoting preferred stock to persons who are not domestic common carriers so that less than 95 percent of the outstanding preferred shares of M are owned by domestic common carriers by railroad. The special rule in this paragraph, which treats the qualified railroad rolling stock as having been placed in service on December 31, 1969, is only of consequence for determining whether amortization may be claimed for 1970 commencing as of January 1, 1970. The change in stock ownership in 1971 will not affect the amortization claimed under this special rule for 1970 or for subsequent years.

(d) *Method of accounting for date placed in service.* (1) In the case of qualified railroad rolling stock placed in service after December 31, 1969, and before January 1, 1975, the taxpayer may, pursuant to section 184(e)(7), elect to begin the 60-month amortization period with the date such rolling stock is treated as placed in service under a method of accounting for acquisitions and retirements of property which (i) prescribes a specific date when the property is treated as having been placed in service, provided that such date falls on the beginning of a calendar month within the taxable year in which such rolling stock is actually placed in service, and (ii) is consistently followed by the taxpayer.

This paragraph shall not be applicable for qualified railroad rolling stock with respect to which section 184(e)(3) and paragraph (c) of this section are applicable. An election under this paragraph shall be made by using such method of accounting for the date placed in service in computing the deduction for amortization.

(2) For example, if the taxpayer follows a method of accounting under which it is assumed that all additions and retirements during the first half of a taxable year were made on the first day of that year and that all additions and retirements during the second half of the year were made on the first day of the following taxable year, the 60-month amortization period would begin on the first day of the taxable year with respect to qualified railroad rolling stock placed in service during the first half of the taxable year and on the first day of the succeeding taxable year with respect to qualified railroad rolling stock placed in service during the second half of the taxable year.

§ 1.184–4 Adjusted basis for amortization.

(a) *In general.* The adjusted basis of a unit of qualified railroad rolling stock for the purpose of computing the amortization deduction under section 184 is the adjusted basis of such railroad rolling stock for purposes of determining gain (see part II (section 1011 and following) subchapter O, chapter 1 of the Code). For conditions under which the additional first-year allowance for depreciation may be allowable see paragraph (e)(1)(ii) of § 1.179–1. The basis of qualified railroad rolling stock shall be adjusted only for depreciation allowed or allowable. No deductions for depreciation under section 167 or 179 shall be allowed or allowable with respect to such railroad rolling stock during the time an election under section 184(a) is effective.

(b) *Additions or improvements.* (1) If, after a unit of qualified railroad rolling stock is placed in service, costs chargeable to capital account are paid or incurred for additions or improvements thereto, the adjusted basis for determining the amortization deduction with respect to such railroad rolling stock shall be increased by such costs which are paid or incurred prior to the beginning of the amortization period. Costs paid or incurred in connection with railroad rolling stock which are treated as deductible repairs under section 162 or 212 shall not be treated as costs chargeable to capital account for purposes of this section.

(2) If costs chargeable to capital account are paid or incurred after the amortization period has commenced, the adjusted basis of such railroad rolling stock shall not be increased for purposes of amortization under section 184. However, for purposes of section 184, such costs shall be treated as a separate unit of railroad rolling stock which is placed in service on the date the addition or improvement to which such costs relate is completed.

(3) For purposes of section 184, costs chargeable to capital account paid or incurred with respect to a used unit of railroad rolling stock which is not "qualified railroad rolling stock" shall be treated as a separate unit of railroad rolling stock which is placed in service on the date the addition or improvement to which such costs relate is completed.

(4) The provisions of this paragraph may be illustrated by the following examples:

Example (1). M railroad, a domestic common carrier by railroad which is a calendar year taxpayer, placed in service on December 31, 1971, a new boxcar which cost $18,000. M properly elected to begin taking amortization deductions on January 1, 1972. On July 31, 1972, M completed an addition to the boxcar at a cost of $6,000 in order to adapt it to a specialized use. M elected to amortize the $6,000 cost, which is treated as a separate unit of railroad rolling stock for purposes of section 184, beginning with August 1, 1972. The allowable amortization deduction with respect to the boxcar for the taxable year 1972 is $4,100, computed as follows:

Monthly amortization deductions with respect to the original unit:	
January: $18,000 divided by 60	$300
February: $17,700 ($18,000 minus $300) divided by 59	300
March through December: similarly computed	3,000
Total	$3,600
Monthly amortization deductions with respect to the costs of the addition which is treated as a separate unit of railroad rolling stock:	
August: $6,000 divided by 60	$100
September: $5,900 ($6,000 minus $100) divided by 59	100
October through December: similarly computed	300
Total	$500
Total amortization deduction for 1972 ($3,600 plus $500)	$4,100

Example (2). X railroad, a domestic common carrier by railroad, sells a used unit of railroad rolling stock which is not "qualified railroad rolling stock" to Y company for $10,000. In 1971, Y company, engaged in the business of rebuilding railroad equipment, rehabilitates that used unit of railroad rolling stock and immediately sells the unit for $15,000 to Z company which then leases such unit to X railroad. The $5,000 amount ($15,000 less $10,000) represents the cost to Y company of the rehabilitation and Y company's profit on such work. Such $5,000 attributable to rehabilitating this used unit shall be treated as a separate unit of railroad rolling stock. This separate unit will be deemed to be placed in service in accordance with the rules prescribed in § 1.184–3(a).

§ 1.184–5 Time and manner of making and terminating elections.

(a) *Election of amortization.* (1) Under section 184(b), an election by the taxpayer to take amortization deductions with respect to qualified railroad rolling stock and to begin the 60-month (or 48-month) amortization period (either with the month following the month in which such railroad rolling stock is placed in service, or with the taxable year succeeding the taxable year in which such railroad rolling stock is placed in service) shall be made by a statement to that effect attached to its return for the taxable year in which falls the first month of the 60-month (or 48-month) period so elected. If the taxpayer does not file a timely return (taking into account ex-

tensions of the time for filing) for such taxable year, the election shall be made at the time the taxpayer files its first return for that year. Except as provided in subparagraph (3) of this paragraph, the election may be made with an amended return only if such amended return is filed no later than the time prescribed by law (including extensions thereof) for filing the return for the taxable year of election. An election under this section may be made either on a unit by unit basis or with respect to a group of units of qualified railroad rolling stock which are placed in service and accounted for on a group basis. For election by a partnership see section 703(b) and the regulations thereunder.

(2) The statement required by subparagraph (1) of this paragraph shall include the following information:

(i) A description identifying each unit, or group of units, of qualified railroad rolling stock for which an amortization deduction is claimed under section 184;

(ii) The date on which such unit or group of units of railroad rolling stock was placed in service within the meaning of paragraph (a) of § 1.184–3;

(iii) The date as of which the amortization period is to begin;

(iv) A computation showing the adjusted basis for determining amortization of such railroad rolling stock as of the beginning of the first month for which the amortization deduction under section 184 is elected; and

(v) Stock ownership information, where essential to the allowance of amortization under section 184.

(3) If the taxpayer claims expenditures in connection with a unit of railroad rolling stock as an expense deduction (for example under section 263(e)) for the taxable year in which paid or incurred, and subsequently on audit such expenditures are capitalized, the taxpayer may, notwithstanding the other provisions of this paragraph, make an election under section 184 with respect to such expenditures if such expenditures qualify for amortization under section 184 and the regulations thereunder.

(4) No method for making the election in section 184(a) other than the method prescribed in this paragraph shall be permitted on or after [the date of publication in the FEDERAL REGISTER of the regulations under section 184]. If an election to amortize qualified railroad rolling stock is not made within the time and in the manner prescribed in this paragraph, no election may be made (by the filing of an amended return or in any other manner) with respect to such qualified railroad rolling stock.

(b) *Election to discontinue or revoke amortization*—(1) *Election to discontinue.* Under section 184(c), if a taxpayer has elected to take the amortization deduction provided by section 184(a) with respect to qualified railroad rolling stock, it may, after such election and prior to the expiration of the amortization period, elect to discontinue the amortization deduction for the remainder of such period. An election to discontinue the amortization deduction shall be made by a statement in writing filed with the district director, or with the director of the Internal Revenue service center, with whom the return of the taxpayer is required to be filed for its taxable year in which falls the first month for which the election terminates. Such statement shall specify the month as of the beginning of which the taxpayer elects to discontinue such deductions. Such notice shall be filed before the beginning of the month specified therein. In addition, such notice shall contain a description clearly identifying the unit or group of units of qualified railroad rolling stock with respect to which the taxpayer elects to discontinue the amortization deduction. If the taxpayer so elects to discontinue the amortization deduction, it shall not be entitled to any further amortization deductions under sections 184 with respect to such railroad rolling stock.

(2) *Constructive termination of election.* If at any time during the amortization period any qualified railroad rolling stock ceases to meet the requirements contained in section 184(d)(1) and in § 1.184–2(a)(3), the taxpayer shall be deemed to have terminated its election under section 184(c) and this paragraph with respect to such railroad rolling stock. For example, if at any time during the amortization period all of the stock of a railroad switching corporation or a railroad terminal corporation ceases to be owned by one or more domestic common carriers by railroad, such corporation shall be deemed to have terminated its election under section 184(c) and this paragraph with respect to all of the railroad rolling stock owned and used by it with respect to which an election under section 184(a) has been made. If 95 percent of the outstanding shares of each class of stock of a taxpayer, which is entitled to amortization based on a 48-month period under paragraph (a)(2) of § 1.184–1 with respect to railroad rolling stock placed in service in 1969, ceases at any time during the amortization period to be owned by one or more domestic common carriers by railroad (as, for example, in the case where this occurs as a result of the taxpayer issuing more shares to a person who is not a domestic common carrier by railroad), the taxpayer is deemed to have terminated its election under section 184(c) and this paragraph with respect to all such qualified railroad rolling stock placed in service during 1969 which has not been fully amortized. A termination under this subparagraph shall be effective with the month following the month in which such cessation occurs. If a termination of amortization occurs under this subparagraph, the taxpayer shall not be entitled to any further amortization deductions with respect to such railroad rolling stock.

(3) *Revocation of election made prior to [the date of publication in the* FEDERAL REGISTER *of the regulations under section 184].* If before [such date], an election under section 184(a) has been made, consent is hereby given for the taxpayer to revoke such election without the consent of the Commissioner. Such election may be revoked by filing on or before [the 90th day after the date] a written notice to revoke amortization deductions under section 184(a) with the district director, or the director of the Internal Revenue Service center, with whom the return of the taxpayer is required to be filed. Such notice shall contain a description clearly identifying the unit or group of units of qualified railroad rolling stock with respect to which the taxpayer elects to revoke amortization deductions under section 184(a). If such election to revoke is for a period which falls within one or more taxable years for which an income tax return has been filed, amended income tax returns shall be filed for any taxable years in which deductions were taken under section 184 on or before [such 90th day] and additional tax, and interest or penalties, if any, for such years shall be paid. See § 1.461–1(a)(3).

§ 1.184–6 Depreciation subsequent to discontinuance or in the case of revocation of amortization.

(a) *In general.* A taxpayer which elects in the manner prescribed under paragraph (b)(1) of § 1.184–5, or which is deemed to have elected under paragraph (b)(2) of § 1.184–5 to discontinue amortization deductions, or which elects under paragraph (b)(3) of § 1.184–5, to revoke an election under section 184(a) with respect to qualified railroad rolling stock may be entitled, subject to the provisions of section 167 and the regulations thereunder, to an allowance for depreciation with respect to such railroad rolling stock.

(b) *Depreciation after discontinuance of amortization.* In the case of a discontinuance of an amortization deduction under subparagraph (1) or (2) of § 1.184–5(b), the deduction for depreciation shall begin with the first month as to which such amortization deduction is not applicable, and shall be based on the adjusted basis of the property as of the beginning of such month. (See section 1011 and the regulations thereunder.) Such depreciation shall be based upon the remaining portion of the period authorized under section 167 and the regulations thereunder for such property as determined as of the first day of the first month as of which the amortization deduction is not applicable. In the case of such a discontinuance of the amortization deduction under subparagraph (1) or (2) of § 1.184–5(b), the taxpayer shall not be entitled to any further amortization deduction under section 184(a) and § 1.184–1 with respect to such railroad rolling stock.

(c) *Depreciation in the case of revocation of amortization.* In the case of a revocation of an election under section 184(a) the deduction for depreciation shall begin as of the time such depreciation deduction would have been taken but for the election under section 184(a). See paragraph (b)(3) of § 1.184–5 for rules as to the filing of amended returns for taxable years for which amortization deductions have been taken.

PAR. 2. Subdivision (iii) of § 1.179–1 (e)(1) is amended to add a new (c) to read as follows:

§ 1.179–1 Additional first-year depreciation allowance.

* * * * *

(e) *When allowance is available.* (1) * * *

(iii) * * *

(c) Qualified railroad rolling stock which the taxpayer elects to amortize under the provisions of section 184.

* * * * *

[FR Doc.71–12399 Filed 8–25–71;8:45 am]

DEPARTMENT OF AGRICULTURE

Consumer and Marketing Service

[7 CFR Ch. IX]

[Docket No. AO–373]

LETTUCE GROWN IN CALIFORNIA, ARIZONA, COLORADO, NEW MEXICO, AND A DESIGNATED PART OF TEXAS

Notice of Extension of Time for Filing Written Exceptions to Recommended Decision on Proposed Marketing Agreement and Order

Pursuant to the Agricultural Marketing Agreement Act of 1937, as amended (secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674), and the applicable rules of practice and procedure governing proceedings to formulate marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given that the time fixed in the recommended decision, dated July 29, 1971, (36 F.R. 14316), with respect to proposed marketing agreement and order regulating the handling of western lettuce, for filing written exceptions to such decision is hereby extended 20 days, to and including September 13, 1971.

Requests for a longer extension have been made. However, if a program is to be submitted to growers for approval within a reasonable period of time, it is necessary that all exceptions to the recommended decision be filed not later than September 13, 1971. The time for filing exceptions is extended accordingly.

Dated: August 23, 1971.

JOHN C. BLUM,
Deputy Administrator,
Regulatory Programs.

[FR Doc.71–12550 Filed 8–25–71;8:51 am]

[7 CFR Part 68]

DRY PEAS, SPLIT PEAS, AND LENTILS

Proposed Standards

Pursuant to sections 203 and 205 of the Agricultural Marketing Act of 1946, 60 Stat. 1087 and 1090, as amended (7 U.S.C. 1622 and 1624) notice is hereby given according to the administrative procedure provisions of 5 U.S.C., section 553, that the U.S. Department of Agriculture has under consideration a proposed revision of the United States Standards for Dry Peas (7 CFR 68.401 et seq.), Split Peas (7 CFR 68.501 et seq.), and Lentils (7 CFR 68.601 et seq.).

Statement of considerations. The Agricultural Marketing Act of 1946, as amended, provides for the issuance by the Secretary of Agriculture of standards with respect to the quality, condition, quantity, grade, and packaging of agricultural commodities for the voluntary use by producers, merchandisers, processors, and consumers in the domestic marketing of these commodities. Official grading service is provided under the Act upon request of the applicant and payment of a fee to cover the cost of the service.

Comments and recommendations from the pulse industry, including producers, merchandisers, processors, and foreign importers, and a comprehensive review by the Department indicate that certain changes should be made in the U.S. Standards for Dry Peas, Split Peas, and Lentils as follows:

1. Revise the format of the standards by:

a. Arranging the definitions in alphabetical order—for ease in use.

b. Showing color requirements in columnar form instead of the present footnotes—for ease in using the standards. (The minimum color requirements for the grades U.S. Nos. 1 and 2 dry peas, split peas, and lentils would be, respectively, "Good Color" and "Fair Color"; and for U.S. No. 3 dry peas and split peas, "Poor Color.")

c. Combining the present grade tables for Green Split Peas and Yellow Split Peas and Winter Split Peas into one grade table—for ease in use.

d. Deleting the definition for "Grades" from "Terms Defined"—the term is adequately defined in "Grades, Grade Requirements, and Grade Designations."

2. Expand the definition for dry peas, split peas, and lentils.

3. Provide a definition for whole dry peas and whole lentils—to more clearly define the basic requirements for the commodities.

4. Add "Fair Color" as a part of the color factor—to provide an additional level for this factor.

5. Change the definition for U.S. Sample grade by adding the following factors now included under "otherwise of distinctly low quality": "* * * an unknown foreign substance, broken glass, or metal fragments; * * *"—for a more complete listing.

6. Clarify the wording concerning the percentage of cracked seedcoats that shall be included in total defective peas in thresher-run dry peas of the classes with smooth seedcoats—to conform with approved inspection practices.

7. Provide definitions and maximum limits for "heat-damaged peas," "heat-damaged split peas," and "heat-damaged lentils," respectively—to provide maximum limits for peas or lentils that are severely damaged by heat.

8. Provide that when dry peas, split peas, and lentils are distinctly soiled or stained by nightshade, dirt, or similar material they shall be scored as "damaged"—to provide standards for scoring this defect.

9. Increase the maximum limits for "peas with cracked seedcoats" in the standards for dry peas by 0.5 percentage points for U.S. grades Nos. 1, 2, and 3—so the standards more nearly conform with current crop quality after harvest.

10. Provide that moisture content shall be determined in accordance with procedures prescribed by the Department as set forth in the official Equipment Manual.

11. Provide a priority order for scoring the defect factors in split peas and lentils—to avoid the multiple scoring of any one factor.

12. Provide that percentages shall be stated in whole and tenths percent to the nearest tenth of a percent—there is no provision in the present standards for "rounding off" percentages.

13. Provide that visual aide illustrating the subjective factors shall be made available for the inspection of these commodities.

14. Provide that the "color" factor in lentils shall be determined after the removal of defective lentils and foreign material—to avoid the possibility of overscoring the "color" factor.

15. Make minor editorial changes in the interest of clarity.

The Department proposes that the U.S. Standards for Dry Peas, Split Peas, and Lentils be revised to read as follows:

U.S. STANDARDS FOR DRY PEAS[1]

TERMS DEFINED

§ 68.401 **Definitions.**

For the purposes of these standards the following terms shall have the meanings stated below:

(a) *Bleached peas.* Whole and pieces of dry peas of green-colored varieties which are bleached distinctly yellow in color or peas of yellow-colored varieties which are bleached distinctly green in color.

(b) *Classes.* (1) Dry peas shall be divided into the following nine classes:

Alaska Dry Peas;
Austrian Winter Dry Peas;
Colorado White Dry Peas;
First and Best Dry Peas;
Perfection Dry Peas;
Romack Dry Peas; Surprise Dry Peas; White Canada Dry Peas; Mixed Dry Peas.

(2) Mixed dry peas shall be dry peas which contain either more than 1.5 percent of contrasting peas or more than 15.0 percent of peas that blend.

(3) Except with respect to the class Mixed Dry Peas, each class may contain not more than 1.5 percent of contrasting

[1] Compliance with the provisions of these standards does not excuse failure to comply with the provisions of the Federal Food, Drug, and Cosmetic Act, or other Federal laws.

peas or not more than 15.0 percent of peas that blend.

(4) Dry peas that are not within any class listed above shall be classified according to the commonly accepted commercial name of such peas.

(c) *Contrasting peas.* Whole and pieces of dry peas which are of a contrasting color, or which differ materially in size, shape, or other characteristics from the predominating class.

(d) *Damaged peas.* Whole and pieces of dry peas which are distinctly damaged by frost, weather, disease, heat (other than to a material extent), or other causes, except weevil or material heat damage, or are distinctly soiled or stained by nightshade, dirt, or toxic material.

(e) *Defective peas.* The categories of defective peas shall be weevil-damaged peas, heat-damaged peas, damaged peas, contrasting peas, bleached peas, split peas, shriveled peas, or peas with cracked seedcoats.

(f) *Dockage.* Small underdeveloped dry peas, pieces of dry peas, and all matter other than dry peas which can be removed readily by the use of sieves and cleaning devices as set forth in the Inspection Handbook (see § 68.406).

(g) *Dockage-free dry peas.* Dry peas from which the dockage has been removed.

(h) *Dry peas.* Threshed seeds of the garden pea plant (*Pisum sativum* L.) and the winter field pea plant (*Pisum sativum* var. *arvense* (L.) Poir.) which after the removal of dockage contain 50 percent or more of whole peas and not more than 10.0 percent of foreign material.

(i) *Fair color peas.* Dry peas that in mass are off color from the characteristic color of the predominating class as a result of age or any other cause.

(j) *Foreign material in dockage-free dry peas.* All matter other than dry peas, and including detached seedcoats.

(k) *Foreign material in thresher-run dry peas.* All matter other than dry peas, and including detached seedcoats, which cannot be readily removed in the determination of dockage.

(l) *Good color peas.* Dry peas that in mass are practically free from discoloration and have the natural color and appearance characteristics of the predominating class.

(m) *Heat-damaged peas.* Whole and pieces of dry peas which have been materially discolored as a result of heating.

(n) *Peas with cracked seedcoats.* Dry peas having readily discernible cracked seedcoats or peas which have all or a part of the seedcoat removed, and broken peas which are more than one-half of a whole pea.

(o) *Peas that blend.* Dry peas of classes other than the predominating class and which are similar in color, size, and shape to the predominating class.

(p) *Poor color peas.* Dry peas that in mass are distinctly off color from the characteristic color of the predominating class as a result of age or any other cause.

(q) *Shriveled peas.* Dry peas which are distinctly shriveled in contrast to the natural shape and appearance of the predominating peas in the sample.

(r) *Split peas.* The halves or smaller pieces of dry peas and dry peas in which the halves are loosely held together.

(s) *Thresher-run dry peas.* Dry peas from which the dockage has not been removed.

(t) *Weevil-damaged peas.* Whole and pieces of dry peas which are distinctly damaged by the pea weevil or other insects.

(u) *Whole peas.* Dry peas with one-fourth or less of the cotyledons removed and with the remainder of the cotyledons firmly held together.

(v) *Wrinkled peas.* Dry peas of the wrinkled varieties of garden peas.

(w) $^{10}/_{64}$ x $^{3}/_{4}$ *slotted-hole sieve.* A metal sieve 0.0319 inch thick, with slotted perforations 0.1562 ($^{10}/_{64}$) inch wide by 0.750 ($^{3}/_{4}$) inch long, which are 0.2812 ($^{9}/_{32}$) inch from center to center and with 0.1562 ($^{5}/_{32}$) inch end bridges. (The perforations of each row shall be staggered in relation to the adjacent rows.)

(x) $^{11}/_{64}$ x $^{3}/_{4}$ *slotted-hole sieve.* A metal sieve 0.0319 inch thick, with slotted perforations 0.1718 ($^{11}/_{64}$) inch wide by 0.750 ($^{3}/_{4}$) inch long, which are 0.3125 ($^{5}/_{16}$) inch from center to center and with 0.1562 ($^{5}/_{32}$) inch end bridges. (The perforations of each row shall be staggered in relation to the adjacent rows).

(y) $^{15}/_{64}$ *round-hole sieve.* A metal sieve 0.0319 inch thick, perforated with round holes 0.2343 ($^{15}/_{64}$) inch in diameter, which are 0.3125 ($^{5}/_{16}$) inch from center to center. (The perforations of each row shall be staggered in relation to the adjacent rows.)

(z) $^{16}/_{64}$ *round-hole sieve.* A metal sieve 0.0319 inch thick, perforated with round holes 0.250 ($^{16}/_{64}$) inch in diameter, which are 0.3750 ($^{3}/_{8}$) inch from center to center. (The perforations of each row shall be staggered in relation to the adjacent rows.)

PRINCIPLES GOVERNING APPLICATION OF STANDARDS

§ 68.402 Basis of determinations.

(a) All factor determinations shall be made upon the basis of the dry peas after the removal of dockage with the following exceptions:

(1) Dockage in thresher-run dry peas shall be determined upon the basis of the peas as sampled.

(2) Color shall be determined after the removal of dockage, defective peas, and foreign material.

(b) Defects in peas shall be scored in accordance with the order shown in § 68.401(e) and once an individual pea is scored in a defective category it shall not be scored for any other defect but it shall remain as a part of the sample for purposes of determining the percentages of other defects in the sample.

§ 68.403 Moisture.

Moisture content shall be determined by the use of equipment and procedures set forth in the Equipment Manual, GR Instruction 916–6, or by any method which gives equivalent results (see § 68.406).

§ 68.404 Percentages.

All percentages shall be determined on the basis of weight and shall be rounded off in accordance with instructions shown in Inspection Handbook HB–1 (see § 68.406). Percentages, except for classes in "Mixed Dry Peas," shall be stated in whole and tenth percent to the nearest tenth percent. The percentages for classes in "Mixed Dry Peas" shall be stated to the nearest whole percent.

§ 68.405 Interpretive line samples.

Interpretive line samples showing the official scoring line for factors that are determined by visual observation shall be maintained by the Grain Division, Consumer and Marketing Service, U.S. Department of Agriculture, and shall be available for reference in all inspection offices that inspect and grade dry peas.

§ 68.406 References.

The following publications are referenced in these standards. Copies will be made available upon request to the Grain Division, Consumer and Marketing Service, U.S. Department of Agriculture.

(a) Equipment Manual, GR Instruction 916–6, U.S. Department of Agriculture, Consumer and Marketing Service.

(b) Inspection Handbook, HB–1, U.S. Department of Agriculture, Consumer and Marketing Service.

GRADES, GRADE REQUIREMENTS, AND GRADE DESIGNATIONS

§ 68.407 Grades and grade requirements for dockage-free dry peas.

(See also § 68.409.)

	Maximum limits of—										
	Defective peas										Minimum requirements—color
	Weevil-damaged peas	Heat-damaged peas	Damaged peas	Contrasting peas [2]	Bleached peas [2]	Split peas	Shriveled peas	Peas with cracked seedcoats	Peas that blend [3]	Foreign material	
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	
U.S. No. 1 [1]	0.3	0.2	1.0	0.3	1.5	0.5	2.0	3.5	5.0	0.1	Good.
U.S. No. 2 [1]	0.8	0.5	1.5	0.8	3.0	1.0	4.0	5.5	10.0	0.2	Fair.
U.S. No. 3 [1]	1.5	1.0	2.0	1.5	5.0	1.5	8.0	7.5	15.0	0.5	Poor.
U.S. Sample grade	U.S. Sample grade shall be dry peas which: (a) Do not meet the requirements for the grades U.S. Nos. 1, 2, or 3; or (b) Contain more than 15.0 percent moisture, live weevils or other live insects, metal fragments, broken glass, or a commercially objectionable odor; or (c) Are materially weathered, heating, or distinctly low quality.										

[1] Size requirements: Dry peas of any of the numerical grades shall be of such size that not more than 3.0 percent of the peas will pass readily through an oblong-hole sieve with perforations of the dimensions used in the determination of dockage on Thresher-run dry peas of the respective classes.

[2] These limits do not apply to the class Mixed Dry Peas.

[3] These limits do not apply to winter field peas and wrinkled garden peas.

§ 68.408 Grade designation for dockage-free dry peas.

The grade designation for dockage-free dry peas shall include, in the order named, the letters "U.S."; the number of the grade or the words "Sample grade"; the name of each applicable special grade; and the name of the class. The grade designation for the class Mixed Dry Peas shall also include, following the words "Mixed Dry Peas," the name and approximate percentage of each class of dry peas in the mixture, in the order of predominance.

SPECIAL GRADES, SPECIAL GRADE REQUIREMENTS, AND SPECIAL GRADE DESIGNATIONS

§ 68.409 Special grades and requirements.

The following special grades shall be applicable:

(a) *Large dry peas.* Peas of the classes Alaska Dry Peas, First and Best Dry Peas, and White Canada Dry Peas, of which not more than 3 percent of the peas will readily pass through the following sieves for the respective classes:

	Round-hole sieve
Alaska Dry Peas	16/64
First and Best Dry Peas	16/64
White Canada Dry Peas	15/64

(b) *Small dry peas.* Peas of the classes Alaska Dry Peas, First and Best Dry Peas, and White Canada Dry Peas, of which not more than 3 percent of the peas will remain on the sieve prescribed in paragraph (a) of this section, for the respective class, and not more than 3 percent will readily pass through the following sieves for the respective classes.

	Slotted-hole sieve
Alaska Dry Peas	11/64 x ¾
First and Best Dry Peas	11/64 x ¾
White Canada Dry Peas	10/64 x ¾

§ 68.410 Special grade designation.

Large dry peas and Small dry peas shall be graded and designated according to the grade requirements of the standards otherwise applicable to such dry peas, and there shall be added to and made a part of the grade designation preceding the name of the class the applicable word "Large" or "Small."

§ 68.411 Thresher-run dry peas.

Threasher-run dry peas shall be inspected without reference to grade in accordance with instructions shown in Inspection Handbook HB–1 (see § 68.406).

(a) *Factor determinations.* Threasher-run dry peas may be inspected for the following factors: Class, dockage, defective peas, foreign material, peas that blend, color description, and moisture (moisture becomes a factor when in excess of 15.0 percent).

(b) The percentage of defective peas and foreign material shall be combined and shown on the certificate as "total defects and foreign material."

(c) For the classes Alaska Dry Peas, First and Best Dry Peas, and other smooth seeded varieties, only the percentage of peas with cracked seedcoats in excess of 3.0 percent shall be included in the factor "total defects and foreign material." (Example: In a sample containing 3.2 percent of peas with cracked seedcoats, only 0.2 percent would be included in the total defects and foreign material.)

U.S. STANDARDS FOR SPLIT PEAS [1]

TERMS DEFINED

§ 68.501 Definitions.

For the purposes of these standards the following terms shall have the meanings stated below:

(a) *Bleached split peas.* Split peas of green-colored varieties which are bleached distinctly yellow in color or split peas of yellow-colored varieties which are bleached distinctly green in color.

(b) *Classes.* The following three classes:

(1) *Green split peas.* Split peas from the garden varieties which have green-colored cotyledons.

(2) *Yellow split peas.* Split peas from the garden varieties which have yellow-colored cotyledons.

(3) *Winter split peas.* Split peas from the Austrian Winter or Romack varieties, or of other similar varieties.

[1] Compliance with the provisions of these standards does not excuse failure to comply with the provisions of the Federal Food, Drug, and Cosmetic Act, or other Federal laws.

(c) *Contrasting split peas.* Split peas which are of a color contrasting with the predominating class of split peas. Bleached split peas of the predominating class shall not be considered as contrasting split peas.

(d) *Damaged split peas.* Split peas which are distinctly damaged by frost, weather, disease, heat (other than to a material extent), or other causes (except weevil or material heat damage), or are distinctly soiled or stained by nightshade, dirt, or toxic material.

(e) *Defective split peas.* The categories of defective split peas shall be weevil-damaged split peas, heat-damaged split peas, damaged split peas, contrasting split peas, whole peas, white caps, and bleached split peas.

(f) *Fair color split peas.* Split peas that in mass are off color from the characteristic color of the predominating class as a result of age or any other cause.

(g) *Foreign material.* All matter which will pass readily through a 2½/64 round-hole sieve and all matter other than split peas which remains on the sieve. (Foreign material shall include detached seedcoats and pieces of detached seedcoats.)

(h) *Good color split peas.* Split peas that in mass are practically free from discoloration and have the natural color and appearance characteristic of the predominating class.

(i) *Heat-damaged split peas.* Split peas which have been materially discolored and damaged by heat.

(j) *Poor color split peas.* Split peas that in mass are distinctly off color from the characteristic color of the predominating class as a result of age or any other cause.

(k) *Split peas.* Dry threshed seeds of the garden pea plant (*Pisum sativum* L.) and the winter field pea plant (*Pisum sativum* var. *arvense* (L.) Poir.) of which 50 percent or more have been split into halves or smaller pieces and which contain not more than 10.0 percent of foreign material.

(l) *Weevil-damaged split peas.* Split peas which are distinctly damaged by the pea weevil or other insects.

(m) *White caps.* Split peas with seedcoats attached.

(n) *Whole peas.* Dry peas which are not split.

(o) $2\frac{1}{2}/64$ *round-hole sieve.* A $2\frac{1}{2}/64$ round-hole sieve shall be a metal sieve 0.0319 inch thick, perforated with round holes 0.0391 ($2\frac{1}{2}/64$) inch in diameter, which are 0.075 inch from center to center. (The perforations of each row shall be staggered in relation to the adjacent rows.)

(p) $\frac{9}{64}$ *round-hole sieve.*

A $\frac{9}{64}$ round-hole sieve shall be a metal sieve 0.0319 inch thick, perforated with round holes 0.0938 ($\frac{9}{64}$) inch in diameter which are 0.1562 ($\frac{5}{32}$) inch from center to center. (The perforations of each row shall be staggered in relation to the adjacent rows.)

(q) $\frac{5}{64}$ *round-hole sieve.*

An $\frac{5}{64}$ round-hole sieve shall be a metal sieve 0.0319 inch thick, perforated with round holes 0.1250 ($\frac{5}{64}$) inch in diameter which are 0.1875 ($\frac{3}{16}$) inch from cented to center. (The perforations of each row shall be staggered in relation to the adjacent rows.)

(r) $\frac{19}{64}$ *round-hole sieve.*

A $\frac{19}{64}$ round-hole sieve shall be a metal sieve 0.0319 inch thick, perforated with round holes 0.1562 ($\frac{19}{64}$) inch in diameter which are 0.2187 ($\frac{7}{32}$) inch from center to center. (The perforations of each row shall be staggered in relation to the adjacent rows.)

(s) $\frac{13}{64}$ *round-hole sieve.*

A $\frac{13}{64}$ round-hole sieve shall be a metal sieve 0.0319 inch thick, perforated with round holes 0.1875 ($\frac{13}{64}$) inch in diameter which are 0.250 ($\frac{1}{4}$) inch from center to center. (The perforations of each row shall be staggered in relation to the adjacent rows.)

PRINCIPLES GOVERNING APPLICATION OF STANDARDS

§ 68.502 Basis of determinations.

(a) All factor determinations shall be made on the basis of the split peas as sampled.

(b) Defects in split peas shall be scored in accordance with the order shown in § 68.501(e) and once an individual pea is scored in a defective category it shall not be scored for any other defect but it shall remain as a part of the sample for purposes of determining the percentages of other defects in the sample.

§ 68.503 Moisture.

Moisture content shall be determined by the use of equipment and procedures set forth in the Equipment Manual, GR Instruction 916–6, or by any method which gives equivalent results (see § 68.506).

§ 68.504 Percentages.

All percentages shall be determined on the basis of weight and shall be rounded off in accordance with instructions shown in Inspection Handbook HB–1 (see § 68.506). Percentages shall be stated in whole and tenth percent to the nearest tenth percent.

§ 68.505 Interpretive line samples.

Interpretive line samples showing the official scoring line for factors that are determined by visual observation shall be maintained by the Grain Division, Consumer and Marketing Service, U.S. Department of Agriculture, and shall be available for reference in all inspection offices that inspect and grade split peas.

§ 68.506 References.

The following publications are referenced in these standards. Copies will be made available upon request to the Grain Division, Consumer and Marketing Service, U.S. Department of Agriculture.

(a) Equipment Manual, GR Instruction 916–6, U.S. Department of Agriculture, Consumer and Marketing Service.

(b) Inspection Handbook, HB–1, U.S. Department of Agriculture, Consumer and Marketing Service.

GRADES, GRADE REQUIREMENTS, AND GRADE DESIGNATIONS

§ 68.507 Grades and grade requirements for split peas.

(See also § 68.509.)

Grade	Maximum limits of—													
	Defective Peas													
	Split peas passing through—			Weevil-damaged split peas	Heat-damaged split peas	Damaged peas	Contrasting split peas		Whole peas	White caps		Bleached peas in Green and Yellow Split Peas only	Foreign material	Minimum requirements—color
	$\frac{13}{64}$ round-hole sieve	$\frac{9}{64}$ round-hole sieve	$\frac{5}{64}$ round-hole sieve				In Green and Yellow Split Peas only	In Winter Split Peas only		In Green and Yellow Split Peas only	In Winter Split Peas only			
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	
U.S. No. 1	3.0	0.5	0.1	0.5	0.2	1.0	0.3	0.5	0.5	1.0	1.5	1.5	0.1	Good.
U.S. No. 2	15.0	3.0	0.2	1.0	0.5	1.5	0.8	1.0	1.0	2.0	3.0	3.0	0.2	Fair.
U.S. No. 3	25.0	5.0	0.3	1.5	1.0	2.0	1.5	2.0	2.0	3.0	5.0	5.0	0.5	Poor.
U.S. Sample grade	U.S. Sample grade shall be split peas which— (a) Do not meet the requirements for the grades U.S. Nos. 1, 2, or 3; or (b) Contain more than 15.0 percent moisture, live weevils, other live insects, insect webbing or filth, metal fragments, broken glass, or a commercially objectionable odor; or (c) Are heating, or are distinctly low quality.													

§ 68.508 Grade designation for split peas.

The grade designation for split peas shall include in the following order, the letters "U.S."; the number of the grade or the words "Sample grade"; the name of the class; and the name of each applicable special grade.

SPECIAL GRADE, SPECIAL GRADE REQUIREMENTS, AND SPECIAL GRADE DESIGNATIONS

§ 68.509 Special grade and requirements.

(a) The special grade "Split pea chips" shall be applied in accordance with the following requirements: The split peas shall readily pass through a $\frac{13}{64}$ round-hole sieve. Additional size requirements for the respective numerical grades shall be as follows:

U.S. No. 1—Not more than 3.0 percent shall readily pass through a $\frac{9}{64}$ round-hole sieve;

U.S. No. 2—Not more than 6.0 percent shall readily pass through a $\frac{9}{64}$ round-hole sieve;

U.S. No. 3—Not more than 10.0 percent shall readily pass through a $\frac{9}{64}$ round-hole sieve.

§ 68.510 Special grade designation.

Split pea chips shall be graded and designated according to the grade requirements of the standards otherwise applicable to split peas, except for size, and there shall be added to and made a part of the grade designation, the word "Chips."

U.S. STANDARDS FOR LENTILS [1]

TERMS DEFINED

§ 68.601 Definitions.

For the purposes of these standards the following terms shall have the meaning stated below.

(a) *Classes.* The following three classes:

(1) *Lentils.* All lentils of the Chilean type.

(2) *Persian Lentils.* All lentils of the Persian type.

[1] Compliance with the provisions of these standards does not excuse failure to comply with the provisions of the Federal Food, Drug, and Cosmetic Act, or other Federal laws.

(3) *Mixed Lentils.* All lentils which do not meet the requirements for the class Lentils or Persian Lentils.

(b) *Damaged lentils.* Whole and pieces of lentils which are distinctly damaged by frost, weather, disease, heat (other than to a material extent) or other causes, except weevil or material heat damage or are distinctly soiled or stained by nightshade, dirt, or toxic material.

(c) *Defective lentils (total).* The categories of defective lentils shall be weevil-damaged lentils, heat-damaged lentils, damaged lentils, and split lentils.

(d) *Dockage.* Small underdeveloped lentils, pieces of lentils, and all matter other than lentils which can be readily removed by use of sieves and cleaning devices as set forth in the Inspection Handbook (see § 68.606).

(e) *Dockage-free lentils.* Lentils from which the dockage has been removed.

(f) *Fair color lentils.* Lentils that are not of good color.

(g) *Foreign material in dockage-free lentils.* All matter other than lentils, and including detached seedcoats.

(h) *Foreign material in thresher-run lentils.* All matter other than lentils, and including detached seedcoats, which cannot be readily removed in the proper determination of dockage.

(i) *Good color lentils.* Lentils that in mass are practically free from discoloration and have the natural color and appearance characteristic of the predominating lentils.

(j) *Heat-damaged lentils.* Whole and pieces of lentils which have been materially discolored as a result of heating.

(k) *Lentils.* Threshed seeds of the lentil plant (*Lens culinaris* Moench) which after removal of the dockage contain 50 percent or more of whole lentils and not more than 10 percent foreign material.

(l) *Skinned lentils.* Lentils from which three-fourths or more of the seedcoat has been removed.

(m) *Split lentils.* Pieces of lentils which are less than three-fourths of a lentil, and lentils in which the cotyledons are loosely held together.

(n) *Stones.* Concreted earthy or mineral matter, and other substances or similar hardness that do not readily disintegrate in water.

(o) *Thresher-run lentils.* Lentils from which the dockage has not been removed.

(p) *Weevil-damaged lentils.* Whole and pieces of lentils which are distinctly damaged by weevils or other insects.

(q) *Whole lentils.* Lentils with one-fourth or less of the cotyledons removed and with the remainder of the cotyledons firmly held together.

(r) *$^{9}/_{64}$ round-hole sieve.* A metal sieve 0.0319 inch thick, perforated with round holes 0.1406 ($^{9}/_{64}$) inch in diameter which are 0.1875 ($^{3}/_{16}$) inch from center to center. (The perforations of each row shall be staggered in relation to the adjacent rows.)

(s) *$^{12}/_{64}$ round-hole sieve.* A metal sieve 0.0319 inch thick, perforated with round holes 0.1875 ($^{12}/_{64}$) inch in diameter, which are 0.250 ($^{1}/_{4}$) inch from center to center. (The perforations of each row shall be staggered in relation to the adjacent rows.)

(t) *$^{15}/_{64}$ round-hole sieve.* A metal sieve 0.0319 inch thick, perforated with round holes 0.2343 ($^{15}/_{64}$) inch in diameter, which are 0.3125 ($^{5}/_{16}$) inch from center to center. (The perforations of each row shall be staggered in relation to the adjacent rows.)

PRINCIPLES GOVERNING APPLICATION OF STANDARDS

§ 68.602 Basis of determinations.

(a) All factor determinations shall be made upon the basis of the lentils after the removal of dockage, with the following exceptions:

(1) Dockage shall be determined upon the basis of the thresher-run lentils as sampled.

(2) Color shall be determined after removal of dockage, defective peas, and foreign material.

(b) Defects in lentils shall be scored in accordance with the order shown in § 68.601(c) and once an individual lentil is scored in a defective category it shall not be scored for any other defect but it shall remain as a part of the sample for purposes of determining the percentages of other defects in the sample.

§ 68.603 Moisture.

Moisture content shall be determined by the use of equipment and procedures set forth in the Equipment Manual, GR Instruction 916–6, or by any method which gives equivalent results (see § 68.606).

§ 68.604 Percentages.

All percentages shall be determined on the basis of weight and shall be rounded off in accordance with instructions shown in Inspection Handbook HB–1 (see § 68.606). Percentages, except for classes in "Mixed Lentils," shall be stated in whole and tenth percent to the nearest tenth percent. The percentages for each class in "Mixed Lentils" shall be stated to the nearest whole percent.

§ 68.605 Interpretive line samples.

Interpretive line samples showing the official scoring line for factors that are determined by visual observation shall be maintained by the Grain Division, Consumer and Marketing Service, U.S. Department of Agriculture, and shall be available for reference in all inspection offices that inspect and grade lentils.

§ 68.606 References.

The following publications are referenced in these standards. Copies will be made available upon request to Grain Division, Consumer and Marketing Service, U.S. Department of Agriculture.

(a) Equipment Manual, GR Instruction 916–6, U.S. Department of Agriculture, Consumer and Marketing Service.

(b) Inspection Handbook, HB–1, U.S. Department of Agriculture, Consumer and Marketing Service.

GRADES, GRADE REQUIREMENTS, AND GRADE DESIGNATIONS

§ 68.607 Grades and grade requirements for dockage-free lentils.

(See also § 68.609.)

Grade	Maximum limits of—					Minimum requirements—color
	Defective lentils			Foreign material		
	Total	Weevil-damaged lentils	Heat-damaged lentils	Total	Stones	
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	
U.S. No. 1	2.0	0.3	0.2	0.2	0.1	Good.
U.S. No. 2	3.5	0.8	0.5	0.5	0.2	Fair.
U.S. Sample grade	U.S. Sample grade shall be lentils which— (a) Do not meet the requirements for the grades U.S. Nos. 1 or 2; or (b) Contain more than 14.0 percent moisture, live weevils or other live insects, metal fragments, broken glass, or a commercially objectionable odor; or (c) Are materially weathered, heating, or distinctly low quality.					

§ 68.608 Grade designation for dockage-free lentils.

The grade designation for dockage-free lentils shall include, in the order named, the letters "U.S."; the number of the grade or the words "Sample grade" when applicable; the name of each applicable special grade; and the name of the class. The grade designation for the class Mixed Lentils shall include, following the words "Mixed Lentils," the name and approximate percentage of each class of lentils in the mixture, in the order of predominance.

SPECIAL GRADES, SPECIAL GRADE REQUIREMENTS, AND SPECIAL GRADE DESIGNATIONS

§ 68.609 Special grades and requirements.

The following special grades shall be applicable:

(a) *Large lentils.* Lentils of the class Lentils of which not more than 3 percent will readily pass through a $^{15}/_{64}$ round-hole sieve.

(b) *Small lentils.* Lentils of the class Lentils of which 95 percent or more will readily pass through a $^{15}/_{64}$ round-hole sieve, not less than 80 percent will readily pass through a $^{12}/_{64}$ round-hole sieve, and not more than 3 percent will readily pass through a $^{9}/_{64}$ round-hole sieve.

§ 68.610 Special grade designation.

Large lentils and Small lentils shall be graded and designated according to the grade requirements of the standards otherwise applicable to lentils, and there shall be added to and made a part of the grade designation preceding the name of the class, the applicable term "Large" or "Small."

§ 68.611 Thresher-run lentils.

Thresher-run lentils shall be inspected without reference to grade in accordance

with instructions shown in Inspection Handbook HB-1 (see § 68.606).

(a) Factor determinations: Thresherrun lentils may be inspected for the following factors: Class, dockage, weevil-damaged lentils, heat-damaged lentils, damaged lentils, split lentils, foreign material, and color description.

(b) The percentage of defective lentils and foreign material shall be combined and shown on the certificate as "total defects and foreign material."

Comments and proposed effective date. If the proposed changes as set forth herein are adopted, it is intended that the changes be made effective on or about October 1, 1971.

Public hearings will not be held with respect to the above proposed amendments, but all persons who desire to submit written data, views, or recommendations in connection with these proposals may file the same in duplicate with the Hearing Clerk, U.S. Department of Agriculture, Room 112, Administrative Building, Washington, D.C. 20250, not later than 30 days after the proposal has been published in the FEDERAL REGISTER. All comments filed will be available for public inspection during official hours of business (7 CFR 1.27(b)).

In deciding on the proposed changes in the aforementioned sections, consideration will be given to all written comments filed with the Hearing Clerk and to all other information available to the U.S. Department of Agriculture.

Copies of the current standards for dry peas, split peas, and lentils may be obtained from the Director, Grain Division, Consumer and Marketing Service, 6525 Belcrest Road, Hyattsville, MD 20782, or from any field office of the Grain Division. Field office locations can be found in the telephone directory.

Signed at Washington, D.C., on August 18, 1971.

G. R. GRANGE,
Deputy Administrator, Marketing Services.

[FR Doc.71-12333 Filed 8-25-71;8:45 am]

[7 CFR Part 931]

FRESH BARTLETT PEARS GROWN IN OREGON AND WASHINGTON

Notice of Proposed Rule Making With Respect to Expenses and Fixing of Rate of Assessment for 1971–72 Fiscal Period and Carryover of Unexpended Funds

Consideration is being given to the following proposals submitted by the Northwest Fresh Bartlett Pear Marketing Committee, established pursuant to the marketing agreement and Order No. 931 (7 CFR Part 931), regulating the handling of fresh Bartlett pears grown in Oregon and Washington, effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), as the agency to administer the terms and provisions thereof:

(1) That expenses that are reasonable and likely to be incurred by the Northwest Fresh Bartlett Pear Marketing Committee, during the period July 1, 1971, through June 30, 1972, will amount to $17,300.

(2) That the rate of assessment for such period, payable by each handler in accordance with § 931.41 be fixed at $0.01 per standard western pear box of pears, or an equivalent quantity of pears in other containers or in bulk.

(3) That unexpended funds in excess of expenses incurred during the fiscal period ended June 30, 1971, be carried over as a reserve in accordance with § 931.42 of the said marketing agreement and order.

All persons who desire to submit written data, views, or arguments in connection with the aforesaid proposals shall file the same, in quadruplicate, with the Hearing Clerk, U.S. Department of Agriculture, Room 112A, Administration Building, Washington, D.C. 20250, not later than the 10th day after the publication of this notice in the FEDERAL REGISTER. All written submissions made pursuant to this notice will be made available for public inspection at the office of the Hearing Clerk during regular business hours (7 CFR 1.27(b)).

Dated: August 20, 1971.

PAUL A. NICHOLSON,
Acting Director, Fruit and Vegetable Division, Consumer and Marketing Service.

[FR Doc.71-12489 Filed 8-25-71;8:48 am]

[7 CFR Part 981]

ALMONDS GROWN IN CALIFORNIA

Proposed Expenses of the Control Board and Rate of Assessment for the 1971–72 Crop Year

Notice is hereby given of a proposal regarding expenses of the Almond Control Board for the 1971–72 crop year and rate of assessment for that crop year, pursuant to §§ 981.80 and 981.81 of the marketing agreement, as amended, and Order No. 981, as amended (7 CFR Part 891), regulating the handling of almonds grown in California. The amended marketing agreement and order are effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674).

The Control Board has unanimously recommended for the 1971–72 crop year beginning July 1, 1971, a budget of expenses in the total amount of $115,000 and an assessment rate of 0.09 cent per pound of almonds (kernel weight basis). Expenses in that amount and the assessment rate are specified in the proposal hereinafter set forth.

All persons who desire to submit written data, views, or arguments in connection with the aforesaid proposal should file the same, in quadruplicate, with the Hearing Clerk, U.S. Department of Agriculture, Room 112, Administrative Building, Washington, DC 20250, to be received not later than the 8th day after publication of this notice in the FEDERAL REGISTER. All written submissions made pursuant to this notice will be made available for public inspection at the office of the Hearing Clerk during regular business hours (7 CFR 1.27(b)).

The proposal is as follows:

§ 981.321 Expenses of the Control Board and rate of assessment for the 1971–72 crop year.

(a) *Expenses.* Expenses in the amount of $115,000 are reasonable and likely to be incurred by the Control Board during the crop year beginning July 1, 1971, for its maintenance and functioning and for such purposes as the Secretary may, pursuant to the provisions of this part, determine to be appropriate.

(b) *Rate of assessment.* The rate of assessment for said crop year, payable by each handler in accordance with § 981.81, is fixed at 0.09 cent per pound of almonds (kernel weight basis).

Dated: August 20, 1971.

PAUL A. NICHOLSON,
Acting Director, Fruit and Vegetable Division, Consumer and Marketing Service.

[FR Doc.71-12488 Filed 8-25-71;8:48 am]

[7 CFR Part 991]

HOPS OF DOMESTIC PRODUCTION

Proposed Expenses of the Hop Administrative Committee and Rate of Assessment for the 1971–72 Marketing Year

Notice is hereby given of a proposal regarding expenses of the Hop Administrative Committee for the 1971–72 marketing year and rate of assessment for that marketing year, pursuant to §§ 991.55 and 991.56 of Order No. 991, as amended (7 CFR Part 991). The amended marketing order regulates the handling of hops of domestic production, and is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674).

The Hop Administrative Committee has recommended for the 1971–72 marketing year beginning August 1, 1971, a budget of expenses in the total amount of $152,745 and a rate of assessment of 0.325 cent per pound of salable hops. Expenses in that amount and the rate of assessment are specified in the proposal hereinafter set forth.

All persons who desire to submit written data, views, or arguments in connection with the aforesaid proposal should file the same, in quadruplicate, with the Hearing Clerk, U.S. Department of Agriculture, Room 112, Administration Building, Washington, D.C. 20250, to be received not later than the 8th day after publication of this notice in the FEDERAL REGISTER. All written submissions made pursuant to this notice will be made available for public inspection at the Office of the Hearing Clerk during regular business hours (7 CFR 1.27(b)).

The proposal is as follows:

§ 991.306 Expenses of the Hop Administrative Committee and rate of assessment for the 1971–72 marketing year.

(a) *Expenses.* Expenses in the amount of $152,745 are reasonable and likely to be incurred by the Hop Administrative Committee during the marketing year beginning August 1, 1971, for its maintenance and functioning and for such purposes as the Secretary may, pursuant to the provisions of this part, determine to be appropriate.

(b) *Rate of assessment.* The rate of assessment for said marketing year, payable by each handler in accordance with § 991.56, is fixed at 0.325 cent per pound of salable hops.

Dated: August 20, 1971.

PAUL A. NICHOLSON,
Acting Director, Fruit and Vegetable Division, Consumer, and Marketing Service.

[FR Doc.71-12490 Filed 8-25-71;8:48 am]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

[21 CFR Parts 170, 172]

COSMETIC PRODUCTS

Voluntary Registration of Producers and Voluntary Filing of Ingredients

Notice is given that two petitions have been filed by the Cosmetic, Toiletry, and Fragrance Association, Inc., 1625 Eye Street NW., Washington, D.C. 20006, proposing the issuance of regulations to establish a procedure for (1) the voluntary registration of producers of cosmetic products, and (2) the voluntary filing of cosmetic product ingredients. The petitioner also proposes that 21 CFR Chapter I be editorially amended by redesignating the present Subchapters D and E as Subchapters E and F, respectively, and that the proposed new regulations be placed in 21 CFR Chapter I under a new "Subchapter D—Cosmetics."

The Association states its membership includes approximately 200 companies which produce more than 85 percent of the United States total production of cosmetic products and the grounds given by the Association in support of the proposed regulations include the following:

1. Under section 601(c) of the Federal Food, Drug, and Cosmetic Act a cosmetic is deemed adulterated if it has been prepared, packed, or held under insanitary conditions whereby it may have become contaminated with filth, or whereby it may have been rendered injurious to health, and under section 601(a) of the act a cosmetic is deemed to be adulterated if it bears or contains any poisonous or deleterious substances which may render it injurious to users under the conditions of use prescribed in the labeling or under customary or usual conditions of use. Therefore, the Association believes it is reasonable for the Food and Drug Administration to have available to it the names and addresses of establishments where cosmetic products are produced and information on the ingredients used in cosmetic products.

2. The voluntary registration of producers of cosmetic products and the voluntary filing of cosmetic product ingredients would lead to more efficient enforcement of the Federal Food, Drug, and Cosmetic Act and would be in the public interest.

3. Section 701(a) of the Act which authorizes promulgation of regulations for the efficient enforcement of the act is sufficient authority for the promulgation of the proposed regulations.

4. The proposed regulations protect the confidentiality of information filed with the FDA on the qualitative and quantitative composition of a cosmetic product. The Association states that this information is in many instances a highly valuable trade secret that would not be released by a company to competitors or the public and that could not be publicly divulged without substantial harm to the company. They further state that revelation even of the specific ingredients used in a cosmetic product could substantially jeopardize the exclusivity upon which the popularity and commercial value of many cosmetic products depend.

The Commissioner of Food and Drugs has considered the petitions and other relevant information. In the event that the proposed regulations are promulgated, he is considering adding a parenthetical statement to § 172.5(c) in order to assure that the regulations are fully informative. The introductory text of § 172.5(c) would read: "Information on the cosmetic product category should be shown by stating that the product is intended for use in one or more of the categories listed below. (The list of categories shall not be construed to relieve any product from compliance with any applicable provisions of the Federal Food, Drug, and Cosmetic Act. For example, cosmetic products in the categories listed under subparagraphs (3) (iv); (8) (iv), (v), and (viii); (10) (iii); (12) (ii), (v), (ix), (xi), and (xii); and (13) (i), (ii), and (iii) of this paragraph are also regarded as drugs by the Food and Drug Administration because of their intended use and are therefore subject to all applicable drug provisions of the act.) The list of categories is as follows:".

The regulations proposed by the Cosmetic, Toiletry, and Fragrance Association, Inc., are as follows:

SUBCHAPTER D—COSMETICS

PART 170—VOLUNTARY REGISTRATION OF PRODUCERS OF COSMETIC PRODUCTS

Sec.
170.1 Definitions.
170.2 Who should register.
170.3 Time for registration.
170.4 How and where to register.
170.5 Information requested.
170.6 Amendments to registration.
170.7 Notification of registrant; cosmetic products establishment registration number.
170.8 Inspection of registrations.
170.9 Misbranding by reference to registration or to registration number.
170.51 Exemptions.

AUTHORITY: The provisions of this Part 170 issued under secs. 601, 602, 701(a), 704, 52 Stat. 1054, as amended, 1055, 1057, as amended; 21 U.S.C. 361, 362, 371(a), 374.

§ 170.1 Definitions.

(a) As used in this part, the term "cosmetic product" means a finished cosmetic the manufacture of which has been completed.

(b) "Establishment" means a place of business under one management at one general physical location.

(c) The term "manufacture" of a cosmetic product, as used in this part, means the making of any cosmetic product by chemical, physical, biological, or other procedures, including manipulation, sampling, testing, or control procedures applied to the product.

(d) The term "packaging" of a cosmetic product, as used in this part, means filling or labeling the product container, including changing the immediate container or label (but excluding changing other labeling) at any point in the distribution of the cosmetic product from the original place of manufacture to the person who makes final delivery or sale to the ultimate consumer.

(e) The definitions and interpretations contained in sections 201, 601, 602, and 704 of the Federal Food, Drug and Cosmetic Act shall be applicable to such terms when used in the regulations in this part.

§ 170.2 Who should register.

The owner or operator of a cosmetic product establishment not exempt under § 170.51 that engages in the manufacture or packaging of a cosmetic product is requested to register, whether or not the output of such establishment enters interstate commerce. No registration fee is required.

§ 170.3 Time for registration.

The owner or operator of an establishment entering into the manufacture or packaging of a cosmetic product should register such establishment within 30 days after the beginning of such operation.

§ 170.4 How and where to register.

Registration of an establishment will be on Form FD-____ ("Registration of Cosmetic Product Establishment"), obtainable on request from the Food and Drug Administration, Department of Health, Education, and Welfare, Washington, D.C. 20204, or at any Food and Drug Administration district office. The completed form should be mailed to Cosmetic Product Establishment Registration, Food and Drug Administration, Department of Health, Education, and Welfare, Washington, D.C. 20204.

§ 170.5 Information requested.

Form FD-____ ("Registration of Cosmetic Product Establishment") will request information on the name and street address of the cosmetic product establishment, including post office zip code; all business trading names used by the establishment; the kind of ownership or operation (e.g., individually owned, partnership, or corporation); and the type of business (manufacture or packaging). The information requested should be given separately for each establishment, as defined in § 170.1(b).

§ 170.6 Amendments to registration.

Changes in the information contained in Form FD-____ ("Registration of Cosmetic Product Establishment") should be submitted by Form FD-____ ("Registration of Cosmetic Product Establishment") as an amendment to registration within 30 days of such changes.

§ 170.7 Notification of registrant; cosmetic product establishment registration number.

The Commissioner of Food and Drugs will provide, to the registrant, a validated copy of Form FD-____ ("Registration of Cosmetic Product Establishment") as evidence of registration. This validated copy will be sent only to the location shown for the registering establishment. A permanent registration number will be assigned to each cosmetic product establishment registered in accordance with these regulations.

§ 170.8 Inspection of registrations.

A copy of the Form FD-____ ("Registration of Cosmetic Product Establishment") filed by the registrant will be available for inspection at the Food and Drug Administration, Department of Health, Education, and Welfare, Washington, D.C. 20204.

§ 170.9 Misbranding by reference to registration or to registration number.

Registration of a cosmetic product establishment or assignment of a registration number does not in any way denote approval of the firm or its products. Any representation in labeling or advertising that creates an impression of official approval because of registration or possession of a registration number will be considered misleading.

§ 170.51 Exemptions.

The following classes of persons are not requested to register in accordance with this Part 170 because the Commissioner has found that such registration is not justified.

(a) Beauty shops, cosmetologists, retailers, pharmacies, and other persons and organizations that compound cosmetic products at a single location and administer, dispense, or distribute them at retail from that location and who do not otherwise manufacture or package cosmetic products at that location.

(b) Physicians, hospitals, clinics, and public health agencies.

(c) Persons who manufacture, prepare, compound, or process cosmetic products solely for use in research, pilot plant production, teaching, or chemical analysis, and not for sale.

(d) Carriers, by reason of their receipt, carriage, holding, or delivery of cosmetic products in the usual course of business as carriers.

PART 172—VOLUNTARY FILING OF COSMETIC PRODUCT INGREDIENTS

Sec.

AUTHORITY: The provisions of this Part 172 issued under secs. 601, 602, 701(a), 704, 52 Stat. 1054, as amended, 1055, 1057, as amended; 21 U.S.C. 361, 362, 371(a), 374.

§ 172.1 Definitions.

(a) The term "commercial distribution" of a cosmetic product as used in this part, means annual gross sales in excess of $1,000 for that product.

(b) As used in this part, the term "cosmetic product" means a finished cosmetic the manufacture of which has been completed.

(c) The term "flavor", as used in this part, means any natural or synthetic substance or substances used solely to impart a taste to a cosmetic product.

(d) The term "fragrance", as used in this part, means any natural our synthetic substance or substances used solely to impart an odor to a cosmetic product.

(e) The term "ingredient", as used in this part, means any single chemical entity or mixture used as a component in the manufacture of a cosmetic product.

(f) The definitions and interpretations contained in sections 201, 601, and 602 of the Federal Food, Drug, and Cosmetic Act shall be applicable to such terms when used in the regulations in this part.

§ 172.2 Who should file.

Either the manufacturer or the distributor of a cosmetic product is requested to file a "Cosmetic Product Ingredient Statement", whether or not the cosmetic product enters interstate commerce. No filing fee is required.

§ 172.3 Times for filing.

A "Cosmetic Product Ingredient Statement" should be filed with respect to each cosmetic product being commercially distributed on the effective date of this regulation within 180 days after forms are made available to the industry for this purpose. A "Cosmetic Product Ingredient Statement" should be filed with respect to each cosmetic product not covered within the 180 day period within 60 days after the beginning of such commercial distribution.

§ 172.4 How and where to file.

Form FD-____ ("Cosmetic Product Ingredient Statement") and Form FD-____ ("Discontinuance of Commercial Distribution of Cosmetic Product") are obtainable on request from the Food and Drug Administration, Department of Health, Education, and Welfare, Washington, D.C. 20204, or at any Food and Drug Administration district office. The completed form should be mailed or delivered to: Cosmetic Product Ingredient Statement, Food and Drug Administration, Department of Health, Education, and Welfare, Washington, D.C. 20204.

§ 172.5 Information requested.

(a) Form FD-____ ("Cosmetic Product Ingredient Statement") requests information on:

(1) The name and street address including post office ZIP code of the person (manufacturer or distributor) designated on the label of the product.

(2) The cosmetic product establishment registration number or numbers assigned under § 170.7 of this chapter to the establishment or establishments where the product is manufactured and packaged.

(3) The brand name or names of the cosmetic product.

(4) The cosmetic product category or categories.

(5) The ingredients in the product.

(b) The person filing Form FD-____ ("Cosmetic Product Ingredient Statement") should:

(1) Provide the information requested in paragraph (a) of this section.

(2) Have it signed by an authorized individual.

(3) Provide either pertinent information or adequate procedures to poison control centers to permit rapid evaluation of accidental ingestion or other accidental use of the cosmetic product.

(4) Provide either pertinent information or coded ingredient samples to a licensed physician who, in connection with the treatment of a patient, requests assistance in determining whether an ingredient in the cosmetic product is the cause of the problem for which the patient is being treated and who pledges to keep the information or samples confidential.

(5) Request the manufacturer of any ingredient (other than flavor or fragrance) that is a mixture and that has not yet been assigned a cosmetic product ingredient statement number, to file a Cosmetic Product Ingredient Statement pursuant to this part.

(c) Information on the cosmetic product category should be shown by stating that the product is intended for use in one or more of the following categories:

(1) *Baby products.* (i) Baby shampoos.
(ii) Lotions, oils, powders, and creams.
(iii) Other baby products.

(2) *Bath preparations.* (i) Bath oils, tablets, and salts.
(ii) Bubble baths.
(iii) Bath capsules.
(iv) Other bath preparations.

(3) *Eye make-up preparations.* (i) Eyebrow pencil.

(ii) Eyeliner.
(iii) Eye shadow.
(iv) Eye lotion.
(v) Eye make-up remover.
(vi) Mascara.
(vii) Other eye make-up preparations.

(4) *Fragrance preparations.* (i) Colognes and toilet waters.
(ii) Perfumes.
(iii) Powders (dusting and talcum) (excluding after-shave talc).
(iv) Sachets.
(v) Other fragrance preparations.

(5) *Hair preparations (noncoloring).* (i) Hair conditioners.
(ii) Hair sprays (aerosol fixatives).
(iii) Hair straighteners.
(iv) Permanent waves.
(v) Rinses (noncoloring).
(vi) Shampoos (noncoloring).
(vii) Tonics, dressings, and other hair grooming aids.
(viii) Wave sets.
(ix) Other hair preparations.

(6) *Hair coloring preparations.* (i) Hair dyes and colors (all types requiring caution statement and patch test).
(ii) Hair tints.
(ii) Hair rinses (coloring).
(iv) Hair shampoos (coloring).
(v) Hair color sprays (aerosol).
(vi) Hair lighteners with color.
(vii) Hair bleaches.
(viii) Other hair coloring preparations.

(7) *Make-up preparations (not eye).* (i) Blushers (all types).
(ii) Face powders.
(iii) Foundations.
(iv) Leg and body paints.
(v) Lipstick.
(vi) Make-up bases.
(vii) Rouges.
(viii) Make-up fixatives.
(ix) Other make-up preparations.

(8) *Manicuring preparations.* (i) Basecoats and undercoats.
(ii) Cuticle softeners.
(iii) Nail creams and lotions.
(iv) Nail hardeners.
(v) Nail elongators.
(vi) Nail polish and enamel.
(vii) Nail polish and enamel removers.
(viii) Nail strengtheners.
(ix) Other manicuring preparations.

(9) *Oral hygiene products.* (i) Dentifrices (aerosol, liquid, pastes, and powders).
(ii) Mouthwashes and breath fresheners (liquids and sprays).
(iii) Other oral hygiene products.

(10) *Personal cleanliness.* (i) Bath soaps and detergents.
(ii) Deodorants (underarm).
(iii) Douches.
(iv) Feminine hygiene deodorants.
(v) Other personal cleanliness products.

(11) *Shaving preparations.* (i) After-shave lotions.
(ii) Beard softeners.
(iii) Men's talcum.
(iv) Preshave lotions (all types).
(v) Shaving cream (aerosol, brushless, and lather).
(vi) Shaving soap (cakes, sticks, etc.).
(vii) Other shaving preparation products.

(12) *Skin care preparations (creams, lotions, powder, and sprays).* (i) Cleansing (cold creams, cleansing lotions, liquids, and pads).
(ii) Depilatories.
(iii) Face, body, and hand (excluding shaving preparations).
(iv) Foot powders and sprays.
(v) Hormone.
(vi) Moisturizing.
(vii) Night.
(viii) Paste marks (mud packs).
(ix) Skin lighteners.
(x) Skin fresheners.
(xi) Skin tanners (bronzers).
(xii) Wrinkle smoothing (removers).
(xiii) Other skin care preparations.

(13) *Suntan and sunscreen preparations.* (i) Suntan gels, creams, and liquids.
(ii) Indoor tanning preparations.
(iii) Other suntan preperations.

(d) Information on the ingredients in the product should be shown in the following way:

(1) A list of each ingredient of the cosmetic product in descending order of predominance by weight (except that the fragrance and flavor may be designated as such without naming each individual ingredient) with a letter designation showing that the ingredient is added at a level of:
(i) Over 50 percent by the letter A.
(ii) Over 25 percent to 50 percent by the letter B.
(iii) Over 10 percent to 25 percent by the letter C.
(iv) Over 5 percent to 10 percent by the letter D.
(v) Over 1 percent to 5 percent by the letter E.
(vi) Over 0.1 percent to 1 percent by the letter F.
(vii) 0.1 percent or less by the letter G.

(2) An ingredient that is a single chemical entity should be listed by its chemical name and any published standard (e.g., U.S.P.; "Food Chemicals Codex"; Cosmetic, Toiletry and Fragrance Association; etc.) specified.

(3) An ingredient that is a mixture should be listed by its common or usual name, if any, any published standard (e.g., U.S.P.; Cosmetic, Toiletry and Fragrance Association: "Food Chemicals Codex"; etc.) specified, trade name, code number, name and address of the manufacturer or supplier, and cosmetic product ingredient statement number if one has already been assigned to the ingredient.

(4) The fragrance and/or flavor should be listed as such, with the product name, code number, and name and address of the manufacturer or supplier of each proprietary mixture that is included.

(e) The information requested should be given separately for each cosmetic product, except that a single "Cosmetic Product Ingredient Statement" should be filed for two or more shades, flavors or fragrances of a cosmetic product where only the proportions of the ingredients are varied.

§ 172.6 Amendments to statement.

Changes in the information requested under § 172.5(a) (3) and (5) on the ingredients or brand name of a cosmetic product should be submitted by filing an amended Form FD-_____("Cosmetic Product Ingredient Statement") within 60 days after the product is entered into commercial distribution. Other changes do not justify immediate amendment, but should be shown by filing an amended form FD-_____ ("Cosmetic Product Ingredient Statement") within a year after such changes. Notice of discontinuance of commercial distribution of a cosmetic product should be submitted by Form FD-_____ ("Discontinuance of Commercial Distribution of Cosmetic Product") within 180 days after discontinuance of commercial distribution becomes known to the person filing.

§ 172.7 Notification of person filing; cosmetic product ingredient statement number.

The Commissioner of Food and Drugs will provide, to the person filing, a validated copy of the form filed, as evidence of filing. This validated copy will be sent only to the individual signing the form, at the location shown. A permanent cosmetic product ingredient statement number will be assigned to each statement filed and will be shown on the validated copy.

§ 172.8 Confidentiality of statements.

The information contained in, attached to, or included with a "Cosmetic Product Ingredient Statement" and "Discontinuance of Commercial Distribution of Cosmetic Product" and amendments (Forms FR-____ and FD-____ and amendments) and any compilation constitutes trade secrets and other privileged and confidential commercial information that will be held as confidential under the provisions of section 301(j) of the Federal Food, Drug, and Cosmetic Act, as amended (21 U.S.C. 321(j)), and section 3(e)(4) of the Administrative Procedure Act, as amended (5 U.S.C. 552(b)(4)); except that information contained in, attached to, or included with a Form FD-____ ("Cosmetic Product Ingredient Statement") or Form FD-____ ("Discontinuance of Commercial Distribution of Cosmetic Product") and amendments may be disclosed in the course of testimony by a Food and Drug Administration employee in a court action brought by the Food and Drug Administration to enforce the Federal Food, Drug, and Cosmetic Act with respect to that product where the information is relevant to the violation charged, only as much information is disclosed as is necessary under the circumstances, and the Food and Drug Administration offers to disclose the information in camera. Information voluntarily filed pursuant to this part under the foregoing obligation of confidentiality shall be destroyed or returned to the individual signing the form at the location shown if it is subsequently determined that this obligation cannot or should not be honored, unless that per-

son or another authorized individual waives such return or destruction.

§ 172.9 Misbranding by reference to filing or to statement number.

The filing of a "Cosmetic Product Ingredient Statement" or assignment of a number to the statement does not in any way denote approval of the firm or the product. Any representation in labeling or advertising that creates an impression of official approval because of such filing or such number will be considered misleading.

Pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (secs. 601, 602, 701(a), 704, 52 Stat. 1054, as amended, 1055, 1057, as amended; 21 U.S.C. 361, 362, 371(a), 374) and in accordance with authority delegated to the Commissioner of Food and Drugs (21 CFR 2.120), interested persons are invited to submit comments in writing (preferably in quintuplicate) regarding this proposal within 30 days after its date of publication in the FEDERAL REGISTER. Such views and comments should be addressed to the Hearing Clerk, Department of Health, Education, and Welfare, Room 6-62, 5600 Fishers Lane, Rockville, Md. 20852, and may be accompanied by a memorandum or brief in support thereof. Received comments may be seen in the above office during working hours, Monday through Friday.

Dated: August 17, 1971.

CHARLES C. EDWARDS,
Commissioner of Food and Drugs.

[FR Doc.71-12473 Filed 8-25-71;8:47 am]

DEPARTMENT OF TRANSPORTATION

Coast Guard

[33 CFR Part 117]

[COFR 71-80]

STATE OF OREGON

Drawbridge Operation Where Constant Attendance Is Not Required

The Coast Guard is considering revising the regulations for the Oregon State Highway Division bridge at mile 24, Coquille River, to require at least 48 hours' notice for opening the draw for the passage of vessels. The draw is presently required to open on signal. This change is being considered because since 1960 only 14 openings have been required and all of these were for passage of construction equipment. Also under consideration is the establishment of a new section for drawbridges in Oregon which are not required to have drawtenders in constant attendance. These bridges would be listed in one section thus providing the vessel operators with a ready reference to such bridges.

Interested persons may participate in this proposed rule making by submitting written data, views, or arguments to the Commander (OAN), Thirteenth Coast Guard District, 618 Second Avenue, Seattle, WA 98104. Each person submitting comments should include his name and address, identify the bridge, and give reasons for any recommended change in the proposal. Copies of all written communications received will be available for examination by interested persons at the office of the Commander, Thirteenth Coast Guard District.

The Commander, Thirteenth Coast Guard District, will forward any comments received before September 24, 1971, with his recommendations to the Chief, Office of Operations, who will evaluate all communications received and take final action on this proposal. The proposed regulations may be changed in the light of comments received.

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

(1) Revoke §§ 117.720 (c) and (d), 117.730(b), 117.745, 117.750(b)(5)(iii), 117.755(b) and 117.759.

(2) Add a new § 117.759b immediately after § 177.759a to read as follows:

§ 117.759b Drawbridge across navigable waters in Oregon where constant attendance is not required.

(a) Drawtenders are not required to be in constant attendance at the bridges listed in this section.

(b) The owner of or agency controlling each bridge shall keep conspicuously posted on both the upstream and downstream sides of the bridge or elsewhere, in such manner that they may be readily read from an approaching vessel, a résumé of the regulations of this section pertaining to each bridge, together with information as to whom notice should be given when an opening is required and directions for communicating with such persons by telephone or otherwise.

(c) Prompt openings of the draw shall be made at the time agreed upon.

(d) Test openings shall be made frequently enough to ascertain that the operating machinery of the draws is in serviceable condition.

(e) Signals:

(1) *Opening signal.* One long blast followed by one short blast.

(2) *Acknowledging signal.* One long blast followed by one short blast.

(3) *When the draw cannot open immediately or is to close.* Four short blasts.

(f) The bridges to which this section applies and the regulations applicable in each case are as follows:

(1) *Railroad bridge across Coalbank Slough.* The draw shall open on signal if at least 24 hours' notice has been given.

(2) *Highway bridge across Coalbank Slough.* The draw shall open on signal if at least 24 hours' notice has been given.

(3) *Railroad Bridge across Siuslaw River at Cushman.* The draw shall open on signal if at least 24 hours' notice has been given.

(4) *John Day River.* The draw shall open on signal if at least 12 hours' notice has been given.

(5) *Burlington Northern railroad bridge at North Portland Harbor (Oregon Slough).* The draw shall open on signal if at least one-half hour notice has been given.

(6) *Southern Pacific railroad bridge across the Willamette River at Albany.* The draw shall open on signal, if at least 6 hours' notice has been given.

(7) *Benton County highway bridge across the Willamette River at Corvallis.* The draw shall open on signal if at least 6 hours' notice has been given.

(8) *Highway bridge across the Columbia River between Hood River, Oregon and White Salmon, Washington.* The draw shall open on signal if at least 12 hours' notice has been given.

(9) *Highway bridge across the Coquille River at Coquille.* The draw shall open on signal if at least 48 hours' notice has been given.

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

Dated: August 12, 1971.

R. E. HAMMOND,
Rear Admiral, U.S. Coast Guard, Chief, Office of Operations.

[FR Doc.71-12515 Filed 8-25-71;8:50 am]

[33 CFR Part 117]

[CCFR 71-83]

BLACK RIVER, S.C.

Drawbridge Operation

The Coast Guard is considering revising the regulations for the South Carolina State Highway Department swing span bridge across Black River at Brown's Ferry near Rhems, to permit the draw to remain closed to the passage of vessels. The draw is presently required to open on signal if at least 24 hours' notice has been given. This change is being considered because there have been only two openings for the passage of vessels since the construction of this bridge in 1953.

Interested persons may participate in this proposed rule making by submitting written data, views, or arguments to the Commander, Seventh Coast Guard District (OAN), Room 1018, Federal Building, 51 Southwest First Avenue, Miami, FL 22120. Each person submitting comments should include his name and address, identify the bridge, and give reasons for any recommended change in the proposal. Copies of all written communications received will be available for examination by interested persons at the office of the Commander, Seventh Coast Guard District.

The Commander, Seventh Coast Guard District, will forward any comments received before September 24, 1971, with his recommendations to the Chief, Office of Operations, who will evaluate all communications received and take final action on this proposal. The proposed regulations may be changed in the light of comments received.

In consideration of the foregoing, it is proposed that Part 117 of Title 33 of the Code of Federal Regulations, be amended by revising § 117.245(g)(14) to read as follows:

§ 117.245 Navigable waters discharging into the Atlantic Ocean south of and including Chesapeake Bay and into the Gulf of Mexico, except the Mississippi River and its tributaries and outlets; bridge where constant attendance of draw tenders is not required.

* * * * *

(g) * * *

(14) Black River, S.C. (i) South Carolina State Highway Department bridge near Georgetown. The draw shall open on signal if at least 12 hours' notice has been given. The agency controlling this bridge shall arrange for its representative to be reached at the same place that the representative for the Lafayette Bridge (Great Pee Dee River) may be reached in order that one notice may suffice to secure the prompt opening of either or both bridges.

(ii) South Carolina State Highway Department bridge at Brown's Ferry near Rhems. The draw need not open for the passage of vessels and paragraphs (b) through (c) of this section shall not apply to this bridge.

* * * * *

(Sec. 5, 28 Stat. 362, as amended, sec. 6(g)(2), 80 Stat. 937; 33 U.S.C. 499, 49 U.S.C. 1655(g)(2); 49 CFR 1.46(c)(5), 33 CFR 1.05-1(c)(4) (35 F.R. 15922))

Dated: August 13, 1971.

R. E. HAMMOND,
Rear Admiral, U.S. Coast Guard,
Chief, Office of Operations.

[FR Doc.71-12516 Filed 8-25-71;8:50 am]

Federal Aviation Administration

[14 CFR Part 71]

[Airspace Docket No. 71-RM-7]

CONTROL ZONE AND TRANSITION AREA

Proposed Designation and Alteration

The Federal Aviation Administration is considering amendments to Part 71 of the Federal Aviation Regulations that would designate a control zone and alter the description of the Municipal Airport transition area for Brookings, S. Dak.

Interested persons may participate in the proposed rule making by submitting such written data, views, or arguments as they may desire. Communications should be submitted in triplicate to the Chief, Airspace and Procedures Branch, Federal Aviation Administration, 5651 West Manchester Boulevard, Post Office Box 92007, Worldway Postal Center, Los Angeles, CA 90009. All communications received within 30 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendments. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Administration officials may be made by contacting the Regional Air Traffic Division Chief. Any data, views, or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposals contained in this notice may be changed in the light of comments received.

A public docket will be available for examination by interested persons in the office of the Regional Counsel, Federal Aviation Administration, 5651 West Manchester Boulevard, Los Angeles, CA 90045.

In October 1971 the Federal Aviation Administration will commission a TVOR on the airport at Brookings Municipal Airport, S. Dak. Two new instrument approach procedures are proposed utilizing this facility (VOR Runway 12-VOR Runway 30). These procedures will utilize the 317° T (308° M) and 123° T (114° M) radials, respectively, of the Brookings VOR for procedure turn and final approach radials.

A review of the airspace requirements for the proposed new procedures and current instrument approach procedures (NDB Runway 12-NDB Runway 30 special approach) will require designation of a control zone and alteration of the transition area.

The control zone will provide controlled airspace protection for aircraft executing prescribed instrument procedures while operating below 700 feet above the surface. The 7-mile radius, 700-foot floor area is required to provide controlled airspace protection for random departing aircraft climbing from 700 feet above the surface to the base of overlying airspace. The additional 700-foot transition area to the northwest is required for the procedure turn areas for the proposed VOR Runway 12 and current NDB Runway 12 approach procedures. The 700-foot floor extension to the southeast is required for that portion of the proposed VOR Runway 30 approach procedure conducted between 1,500 and 700 feet above the surface. The proposed additional 1,200-foot portion of the transition area is required for the procedure turn areas for the proposed VOR Runway 30 and the special NDB Runway 30 approach procedures.

In consideration of the foregoing, the FAA proposes the following airspace action.

In § 71.171 (36 F.R. 2055) the following control zone is added:

BROOKINGS, S. DAK.

That airspace within a 6-mile radius of Brookings, S. Dak. Municipal Airport (latitude 44°18'12" N., longitude 96°48'40" W.), and within 3 miles each side of the 142° bearing from the Brookings Airport, extending from the 6-mile radius area to 8 miles southeast of the airport. This control zone is effective during the specific dates and times established in advance by a Notice to Airmen. The effective date and time will thereafter be continuously published in the Airman's Information Manual.

In § 71.181 (36 F.R. 2140) the description of the Brookings, S. Dak., transition area as amended by (36 F.R. 9621) is further amended to read as follows:

BROOKINGS, S. DAK.

That airspace extending upward from 700 feet above the surface within a 7-mile radius of Brookings, S. Dak. Municipal Airport (latitude 44°18'12" N., longitude 96°48'40" W.), within 3 miles each side of the Brookings VOR 123° radial, extending from the 7-mile radius area to 9 miles southeast of the VOR, within 3 miles each side of the 142° bearing from the Brookings Municipal Airport, extending from the 7-mile radius area to 8 miles southeast of the airport, within 4.5 miles northeast and 9.5 miles southwest of the 301° bearing from Brookings Municipal Airport, extending from the airport to 18.5 miles northwest of the airport, within 4.5 miles northeast and 9.5 miles southwest of the Brookings VOR 317° radial, extending from the VOR to 18.5 miles northwest of the VOR; that airspace extending upward from 1,200 feet above the surface within 4.5 miles southwest and 9.5 miles northeast of the 142° bearing from the Brookings Municipal Airport, extending from the airport to 18.5 miles southeast of the airport.

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

Issued in Aurora, Colo., on August 13, 1971.

M. M. MARTIN,
Director, Rocky Mountain Region.

[FR Doc.71-12461 Filed 8-25-71;8:46 am]

[14 CFR Part 71]

[Airspace Docket No. 71-RM-14]

CONTROL ZONE AND TRANSITION AREA

Proposed Designation and Alteration

The Federal Aviation Administration is considering amendments to Part 71 of the Federal Aviation Regulations that would designate a control zone and alter the description of the transition area at Livingston, Mont.

Interested persons may participate in the proposed rule making by submitting such written data, views, or arguments as they may desire. Communications should be submitted in triplicate to the Chief, Airspace and Procedures Branch, Federal Aviation Administration, 5651 West Manchester Boulevard, Post Office Box 92007, Worldway Postal Center, Los Angeles, CA 90009. All communications received within 30 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendments. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Administration officials may be made by contacting the Regional Air Traffic Division Chief. Any data, views, or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposals contained in this notice may be changed in light of comments received.

A public docket will be available for examination by interested persons in the office of the Regional Counsel, Federal

Aviation Administration, 5651 West Manchester Boulevard, Los Angeles, CA 90045.

The airspace requirements for Livingston, Mont., have been reviewed in accordance with the criteria contained in the U.S. Standard for Terminal Instrument Procedures (TERPS). As a result of the review, it has been determined that a control zone must be designated and the transition area must be altered to provide controlled airspace protection for the proposed instrument procedure.

The control zone and 700-foot portion of the transition area are required to provide controlled airspace protection for aircraft executing those portions of prescribed instrument procedures below 1,500 feet above the surface. The 1,200-foot portion of the transition area is required for aircraft executing holding, transition, and missed approach procedures.

In consideration of the foregoing, the FAA proposes the following airspace action:

In § 71.171 (36 F.R. 2055), the following control zone is added:

LIVINGSTON, MONT.

That airspace within a 5-mile radius of Mission Field Airport (latitude 45°41'45" N., longitude 110°26'40" W.) and within 3 miles each side of the Livingston, Mont., VORTAC 340° radial, extending from the 5-mile radius zone to 8 miles north of the VORTAC.

In § 71.181 (36 F.R. 2140), the description of the Livingston, Mont., transition area is amended to read as follows:

LIVINGSTON, MONT.

That airspace extending upward from 700 feet above the surface within 9.5 miles west and 4.5 miles east of the Livingston VORTAC 340° radial extending from the VORTAC to 18.5 miles north of the VORTAC and within 2 miles each side of the Livingston VORTAC 068° radial, extending from a 5-mile radius circle centered on Mission Field Airport, Livingston, Mont. (latitude 45°41'45" N., longitude 110°26'40" W.) to 9 miles northeast of the VORTAC; that airspace extending upward from 1,200 feet above the surface within 6 miles south and 9.5 miles north of the Livingston VORTAC 085° radial, extending from 7 miles west to 21 miles east of the VORTAC, and within a 15-mile radius of the Livingston VORTAC extending clockwise from the 261° to the 085° radials of the VORTAC.

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

Issued in Aurora, Colo., on August 11, 1971.

M. M. MARTIN,
Director, Rocky Mountain Region.

[FR Doc.71-12462 Filed 8-25-71;8:46 am]

[14 CFR Part 71]

[Airspace Docket No. 71-SW-48]

CONTROL ZONE AND TRANSITION AREA

Proposed Alteration

The Federal Aviation Administration is considering amending Part 71 of the Federal Aviation Regulations to alter controlled airspace in the Truth or Consequences, N. Mex., terminal area.

Interested persons may submit such written data, views, or arguments as they may desire. Communications should be submitted in triplicate to the Chief, Air Traffic Division, Southwest Region, Federal Aviation Administration, Post Office Box 1689, Fort Worth, TX 76101. All communications received within 30 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Administration officials may be made by contacting the Chief, Air Traffic Division. Any data, views, or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

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

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

(1) In § 71.171 (36 F.R. 2055), the Truth or Consequences, N. Mex., control zone is amended to read:

TRUTH OR CONSEQUENCES, N. MEX.

That airspace within a 5-mile radius of Truth or Consequences Municipal Airport (latitude 33°14'10" N., longitude 107°16'15" W.), and within 3.5 miles either side of the Truth or Consequences, N. Mex., VORTAC 013° and 193° radials extending from the 5-mile radius zone to a point 9.5 miles north of the VORTAC.

(2) In § 71.181 (36 F.R. 2140), the Truth or Consequences, N. Mex., transition area is amended to read:

TRUTH OR CONSEQUENCES, N. MEX.

That airspace extending upward from 700 feet above the surface within an 8-mile radius of the Truth or Consequences Municipal Airport (latitude 33°14'10" N., longitude 107°16'15" W.), and within 3.5 miles either side of the Truth or Consequences, N. Mex., VORTAC 013° radial, extending from the 8-mile radius area to 11 miles north of the VORTAC.

The instrument approach procedure to Truth or Consequences, N. Mex., Municipal Airport has been revised in accordance with Terminal Instrument Procedures (TERPS) and the associated controlled airspace has been altered to conform to TERPS and airspace criteria.

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

Issued in Fort Worth, Tex., on August 18, 1971.

N. W. LEPEARD,
Acting Director, Southwest Region.

[FR Doc.71-12463 Filed 8-25-71;8:46 am]

[14 CFR Part 71]

[Airspace Docket No. 71-SW-49]

TRANSITION AREA

Proposed Designation

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

Interested persons may submit such written data, views, or arguments as they may desire. Communications should be submitted in triplicate to the Chief, Air Traffic Division, Southwest Region, Federal Aviation Administration, Post Office Box 1689, Fort Worth, TX 76101. All communications received within 30 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Administration officials may be made by contacting the Chief, Air Traffic Division. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

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

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

In § 71.181 (36 F.R. 2140), the following transition is added:

WELSH, LA.

That airspace extending upward from 700 feet above the surface within a 5-mile radius of Welsh Municipal Airport (latitude 30°-

14'30" N., longitude 92°49'45" W.), but excluding that portion within the Jennings, La., 700-foot transition area.

Designation of the Welsh, La., transition area will provide controlled airspace necessary to accommodate the instrument approach procedure planned at Welsh Municipal Airport.

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

Issued in Fort Worth, Tex., on August 18, 1971.

N. W. LEPEARD,
Acting Director, Southwest Region.

[FR Doc.71-12464 Filed 8-25-71;8:46 am]

[14 CFR Part 71]

[Airspace Docket No. 71-SW-50]

CONTROL ZONE AND TRANSITION AREA

Proposed Alteration

The Federal Aviation Administration is considering amending Part 71 of the Federal Aviation Regulations to alter controlled airspace in the Gallup, N. Mex., terminal area.

Interested persons may submit such written data, views, or arguments as they may desire. Communications should be submitted in triplicate to the Chief, Air Traffic Division, Southwest Region, Federal Aviation Administration, Post Office Box 1689, Fort Worth, TX 76101. All communications received within 30 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Administration officials may be made by contacting the Chief, Air Traffic Division. Any data, views, or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

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

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

(1) In § 71.171 (36 F.R. 2055), the Gallup, N. Mex., control zone is amended to read:

GALLUP, N. MEX.

That airspace within a 5-mile radius of the Senator Clarke Field (latitude 35°30'35" N., longitude 108°47'00" W.), within 3.5 miles each side of the Gallup, N. Mex., VORTAC 242° and 062° radials extending from the 5-mile radius zone to a point 10.5 miles southwest of the VORTAC. This control zone is effective during the dates and times published in the Airman's Information Manual.

(2) In § 71.181 (36 F.R. 2140), the Gallup, N. Mex., transition area is amended to read:

GALLUP, N. MEX.

That airspace extending upward from 700 feet above the surface within a 9-mile radius of Senator Clarke Field (latitude 35°30'35" N., longitude 108°47'00" W.); within 3.5 miles each side of the Gallup VORTAC 242° radial, extending from the 9-mile radius area to 11.5 miles southwest of the VORTAC; and that airspace extending upward from 1,200 feet above the surface within an area bounded by a line beginning at latitude 35°47'30" N., longitude 108°34'00" W.; to latitude 35°26'50" N., longitude 108°34'00" W.; to latitude 35°13'15" N., longitude 109°06'00" W.; to latitude 35°20'25" N., longitude 109°10'40" W.; to latitude 35°52'00" N., longitude 108°47'00" W., to point of beginning, excluding the portion which coincides with the State of New Mexico transition area.

The instrument approach procedure to Senator Clarke Field, Gallup, N. Mex., has been revised in accordance with Terminal Instrument Procedures (TERP's). Controlled airspace alterations are necessary to conform to TERP's and airspace criteria.

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

Issued in Fort Worth, Tex., on August 18, 1971.

N. W. LEPEARD,
Acting Director, Southwest Region.

[FR Doc.71-12465 Filed 8-25-71;8:46 am]

FEDERAL COMMUNICATIONS COMMISSION

[47 CFR Part 21]

[Docket No. 19309; FCC 71-853]

MICROWAVE RADIO FACILITIES

Notice of Proposed Rule Making

In the matter of Preston Trucking Co., Inc., Preston, Md., File Nos. 19393-19415-LJ-60X, on reconsideration of grant of applications for microwave radio facilities in the Motor Carrier Radio Service. Inquiry into certain arrangements for cooperative use of private microwave systems.

I. *Background statement.* 1. The Preston Trucking Co., Inc. (Preston), applied for a microwave relay system to operate in the 6575-6875 MHz band in the Motor Carrier Radio Service. Preston's plan called for the backbone facility to run, generally, east from Tonawanda, N.Y. (just north of Buffalo), to Albany, N.Y., then south to Jersey City, N.J., and from there southwest to Ivy Hill, Pa. (north of Philadelphia), a distance of some 480 miles.

2. At the outset, Preston proposed to share these facilities with other eligibles in the Motor Carrier Service, estimating that there were about 280 of these carriers operating in the region to be served by the system, and that, initially, 40 to 60 of them would participate in the sharing arrangements it had worked out. Further, Preston, itself, did not intend to construct the system, because, according to its allegations, the financial undertaking involved is beyond its individual economic capacity. Instead, it worked out a plan with a third-party organization, Transportation Microwave Corporation (TMC), a company with no direct connection with Preston or any other motor carrier. Under this plan, Preston was to be the licensee of the system, and accordingly, was to assume and have the full legal responsibility to the Commission for the proper operation of the facilities authorized to it, and, also, for the manner in which, and the purposes for which, and by whom, the system was to be employed. Operation and maintenance of the system was to be carried out under the terms of a lease agreement running between Preston and TMC. Shared use of the systems was to be provided for under the terms of a separate "participants agreement" between Preston and the other motor carriers involved. TMC, for its part, was to have the system built; was therefore, to own it; and was to maintain and service it for Preston and other participating motor carriers.

3. Among other matters, TMC agreed to charge each user, including Preston, itself, a fixed amount—that negotiated by Preston with TMC—for each dedicated voice and teletype channel. Initially, the charges were set at $0.50 per airline mile, per month for each dedicated voice channel and $0.10 per airline mile, per month for each dedicated teletype channel; but TMC gave Preston assurance that the rates would be scaled down as the number of users increased. Because there was no apparent bar to favorable consideration of the proposal (it had not been opposed), and, further, since the cooperative had a number of salutary features, we decided to grant it as prima facie consistent with the public interest. This action was taken on February 18, 1971.

4. Thereafter, petitions for reconsideration of our February 18, 1971, action granting Preston's applications were filed by the American Telephone & Telegraph Co. and a number of affiliated "Bell System Companies" (A.T. & T.); Chalfont Communications; Interdata Communications, Inc. (Interdata); Microwave Communications, Inc., and MCI-New York West, Inc. (MCI); Rochester Telephone Corp. (Rochester); United States Independent Telephone Association (USITA); and The Western Union Telegraph Co. (Western Union).[1] Preston op-

[1] The petitions asked, variously, that we set aside the grant and dismiss the applications as not meeting Commission statutory and regulatory requirements; set aside the grant and initiate adjudicatory proceedings; or set aside the grant and initiate rule making proceedings.

posed reconsideration; petitioners have now replied; and the matters in controversy are now at issue and may be decided. In the paragraphs following, we evaluate the various contentions of the parties in support of their respective positions, and reach decisions as to them.

II. *Argument and opinion.* 5. Petitioners argue that they are "persons aggrieved or whose interests are adversely affected" by the Commission's action granting Preston's applications, and that their requests for reconsideration should be considered, because, in this instance, the Commission's public notice listing Preston's applications did not adequately describe the nature of the sharing arrangement to be employed, and, therefore, petitioners cannot be held to have had constructive knowledge of Preston's plan to take service from TMC in the manner proposed, or that it planned to make its system available, on a fixed cost basis, to a large number of other eligibles in the Motor Carrier Radio Service. Answering, Preston argues that petitioners' pleadings are procedurally defective, because, if aggrieved, they were bound to petition the Commission to deny its applications, citing section 309 of the Communications Act of 1934, as amended, and §§ 1.106 and 1.962 of the Commission's rules. Not having done so, Preston concludes, they are now barred from seeking the relief they ask on reconsideration. Also on adjective grounds, Preston urges that some of the parties lack "standing" i.e., the kind of "interest" in the proceedings which gives rise to substantive rights, those subject to protection through reconsideration and adjudication, listing Chalfont,[2] Interdata, MCI, and USITA as examples of those parties it feels come within this class, since they are either mere applicants for facilities (or were at the time of the filing of its opposition); or plan to operate in areas other than the ones to be served by Preston's systems; or are not engaged in providing common carrier services; or are "trade association," which will sustain no direct detriment as a result of Preston's operations.

6. We have considered the procedural points and conclude, first as to standing, that, at least in the case of Rochester Telephone Corp., American Telephone and Telegraph Co., and the Western Union Telegraph Co., a sufficient showing has been made to warrant a finding that they are "persons aggrieved," within the meaning of section 405 of the Communications Act, to require consideration of their arguments on the merits, and since their contentions closely parallel, if not duplicate, the presentations of the remaining parties, we see no reason to rule more definitively on the right of the latter to participate. On the remaining point, we recognize that in certain cases (including this one) public notice is required of the acceptance for filing of applications, and that, as to them, prescribed pregrant procedures apply (See § 1.962 of the rules). In this particular case, however, we are of the opinion that there are circumstances present which justify our consideration of the merits of petitioners' major arguments. Our decision in this regard is based, among other reasons, on the fact that Preston's proposal involves a novel plan of sharing, one not heretofore authorized under the provisions of § 93.4 of the rules, and on our belief that the public interest would be better served were we to decide the matter (as we do) on substantive rather than procedural grounds. Consequently, we reject Preston's arguments on these points.

7. On the merits, petitioners urge that, under the terms of the arrangement with Preston, TMC is the real party-in-interest, the true principal, because it will own, operate, service and maintain the microwave system; that TMC is not eligible as a "motor carrier," or otherwise, to provide the proposed service to Preston or others in the Motor Carrier Radio Service, citing § 93.251 of the rules;[3] and that, in these circumstances, it should not be permitted to assume licensee functions which it is not authorized to perform. Responding, Preston points out that it will be the licensee, de facto and de jure, since it will, in practice, assume and respond to all of its rights, duties, and obligations as licensee; that the contrary views of the petitioners on this point are speculative and inconsistent with the intent of the parties and, importantly, with the written instruments setting out their respective functions and responsibilities; and that, this being so, Preston is, at least within the Commission's scheme of regulation, the real party-in-interest. The fact that TMC will be the owner of the physical facilities used to provide Preston and other motor carriers with communications service does not alter this conclusion, because, Preston reasons, it will have dominion and control over the radio spectrum entrusted to it by the Commission, and, therefore, will be in a position to carry out the licensee responsibilities it has assumed in compliance with applicable statutory requirements and the Commission's rules and regulations.

8. As to this, although we can appreciate the argument that Preston will not, at least in theory, be in the same position to "control" the operation of the system authorized to it as it would be if it owned it or leased it as an entirety from TMC, still, to say that it will fail in its licensee responsibilities before the fact, we would agree, would be speculation. Moreover, Preston retains considerable power under the terms of its agreement with TMC in that it can terminate its relationship with TMC, apparently without penalty, should it want to do so. Furthermore, Preston, not TMC, determines who may participate in the use of the system, because Preston, alone, has the power to enter into agreements with eligibles for sharing. Moreover, by statute and under our processes, it is the licensee, the only entity authorized to use the frequencies assigned for the purposes it has proposed. This fact carries with it considerable leverage in the position it will occupy vis-a-vis TMC, and, hence, it lends assurance that Preston can (will be in a position to) perform its required duties and responsibilities as licensee. In addition, we are adding a condition that Preston furnish reports as to operational matters each six months, and this gives us greater assurance that the facilities authorized to it will be used in a manner consistent with our rules and regulations and policies concerning cooperative use of private microwave stations in the Motor Carrier Radio Service. Accordingly, we do not accept petitioners' contention that TMC must be treated as the real party-in-interest. Nevertheless, in our inquiry and rule making, detailed below, we have included issues on this aspect of the proposed plan—ones designed to determine whether, in general licensing situations, under this type of arrangement, a licensee will be in a position to exercise the degree of responsibility over authorized facilities normally expected and required by rule and statute; or whether the public interest would be better served by amending the rules to permit direct licensing of entities such as TMC; or whether the arrangement should be treated as a common carrier function and regulated as such. However, we do not believe that these matters, in the circumstances of this case, form a condition precedent to our continuing Preston's grant in effect, as we indicate, below.

9. Petitioners next argue that TMC will provide services similar, and in some ways identical, to those available from communications common carriers; that it will charge "fixed rates" for the use made of its facilities by participating motor carriers; that it will "profit" as the entrepreneur in the undertaking; and that it will "assume the financial risk of profit or loss thereon." Petitioners conclude, based on these considerations, that as a matter of fact and of law, TMC is a communications common carrier, and that it should be regulated as such, if ultimately authorized at all to provide the services proposed, citing, in support, "United States et al. v. Drum et al.", 368 U.S. 370 (1962), and a series of other precedents.[4]

[2] Chalfont's petition was not filed within the statutory period allowed for such pleadings and, therefore, will not be considered. See section 405 of the Communications Act of 1934, as amended.

[3] Section 93.251(a) sets out specific eligibility criteria for licensing in the Motor Carrier Radio Service. In general, motor carriers engaged in providing "common" or "contract" motor carriage of "property" and "passengers" within and between urban areas are qualified. Additionaly, "a corporation" proposing to furnish a "nonprofit radiocommunications service" to its parent or a subsidiary of the parent, and nonprofit corporations or associations organized to provide radio communications to eligibles in the Motor Carrier Radio Service, also qualify.

[4] As mentioned, below the cases cited by petitioners are used principally to draw an analogy between common carrier situations in the transportation industry and the factual situation presented by the Preston proposal, and to argue from this analogy that the Preston arrangement constitutes a common carrier function which should be regulated as such.

10. Responding to these points, Preston argues that the Commission has made it clear in two recent cases[5] that leasing and servicing of radio equipment by third persons to and for eligibles in the "private services" does not necessarily require the conclusion that such third persons are performing common carrier functions.[6] Further, Preston points out, where radio communication systems are involved, there are bound to be similarities in the manner in which facilities are constructed and function and are used, whether this be by licensees in the "private" services or by customers of radio common carriers. Thus, it concludes, this factor alone, that is the similarities to be found in "private" and "public" systems of radio communication, is not sufficient to support the conclusion that common carrier operations are involved, or that these (Preston's) arrangements are necessarily to be regulated as common carriers.

11. Further in this connection, Preston notes that the use of its system is not available through TMC; rather, that access to it is controlled by itself, Preston. In this regard, Preston observes that it, Preston, is not free to select the persons to share, rather that it is restricted and limited in the arrangements it may make by what the Commission has decided in prior allocation and rule-making proceedings, first as to the persons who may use the channels, and then as to the purpose and manner for and in which they may be employed by them. In these circumstances, Preston stresses, there cannot be, as a matter of law, a "holding out to the public" by it of the availability of its system, at least as that term has been traditionally applied in common carrier cases. That element being absent, Preston reasons, it cannot be said that what it proposed to do, here, is a common carrier function. Furthermore, it says, the arrangement is distinguishable from that carried out by common carriers, for, without any legal impediment, any of the persons eligible to use its system is also eligible to apply for, and to construct and operate, one identical to it. Customers of common carriers have no corresponding rights, of course, because, stated simply, there are no provisions that permit them to do so. In Preston's view, then, all that it, Preston, asks to do, and all that it, in fact, will do, is to carry out the intent and objectives of the Commission in creating the Motor Carrier Radio Service in the first instance and in allocating frequencies in that service for use by persons it (the Commission) has designated as eligible for such purposes.

12. Further in this regard, the cases cited by petitioners, Preston contends, are not controlling, for they deal, chiefly, with the control of interstate motor carrier operations and involve regulation by the Interstate Commerce Commission whose functions are carried out under a different statute and under a different regulatory scheme (with essentially different purposes and objectives) than that administered by the Federal Communications Commission. Moreover, Preston suggests, this Commission has previously approved leasing arrangements in the mobile radio services very similar to those planned by Preston—ones in which equipment manufacturers lease equipment, service and maintain it, and make it available to licensees in the Safety and Special Radio Services on terms and under conditions which, Preston avers, cannot be distinguished from what Preston and TMC propose in this instance. Therefore, it concludes, it would have been error, both as a matter of law, and on equitable grounds, too, for the Commission to have acted adversely on its proposal.

13. Closely associated with the foregoing arguments, and we are grouping these related contentions together before expressing our opinion, is petitioners' further contention that the Preston-TMC arrangement is not a "cooperative" within the meaning of § 93.4 of the rules;[7] rather, that it is a plan under which TMC will, in practice, "render a communications common carrier service" in a violation of section 214 of the Communications Act and § 93.2 of the Commission's rules.[8] On grounds previously mentioned, Preston argues that its proposal is not a common carrier operation but merely a lease arrangement under which eligibles in the Motor Carrier Service will have available to them, on advantageous terms, the physical facilities they need for communications required in their respective trucking operations. As such, Preston concludes, section 214 of the Communications Act does not apply and, it says, the plan is not one coming within the prohibition of § 93.2 of the rules. Further, Preston stresses that it conceived its plan as a bona fide sharing arrangement, with the "lease" cost of providing the service prorated, on the most equitable and advantageous basis it could devise, among the participants. In it, it sees no conflict whatsoever with the provisions of § 93.2 or with the requirements of § 93.4 of the rules, pointing out that neither it, nor any other persons using the facilities, as licensee or as an eligible in the Motor Carrier Radio Service, will receive any remuneration (profit) for the provision of the facilities or services; and that their use of it, and the benefits that they expect to derive from such use, will be confined to the very things the Commission has authorized in the Motor Carrier Radio Service, and nothing more. Finally, Preston sees the arrangement as one which advances the public interest, with no adverse impact on the common carrier operations of A.T. & T. or of other parties providing similar services, and one which gives motor carriers, as a class, an opportunity to employ the microwave frequencies which have been allocated for their use. In the past, Preston points out, this has not been possible, because, unlike railroads and other similarly situated large concerns, trucking companies, in general, do not have the economic means or the individual communications requirements to justify construction and operation of such microwave facilities for their own, "exclusive" use. In these circumstances, Preston concludes, it would be highly inequitable for the Commission to deny this user group access to these frequencies, simply because the "form" of the arrangement it has worked out is unique and innovative, especially where, as here, it results in a very efficient and effective use of the spectrum.

14. Upon careful review, we find no basic dispute in the facts which form the predicate for the controversy in this area. Thus, both petitioners and Preston acknowledge and agree, in effect, that the facilities of TMC will be available through Preston at the fixed charges to those sharing the microwave system; that TMC will "profit," or at least endeavor to do so; and that it will "assume the financial risk" of making the facilities available to Preston and other participants. These are attributes of common carriers, and if their presence in this situation were controlling, i.e., if other factors were not present to persuade us otherwise, we would be inclined to agree with the position taken by petitioners.

15. Here, however, it must also be recognized, as Preston points out, that in any system of communications using radio there are bound to be similarities. Thus, in each there must be equipment and other facilities and there must be maintenance. Licensees often lease, rather than purchase this equipment, and contract with parties to maintain and service the equipment. This is true both in the private as well as in the common carrier services. In this instance, the only persons to use the system will be of a class we, ourselves, have established as eligibles in the Motor Carrier Service, not members of the general public, as such. They can use the facilities not in unrestricted fashion, but only for those purposes we have authorized in this specific Service. Further, the licensee of the facilities, the person to whom the privilege of use of the channel is accorded, is not permitted to profit from the use of the facilities authorized to it, unlike the case of common carriers, where the licensee is permitted to make the facilities authorized to it available to the pub-

[5] The reference, here, is to the Commission decisions in "Coleman Petroleum Engineering Co.," et al., "Memorandum Opinion and Order" (FCC 70-772), 24 FCC 2d 378 (1970), and its "Memorandum Opinion and Order and Notice of Proposed Rule Making," Docket No. 18921, "Multiple Licensing—Safety and Special Radio Services," 24 FCC 2d 510 (1970).

[6] See "Multiple Licensing—Safety and Special Radio Services," op. cit., fn. 5, supra at par. 33, p. 518.

[7] Section 93.4 sets out terms and conditions for "cooperative use" of fixed radio stations. It provides, in general, that "licensees and persons eligible to become licensees of operational fixed stations may make cooperative use of such licensed facilities." The restrictions and conditions on sharing are given in subparagraphs of the rule.

[8] Section 93.2 of the rules states that, "* * * radio facilities authorized under this part shall not be used to render a communications common carrier service."

lic "for hire." Here, Preston plans to use the system to carry on its trucking operations. That is its primary business, and it is for that purpose alone that it wants the facilities.

16. Additionally, as Preston has said, there is no question that, without legal impediment, any of the other participants could apply for, and would be authorized to construct and operate, a system identical to Preston's, and could employ it "exclusively" for its own communications. And had Preston elected to build the system itself (had it had the economic capacity to do so) and then to share its cost with the same persons to participate under the present plan, the arrangement would have been subject to none of the deficiencies argued by petitioners, with the same result following had Preston chosen to lease the system, as an entirety, from TMC. Put another way, we have always permitted licensees to rent or lease their equipment (ownership is not a sine qua non to licensing in the private services), and, in fact, we have encouraged sharing in those situations where it was feasible and was shown to promote the effective and efficient use of the radio spectrum. Thus, while we find Preston's plan to be substantially consistent with the shared-use objective of Section 93.4 of the rules, we do have some reservations about precise arrangements between Preston and TMC under which the system would be made available by TMC to Preston and to other participants as well. Therefore, we want to explore this matter (i.e., the arrangement, itself, and associated factors) in the inquiry and rule-making proceeding we are instituting. Accordingly, we have decided to modify Preston's authorizations to make them subject to the outcome of that proceeding and, pending its conclusion, to permit their continuation, but further conditioned and restricted as mentioned below.

17. On this, we mention that cooperatives in the fixed service, those we have authorized up to the present time, have involved joint usage between one or two and, in a few instances, three or four persons or entities. In those situations, the licensees have either owned or have a proprietory interest in the equipment and related facilities, and the plans have not involved arrangements in which a third party (here TMC), not connected in any way with the licensee, was to own, operate, and maintain and service the system, and to make it available to the licensee, and a large number of other users, at fixed costs. These factors, we acknowledge, set Preston's plan apart from the usual, and we feel give rise to the question whether arrangements of this sort are in complete compliance with § 93.4 of the Commission's rules. These considerations have led us to conclude that this subject should be investigated through rule making. Thus, while we find good and sufficient reasons for permitting Preston to use its system in the manner proposed, we will not permit any expansion of it pending rule making. This will permit Preston to employ the basic authorized microwave system and will allow necessary connections to the terminals of present and any future participants but will preclude extension of the backbone facility. In addition, we will not authorize any arrangement of a similar nature until this rule-making is concluded. This course of action has the advantage of permitting Preston and other eligible trucking companies to use these frequencies, those which have been allocated in the Motor Carrier Radio Service for their purposes, in an effective and economical manner. It will also allow them to satisfy important communications requirements in furtherance of the fundamental activity which provides the basis for their eligibility in this service, and it will permit these things to be done in a way which manifestly promotes the efficient use of this spectrum. Furthermore, the experience we expect to gain from Preston's operation will serve to guide us in future regulation of sharing arrangements of this kind, and this is an advantage to us.

18. Finally, petitioners urge that the services of TMC will be like those available from "specialized common carriers" whose proposals are under consideration in the proceedings in Docket No. 18920. In view of the then pendency of the proceeding, petitioners felt that the immediate grant of Preston's proposal placed TMC in an advantageous competitive position vis-a-vis applicants for specialized common carrier facilities, since such action would have permitted TMC to enter the field at an early date. However, that case, i.e., the proceeding in Docket No. 18920, is now decided in major aspect, and these arguments are, as a consequence, moot.

III. Summary and conclusion on reconsideration and matters relating to initiation of notice of inquiry and notice of proposed rule making. 19. In summary, then, we have concluded that, to the extent indicated, there was standing to raise the arguments in opposition and to have them considered on the merits; and that sufficient good cause factors have been alleged to persuade us to review the matter on reconsideration, rather than hold the petitioners bound by the pre-grant procedures which were available to them. As to the ultimate merit of Preston's arrangement with TMC, we withhold final judgment. However, the plan does appear to provide obvious benefits to the users in addition to promoting a more efficient use of the spectrum. Further, aside from general policy issues raised, petitioners have made no showing from which we could reasonably conclude that the operation of Preston's system will have a substantial adverse impact on their licensed facilities or public offerings.

20. Moreover, while as we said, we will not authorize other arrangement of this type at this time, we see no bar to continuing Preston's authorization, limited and conditioned as set forth, below, because, among other reasons, through the experience we gain from it, together with the data we expect as a result of our inquiry and rule making, we will be in a better position to evaluate proposals of the class exemplified by the Preston arrangement and, also, to determine whether they should be expanded, conditioned, limited, or precluded entirely.

21. In light of the foregoing, then, we ultimately conclude that the public interest would be served by continuing Preston's authorizations on a limited and restricted basis, subject to the following conditions and limitations. First, determination as to whether Preston will be able to continue to furnish service in the future, on a cooperative basis under the plan embodied in its proposal, is conditioned upon the decision reached in the associated inquiry and rule making and, in addition, its authorizations are made subject to such rules and regulations as may be adopted as a result of these proceedings. Second, Preston may add participants, but it may not expand its system beyond that which is presently authorized to it. Third, Preston is to furnish the Commission, within 6 months of commencement of operation and at 6-month intervals thereafter, with reports stating in detail the persons served, the nature of the services provided these users and over what portion of the microwave system and in what areas; the charges made for the services performed and the amounts paid by the participants for these services; and a narrative statement of the means employed by the licensee to assure continuation of its ability to be fully responsive to its duties and obligations—under the Communications Act of 1934, as amended, the rules and regulations of the Commission and applicable Commission policy—as the licensee of the facilities authorized it.

22. In addition, it will be our interim policy not to accept any applications for similar facilities until completion of the rule making proceeding and inquiry initiated herein. It is to be understood, of course, that this policy is not to be construed to preclude cooperative use of fixed stations heretofore authorized, either pursuant to § 93.4 of the Commission's rules or in accord with parallel provisions in the other Safety and Special Radio Services.

23. Nonetheless, as we have said, there are certain features of Preston's plan which we want to evaluate through our rule making procedures; and, before permitting licensing of similar arrangement on a general or unrestricted basis, we are initiating this rule making and inquiry. In this regard, we request interested parties to submit comments as to whether the kind of arrangement for joint usage of microwave systems which, in this instance, is being authorized on a limited basis to Preston should be allowed in the private radio services, generally. In addressing themselves to this basic question, the parties are asked to give their views within the framework of the following issues:

(1) To determine the advantages and disadvantages of further authorization of sharing arrangements such as the one being used by Preston, or similar to it.

(2) To determine whether arrangements of this kind can be regulated adequately, in the public interest, under existing rules and procedures governing the private radio services.

(3) To determine whether specific rule provisions should be made for arrangements of the type typified by Preston's plan.

(4) To determine whether the licensee, in this type of arrangement, will be able to exercise the degree of licensee responsibility and control over authorized facilities required by the Communications Act and the rules and regulations of the Commission.

(5) To determine whether the rules governing the Safety and Special Radio Services should be amended to permit the licensing of entities such as Transportation Microwave Corp., to provide communications facilities to eligibles in the private services, and if so, under what terms and conditions.

(6) To determine what the potential for growth of sharing arrangements of this type would be and their potential impact on existing common carrier operations and those established by specialized common carriers under authority granted as a result of the Commission's decision in Docket No. 18920.

(7) To determine whether the Preston arrangement, and those similar to it, would be better regulated as a common carrier radio service, utilizing frequencies allocated to, and under rules and regulations governing those services.

24. We wish to be clear that we intend the questions presented in these issues, and generally in this inquiry and rulemaking proceeding, to apply not only to the specific arrangement embodied in the Preston proposal, but also, broadly, to other plans for cooperative use of fixed station facilities typified by it. Accordingly, the parties are asked to address themselves to the foregoing issues with this in mind. Furthermore, it should be understood that as a result of this proceeding we may, without further inquiry or notice, issue new or modified rules to either expand or limit the kinds of cooperatives we will permit in the private services, or to define the terms and conditions under which expanded sharing of microwave facilities will be allowed, or to preclude any such cooperative use which we determine is not in the public interest, and, additionally, that we may take such other action as we may deem required or desirable to accomplish these objectives, based on the record developed in this proceeding.

25. This action is taken pursuant to section 4 (i) and (j) and 303 and 403 of the Communications Act of 1934, as amended.

26. Pursuant to applicable procedures set forth in § 1.415 of the Commission's rules, interested persons may file comments on or before October 5, 1971, and reply comments on or before October 15, 1971. All relevant and timely comments will be considered by the Commission before final action is taken in this proceeding; and the Commission may also take into account other relevant information before it, in addition to the specific comments invited by this notice.

27. In accordance with the provisions of § 1.419 of the Commission's rules, an original and 14 copies of all statements, briefs, or comments filed shall be furnished the Commission.

28. Responses will be available for public inspection during regular business hours in the Commission's broadcast and docket reference room at its headquarters in Washington, D.C.

29. *Further, it is ordered,* That the foregoing referenced petitions for reconsideration are, to the extent indicated in the opinion, above, granted, and in all other respects denied.

30. *It is further ordered,* That the captioned authorizations are modified and made subject to the terms and conditions set forth at paragraph 21 of this opinion.

Adopted: August 18, 1971.

Released: August 24, 1971.

FEDERAL COMMUNICATIONS COMMISSION,[*]
[SEAL] BEN F. WAPLE,
Secretary.

[FR Doc.71-12536 Filed 8-25-71;8:53 am]

[47 CFR Part 64]

[Docket No. 19308; FCC 71-876]

NEW PRIORITY SYSTEM FOR USE AND RESTORATION OF LEASED INTERCITY PRIVATE LINE SERVICES

Notice of Proposed Rule Making

In the matter of amendment of Part 64 of the Commission's rules to provide for a new priority system for use and restoration of leased intercity private line services.

1. Notice is hereby given of proposed rule making in the above entitled matter.

2. The National Industry Advisory Committee has transmitted a proposed revision to FCC Order 70-291 to the Commission for formal consideration.

3. In this proceeding, the Commission proposes to promulgate rules providing for "A Priority System for the Use and Restoration of Leased Intercity Private Line Services," to insure that leased intercity private line services vital to the national interest, both Government and non-Government, will be maintained, to the maximum extent possible at all times.

4. The present system does not include provision for the assignment of priority subcategories. The proposed system, set forth in detail in the Appendix below, would enable the Federal Communications Commission to provide for priority subcategories when certifying priorities to the communications common carriers for use and restoration of leased intercity private line service.

5. Paragraph 6 of the proposed system provides that the FCC will determine an appropriate subcategory designation with respect to non-Federal Government circuits in consonance with established Government procedures and, accordingly, an applicant is not expected to list a subcategory in his FCC Form 915 application for priority certification.

6. FCC Form 915 applications on file with the Commission would not be affected by the proposed proceedings and would be valid applications under the new system available for processing.

7. The proposed amendment to the rules, as set forth above, is issued pursuant to the authority contained in sections 1, 4(i) and 201 thru 205 of the Communications Act of 1934, as amended and Executive Order 11490.

8. Pursuant to the applicable procedures set forth in Section 1.145 of the Commission's rules, interested persons may file comments on or before October 5, 1971, and reply comments on or before October 15, 1971. All relevant and timely comments will be considered by the Commission before final action is taken in this proceeding. In reaching its decision, the Commission may also take into account other relevant information before it, in addition to the specific comments invited by this notice.

9. In accordance with the provisions of § 1.419 of the Commission's rules, an original and 14 copies of all statements, briefs, or comments filed shall be furnished the Commission. Responses will be available for public inspection during regular business hours in the Commission's Broadcast and Docket Reference Room at its Headquarters in Washington, D.C.

Adopted: August 18, 1971.

Released: August 23, 1971.

FEDERAL COMMUNICATIONS COMMISSION,[1]
[SEAL] BEN F. WAPLE,
Secretary.

APPENDIX

Part 64 of the Commission's rules and regulations is amended as follows:

1. Appendix A, Subpart D, Part 64 is revised to read as follows:

Appendix A. Priority system for the use and restoration of leased intercity private line services.

1. This appendix is applicable to communications common carriers and establishes a priority system for use and restoration of leased intercity private line services. These rules provide procedures to insure that leased intercity private line services vital to the national interest will be maintained, to the maximum extent possible. To meet this requirement, this system will govern the proper order of restoration of leased intercity private line services.

2. All communications common carriers shall honor this priority system both as to maintaining leased intercity private line services for essential users, and in restoring such private line service if it should be interrupted, and are expected to incorporate it in their day-to-day operations. In implementing this priority system the following principles will be applied:

[*] Commissioner Bartley concurring in the issuance; dissenting to the issuance; Commissioner H. Rex Lee absent, and Commissioner Wells dissenting.

[1] Commissioner Johnson abstaining from voting, and Commissioner H. Rex Lee absent.

When necessary, in order to resume a service having a given priority, services having lower or no priorities will be interrupted in the reverse order of priority, starting with nonpriority services. In the event that nonpriority or lower priority leased intercity private line circuits are interrupted to restore higher priority services, the communications common carriers will, when taking such circuits, endeavor, if feasible, to notify the user, giving him the reasons for the preemption. In the event that public correspondence circuits are used to satisfy a requirement for priority leased intercity private line service, idle circuits will be selected first. However, care must be taken not to preempt any circuits used for public correspondence which carry or may reasonably be expected to carry any priority traffic. If it is necessary to use busy public correspondence circuits, the communications common carriers will not normally interrupt conversations having a priority classification.

Prior to a state of war, or a national emergency as proclaimed by the President, it is contemplated that the application of this system of priorities by the communications common carriers will not normally require the preemption of other leased intercity private line services. If preemption is required during such normal times, however, it is authorized and restoration of interrupted services by the communications common carriers will be in the order of priority set forth in these Rules.

It is recognized that, as a practical matter in providing for the restoration of a priority service or services operating within a multiple circuit type of facility (such as a carrier band, cable or multiplex system), lower priority or nonpriority services on parallel channels within the band or system may enjoy restoration as well. Reactivation of such lower priority or nonpriority services resulting therefrom shall not, however, interfere with the expeditious restoration of priority service.

3. The priority system and procedures described herein are applicable to:

(a) U.S. domestic leased intercity private line services, including private line switched network services.

(b) U.S. international leased private line services to the point of foreign entry.

(c) Foreign extension of U.S. international leased private line services to the extent possible by agreement between U.S. communications common carriers and their foreign correspondents, except wherein arrangements exist for the restoration by foreign correspondents.

(d) International leased private line services terminating in or transiting the United States.

The priority system and procedures described herein are not applicable to operational circuits of the communications common carriers. It is recognized that a minimum number of operational circuits are needed by the communications common carriers for circuit reactivation and maintenance purposes. Such minimum number of operational circuits as are needed for these purposes shall have priority of restoration over all other circuits and shall be exempt from interruption for the purpose of restoring other priority services.

4. As used herein:

Circuit means the communications common carriers' specific designation of the overall facilities provided between, and including, terminals for furnishing of service. When the service involves network switching, "circuit" includes those circuits between subscriber premises and switching centers (access lines) and those between switching centers (trunks). Circuit is synonymous with the term service as applied to this Order and FCC Form 915.

Government when used alone means Federal, Foreign, State, county, or municipal government agencies. Specific reference will be made whenever it is intended that leased intercity private line services of a particular level of government are meant; e.g., "Federal Government", "Foreign Government", and similar elements. The term "Foreign Government" shall include coalitions of governments such as NATO, SEATO, OAS, U.N., and Associations of Governments or Governmental Agencies such as Pan American Union, International Monetary Fund, and similar elements.

Private line service means the leased intercity private line service provided by United States communications common carriers engaged in providing domestic and/or international telecommunications for intercity communications purposes of customers over integrated communication pathways, including interexchange facilities, local channels and station equipment which are integral components of intercity private line services between specific locations. Service is synonymous with the term circuit as applied to this system and Federal Communications Commission Form 915.

Restoration means the recommencement of leased intercity private line service by patching, rerouting, substitution of component parts of the circuit, or otherwise, as determined by the communications common carrier(s) involved.

Station means the transmitting or receiving equipment, or combination transmitting and receiving equipment, at any location on a premise and connected for private line service.

5. For Federal Communications Commission certification to communications common carriers, the circuit requirement restoration priorities are divided into two groups.

Group A—Circuit requirements certified to the communications common carriers for the Federal Government. This includes foreign government circuit requirements. The Director, Office of Telecommunications Policy will forward priority assignments to the Federal Communications Commission for formal certification.

Group B—Circuit requirements certified to the communications common carriers for the public. This includes circuit requirements of State, county and municipal governments and quasi-State and local government agencies and essential industrial/commercial activities.

State, county, municipal governments, quasi-State and local governments and all industrial/commercial customers, including the industrial/commercial customers earmarked for prearranged participation with the Federal Government, shall submit their requests for priority assignments, using the criteria established in Part 7 hereof, to the Federal Communications Commission on FCC Form 915 (April, 1970).

6. There are four levels of restoration priorities:

Priority 1, Priority 2, Priority 3, and Priority 4.

The Federal Communications Commission will determine an appropriate subcategory designation with respect to non-Federal Government circuits in consonance with established Government procedures.

7. The following criteria will govern qualification for priority certifications for leased intercity private line services:

a. Priority 1 will be applicable only to Federal and foreign government private line services and to those industrial/commercial private line services which are earmarked for prearranged voluntary participation with the Federal Government during an emergency. Service in this category will be strictly limited to only those essential to national survival if attack occurs, and they will satisfy requirements for: obtaining critical intelligence concerning the attack; conducting diplomatic negotiations critical to the arresting or limiting of hostilities; executing command and control of military forces essential to defense and retaliation; providing warning to the nation's population; and maintaining essential Federal Government functions.

b. Priority 2 will be applicable to additional Federal and foreign government private line services and to those additional industrial/commercial private line services which are earmarked for prearranged voluntary participation with the Federal Government during an emergency. Services in this category will be strictly limited to only those essential when attack threatens and they will be required in order to minimize serious danger of: reducing significantly the preparedness of our defense and retaliatory forces; limiting our ability to conduct critical pre-attack diplomatic negotiations to reduce or limit the threat of war; interfering with the effectual direction of the nation's population in the interest of civil defense and their survival; weakening our capability to accomplish critical national internal security functions; and inhibiting our ability to conduct essential Federal Government activities necessary to meet a pre-attack situation.

c. Priority 3 will be applicable to those additional minimum Federal and foreign government services; State, county and municipal government services; quasi-government agencies' services; and industrial/commercial services which require early restoration in order to maintain defense posture, our diplomatic posture, and the health and safety of our population in time of any national emergency involving heightened possibility of hostilities. Services in this priority category will be strictly limited to such activities as:

(1) Critical logistic functions, provision of critical public utility and industrial services, and administrative military support functions;

(2) Providing information and instructions to key diplomatic posts;

(3) Securing and disseminating intelligence information;

(4) Maintenance of law and order;

(5) Distribution of essential food and supplies critical to health;

(6) Preparations for air, sea, or ground operations required for safety of life; rescue operations, and movement operations;

(7) Accomplish tasks necessary to insure critical damage control functions;

(8) Preparations for adequate hospitalization;

(9) Continuity of critical Government functions;

(10) Transportation to accomplish the foregoing.

d. Priority 4 will be applicable only to those additional minimum Federal and foreign government; quasi-government agencies; State, county, and municipal government; and industrial/commercial services which are required during any national emergency for maintaining the public welfare and our national economic posture. Services in this priority category will be limited to those needed for continuing or reestablishing our more important financial, economic, and health and safety activities.

e. State, county and municipal government and quasi-State and local government agencies, and industrial/commercial services in the priority 3 and 4 categories will be further limited to those where, during an emergency, at least one station on the circuit, or connected circuits if switched service is

involved, will be manned continually unless such circuits are automated and under constant surveillance from a remote location.

8. U.S. communications common carriers shall, so far as practicable, effect the restoration of U.S. portions of interrupted international private line services in accordance with this system. In dealing with interrupted foreign portions of international leased private line services, the U.S. communications common carriers should endeavor by advance agreements with their foreign correspondents (except as indicated below), to effect the restoration of private line services in accordance with this system. Lacking such an arrangement, U.S. communications common carriers should handle service restoration in accordance with any system acceptable to their foreign correspondents which meets, or comes closest to meeting, the procedures described herein.

9. To insure the effectiveness of this system of priorities it is required that a rigorous examination be made by users to determine whether the requirements for a private line service justify placing it into one of the priority categories. It should be understood that communication facilities other than private line services may be available to qualified users during emergencies pursuant to Federal Communications Commission Order 69-1113, October 21, 1969.

10. Initial requests for restoration priority assignments which are denied by the Federal Communications Commission may be resubmitted by the requestor for reconsideration after 90 days, unless requirements for the priority have changed.

11. Federal Communications Commission Order 70-291 is hereby superseded by these Rules.

12. Restoration priorities must be realistically applied to available resources. This objective can be achieved only by continuous and close cooperation among agencies of the Federal Government and communications common carriers.

13. Applications for priority certifications for State and local government, and quasi-State and local government agencies, and for industrial/commercial private line circuits shall be submitted to the Federal Communications Commission, Washington, D.C. 20554, in triplicate, on FCC Form 915 (revised April 1970) and signed by the head of such government agency or by an officer of the company or organization, as applicable. Requestors will be notified by the Federal Communications Commission of actions taken regarding applications.

14. A periodic review shall be made of those industrial/commercial, State and local government (and quasi-State and local government agencies) circuits, which have received a certified priority assignment from the Federal Communications Commission, with the assistance of the communications common carriers, to determine the accuracy of records.

15. State and local government (and quasi-State and local government agencies) and industrial/commercial users of private line services having circuits within the priority classifications, shall re-examine their circuit requirements at least every 6 months with the Federal Communications Commission. In any event the user will immediately notify the Federal Communications Commission when such priorities are no longer required.

16. These rules are issued pursuant to section 1, 4(i) and 201 through 205 of the Communications Act of 1934, as amended, and Executive Order 11490, and shall remain in effect until such time as the Commission amends, modifies, or revokes them, or until they are amended or superseded, by the President pursuant to the powers conferred upon him by, and in accordance with the procedures specified in section 606(a) of the Act.

[FR Doc.71-12537 Filed 8-25-71;8:53 am]

SMALL BUSINESS ADMINISTRATION

[13 CFR Part 121]

DEFINITION OF SMALL BUSINESS FOR PURPOSE OF GOVERNMENT PROCUREMENT OF CUSTODIAL AND JANITORIAL SERVICES

Postponement of Hearing

On July 17, 1971, the Small Business Administration published in the FEDERAL REGISTER (36 F.R. 13277) a notice that it would hold a public hearing on August 17, 1971, on its proposal to decrease from $3 million average annual receipts to $2 million average annual receipts, the definition of a small business concern for the purpose of bidding on Government procurements for custodial and janitorial services.

The hearing has been postponed until Thursday, September 16, 1971. It will be held at 10 a.m., e.d.s.t., on that date in Room 214 of our building at 1441 L Street NW., Washington, D.C. The time for submission of written comment by the general public is also extended to September 16, 1971.

Dated: August 18, 1971.

THOMAS S. KLEPPE,
Administrator.

[FR Doc.71-12475 Filed 8-25-71;8:47 am]

Notices

DEPARTMENT OF THE TREASURY

Office of the Secretary

[Treasury Department Order No. 150-75]

COMMISSIONER OF INTERNAL REVENUE

Delegation of Authority

The authority delegated to the Secretary of the Treasury by Office of Emergency Preparedness Economic Stabilization Order 1 of August 19, 1971, is hereby redelegated to the Commissioner of Internal Revenue. The Commissioner may redelegate this authority to any officer or employee of the Internal Revenue Service.

Under the terms of section 4(d) of Executive Order 11615 of August 15, 1971, all Treaury bureaus and organizations are available to assist Internal Revenue Service in carrying out the responsibilities assigned by this delegation.

Dated: August 19, 1971.

[SEAL] JOHN B. CONNALLY,
Secretary of the Treasury.

[FR Doc.71-12543 Filed 8-25-71;8:51 am]

DEPARTMENT OF DEFENSE

Department of the Army

INTERAGENCY CIVIL DEFENSE COMMITTEE

Boards and Committees

References: (a) Section 401 of the Federal Civil Defense Act of 1950, as amended, as affected by Reorganization Plan No. 1 of 1958, as amended; (b) Executive Order 10952, "Assigning Civil Defense Responsibilities to the Secretary of Defense and Others," dated July 20, 1961, as amended; (c) Executive Order 10958, "Delegating Functions Respecting Civil Defense Stockpiles of Medical Supplies and Equipment and Food," dated August 14, 1961; (d) Executive Order 11490, "Assigning Emergency Preparedness Functions to Federal Departments and Agencies," dated October 28, 1969; (e) OCD Instruction 5120.1, "OCD Committee Management Program," dated May 26, 1971.

1. *Establishment.* There is hereby established, pursuant to references (a) and (b), the Interagency Civil Defense Committee (hereinafter referred to as the Committee), to aid in assuring that civil defense planning and operations, pursuant to references (c) and (d), within the executive branch will be in consonance with the civil defense plans, programs, and operations of the Secretary of Defense.

2. *Composition of the Committee.* a. The Chairman of the Committee shall be the Director of Civil Defense or his named representative.

b. All dependents and agencies of the Federal Government having civil defense responsibilities under references (c) and (d) are invited to be represented on the Committee.

c. The Office of Emergency Preparedness is being invited to participate by designating observers.

3. *Responsibilities and functions.*—a. *Responsibilities.* (1) The Committee shall advise the Director of Civil Defense in carrying out his responsibilities (reference (b)) in the field of civil defense.

(2) The Chairman shall be responsible for the conduct of committee activities, shall provide secretariat services, and shall coordinate the work of the Committee with the activities of other Government agencies and interagency groups having responsibilities in the field of emergency preparedness.

(b) *Functions.* Committee functions include, but are not limited to:

(1) Promoting cooperation among Federal agencies in the prosecution of civil defense objectives.

(2) Reporting on civil defense developments at national, State, and local levels.

(3) Coordinating and correlating civil defense planning and program implementation at the Federal level.

(4) Recommending measures to assure maximum utilization of the capabilities and technical competence of the Federal establishment to provide for a more effective civil defense system at Federal, State, and local levels.

(5) Advising on policy guidance governing implementation of civil defense plans and operational procedures and on such other matters as the chairman may request.

4. *Committee management and reports*—a. *Management.* The chairman, or his named representative, shall administer activities of the Committee in accordance with reference (e) above.

b. *Reports.* Information on the Committee shall be included in the International and Interagency Committee Management Report (RCS DD-A(A)923), as prescribed by reference (e) above.

5. *Duration of Committee.* The Committee shall continue in existence until June 30, 1972, or whenever the mission is completed, whichever is earlier.

6. *Cancellation.* Notice of establishment of Interagency Civil Defense Committee published July 23, 1970 (35 F.R. 11822) is hereby canceled.

JOHN E. DAVIS,
Director of Civil Defense.

[FR Doc.71-12492 Filed 8-25-71;8:48 am]

REGIONAL DIRECTORS, OFFICE OF CIVIL DEFENSE

Delegation of Authority

References: (a) Executive Order 10952, dated July 20, 1961, "Assigning Civil Defense Responsibilities to the Secretary of Defense and Others" (26 F.R. 6577), as amended; (b) Department of Defense Directive 5160.50 "Civil Defense Functions" dated March 31, 1964 (29 F.R. 5017); (c) "Organization and Operation of the Office of Civil Defense Within the Office of the Secretary of the Army and Delegation of Administrative Authorities for Civil Defense Functions," dated April 1, 1964 (29 F.R. 5017); (d) Delegations of Authority published at 29 F.R. 11852-11853, August 19, 1964, as amended by Delegation of Authority published at 36 F.R. 11457, June 12, 1971 and 36 F.R. 12318, June 30, 1971.

Section 4 (Regional Directors) of reference (d) is amended as follows:

1. By revision of subsection 4(d), to read as follows:

(d) Concerning personal property donated for civil defense purposes under section 203(j) of the Federal Property and Administrative Services Act of 1949, as amended, 40 U.S.C. 484(j), and having an original single item acquisition cost to the United States of two thousand five hundred dollars ($2,500) or more but less than one hundred thousand dollars ($100,000); subject to the disapproval of the Administrator of General Services within 30 days after notice to him of any action to be taken—(1) determining and enforcing compliance with the terms, conditions, reservations, and restrictions contained in any instrument by which such property was transferred; (2) reforming, correcting, or amending any such instrument; and (3) granting releases from any of the terms, conditions, reservations, and restrictions contained in, and releasing to the donee any right or interest reserved to the United States by, such instrument, if the Regional Director determines that the property so transferred no longer serves the purpose for which it was donated or that the release will not prevent accomplishment of such purpose:

Provided, That any such release may be granted on, or made subject to, such terms and conditions as the Regional Director shall deem necessary to protect or advance the interests of the United States.

2. By addition of a new subparagraph 4(l), to read as follows:

(l) Determining, on a case basis, that the loan of Federal personal property to an Office of Civil Defense financial assistance program applicant will result in a reduction in cost to the Government or enhancement of the civil defense capability accruing from the project, neither or both, as the case may be; entering into and executing agreements (OCD Forms 251 and 251-a) for the loan of Federal personal property to fulfill civil defense contributions program objectives; and taking such other action, necessary to carry out the loan program, as provided in Part F, Chapter 5, Appendix 5, Federal Civil Defense Guide.

This amendment is effective immediately.

Dated: August 12, 1971.

JOHN E. DAVIS,
Director of Civil Defense.

[FR Doc.71-12493 Filed 8-25-71;8:48 am]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[Serial No. Idaho 016388]

IDAHO

Notice of Proposed Withdrawal and Reservation of Lands; Addition

AUGUST 18, 1971.

In F.R. Doc. 65-7082, page 8592 of the issue for July 7, 1965, as amended by F.R. Doc. 65-8765, page 10329 of the issue for August 19, 1965; F.R. Doc. 65-9237, page 11261 of the issue for September 1, 1965; and F.R. Doc. 65-13608 of the issue for December 21, 1965, the land description is further supplemented for the Dworshak dam and reservoir project to include those lands being acquired through an exchange with the State of Idaho under the Taylor Grazing Act as described below:

BOISE MERIDIAN, IDAHO

T. 38 N., R. 2 E.,
Sec. 4, S½SW¼SW¼;
Sec. 5, W½ of lot 1, lots 2, 3, W½SE¼NE¼, SW¼NE¼, SE¼NW¼, NE¼SW¼, NE¼SE¼SW¼, W½SE¼, SE¼SE¼, S½NE¼SE¼, NW¼NE¼SE¼;
Sec. 8, NE¼SW¼NE¼;
Sec. 9, W½W½, W½E½W½;
Sec. 13, S½SW¼SE¼;
Sec. 16, NW¼NW¼, NW¼NE¼NW¼, N½SW¼NW¼, SW¼SW¼NW¼, S½SE¼SW¼;
Sec. 24, E½E½NW¼;
Sec. 34, NE¼NW¼, NE¼NW¼NW¼;
Sec. 35, N½N½NW¼, SW¼NW¼NW¼.
T. 38 N., R. 3 E.,
Sec. 13, S½NE¼, NE¼NE¼;
Sec. 14, SW¼NW¼;
Sec. 15, SE¼SE¼NE¼;
Sec. 19, S½SW¼SE¼;
Sec. 20, SE¼SW¼, E½SW¼SW¼, S½S½SE¼;
Sec. 21, S½SE¼SE¼, NE¼SE¼SE¼, S½SW¼SW¼;
Sec. 22, lots 7, 8, 9, E½NW¼, E½SW¼NW¼, E½NW¼SW¼, SW¼NW¼SW¼;
Sec. 27, lot 2;
Sec. 28, lots 1, 2, 3, 4;
Sec. 29, lots 1, 2, 3, 4, 5, 6, 7, 8, N½N½SW¼, SW¼NW¼SW¼, N½NE¼SE¼, NW¼NW¼SE¼;
Sec. 30, lots 1, 2, 3, 4, 5, 6, 7, 8.
T. 38 N., R. 4 E.,
Sec. 5, W½ of lot 3, lot 4, SW¼NW¼, SW¼, W½SE¼NW¼, SE¼SE¼NW¼, NW¼NW¼SE¼, S½SW¼SE¼, NW¼SW¼SE¼;
Sec. 6, lot 1, SE¼NE¼, E½SE¼;
Sec. 7, E½NE¼, NE¼SE¼, N½SW¼SE¼, NW¼SE¼SE¼;
Sec. 8, N½NW¼, N½SW¼, SW¼NW¼, NW¼NE¼.
T. 39 N., R. 3 E.,
Sec. 24, lots 1, 3, NW¼NE¼, S½NW¼SE¼, NE¼NW¼SE¼;
Sec. 25, lot 1, N½NW¼NE¼, NE¼SE¼NE¼.
T. 39 N., R. 4 E.,
Sec. 4, lots 3, 6, 7, 10, SE¼SW¼, NW¼NW¼SE¼, S½NW¼SE¼, SW¼SE¼, NW¼SE¼SE¼, S½SE¼SE¼;
Sec. 8, lots 4, 5, NE¼NW¼NE¼, S½NW¼NE¼, S½NE¼NW¼, N½SW¼NW¼, SE¼SW¼NW¼, SE¼NW¼, N½SW¼SE¼, SW¼SW¼SE¼;
Sec. 9, lot 1, NE¼NE¼, N½NW¼NE¼, NW¼NW¼SW¼;
Sec. 17, lots 1 and 3 except the SE¼ of said lot 1;
Sec. 19, lots 1, 3, 4, 5, S½SE¼SW¼, W½NE¼NW¼;
Sec. 30, lots 5, 7, 10, NE¼ of lot 8, W½NW¼NE¼, SE¼NW¼NE¼, E½E½SW¼, NW¼NE¼SW¼;
Sec. 31, SE¼ of lot 10, S½SE¼SW¼, W½SE¼, E½W½NE¼, NW¼NW¼NE¼;
Sec. 32, W½SW¼, W½E½SW¼, NE¼NE¼SW¼.
T. 40 N., R. 4 E.,
Sec. 12, NE¼NW¼NW¼;
Sec. 28, SW¼SW¼.
T. 41 N., R. 4 E.,
Sec. 22, SE¼SE¼NE¼, N½NW¼SE¼, SE¼NW¼SE¼, NE¼SE¼;
Sec. 23, S½SE¼NE¼, N½SE¼SE¼, SE¼SE¼SE¼;
Sec. 24, S½S½N½, N½S½, SW¼SE¼, W½SE¼SE¼;
Sec. 25, N½NW¼NE¼, SW¼NW¼NE¼, SW¼NW¼, N½SE¼NW¼, SW¼SE¼NW¼, NW¼SW¼, N½SW¼SW¼, SW¼SW¼;
Sec. 26, E½NE¼NE¼, SE¼SE¼NE¼, NE¼SE¼, S½NE¼SE¼, SE¼SE¼;
Sec. 35, NE¼, SE¼NE¼NW¼, E½SW¼NW¼, SE¼NW¼, NE¼SE¼SW¼, NE¼SE¼;
Sec. 36, W½SW¼NE¼, SW¼NE¼NW¼, NW¼NW¼NW¼, S½NW¼NW¼, S½NW¼NW¼, S½NW¼, N½SW¼, W½SW¼SW¼, W½NW¼SE¼.
T. 41 N., R. 5 E.,
Sec. 19, lot 3, NE¼NE¼, NE¼NW¼NE¼, S½NW¼NE¼, SW¼NE¼, SE¼NW¼, N½NE¼SW¼, SW¼NE¼SW¼, NW¼NW¼SE¼, S½ of lot 2;
Sec. 20, NW¼NW¼NW¼;
Sec. 25, lots 1, 2, 3, 4, 5, 6, 7, 8, NW¼NW¼SE¼, S½NW¼SE¼, SW¼NE¼SE¼, S½SW¼NW¼;
Sec. 26, lots 1, 2 less NW¼, lots 3, 4, 5, 6, 7, 8, 9, NW¼SW¼, S½NE¼SW¼, NW¼NE¼SW¼, SE¼SE¼NE¼;
Sec. 27, lots 1, 2, 6, 7, S½N½SW¼;
Sec. 28, N½SE¼SW¼;
Sec. 31, S½SE¼SE¼;
Sec. 32, lots 1, 2, 3, SW¼SW¼, S½NE¼SW¼, NW¼SE¼, SE¼NE¼, SE¼SW¼NE¼, E½NE¼NE¼;
Sec. 33, lots 5, 6, 7, N½SE¼SW¼;
Sec. 34, N½SW¼NW¼, SW¼SW¼NW¼, NW¼SE¼NW¼, N½N½NE¼;
Sec. 35, N½N½NW¼, SE¼NE¼NW¼, N½NW¼NE¼, SW¼NW¼NE¼.

The land added aggregates 7,286.79 acres.

RICHARD H. PETRIE,
Chief, Division of Technical Services.

[FR Doc.71-12501 Filed 8-25-71;8:49 am]

[Montana 19022]

MONTANA

Order Providing for Opening of Public Lands; Correction

AUGUST 19, 1971.

In F.R. Doc. 71-11180 appearing at page 14407 in the issue of Thursday, August 5, 1971, the following corrections should be made:

1. The document should be headed with serial number "Montana 19022."

2. The land description in Sec. 25, T. 26 N., R. 38 E., should read SE¼NE¼ and E½SE¼.

ROLAND F. LEE,
Chief, Branch of Lands and Minerals Operations.

[FR Doc.71-12500 Filed 8-25-71;8:49 am]

DEPARTMENT OF AGRICULTURE

Office of the Secretary

NATIONAL FOREST LAND DESCRIPTIONS

Boundary Changes; Correction

The following corrections are made in National Forest land descriptions published as general notices in the referenced issues of the FEDERAL REGISTER:

1. F.R., Vol. 34, No. 2, January 3, 1969, page 88.

MANISTEE NATIONAL FOREST, MICH.

T. 19 N., R. 17 W., all that part of section 6 lying north of Big Sable River, add section 5 so description will read: "all that part of sections 5 and 6 lying north of the Big Sable River."

2. F.R., Vol. 36, No. 123, June 25, 1971, page 12117.

CLARK NATIONAL FOREST, MO.—LANDS EXCLUDED

a. T. 34 N., R. 4 E., sec. 18, delete "N½W½, NW¼SE¼;" and add "N½NE¼, Lot 1 SW¼, SE¼;".

b. T. 34 N., R. 4 W., sec. 19, lots 1 and 3 NE¼, correct "NE¼," to read "NW¼,".

WAYNE NATIONAL FOREST, OHIO, OHIO COMPANY SURVEY

T. 6 N., R. 12 W., add sec. "35" and delete "35" from fractional secs.

HOOSIER NATIONAL FOREST, IND.

T. 3 N., R. 1 W., add "Sec. 31, N½SW¼."

ALLEGHENY NATIONAL FOREST, PA.

a. In the 17th line from the beginning, delete "northwesterly" and substitute "southwesterly".

b. In the 61st line from the beginning, delete the comma between the words "southwesterly" and "right-of-way," and add the words "along the westerly".

Effective date. This order shall become effective on the date of its publication in the FEDERAL REGISTER (8-26-71).

T. K. COWDEN,
Assistant Secretay.

AUGUST 23, 1971.

[FR Doc.71-12549 Filed 8-25-71;8:51 am]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

[DESI 12108; Docket No. FDC-D-316; NDA 12-108]

CETRIMONIUM BROMIDE VAGINAL AEROSOL FOAM

Drugs for Human Use; Drug Efficacy Study Implementation

Correction

In F.R. Doc. 71-11292 appearing on page 14512 in the issue of Friday, August 6, 1971, the word "Vega-Spray" appearing in the fifth line should read "Vaga-Spray".

DEPARTMENT OF TRANSPORTATION

Coast Guard

[CGFR 71-76A]

AMCHITKA ISLAND, ALASKA

Security Zone; Correction

J. A. Palmer, Rear Admiral, U.S. Coast Guard, Commander, Seventeenth Coast Guard District, has changed the effective date of the Security Zone for Amchitka Island, Alaska, from Wednesday, August 25, 1971 to Tuesday, August 31, 1971, and the termination date from Thursday, October 14, 1971 to Wednesday, October 20, 1971. Accordingly, the FEDERAL REGISTER F.R. Doc. 71-11140 appearing on page 14344 of the August 4, 1971 issue of the FEDERAL REGISTER is corrected in the first sentence of the security zone order by changing "Wednesday, August 25, 1971" to "Tuesday, August 31, 1971" and "Thursday, October 14, 1971" to "Wednesday, October 20, 1971".

Dated: August 23, 1971.

R. E. HAMMOND,
Rear Admiral, U.S. Coast Guard,
Chief, Office of Operations.

[FR Doc.71-12540 Filed 8-25-71;8:52 am]

Office of Pipeline Safety

[Docket No. OPS-5A]

CAST IRON PIPE RESEARCH ASSOCIATION

Denial of Petition for Reconsideration

On June 25, 1971, the Department of Transportation issued Federal safety standards for the control of corrosion on metallic gas pipelines and pipeline facilities (36 F.R. 12297). These standards provided for the control of external corrosion on buried pipelines through the use of bonded coatings and supplemental cathodic protection. On July 1, 1971, the Cast Iron Pipe Research Association (CIPRA) petitioned for reconsideration of these standards and for an amendment that would provide an alternative method of corrosion control for cast and ductile iron pipe by utilizing loose polyethylene encasement. In evaluating this petition, the Department has carefully reviewed all material provided by CIPRA and by other interested persons. This includes the transcript of a hearing held on July 20, 1970, oral and written comments submitted to the Department and to the Technical Pipeline Safety Standards Committee (TPSSC), the petition itself with supporting material, and comments by other interested persons supporting the petition.

The Federal safety standards were developed after review of the various practices used by the gas pipeline industry and by other industries to control corrosion on underground piping. Consideration was given to theoretical applications of these practices, as well as research and test data, and operational experience. In view of the extremely hazardous nature of natural gas leaks and the large number of such leaks caused by corrosion of pipelines, the Department concluded that only well-proven methods of corrosion control should be used on natural gas pipelines. The Federal safety standards reflected this conclusion by requiring the use of bonded coatings and cathodic protection for control and prevention of corrosion on gas pipelines, methods which are supported by extensive operational experience. Based on the information available during the rule-making proceeding, the use of a loose polyethylene encasement did not appear to be an acceptable alternative. Upon further consideration, the Department concludes that the adequacy of this method for control of corrosion has not yet been established. Therefore, the Federal safety standards will not be modified to permit its use.

In making this determination careful consideration was given to both the technical rebuttal to the rule and to other rebuttal information that was presented by the petitioner in support of the petition for reconsideration. On analysis this rebuttal material failed to substantiate the position of the petitioner. Rather, the state-of-the-art and the knowledge that is available overwhelmingly favor the previous conclusion that the use of a loose polyethylene encasement is unacceptable for use on gas pipelines, even though it may meet levels of acceptability for pipelines of other products.

In discussing the safety standards, the petitioner has made several references to the Technical Pipeline Safety Standards Committee established under the Natural Gas Pipeline Safety Act. It was suggested that the Committee's consideration of the safety standards was not as thorough and informed as it could have been and that the Committee's approval of the standards cannot be said to indicate its rejection of the methods of corrosion control proposed by the petitioner. This argument by petitioner indicates a lack of understanding of the function of the TPSSC under the Natural Gas Pipeline Safety Act. The Committee does not participate with the Department in the preparation of the proposed standards, nor does it review the Department's actions or justification for recommending proposed standards. On the contrary, the Committee's function is to apply its own independent knowledge and judgment to the standards proposed by the Secretary and determine whether, notwithstanding the Secretary's decision, it considers the proposed standards to be technically feasible, reasonable, and practicable. Thus it appears that the Committee does not consider regulations precluding the use of a loose polyethylene encasement to be unreasonable or impracticable.

It should be noted that the Act requires each member to be "* * * experienced in the safety regulation of the transportation of gas and pipeline facilities or technically qualified by training and experience in one or more fields of engineering applied in the transportation of gas or the operation of pipeline facilities." Four members are selected from the natural gas industry itself, and three of these must be actively engaged in the operation of gas pipelines.

Although one member of the Committee is a recognized authority in pipeline corrosion control and his opinion would be very carefully considered by other members of the Committee, nevertheless, each memer of the Committee is qualified to evaluate proposed standards for corrosion control and to reach his own judgment on them. Further, the members of the Committee, particularly the industry members, have a large reservoir of experience and expertise available from the corrosion personnel within their own organizations. Since the Department had specifically requested the Committee to consider the loose polyethylene encasement, and since it received materials on the subject from both the Department and the petitioner, the Committee had adequate opportunity to utilize this experience and expertise, and it is only fair to assume it did so. Therefore the petitioner is not correct in saying that the Committee members "* * * relied essentially in this particular area, on the staff of OPS and one member of the Committee for expertise."

In consideration of the foregoing, the petition of the Cast Iron Pipe Research Association for reconsideration of the Federal safety standards on the control of gas pipeline corrosion, and for an amendment of those standards to permit the use of a loose polyethylene encasement for cast and ductile iron pipe, is hereby denied. This denial of petition is issued under the authority of the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. section 1671 et seq.), Part 1 of the Regulations of the Office of the Secretary of Transportation (49 CFR Part 1), and the delegation of authority to the Director, Office of Pipeline Safety, dated November 6, 1968 (33 F.R. 16468).

Issued in Washington, D.C., on August 23, 1971.

JOSEPH C. CALDWELL,
Acting Director,
Office of Pipeline Safety.

[FR Doc.71-12539 Filed 8-25-71;8:52 am]

CIVIL AERONAUTICS BOARD

[Order 71-8-78]

ALL U.S. AIR CARRIERS AND FOREIGN AIR CARRIERS

Order Stabilizing Fares, Rates and Charges for Passengers and Property

Correction

In F.R. Doc. 71-12277 appearing at page 16524 in the issue of Saturday, August 21, 1971, the bracket heading should read as set forth above.

CIVIL SERVICE COMMISSION

INTERGOVERNMENTAL PERSONNEL ACT OF 1970

Notice of Formulae for Allocation of Funds Available for Grants

Pursuant to 5 CFR 900.301(a), 36 F.R. 15515, August 17, 1971, notice is hereby given of the formulae for the allocation of funds available for grants as required by sec. 506 of the Intergovernmental Personnel Act of 1970, Public Law 91-648, 85 Stat. 1927.

PARAGRAPH 1. *Formula for the allocation of grant funds among the 50 States and the District of Columbia.* A State's percentage allocation is equal to the average of its percentage of the total national population and its percentage of the nationwide total of State and local government employees, excluding employees of special districts. (The employees of special districts were excluded from the formula since the Civil Service Commission (hereinafter "The Commission"), is authorized to make grants only to State and general local governments.)

The dollar allocation for each State and the District of Columbia is obtained by multiplying its percentage allocation by the amount of the formula grant funds, which is $10 million for fiscal year 1972.

When the dollar allocation for a State is less than $60,000 the Commission will add to the allocated sum an additional amount out of its 20 percent discretionary funds which, when added to the amount resulting from the formula allocation, will increase the State's total allocation to $60,000.

The allocation provided in this paragraph is to each State as a whole. As described in paragraph 2, the Commission will further allocate each State's allocation to meet the needs of both the State government and local governments within the State.

PAR. 2. *Formula for the allocation of funds within each State*—A. *Allocation of funds to meet the needs of the State government.* (1) The State government's percentage allocation is equal to the average of the State government's percentage of the total number of State and general local government employees in the State and its percentage of the annual total dollar amount of State and general local government direct general expenditures.

(2) The dollar allocation for the State government is obtained by multiplying its percentage allocation by the dollar allocation for the State as a whole.

B. *Allocation formula for meeting the needs of general local governments.* (1) The local governments' percentage allocation is equal to the average of the general local governments' percentage of the total number of State and general local government employees in the State and the general local governments' percentage of the annual total dollar amount of the State and general local government direct general expenditures.

(2) The dollar allocation for general local governments within a State is obtained by multiplying its percentage allocation by the dollar allocation for the State as a whole.

PAR. 3. *Intended beneficiaries of the formula.* A. The total number of State and general local government employees and the total dollar amount of the State and local government direct general expenditures used in this formula exclude the employees and expenditures of special districts and independent school districts. The State government and local government allocations are based on data which pertain to the eligible governmental recipients of grants—State governments and general local governments.

B. Section 506 of the Intergovernmental Personnel Act (84 Stat. 1927) establishes a minimum allocation of 50 percent of the total State allocation for meeting the needs of local governments in each State. If the formula results in a percentage allocation of less than 50 percent for meeting the needs of local governments in a State, the local government allocation will be adjusted upward to 50 percent.

ALLOCATIONS OF FISCAL YEAR 1972 INTERGOVERNMENTAL PERSONNEL ACT FORMULA GRANT FUNDS

State	Total State allocation	State government allocation	Local government allocation
Alabama	$163,000	$81,500	$81,500
Alaska	60,000	30,000	30,000
Arizona	88,000	44,000	44,000
Arkansas	91,000	45,500	45,500
California	1,007,000	432,600	574,400
Colorado	118,000	59,000	59,000
Connecticut	142,000	55,000	87,000
Delaware	60,000	30,000	30,000
District of Columbia	60,000	60,000	
Florida	335,000	167,500	167,500
Georgia	218,000	109,000	109,000
Hawaii	60,000	30,000	30,000
Idaho	60,000	30,000	30,000
Illinois	523,000	261,500	261,500
Indiana	244,000	122,000	122,000
Iowa	143,000	71,500	71,500
Kansas	118,000	59,000	59,000
Kentucky	148,000	74,000	74,000
Louisiana	183,000	91,500	91,500
Maine	60,000	30,000	30,000
Maryland	192,000	59,400	132,600
Massachusetts	272,000	79,500	192,500
Michigan	432,000	216,000	216,000
Minnesota	190,000	92,900	97,100
Mississippi	111,000	55,500	55,500
Missouri	224,000	112,000	112,000
Montana	60,000	30,000	30,000
Nebraska	78,000	39,000	39,000
Nevada	60,000	28,700	31,300
New Hampshire	60,000	30,000	30,000
New Jersey	335,000	114,300	220,700
New Mexico	60,000	30,000	30,000
New York	1,004,000	281,700	722,300
North Carolina	239,000	88,300	150,700
North Dakota	60,000	30,000	30,000
Ohio	494,000	219,600	274,400
Oklahoma	128,000	64,000	64,000
Oregon	108,000	54,000	54,000
Pennsylvania	531,000	265,500	265,500
Rhode Island	60,000	28,900	31,100
South Carolina	124,000	62,000	62,000
South Dakota	60,000	30,000	30,000
Tennessee	193,000	69,900	123,100
Texas	538,000	269,000	269,000
Utah	60,000	30,000	30,000
Vermont	60,000	30,000	30,000
Virginia	224,000	88,300	135,700
Washington	174,000	87,000	87,000
West Virginia	86,000	43,000	43,000
Wisconsin	219,000	83,900	135,100
Wyoming	60,000	30,000	30,000
	10,377,000	4,626,000	5,751,000

Dated August 26, 1971.

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[FR Doc.71-12468 Filed 8-25-71;8:46 am]

ENVIRONMENTAL PROTECTION AGENCY

ANSUL CO.

Notice of Filing of Petition Regarding Pesticide Chemical

Pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408(d)(1), 68 Stat. 512; 21 U.S.C. 346a (d)(1)), notice is given that a petition (PP 2F1181) has been filed by The Ansul Co., Marinette, Wis. 54143, proposing establishment of a tolerance (21 CFR Part 420), for negligible residues of the herbicide methanearsonic acid (calculated as As_2O_3) in or on the raw agricultural commodity citrus fruit at 0.35 part per million resulting from application of the disodium and monosodium salts of methanearsonic acid.

The analytical method proposed in the petition for determining residues of the herbicide consists of reduction of the residues to arsine and spectrophotometric measurement after reaction with silver diethyldithiocarbamate in pyridine solution.

Dated: August 23, 1971.

WILLIAM M. UPHOLT,
Deputy Assistant Administrator for Pesticides Programs.

[FR Doc.71-12542 Filed 8-25-71;8:52 am]

FEDERAL MARITIME COMMISSION

CERTIFICATES OF FINANCIAL RESPONSIBILITY (OIL POLLUTION)

Notice of Certificates Issued

Notice is hereby given that the following vessel owners and/or operators have established evidence of financial responsibility, with respect to the vessels indicated, as required by section 11(p)(1) of the Federal Water Pollution Control Act, as amended, and, accordingly, have been issued Federal Maritime Commission Certificates of Financial Responsibility (Oil Pollution) pursuant to Part 542 of Title 46 CFR.

Certificate No.	*Owner/Operator and Vessels*
01015	A/S Rederiet Odfjell: Bow Elm*.
01039	Den Norske Amerikalinje A/S Ranenfjord.
01124	Gettymar Corp.: Alaska Getty.
01428	The Ocean Steam Ship Co. Ltd.: Obuasi. Ebani.
01429	Pacific Maritime Services, Ltd.: Pennine Prince.
01551	Rederiaktiebolaget Nordic: Rubi Scantic.
01995	Rederi Ab Disa: Vishamn. Korshamn. Scandic Wasa.
02246	Blue Star Line, Ltd.: Columbia Star.
02330	Oriental Shipping Corp.: Silver Light. Oriental King. Golden Light.
02479	Greenville Towing Co. Inc.: GTC 2503. GTC 2504. GTC 2505. GTC 2506.
02499	Union Oil Co. of California: Santa Paula.
02578	Waxler Towing Co. Inc.: Billy Waxler. JDS 127. WTC 552. WTC 553. WTC 750. WTC 550. WTC 449. WTC 551. IMS 2752. IMS 2751. ST 132. ST 131.
02715	Allied Towing Corp.: ATC 200.
02850	Maritime Lloyd Inc.: Seatransport.
02917	Scherkate Sahami Keschtirirani Arya: Arya Pas.
02979	The J. P. Porter Co. Ltd.: Loadmaster.
03267	Kavo Compania Naviera S.A.: Kavo Yerakas.
03422	The Daiwa Navigation Co.: Tokelau Maru.
03443	Kambara Kisen K.K.: Tensho Maru.
03484	Sanko Kisen K.K.: Rensei Maru.
03501	Osaka Shosen Mitsui Senpaku K.K.: Gohryusan Maru.
03508	Taiyo Gyogyo K.K.: Azuma Maru No. 28.
03611	Villain and Fassio E Compagnia Internazionale Di Genova Societa Riunite De Navigazione S.P.A.: Jole Fassio.
03690	The Harbor Tug and Barge Co.: H-24. H-25. H-26. H-47. H-48. H-49.
M-03736	Bethlehem Steel Corp.: Vessels Held for Purposes of Construction, Scrapping, or Sale.
03744	Ocean Fisheries Inc.: Marco Polo.
03883	Ohio Barge Line, Inc.: OBL 906. OBL 907. OBL 908. OBL 909. OBL 917. OBL 918. OBL 918. OBL 920. OBL 921. OBL 922.
03923	Shinwa Kaiun Kaisha, Ltd.: Shinryu Maru.
04018	A/S Olymp. Anniken. Long Charity. Long Hope.
04146	Lagonisi Shipping Co., Ltd.: Georgios C.
04162	Wright Towing Co., Inc.: B-23.
04267	Angyra S.A.: Haxos.
04310	Jen Jost Schiffahrtsges, Brink & Co. KG: Jens Jost.
04550	Cia. Victoria Del Kinkai S.A.: Victoria No. 1.
04610	Pelican Towing Co., Inc.: Superior.
04611	Carroll Towing Co., Inc.: Wm. H. Craig.
04626	Jeffboat, Inc.: ACBL 114 (WF20). Crane Barge DB No. 25.
04659	Big Star Barge & Boat Co., Inc.: Star Sun.
04741	Elmini Leo, Inc.: Mini Leo.
04742	Elmini Lama: Mini Lama:
04743	Elmini Logic, Inc.: Mini Logic.
04875	Letasa, S.A.: Soledad Maria.
05126	E.A.C. Barges, Inc.: E.A.C. 151. E.A.C. 152.
05155	Bultema Dock & Dredge Co.: Wisconsin. Ohio. Illinois. Michigan. Derrick No. 23.
05212	Alpine Geophysical Associates, Inc.: Santa Maria.
05238	Tradax Internacional S.A.: Tarracona.
05283	Peter Pan Seafoods, Inc.: Aldebaran.
05562	Weeks Dredging and Contracting, Inc.: Weeks No. 250. Weeks No. 251. Weeks No. 252. Weeks No. 253. Weeks No. 500. Weeks No. 560. Weeks No. 600.
05563	Weeks Stevedoring Co., Inc.: Weeks No. 501. Weeks No. 502. Weeks No. 503. Weeks No. 504. Weeks No. 505. O.D. No. 1.
05652	Berg Boat Co.: Aromatic. Polly Esther.
05707	Rock Island Oil Co., a division of Koch Industries, Inc.: MS 18. Rio No. 2. Ace 101. Rio No. 1. Ace 102.
05728	Marine Transportation Co., Inc.: MTC 942. MTC 941.
05768	The Duncanson-Harrelson Co.: Derrick No. 10. Derrick No. 2.
05772	St. Louis Ship-Division of Pott Industries, Inc.: No. 500. IWC 545. FBL 585. TJ 372.
05773	Paducah Marine Ways, Inc.: Seminole. FBL 538. T 222. GCL 154. Muhlenberg.

* Certificate Effective September 15, 1971.

Certificate No.	Owner/Operator and Vessels
M-05774	Caruthersville Shipyard, Inc.: Vessels held for purposes of construction, scrapping, or sale, but not including vessels over 2,000 gross tons.
05781	Nepco Towing, Co., Ltd.: Margaret C. Elizabeth A.
05910	American Freezerships Division of W. R. Grace & Co.: Theresa Lee. Americana.
05991	Fukukyu Goyogyo Kabushiki Kaisha: Fukukyu Maru No. 12.
06006	Eternita Shipping Co. S.A. Panama: Toula Xilas.
06029	Associated Container Transportation (Australia): Act 4. Dilkara.
06054	Ocean Bulktank Corp.: Castella.
06055	Marine Navigation Corp.: Alexandra I.
06056	World-wide Navigation Corp.: Neap Oils.
06086	B & B Towing Co., Inc.: MGL-51. MGL-52.
06097	Attica Shipping Co. S.A.: Attica.
06135	Glynafon Shipping Co., Ltd.: Glyntawe.
06144	Rederij Gloria Maris: Gloria Maris.
06147	Woods Hole, Martha's Vineyard and Nantucket Steamship Authority: Nantucket. Nobska. Islander. Uncatena.
06156	Elmini Load, Inc.: American Mark.
06169	Empresa De Navegacao Alianca S/A: Frigo Tiete.
06172	Mercandia Chartering: Vestlollik.
06178	Reederei H. W. Janssen KG M/S Visurgis: Visurgis.
06181	Galeana S.A.: Florida State.
06187	Partenreederei M/S Dukegat: Dukegat.
06188	Idemitsu Tanker K.K.: Nissho Maru. Idemitsu Maru. Shoju Maru. Okinoshima Maru.
06189	Koei Kisen K.K.: Seikomaru.
06190	A/S I.M.A.: Sunima.
06194	Alkiviades Shipping Enterprises S.A.: Aegis Myth.
06195	Camerona Navigation Corp., Ltd.: Linda.
06200	Fletamentos Y Transportes Maritimos S.A.: Navemar.
06203	Kommanditselskapet A/S Lorena & Co.: Lorena.
06215	Fukuichi Hyogyo Kabushiki Kaisha: Fukuichi Maru No. 36.

By the Commission.

JOSEPH C. POLLING,
Assistant to the Secretary.

[FR Doc.71-12556 Filed 8-25-71;8:51 am]

FEDERAL POWER COMMISSION

[Docket No. RI71-1148, etc.]

AMOCO PRODUCTION CO. ET AL.

Order Allowing for Hearing on and Suspension of Proposed Changes in Rates, and Allowing Rate Changes to Become Effective Subject to Refund; Correction

AUGUST 4, 1971.

Amoco Production Co. et al., Docket Nos. RI71-1148, et al.; Atlantic Richfield Co., Docket No. RI71-1154.

In the order providing for hearing on and suspension of proposed changes in rates, and allowing rate changes to become effective subject to refund, issued June 25, 1971 and published in the FEDERAL REGISTER, July 8, 1971 (36 F.R. 12875), appendix "A" Docket No. RI71-1154, Atlantic Richfield Co., under column headed "Supp. No.", opposite Rate Schedule No. 185 change "4" to "41".

KENNETH F. PLUMB,
Secretary.

[FR Doc.71-12525 Filed 8-25-71;8:51 am]

[Docket No. CP71-29]

COLORADO INTERSTATE GAS CO.

Notice of Petition to Amend

AUGUST 16, 1971.

Take notice that on August 6, 1971, Colorado Interstate Gas Co., a Division of Colorado Interstate Corp. (petitioner), Post Office Box 1087, Colorado Springs, CO 80901, filed in Docket No. CP71-29 a petition to amend the order issued pursuant to section 7(c) of the Natural Gas Act in said docket on November 16, 1970 (44 FPC), by authorizing a short-term exchange of natural gas with Mountain Fuel Supply Co. (Mountain), for the 1971-72 winter heating season, all as more fully set forth in the petition to amend which is on file with the Commission and open to public inspection.

The order of November 16, 1970, authorized, inter alia, the exchange of natural gas between petitioner and Mountain. Under the terms and conditions of this order, Petitioner was to deliver up to 30,000 Mcf of natural gas per day, but not to exceed 2,000,000 Mcf seasonally, during the period from November 1, 1970, through March 31, 1971, subject to the availability of said volumes in excess of the requirements of Petitioner's customers. Mountain is to redeliver an equivalent volume of natural gas at a rate not to exceed 10,000 Mcf during the period from April 1, 1972 through October 31, 1972.

Petitioner states that it has entered into an agreement with Mountain to provide for a similar exchange agreement for the 1971-72 winter heating season and requests that the authorization hereinbefore granted for the exchange of natural gas be extended to permit the exchange during the 1971-72 heating season.

Mountain has filed with the Commission an application pursuant to section 7(a) of the Natural Gas Act for an order of the Commission directing petitioner to sell and deliver 30,000 Mcf of natural gas per day to Mountain on a long-term basis. Petitioner states that the long term service requested by Mountain is incompatible with the deliveries proposed in Docket No. CP71-29; and therefore, petitioner requests that the instant petition be consolidated for hearing with the application of Mountain in Docket No. CP72-5 and that all common and interdependent issues be resolved on a common record.

Any person desiring to be heard or to make any protest with reference to said petition to amend should on or before September 7, 1971, file with the Federal Power Commission, Washington, D.C. 20426, a petition to intervene or a protest in accordance with the requirements of the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10) and the regulations under the Natural Gas Act (18 CFR 157.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a petition to intervene in accordance with the Commission's rules.

KENNETH F. PLUMB,
Secretary.

[FR Doc.71-12523 Filed 8-25-71;8:51 am]

[Docket No. CI72-94]

DALCO OIL CO.

Notice of Application

AUGUST 17, 1971.

Take notice that on August 10, 1971, Dalco Oil Co. (applicant), 1210 Mercantile Bank Building, Dallas, Tex., filed on Docket No. CI72-94 an application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the sale for resale and delivery of natural gas in interstate commerce to Northern Natural Gas Co. (Northern) from the Gomez Field, Pecos County, Tex., 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 commenced the sale of natural gas to Northern within the contemplation of § 157.29 of the regulations under the Natural Gas Act (18 CFR 157.29) and that it proposes to continue said sale for 24 months commencing September 21, 1971, at the rate of 28 cents per Mcf at 14.65 p.s.i.a. within the contemplation of § 2.70 of the Commission's general policy and interpretations (18 CFR 2.70). The contract between applicant and Northern provides that deliveries may be taken by Northern for up to 6 additional months if necessary to allow Northern to take gas for which payment has been made.

Applicant, small producer certificate holder in Docket No. CS66-96, states that it has limited its proposed sale to Northern to 24 months in view of the challenges to the Commission's Order No. 428,

issued March 18, 1971 (36 F.R. 5598), which amended the Commission's certificate procedure for small producers. Applicant states further that, if at the end of the term of the proposed sale it appears to applicant that Order No. 428, as amended, has been affirmed and is no longer subject to review or modification and that applicant's status and rights as a small producer have not been adversely affected as of then, applicant has agreed with Northern that it will enter into a long-term contract for a 20-year small producer sale of the same production.

It appears reasonable and consistent with the public interest in this case to prescribe a period shorter than 15 days for the filing of protests and petitions to intervene. Therefore, any person desiring to be heard or to make any protest with reference to said application should on or before September 3, 1971, file with the Federal Power Commission, Washington, D.C. 20426, a petition to intervene or a protest in accordance with the requirements of the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a petition to intervene in accordance with the Commission's rules.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a hearing will be held without further notice before the Commission on this application if no petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for applicant to appear or be represented at the hearing.

KENNETH F. PLUMB,
Secretary.

[FR Doc.71-12519 Filed 8-25-71;8:50 am]

[Docket No. CP72-36]

LONE STAR GAS CO.

Notice of Application

AUGUST 17, 1971.

Take notice that on August 10, 1971, Lone Star Gas Co. (Applicant), 301 South Harwood Street, Dallas, TX 75201, filed in Docket No. CP72-36 an application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the construction and operation of certain facilities for the rendition of natural gas service to the Naracco Mobile Home Park (Naracco), Denton County, Tex., all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Specifically, applicant proposes to construct and operate a tap and regulator station at approximate station 1258+57 on its 16-inch Line F located approximately 658 feet west of Naracco, and to use these facilities in conjunction with a natural gas distribution system for the rendition of initial natural gas service to Naracco. Applicant states that Naracco is an unincorporated community, presently under construction wherein the estimated third year peak day and annual natural gas requirements will be 124 Mcf and 6,666 Mcf respectively. The estimated cost of the tap and regulating facilities is $1,115, which cost applicant states will be financed from working capital.

Any person desiring to be heard or to make any protest with reference to said application should on or before September 10, 1971, file with the Federal Power Commission, Washington, D.C. 20426, a petition to intervene or a protest in accordance with the requirements of the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10) and the regulations under the Natural Gas Act (18 CFR 157.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a petition to intervene in accordance with the Commission's rules.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a hearing will be held without further notice before the Commission on this application if no petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for applicant to appear or be represented at the hearing.

KENNETH F. PLUMB,
Secretary.

[FR Doc.71-12524 Filed 8-25-71;8:51 am]

[Docket No. RP72-13]

LOUISIANA-NEVADA TRANSIT CO.

Order Suspending Proposed Tariff Sheets, Denying Petition to Reject, Permitting Intervention, Fixing Date of Hearing, and Specifying Procedures

AUGUST 17, 1971.

Louisiana-Nevada Transit Co. (LNT), filed on May 14, 1971, as supplemented on July 20, 1971, written reports, pursuant to paragraph (A)(2) of the Commission's Order No. 431, issued April 15, 1971, in Docket No. R-418, and tendered for filing proposed changes in its FPC Gas Tariff, Original Volume No. 1, consisting of Fourth Revised Sheet No. 3A and Original Sheets Nos. 3B, 12C, and 12D, to become effective August 19, 1971, in order to establish curtailment procedures which LNT will employ in the event curtailments of gas deliveries become necessary. Notice of the filing was issued July 28, 1971, and published in the FEDERAL REGISTER on August 4, 1971, 36 F.R. 14355.

Proposed Original Sheet No. 12C would add a new section 10 to the general terms and conditions of LNT's tariff providing that if curtailment of deliveries becomes necessary for any reason whatsoever, deliveries to direct sale customers served under interruptible contracts and interruptible overrun gas delivered to LNT's sole resale customer will be curtailed proportionately or interrupted entirely to the extent necessary to protect deliveries to customers served under firm contracts. Thereafter, its direct sale customers and one resale customer served under firm contracts shall be entitled to such proportion of the total impaired deliveries from LNT's pipeline as the maximum daily quantity of gas which LNT is then obligated to deliver to each such customer bears to the total maximum daily quantities of gas LNT is then obligated to deliver to all customers affected by such impairment, provided that at such time as it becomes necessary to reduce deliveries below the customer's firm maximum daily quantity which LNT is obligated to deliver, priority shall be given to deliveries for domestic consumers' use, up to the volume of such firm maximum daily quantity.

LNT also proposes to add a new section 11 to the general terms and conditions stating that until it can obtain adequate additional gas supplies, its policy concerning additional requests for gas will be not to add any new firm customers or increase its obligation to deliver additional firm maximum daily quantities to any of its existing customers. Additionally, LNT proposes to insert in its Rate Schedule G-1 a new provision which would permit it to charge an unauthorized overrun penalty of $10.00 per Mcf for any gas taken by any buyer in excess of two percent of LNT's maximum daily delivery obligation to such buyer, or 100 Mcf in excess of such delivery obligation, whichever is greater.

The city of DeQueen, Ark. (city), on August 3, 1971, filed a timely petition seeking leave to intervene as well as a petition to reject LNT's proposed changes in its tariff. It states that it operates a municipally owned distribution system which obtains all of its natural gas from LNT and that it is the only customer which purchases gas from LNT for resale.

Four principal grounds are given by city in support of its petition asking that LNT's filing be rejected. (1) It claims that LNT's filing is in reality a rate increase and should be rejected for failure to comply with § 154.63(b)(4) of the Commission's regulations under the Natural Gas Act. Its allegation that the filing is a rate increase is based on the fact that LNT proposes to insert unauthorized overrun penalty provisions in its Rate Schedule G-1 under which only City now purchases gas. City contends that this overrun penalty will permit LNT to curtail deliveries to City below the volumes previously obtained, while enabling LNT to maintain firm deliveries to Ideal Cement Company, with the result that City will be required to subsidize the operations of the cement company. (2) City argues that the proposed tariff sheets incorrectly list LNT's firm industrial customers and the volumes of gas which they are entitled to purchase so that if the tariff sheets were to be made effective, they would permit LNT to discriminate against city by increasing LNT's firm obligations to its direct industrial customers at the expense of the overrun volumes which city has heretofore received. (3) City contends that LNT's filing seeks to establish conclusions which relate to factual and legal issues which are still being tried in the hearing now being held concerning its application in Docket No. CP71-164 wherein city is seeking an order from the Commission under section 7(a) of the Natural Gas Act requiring LNT to increase the volumes of gas which City is entitle to receive from LNT. (4) City avers that LNT's Form 15 shows that LNT has adequate gas reserves and that its allegations of an impending shortage of gas to meet its maximum daily delivery obligations are inconsistent with the data contained in its Form 15.

While city's petition to reject appears to raise factual and legal issues indicating that an evidentiary proceeding will be required to determine whether LNT's proposed tariff changes are unjust, unreasonable, unduly discriminatory, or otherwise preferential, city has not advanced any objections to the proposed tariff sheets which would justify their rejection.

City's first argument to the effect that LNT's filing of a proposed unauthorized overrun penalty constitutes a rate increase is refuted by § 154.63 (a) of the Commission's regulations which specifically cites a change in penalty provisions as an example of a tariff filing which is not considered to be a change in rate level. As a general rule pipeline sellers do not install metering and regulating equipment to terminate deliveries after a specific quantity of gas has been delivered. Consequently, they must rely upon their customerss' willingness to reduce their takes when there is a gas deficiency. For that reason, among others, unauthorized overrun penalties are common tariff provisions designed to insure that customers will act responsibly when gas curtailments are necessary.

As to city's argument that LNT is seeking to have conclusions made in this proceeding which relate to the legal and factual issues involved in the proceeding in Docket No. CP71-164, there is necessarily some similarity between the facts involved in the two cases because gas supply and pipeline capacity have a bearing on both curtailment proceedings and proceedings conducted under section 7(a) of the Act. However, questions as to whether LNT's proposed curtailment provisions are just and reasonable will have to be determined on the facts to be developed in this proceeding, while entirely different issues will have to be determined in deciding whether LNT should be ordered to deliver additional gas to city at the completion of the hearing in Docket No. CP71-164.

The remaining points advanced by city in support of its petition to reject LNT's proposed tariff changes, such as the question of how curtailments should be applied to city's purchases in view of the fact that its service agreement with LNT has expired, and the question of whether LNT's gas supply has actually been depleted to such an extent that curtailments of firm maximum daily delivery obligations will be necessary, are dependent upon factual determinations which will have to be made on the basis of the record to be developed in the hearing which is hereinafter ordered.

City alternatively requests that LNT's proposed tariff sheets be suspended for the full statutory period if its petition to reject the tariff sheets is denied. In view of the fact that LNT's filing did not give specific details concerning its present gas supply situation and did not state that it would necessarily have to invoke the proposed curtailment provisions, it appears to be appropriate in carrying out the provisions of the Natural Gas Act to suspend them for the full statutory period pending a hearing to determine their justness and reasonableness. In that connection, it should be noted that the effective date requested by LNT is August 19, 1971, which is one day short of the 30-day notice period required by § 154.22 of the Commission's regulations. Since LNT did not ask for a waiver of the 30-day notice provision and gave no reason for failure to give the required 30 days' notice, the earliest date on which the proposed tariff sheets could become effective would be August 20, 1971. Therefore, the suspension period will extend to January 20, 1972, or 5 months from August 20, 1971.

In addition to the aforementioned pleadings filed by city, petitions requesting leave to intervene in this proceeding were also timely filed by Ideal Basic Industries, Inc., Cotton Valley Solvents Co., and Hope Brick Works. All of the petitioners state that they are direct firm industrial customers of LNT and that their interests may be adversely affected by the outcome of the proceeding. One of the petitioners, Cotton Valley Solvents Co., states that it is opposed to city's position insofar as the city seeks to have deliveries of gas to it assigned a lower priority than that set forth in LNT's tariff filing.

The Commission finds:

(1) It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the proposed changes in LNT's FPC Gas Tariff and that the proposed tariff sheets hereinbefore specified be suspended, and the use thereof be deferred as herein provided.

(2) It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the disposition of this proceeding be expedited in accordance with the procedures set forth below.

(3) The participation of the above-named petitioners may be in the public interest.

(4) Good cause has not been shown to grant the city of DeQueen's petition to reject LNT's tariff filing except for the alternative request that the proposed tariff sheets be suspended for the full statutory period.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4, 5, and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing shall be held commencing October 27, 1971, at 10 a.m., e.d.s.t., in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, DC 20426, concerning the lawfulness of the curtailment provisions contained in LNT's FPC Gas Tariff as proposed to be revised herein. The hearing shall begin with admission into the record of LNT's direct case, subject to appropriate motions, followed by cross-examination of LNT's witnesses. Except for very brief recesses which may be allowed by the presiding examiner upon a showing of good cause therefor, the hearing shall go forward immediately with cross-examination of witnesses sponsoring any direct testimony previously served by the interveners and the Commission's staff, followed by oral rebuttal, if any, by LNT with cross-examination thereon.

(B) Pending such hearing and decision thereon, the proposed revised tariff sheets specified in the first paragraph of this order are hereby suspended and the use thereof is deferred until January 20, 1972, and until such further time as they are made effective in the manner prescribed by the Natural Gas Act.

(C) On or before September 27, 1971, LNT and supporting parties, if any, shall prepare and file with the Commission and serve on the presiding examiner, the Commission's staff, and all parties to this proceeding their direct testimony and

exhibits in support of the proposed tariff sheets submitted on July 20, 1971. LNT's presentation should include (1) an explanation of the methods used to determine the list of purchasers and firm delivery obligations set forth on proposed Original Sheets Nos. 12C and 12D, (2) an explanation of how its proposed curtailment plan would be implemented, including its interpretation of how the proposed unauthorized overrun penalty would be applied, and (3) data concerning the gas supplies presently available to it, together with a reconciliation between its Form 15 and its current supply situation if the evidence presented herein is inconsistent with data previously submitted in its Form 15.

(D) Any parties or the Commission's staff planning to present testimony in opposition to LNT's proposed curtailment procedures shall, on or before October 18, 1971, file and serve on the presiding examiner, the Commission's staff, and all parties prepared written testimony in support of their positions.

(E) The above-named petitioners are hereby permitted to become interveners in this proceeding subject to the rules and regulations of the Commission: *Provided, however,* That the participation of such interveners shall be limited to matters affecting asserted rights and interests specifically set forth in their petitions for leave to intervene: *And provided, further,* That the admission of such interveners shall not be construed as recognition by the Commission that they or any of them might be aggrieved because of any order or orders of the Commission entered in this proceeding.

(F) A presiding examiner to be designated by the chief examiner for that purpose (see Delegation of Authority, 18 CFR 3.5(d)) shall preside at the hearing in this proceeding pursuant to the Commission's rules of practice and procedure.

(G) The city of DeQueen's petition to reject filed August 3, 1971, is denied except to the extent that the alternative request for suspension of the proposed tariff sheets has hereinbefore been granted.

By the Commission.

[SEAL] KENNETH F. PLUMB,
Secretary.

[FR Doc.71-12472 Filed 8-25-71;8:46 am]

[Docket No. CP66-208]

MICHIGAN WISCONSIN PIPE LINE CO.

Notice of Petition to Amend

AUGUST 17, 1971.

Take notice that on August 2, 1971, Michigan Wisconsin Pipe Line Co. (petitioner), One Woodward Avenue, Detroit, MI 48226, filed in Docket No. CP66-208 a petition to amend the order of the Commission heretofore issued in said docket pursuant to section 7(c) of the Natural Gas Act on May 24, 1966 (35 FPC 777), by authorizing an increase in the maximum reservoir pressure of the Loreed Storage Field, located in Osceola and Lake Counties, Mich., all as more fully set forth in the application which is on file with the Commission and open to public inspection.

The order of May 24, 1966 authorized, inter alia, the construction and operation of facilities and the development of the storage capacity of the Loreed Field. Included among the conditions imposed by the Commission on this project are a maximum inventory which is not to exceed 49,300,000 Mcf of natural gas and a maximum reservoir pressure of 2,000 p.s.i.a.

Applicant states that the operating experience gained since the project's inception indicate that progressively elevating the maximum reservoir pressure to 2,240 p.s.i.a., will accelerate the displacement of water and increase the capability of the reservoir to store the ultimate projected volume of 31,600,000 Mcf of working gas. Therefore, applicant requests that the order heretofore issued in said docket be amended to permit an increase to 2,240 p.s.i.a. maximum reservoir pressure for the Loreed Field.

Any person desiring to be heard or to make any protest with reference to said petition to amend should on or before September 7, 1971, file with the Federal Power Commission, Washington, D.C. 20426, a petition to intervene or a protest in accordance with the requirements of the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10) and the regulations under the Natural Gas Act (18 CFR 157.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a petition to intervene in accordance with the Commission's rules.

KENNETH F. PLUMB,
Secretary.

[FR Doc.71-12471 Filed 8-25-71;8:46 am]

[Project 1855]

NEW ENGLAND POWER CO.

Notice of Issuance of Annual License

AUGUST 13, 1971.

On June 23, 1969, New England Power Co., licensee for Bellow Falls Project No. 1855 located in Windham and Windsor Counties, Vt., and Cheshire and Sullivan Counties, N.H., on the Connecticut River filed an application for a new license under section 15 of the Federal Power Act and Commission regulations thereunder (§§ 16.1-16.6). Licensee also made a supplemental filing pursuant to Commission Order No. 384 on February 24, 1970.

The license for project No. 1855 was issued effective January 1, 1938 for a period ending June 30, 1970. An annual license was issued from the original date of expiration until June 30, 1971. In order to authorize the continued operation of the project pursuant to section 15 of the Act pending completion of licensee's application and Commission action thereon it is appropriate and in the public interest to issue an annual license to New England Power Co. for continued operation and maintenance of Project No. 1855.

Take notice that an annual license is issued to New England Power Co. (licensee) under section 15 of the Federal Power Act for the period July 1, 1971 to June 30, 1972 or until Federal takeover; or the issuance of a new license for the project, whichever comes first, for the continued operation and maintenance of the Bellow Falls Project No. 1855, subject to the terms and conditions of its license.

KENNETH F. PLUMB,
Secretary.

[FR Doc.71-12522 Filed 8-25-71;8:51 am]

[Docket No. CP72-34]

TEXAS EASTERN TRANSMISSION CORP.

Notice of Application

AUGUST 18, 1971.

Take notice that on August 9, 1971, Texas Eastern Transmission Corp. (applicant), Post Office Box 2521, Houston, TX 77001, filed in Docket No. CP72-34 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 approximately 4,500 horsepower of additional compression and related facilities at its Joaquin, Tex., Compressor Station, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

Applicant states that the compressor facilities proposed herein are required at the Joaquin Station to bring additional supplies of natural gas into its North Louisiana pipeline system to compensate for the steady decline in natural gas reserves and deliverability available from sources presently attached to said system. The estimated cost for the installation of the 4,500 horsepower unit is $2,139,000, which cost applicant states will be financed initially by use of revolving credit.

Any person desiring to be heard or to make any protest with reference to said application should on or before September 10, 1971, file with the Federal Power Commission, Washington, D.C. 20426, a petition to intervene or a protest in accordance with the requirements of the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10) and the regulations under the Natural Gas Act (18 CFR 157.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a petition to intervene in accordance with the Commission's rules.

Take further notice that, pursuant to the authority contained in and subject

to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a hearing will be held without further notice before the Commission on this application if no petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for applicant to appear or be represented at the hearing.

KENNETH F. PLUMB,
Secretary.

[FR Doc.71-12520 Filed 8-25-71;8:50 am]

[Docket No. CP71-224]

UNITED GAS PIPE LINE CO.

Order Granting Interventions, Setting Date for Filing of Testimony and Fixing Date of Hearing

AUGUST 16, 1971.

On March 22, 1971, pursuant to section 7 of the Natural Gas Act, United Gas Pipe Line Co. (Applicant) filed an application in Docket No. CP71-224 for a certificate of public convenience and necessity authorizing it to transport and deliver up to 12,200 Mcf of gas per day through applicant's existing system for Jefferson Lake Sulphur Co. (Jefferson), a subsidiary of Occidental Petroleum Corp. (Occidental), for use in sulphur production operations at Lake Hermitage Dome, Plaquemines Parish, La. United maintains that the proposed transportation of gas will make a firm source of supply available to Jefferson and will enable Applicant to curtail interruptible service to this industrial customer.

Notice of the application was issued on March 26, 1971 (published April 1, 1971, 36 F.R. 6030) providing that April 19, 1971, would be the final date for the filing of protests or petitions to intervene. Pursuant to such notice, petitions to intervene have been timely filed by Consolidated Gas Supply Corp., Texas Gas Transmission Corp., Public Service Commission of the State of New York, and Mississippi Valley Gas Co.

The Commission finds:

(1) It is desirable and in the public interest to allow the above-named petitioners to intervene in this proceeding in order that they may establish the facts and law from which the nature and validity of their alleged rights and interests may be determined and show what further action may be appropriate under the circumstances in the administration of the Natural Gas Act.

(2) The expeditious disposition of this proceeding will be effectuated by the submission of applicant's case-in-chief, including all direct testimony and exhibits, on or before September 14, 1971.

(3) The expeditious disposition of this proceeding will be further effectuated by holding a hearing on November 9, 1971.

The Commission orders:

(A) The above-named petitioners are permitted to intervene in this proceeding subject to the rules and regulations of the Commission: *Provided, however,* That the participation of such intervenors shall be limited to matters affecting asserted rights and interests as specifically set forth in said petitions, for leave to intervene: *And provided, further,* That the admission of such intervenors shall not be construed as recognition by the Commission that they or any of them might be aggrieved because of any order or orders of the Commission entered in this proceeding.

(B) Applicant shall file and serve its case-in-chief, including all direct testimony and exhibits, on or before September 14, 1971, upon the Commission, the Commission staff, and all parties to this proceeding.

(C) A public hearing on the issues presented in the application in this case will be held in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, DC 20426, commencing at 10 a.m., e.s.t., on November 9, 1971.

By the Commission.

[SEAL] KENNETH F. PLUMB,
Secretary.

[FR Doc.71-12526 Filed 8-25-71;8:51 am]

FEDERAL TRADE COMMISSION

CIGARETTE TESTING RESULTS

Tar and Nicotine Content; Correction

In F.R. Doc. 71-11608 appearing at pages 15074-15076 in the issue of Thursday, August 12, 1971, the nicotine content of the Kent 100-mm. filter menthol variety, listed as 1.2 mg., is hereby corrected to read 1.1 mg.; the nicotine content of the Peter Stuyvesant king size filter variety, listed as 1.3 mg., is hereby corrected to read 1.4 mg.

By direction of the Commission dated August 19, 1971.

[SEAL] PAUL M. TRUEBLOOD,
Acting Secretary.

[FR Doc.71-12518 Filed 8-25-71;8:50 am]

GENERAL SERVICES ADMINISTRATION

[Federal Property Management Regs.; Temporary Reg. F-117]

SECRETARY OF DEFENSE

Delegation of Authority

1. *Purpose.* This regulation delegates authority to the Secretary of Defense to represent the consumer interests of the executive agencies of the Federal Government in a telecommunications service rate proceeding.

2. *Effective date.* This regulation is effective immediately.

3. *Delegation.* a. Pursuant to the authority vested in me by the Federal Property and Administrative Services Act of 1949, 63 Stat. 377, as amended, particularly sections 201(a)(4) and 205(d) (40 U.S.C. 481(a)(4) and 486(d)), authority is delegated to the Secretary of Defense to represent the consumer interests of the executive agencies of the Federal Government before the Nebraska State Railway Commission in a proceeding involving a rate increase for services provided by the Northwestern Bell Telephone Co.

b. The Secretary of Defense may redelegate this authority to any officer, official, or employee of the Department of Defense.

c. This authority shall be exercised in accordance with the policies, procedures, and controls prescribed by the General Services Administration, and, further, shall be exercised in cooperation with the responsible officers, officials, and employees thereof.

ROBERT L. KUNZIG,
Administrator of General Services.

AUGUST 19, 1971.

[FR Doc.71-12517 Filed 8-25-71;8:50 am]

INTERAGENCY TEXTILE ADMINISTRATIVE COMMITTEE

CERTAIN COTTON TEXTILES AND PRODUCTS PRODUCED OR MANUFACTURED IN MEXICO

Visa Requirement

AUGUST 23, 1971.

On June 29, 1971, the U.S. Government, in furtherance of the objectives of, and under the terms of, the Long-Term Arrangement Regarding International Trade in Cotton Textiles done at Geneva on February 9, 1962, concluded a new comprehensive bilateral cotton textile agreement with the Government of Mexico concerning exports of cotton textiles and cotton textile products from Mexico to the United States over a 5-year period beginning on May 1, 1971. Pursuant to paragraph 15 of that agreement, providing for administrative arrangements, the Governments of the United States and Mexico have established an administrative mechanism intended to preclude circumvention of the licensing system for exports to the United States of cotton textiles and cotton textile products produced or manufactured in Mexico. The purpose of this notice is to announce the implementation of this administrative mechanism.

Pursuant to the directive to the Commissioner of Customs dated August 23, 1971, from the Chairman of the President's Textile Advisory Committee, effective 30 days after publication of such directive in the FEDERAL REGISTER, entry into the United States for consumption and withdrawal from warehouse for consumption of cotton textiles and cotton textile products in categories 1 through 64 produced or manufactured in Mexico for which Mexico has not issued an appropriate visa, fully described below, will be prohibited.

The visa is to be attached to the invoice (Special Customs Invoice Form 5515 or other successor document, or to the commercial invoice when such form is used). The visa, which is required for each one of the 64 categories of cotton textiles and cotton textile products covered by a single invoice, is to indicate the quantity of goods involved in the appropriate unit or units of measure, the category under which the goods are classified, and the signature of the Mexican official authorized to issue export visas. The following Mexican officials are presently authorized to issue visas:

J. Guillermo Becker A., Director General de Industrias, Secretaria de Industria y Comercio.

Jose Arango Rojas, Subdirector General de Industrias, Secretaria de Industria y Comercio.

Daniel Basulto Verduzco, Subdirector General de la Industria Textil y Del Vestido, Secretaria de Industria y Comercio.

Melquisedec Jimenez Mendez, Jefe de Departamento, Subdireccion, General de la Industria Textil y Del Vestido, Secretaria de Industria y Comercio.

Hermenegildo Delgado Cardena, Jefe de Departamento, Subdireccion General de la Industria Textil y Del Vestido, Secretaria de Industria y Comercio.

Raymundo Apodaca Sanchez, Jefe de Departamento, Subdireccion General de la Industria Textil y Del Vestido, Secretaria de Industria y Comercio.

Cesar Franco Porras, Director de la Camara Nacional de la Industria Textil.

Guillermo Ramos Uriarte, Secretario Ejecutivo Del Comite Para la Investigacion, Reestructuracion y Desarrollo de la Industria Textil de la Rama Del Algodon (Cirditra).

Antonio Benitez Espindola, Gerente de la Camara Textil de Puebla y Tlaxcala.

A facsimile of the visa is reproduced together with this notice and is filed as part of the original document. A facsimile of the signature of those Mexican officials authorized to issue visas is also filed as part of the original document with the Office of the Federal Register.

Under the aforementioned directive of August 23, 1971, the Commissioner of Customs is directed, whenever requested to do so by the Chairman of the Interagency Textile Administrative Committee, to allow entry into the United States for consumption and withdrawal from warehouse for consumption of designated quantities of cotton textiles and cotton textile products in categories 1 through 64 from Mexico, notwithstanding the fact that the shipment or shipments so designated do not meet the visa requirements.

As indicated in prior notices, the levels of restraint applicable to cotton textile products in categories 28 through 63 and 64 (excluding knit fabrics), were established on a month-by-month basis rather than the annual levels provided for under the bilateral agreement with Mexico. This action, which was taken at the request of the Government of Mexico pending the establishment of the administrative mechanism described above, has resulted in the denial of entry of some of the goods in the subject categories. All persons wishing to be eligible to enter into the United States for consumption or withdraw from warehouse for consumption cotton textiles or cotton textile products in categories 28 through 63 and 64 (excluding knit fabrics), produced or manufactured in Mexico (including goods assembled in Mexico of United States or other origin fabrics) and exported from Mexico to the United States without a visa prior to the date of publication of this notice, which are held in the United States either in a bonded warehouse, or general order warehouse, or a foreign-trade zone, must report within 15 days from the publication date of this notice by registered mail to Mr. Stanley Nehmer, Chairman, Interagency Textile Administrative Committee, Room 3834, U.S. Department of Commerce, Washington, D.C. 20230. Reports should include the following information: Complete description of the goods, category or categories under which classified, date of exportation from Mexico and date of arrival in the United States, quantities involved, locations of goods including U.S. customs port, and warehouse entry number, general order lot number, or foreign-trade zone number and lot number assigned.

After the total quantity of goods so reported has been ascertained, the U.S. Government will consult with the Mexican authorities regarding the entry of specified quantities notwithstanding the visa requirements in effect.

STANLEY NEHMER,
Chairman, Interagency Textile Administrative Committee, and Deputy Assistant Secretary for Resources.

SECRETARY OF COMMERCE

PRESIDENT'S CABINET TEXTILE ADVISORY COMMITTEE

AUGUST 23, 1971.

COMMISSIONER OF CUSTOMS,
Department of the Treasury,
Washington, D.C. 20226.

DEAR MR. COMMISSIONER: Under the terms of the Long-Term Arrangements Regarding International Trade in Cotton Textiles done at Geneva on February 9, 1962, pursuant to the bilateral cotton textile agreement of June 29, 1971, between the Governments of the United States and Mexico, and in accordance with Executive Order 11052 of September 28, 1962, as amended by Executive Order 11214 of April 7, 1965, you are directed to prohibit, effective 30 days after publication of this letter in the FEDERAL REGISTER and until further notice entry into the United States for consumption and withdrawal from warehouse for consumption of cotton textiles and cotton textile products in Categories 1 through 64 produced or manufactured in Mexico, for which Mexico has not issued an appropriate Visa fully described below.

The Visa will be attached to the invoice (Special Customs Invoice Form 5515 or other successor document, or to the commercial invoice when such form is used); and will indicate the quantity of goods involved in the appropriate unit or units of measure, the category under which the goods are classified and the signature of the official issuing the Visa. A Visa will be required for each one of the 64 categories of cotton textiles and cotton textile products covered by a single invoice. A facsimile of the Visa, along with the signatures of those Mexican officials authorized to issue Visas, are enclosed.

You are further directed to allow entry into the United States for consumption and withdrawal from warehouse for consumption of designated shipments of cotton textiles and cotton textile products produced or manufactured in Mexico, notwithstanding that the designated shipment or shipments do not meet the aforementioned Visa requirements, whenever requested to do so in writing by the Chairman of the Interagency Textile Administrative Committee. Entries of such shipment or shipments may be charged against the appropriate annual levels of restraint established for cotton textiles and cotton textile products.

The directive of July 30, 1971, prohibiting entry of cotton textile products in Categories 28 through 63 and 64 (excluding knit fabrics), produced or manufactured in Mexico and exported to the United States, in excess of designated levels of restraint, is hereby amended by extending the period during which that directive is to remain in effect from August 31, 1971 to 30 days after publication of this letter in the FEDERAL REGISTER.

A detailed description of the categories in terms of T.S.U.S.A. numbers was published

in the FEDERAL REGISTER on January 17, 1968 (33 F.R. 582), and amendments thereto on March 15, 1968 (33 F.R. 4600).

In carrying out the above directions, entry into the United States for consumption shall be construed to include entry for consumption into the Commonwealth of Puerto Rico.

The actions taken with respect to the Government of Mexico and with respect to imports of cotton textiles and cotton textile products from Mexico have been determined by the President's Cabinet Textile Advisory Committee to involve foreign affairs functions of the United States. Therefore, the directions to the Commissioner of Customs, being necessary to the implementation of such actions, fall within the foreign affairs exception to the notice provisions of 5 U.S.C. 553 (Supp. V, 1965-69). This letter will be published in the FEDERAL REGISTER.

Sincerely,

MAURICE H. STANS,
Secretary of Commerce, Chairman, President's Cabinet Textile Advisory Committee.

[FR Doc.71-12578 Filed 8-25-71;8:54 am]

SECURITIES AND EXCHANGE COMMISSION

[24W-2868]

RONALD H. GOODMAN AND COMPUTER COUNSELING, INC.

Findings and Order Imposing Remedial Sanctions and Permanently Suspending Regulation A Exemption

AUGUST 19, 1971.

These are consolidated proceedings under section 15(b) of the Securities Exchange Act of 1934 (Exchange Act), with respect to Ronald H. Goodman, 303 East Fayette Street, Baltimore, Md., president of Computer Counseling, Inc. (Computer), 30 South Calvert Street, Baltimore, Md., and Rule 261 of Regulation A under section 3(b) of the Securities Act of 1933 (Securities Act), with respect to Computer.

Computer, incorporated in Maryland in June 1968, filed with the Commission a Notification and Offering Circular for the purpose of obtaining an exemption from the registration requirements of the Securities Act, pursuant to section 3(b) thereof and Regulation A thereunder, covering an offering of 100,000 shares of its 12 cents par value common stock at $2 per share. The offering was reported as begun on August 23, 1968 and completed on September 11, 1968. The Commission, on August 27, 1969, issued an order pursuant to Rule 261 of Regulation A, temporarily suspending the exemption under that Regulation.

Goodman and Computer have submitted an offer of settlement with respect to the allegations involved in the consolidated proceedings. Solely for the purpose of these proceedings and without admitting any violations Goodman and Computer stated that they will not contest findings that: (1) Goodman singly participated in, and in concert with others aided and abetted, certain violations alleged in the order instituting the Exchange Act proceedings, and that (2) Computer engaged in the conduct as alleged in the order temporarily suspending the Regulation A exemption. Goodman consented to the entry of an order barring him from association with any broker-dealer, and Computer agreed to withdraw its answer to the temporary suspension order and consented to the entry of an order permanently suspending such exemption. In addition, Goodman represents that he will not practice before the Commission without the Commission's prior approval.

After due consideration and upon the recommendation of its staff, the Commission determined to accept the offer of settlement.

On the basis of the offer of settlement and the allegations in the order instituting proceedings under the Exchange Act and in the temporary suspension order, the following findings are made.

EXCHANGE ACT PROCEEDINGS

(1) During the period from about June 1968 through July 1969, Goodman willfully violated and aided and abetted violations of sections 5(a) and 5(c) of the Securities Act, in that he offered, sold, and delivered Computer common stock when no registration statement had been filed or was in effect under the Securities Act as to such securities.

(2) During the period from about June 1968 through July 1969, Goodman, singly and in concert with others, willfully violated and aided and abetted violations of section 17(a) of the Securities Act and section 10(b) of the Exchange Act and Rule 10b-5 thereunder in connection with transactions in the stock of Computer. Contrary to the representations in the offering circular that 100,000 shares of Computer stock would be offered to the public at $2 per share without the use of an underwriter, he offered, sold, and underwrote on behalf of the issuer shares of such offering, of which a substantial number were withheld and purchased by him and affiliated persons at the offering price, and aided and abetted others who thereafter sold withheld shares at prices far above the offering price with excessive and undisclosed profits being thereby realized. He used a false and misleading offering circular to induce purchases of Computer stock and made false and misleading statements concerning, among other things, the plan of distribution of such stock, the source of the stock which he was offering and selling, the commissions, markups, profits, and other compensation received by him, the completion of the offering of Computer stock, and the identities and ownership interests of the issuer's promoters. In addition, he made false and misleading statements concerning the future earnings of Computer and the proposed mergers and acquisitions of other companies by it, and aided and abetted other persons who made false and misleading statements with respect to, among other things, a prospective rise in the price of Computer stock, the speculative nature and listing on the American Stock Exchange of such stock, and the financial condition and identity of the management of Computer.

(3) About April 17, 1969, Goodman aided and abetted the violation of section 15(b)(1) of the Exchange Act and Rule 15b1-1 thereunder, in that Nadel & Co. filed an application for registration as a broker-dealer which falsely recited that no persons other than those named in the application directly or indirectly, financed its business when, in fact, approximately eight undisclosed persons financed the capital contribution of Goodman who was listed as a limited partner of such firm.[1]

REGULATION A PROCEEDINGS

(1) The terms and conditions of Regulation A have not been complied with in that:

(A) Computer failed to disclose in the Notification and Offering Circular the plan of distribution, including the participation as underwriters of (a) certain broker-dealers and persons who were associated with them, including Herzfeld & Stern, Paul A. Cohen, Irving D. Karpas, Jr., Morris Lamer, John B. Ryan, Stanley Levy, C. William Smith, Marshall M. Weinberg, Alan N. Brenits, Steven A. Seidar, Kurt Berger, Alan J. Friedman, Michael Rothenberg, and Earl Bronsteen; A. P. Montgomery & Co., Inc., Gordon L. Davis, Richard Friedman, and Anthony Cassino; Daniel S. Brier & Co., Inc. and Daniel S. Brier; Stuart M. Ackerman; and Brand, Grumet & Seigel, Inc., and Joel S. Nadel; and (b) of certain persons who were closely related to Computer, including Nathan H. Cohen, Julius B. Levitt, Daniel Cohen, and Thelma Cohen.

(B) The broker-dealers and other persons named above except Paul A. Cohen, Lamer, Seiden, and Berger acted as undisclosed underwriters in offering and selling Computer securities at prices exceeding the stated offering price, and by reason of such underwriting activities the aggregate amount of Computer securities offered to the public exceeded the $300,000 limitation then prescribed by Rule 254 of Regulation A.

(C) Computer failed to disclose in the Notification and Offering Circular all of its promoters and counsel, and Nathan H. Cohen's beneficial ownership of approximately 20 percent of Computer's stock held of record by Goodman.

(D) Computer failed to furnish an offering circular to purchasers, as required, and its Form 2-A report falsely sets forth the date on which the offering was completed.

(2) The Notification and Offering Circular contain materially untrue and misleading statements with respect to the plan of distribution, the offer and sale of Computer securities by undisclosed

[1] Nadel & Co's registration as a broker and dealer was revoked on November 6, 1970 following its failure to file an answer as directed by the order for proceedings (Securities Exchange Act Release No. 9018).

underwriters at prices exceeding the stated offering price, the identity of all of Computer's promoters and counsel, and Nathan H. Cohen's beneficial ownership of stock held by Goodman.

(3) The offering was made in violation of the registration and antifraud provisions of sections 5 and 17 of the Securities Act.

CONCLUSIONS

It is concluded that under the circumstances it is appropriate to bar Goodman from association with any broker-dealer and permanently suspend the offering of Computer stock under Regulation A, as specified in the offer of settlement.[2]

Accordingly, it is ordered, That Ronald H. Goodman be, and he hereby is, barred from being associated with any broker or dealer.

It is further ordered, Pursuant to Rule 261 of Regulation A under the Securities Act of 1933, that the exemption from registration with respect to the above public offering of securities by Computer Counseling, Inc., be, and it hereby is, permanently suspended.

For the Commission, by the Office of Opinions and Review, pursuant to delegated authority.

[SEAL] RONALD F. HUNT,
Acting Associate Secretary.

[FR Doc.71-12380 Filed 8-25-71;8:45 am]

[812-2941]

SMC INVESTMENT CORP. AND GOULD INVESTORS TRUST

Notice of Filing of Application for Order Exempting Transaction

AUGUST 19, 1971.

Notice is hereby given that Gould Investors Trust (Gould) 370 Lexington Avenue, New York, NY 10017, a Massachusetts business trust, and SMC Investment Corp. (SMC) 1888 Century Park East, Century City, Los Angeles, CA 90067, a closed-end, diversified investment company registered under the Investment Company Act of 1940 (Act), have filed an application for an order pursuant to section 17(b) of the Act exempting from section 17(a) of the Act a proposed transaction pursuant to a purchase agreement dated December 4, 1970 (the "1970 Purchase Agreement"). Under the terms of the agreement Gould will acquire from SMC, 100,000 shares of beneficial interest of Gould (the "Shares") and warrants for the purchase of 100,000 authorized and unissued shares of beneficial interest of Gould at an exercise price of $25 per share through June 30, 1976 (the "Existing Warrants"). As consideration Gould will pay $500,000 and will issue warrants for the purchase of 100,000 authorized and unissued shares of beneficial interest of Gould at an exercise price of $10 per share through June 30, 1976 (the "New Warrants"). All interested persons are referred to the application on file with the Commission for a statement of the representations made therein, which are summarized below.

Pursuant to a purchase agreement dated January 10, 1969 (the "1969 Purchase Agreement") between Gould Properties Inc. and SMC, SMC purchased 100,000 shares of class A stock of Gould Properties Inc. and warrants to purchase 100,000 shares of Gould Properties Inc. class A stock paying an aggregate purchase price of $2 million for such securities. The 1969 Purchase Agreement granted to SMC the right to require Gould to register the shares purchased and any shares which would be acquired through exercise of the warrants. Subsequently Gould Properties Inc. changed its corporate name to Gould Enterprises Inc. On or about July 1, 1970, all of the business and assets of Gould Enterprises Inc. were acquired in a reorganization by Gould Investors Trust. Pursuant to such reorganization Gould issued shares of beneficial interest, without par value, to Gould Enterprises Inc. and Gould Enterprises Inc., distributed such shares of beneficial interest to its shareholders on a share-for-share basis. As a result, SMC now owns of record and beneficially the Shares and the Existing Warrants. The Shares represent approximately 7.6 percent of the 1,314,704 shares of benficial interest of Gould outstanding. By reason of this stock ownership, Gould and SMC are each affiliated persons of the other within the meaning of section 2(a)(3) of the Act. Apart from SMC's ownership of Gould securities there is no relationship between Gould and SMC.

Based upon Gould's decision to qualify as a real estate investment trust, upon SMC's assesment of the assets of Gould and its future prospects, and upon alternate investment opportunities available to SMC, SMC determined to dispose of the Shares. SMC advised Gould that it wished to have the Shares registered under the Securities Act of 1933 pursuant to its rights under the 1969 Purchase Agreement.

It was the view of the Board of Trustees of Gould that repurchase of the Shares by Gould would be desirable because (i) Gould could thereby avoid the significant expense it would incur in filing a registration statement with respect to the Shares as requested by SMC, (ii) the reduction in the outstanding number of Gould's shares of beneficial interest would be very beneficial to Gould's remaining shareholders because as a regulated real estate investment trust Gould is required to distribute at least 90 percent of its income to shareholders, and (iii) the low market price of Gould's shares of beneficial interest made the repurchase of the Shares a good opportunity for Gould.

After negotiations, Gould and SMC entered into the 1970 Purchase Agreement, described above. Both parties assert that the 1970 Purchase Agreement was negotiated on an arms-length basis.

The terms of the 1970 Purchase Agreement were satisfactory to SMC because the amount of cash it would receive was approximately the current market of the Shares and because of the additional value to be received in the form of the new warrants. It was also beneficial to SMC because SMC was relieved of market risks that might result because of delays in other methods of selling the Shares such as a sale pursuant to a registration statement.

On December 4, 1970, the closing bid price quoted for Gould's shares of beneficial interest was $4⅞.[1] In the judgment of Gould management and of an investment banker as of the date of the 1970 Purchase Agreement the Existing Warrants had a value ranging from nothing to 20 cents per warrant and the new warrants had a value ranging from 50 cents to 75 cents per warrant.

Section 17(a) of the Act prohibits, with certain exceptions, an affiliated person of a registered investment company or an affiliated person of such affiliated person, from selling to, or purchasing from, such registered company any security, or other property. Section 17(b) provides that the Commission, upon application, may grant an exemption from the provisions of section 17(a) after finding that the terms of the proposed transaction are reasonable and fair and do not involve overreaching on the part of any person concerned and that the proposed transaction is consistent with the policy of each registered investment company concerned and with the general purposes of the Act.

Notice is further given that any interested person may, not later than September 7, 1971, at 5:30 p.m., submit to the Commission in writing a request for a hearing on the matter accompanied by a statement as to the nature of his interest, the reason for such request and the issues of fact or law proposed to be controverted, or he may request that he be notified if the Commission shall order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request shall be served personally or by mail (air mail if the person being served is located more than 500 miles from the point of mailing) upon Applicants at the addresses stated above. Proof of service (by affidavit or in case of an attorney at law by certificate) shall be filed contemporaneously with the request. At any time after such date as provided by rule 0-5 of the rules and regulations promulgated under the Act, an order disposing of the application herein may be issued upon the basis of the information stated in said application, unless an order for hearing upon said application shall be issued upon request or upon the Commission's own motion. Persons who request a hearing, or advice as to whether a hearing is ordered, will receive notice of further developments in this matter, in-

[2] No disability or disqualification shall attach to any person not named above by virtue of the findings made herein in the Regulation A proceedings irrespective of whether such person was named in any prior order entered in this matter.

[1] July 20, 1971 the bid price for Gould's shares of beneficial interest was $7½.

cluding the date of the hearing (if ordered) and any postponements thereof.

For the Commission, by the Division of Corporate Regulation, pursuant to delegated authority.

[SEAL] RONALD F. HUNT,
Acting Associate Secretary.

[FR Doc.71-12381 Filed 8-25-71;8:45 am]

[37-59]

SOUTHERN SERVICES, INC.

Notice of Filing of Post-Effective Amendment Regarding Increase in Amount of Notes To Be Issued by Subsidiary Service Company and Acquired by Holding Company

AUGUST 19, 1971.

Notice is hereby given that Southern Services, Inc. (Services), Perimeter Center East, Post Office Box 720071, Atlanta, GA 30346, a subsidiary service company of The Southern Co. (Southern), a registered holding company, has filed with this Commission a post-effective amendment to its application-declaration in this proceeding pursuant to sections 6, 7, and 13 of the Public Utility Holding Company Act of 1935 (Act) and Rules 40(b), 42(b)(2), and 43(b)(3) promulgated thereunder. All interested persons are referred to the application-declaration, as amended by said post-effective amendment, which is summarized below, for a complete statement of the proposed transactions.

By Order dated July 1, 1968 (Holding Company Act Release No. 16104), the Commission, among other things, authorized Services to issue and sell its long-term unsecured notes and capital stock to Southern for cash, during a 5-year period extending until June 30, 1973, of up to $5 million aggregate principal amount to be outstanding at any one time, such notes bearing interest at the prime rate in effect in Atlanta, Ga. On March 31, 1971, the outstanding capitalization of Services consisted of $725,000 aggregate par value of capital stock and $2,750,000 principal amount of long-term notes, all of which were owned by Southern. In anticipation of substantial expansion of services and personnel in general services, engineering and power pool operations, Services, to provide increased working capital, now proposes to increase the maximum principal amount of its unsecured notes and capital stock to be sold to Southern to $11 million during the remainder of the 5-year period. Such notes will have the same terms and provisions as those originally authorized, subject to the limitation that the aggregate of the principal amount of Services' outstanding unsecured notes to Southern and its issued and outstanding capital stock will be maintained at all times at an amount approximately equal to the sum of the operating expenses of Services for a period of 2 months and the depreciated cost of Services' fixed assets, including prepayment and petty cash working funds, less any unpaid indebtedness for funds borrowed from sources other than associate companies for the acquisition of fixed assets. Services anticipates that it will issue and sell only its unsecured notes to Southern, which under the present proposal would aggregate not more than $10,275,000. Southern will acquire such notes pursuant to the terms of Rule 40(b) under the Act.

It is stated that the fees and expenses to be incurred in connection with the proposed transactions are estimated at $1,200, of which $1,000 are legal fees. It is further stated that no State commission and no Federal commission, other than this Commission, has jurisdiction over the proposed transactions.

Notice is further given that any interested person may, not later than September 9, 1971, request in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by said post-effective amendment to the application-declaration which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request should be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon the applicant-declarant at the above-stated address, and proof of service (by affidavit or, in case of an attorney at law, by certificate), should be filed with the request. At any time after said date, the application-declaration, as now amended or as may be further amended, may be granted and permitted to become effective in the manner provided by Rule 23 of the General Rules and Regulations promulgated under the Act, or the Commission may grant exemption from such rules as provided in Rules 20(a) and 100 thereof or take such other action as it may deem appropriate. Persons who request a hearing or advice as to whether a hearing is ordered will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission, by the Division of Corporate Regulation, pursuant to delegated authority.

[SEAL] RONALD F. HUNT,
Acting Associate Secretary.

[FR Doc.71-12382 Filed 8-25-71;8:45 am]

[70-5061]

SOUTHERN CO. AND SOUTHERN SERVICES, INC.

Notice of Proposed Issue and Sale of Notes to Bank by Subsidiary Service Company and Guarantee by Holding Company

AUGUST 20, 1971.

In the matter of the Southern Co., Southern Services, Inc., Perimeter Center East, Post Office Box 720071, Atlanta, GA 30346; notice of proposed issue and sale of notes to bank by subsidiary service company and guarantee by holding company.

Notice is hereby given that The Southern Co. (Southern), a registered holding company, and its subsidiary service company, Southern Services, Inc. (Services), have filed a declaration with this Commission pursuant to the Public Utility Holding Company Act of 1935 (Act), designating sections 6(a), 7, 12(b), and 12(f) of the Act and Rule 45 promulgated thereunder as applicable to the proposed transactions. All interested persons are referred to the declaration, which is summarized below, for a complete statement of the proposed transactions.

Services now functions as the wholly owned subsidiary service company in the Southern system pursuant to an order of this Commission dated July 7, 1964 (Holding Company Act Release No. 15100). On March 31, 1971, the outstanding capitalization of Services consisted of $725,000 aggregate par value of capital stock and $2,750,000 principal amount of long-term notes, all of which are owned by Southern. Services has filed in another proceeding for authorization to increase the maximum amount Southern may invest in Services from $5 million up to $11 million until June 30, 1973 (File No. 37-59).

Services proposes to make substantial investments in data processing and computer facilities for use in customer accounting, engineering and general financial and operating applications. It is estimated that costs for such equipment will be approximately $11 million through December 1972. In order to finance the purchase of this equipment, Services proposes to issue and sell its unsecured promissory notes to Chemical Bank, New York City (Chemical) from time to time prior to July 1, 1972, in an aggregate amount not exceeding $7 million. The notes will bear interest, payable quarterly, for each day at an annual rate equal to 1.25 times the prime commercial rate of Chemical in effect on such day. The aggregate principal will be payable in equal quarterly installments commencing June 3, 1972, with the final payment due March 31, 1979, and will be prepayable without premium at any time. The loan agreement between Services and Chemical to be dated August 1, 1971, provides that Services pay a commitment fee on the unused portion of the $7 million at the rate of one-half of 1 percent per annum. There is no compensating balance requirement. Southern proposes to guarantee the notes of Services as to principal and interest. It is stated that Southern and Services, after studying various alternative means of financings, including leasing, have determined the instant proposal to be the most economical and advantageous method.

The filing states that the fees and expenses to be paid in connection with the proposed transactions are estimated at $6,000, including $3,000 for legal fees and $2,500 for reimbursement by Services of Chemical's actual expenses incurred in connection therewith. It is further stated

that no State commission and no Federal commission, other than this Commission, has jurisdiction over the proposed transactions.

Notice is further given that any interested person may, not later than September 10, 1971, request in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by the declaration which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request should be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon the declarants at the above-stated address, and proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. At any time after said date, the declaration, as filed or as it may be amended, may be permitted to become effective as provided in Rule 23 of the general rules and regulations promulgated under the Act, or the Commission may grant exemption from such rules as provided in Rules 20(a) and 100 thereof or take such other action as it may deem appropriate. Persons who request a hearing or advice as to whether a hearing is ordered will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission, by the Division of Corporate Regulation, pursuant to delegated authority.

[SEAL] RONALD F. HUNT,
Acting Associate Secretary.

[FR Doc.71-12484 Filed 8-25-71;8:47 am]

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster Loan Area 841; Class B]

ALASKA

Declaration of Disaster Loan Area

Whereas, it has been reported that during the month of August 1971, because of the effects of certain disasters damage resulted to residences and business property located in the State of Alaska;

Whereas, the Small Business Administration has investigated and has received other reports of investigations of conditions in the areas affected;

Whereas, after reading and evaluating reports of such conditions, I find that the conditions in such areas constitute a catastrophe within the purview of the Small Business Act, as amended.

Now, therefore, as Administrator of the Small Business Administration, I hereby determine that:

1. Applications for disaster loans under the provisions of section 7(b)(1) of the Small Business Act, as amended, may be received and considered by the office below indicated from persons or firms whose property situated in Matanuska-Susitna Borough and surrounding areas, Alaska, suffered damage or destruction resulting from floods occurring on August 6 through 10, 1971.

OFFICE

Small Business Administration District Office, Suite 200, Anchorage Legal Center, 1016 West Sixth Avenue, Anchorage, AK 99501.

2. Applications for disaster loans under the authority of this declaration will not be accepted subsequent to February 29, 1972.

Dated: August 13, 1971.

THOMAS S. KLEPPE,
Administrator.

[FR Doc.71-12477 Filed 8-25-71;8:47 am]

[Declaration of Disaster Loan Area 842; Class B]

TEXAS

Declaration of Disaster Loan Area

Whereas, it has been reported that during the month of August 1971, because of the effects of certain disasters damage resulted to residences and business property located in the State of Texas;

Whereas, the Small Business Administration has investigated and has received other reports of investigations of conditions in the areas affected;

Whereas, after reading and evaluating reports of such conditions, I find that the conditions in such areas constitute a catastrophe within the purview of the Small Business Act, as amended.

Now, therefore, as Associate Administrator for Operations and Investment of the Small Business Administration, I hereby determine that:

1. Applications for disaster loans under the provisions of section 7(b)(1) of the Small Business Act, as amended, may be received and considered by the offices below indicated from persons or firms whose property situated in the county of Medina, Tex., and adjacent areas, suffered damage or destruction resulting from floods occurring on August 13, 1971, and continuing.

OFFICE

Small Business Administration District Office, 301 Broadway, San Antonio, TX 78205.

2. A temporary office will be established in Hondo, Tex., address to be announced locally.

3. Applications for disaster loans under the authority of this declaration will not be accepted subsequent to February 29, 1972.

Dated: August 17, 1971.

A. H. SINGER,
Associate Administrator for Operations and Investment.

[FR Doc.71-12978 Filed 8-25-71;8:47 am]

[Delegation of Authority No. 1-A, Revision 3]

GENERAL COUNSEL ET AL.

Delegation of Authority

Delegation of Authority No. 1-A (Revision 2) (35 F.R. 19205) is hereby revised to read as follows:

I. Pursuant to authority vested in me by the Small Business Act, 72 Stat. 384, as amended, the Small Business Investment Act of 1958, 72 Stat. 689, as amended; and title IV of the Economic Opportunity Act of 1964, 78 Stat. 526, as amended, authority is hereby delegated to the following officials in the following order:

1. General Counsel.

2. Associate Administrator for Operations and Investment.

3. Assistant Administrator for Administration.

to perform, in the event of the absence or incapacity of the Administrator and the Deputy Administrator, any and all acts which the Administrator is authorized to perform, including but not limited to authority to issue, modify, or revoke delegations of authority and regulations, except exercising authority under sections 7(a)(6), 9(d) and 11 of the Small Business Act, as amended.

II. This delegation is not in derogation of any authority residing in the above listed officials relating to the operations of their respective programs nor does it affect the validity of any delegations currently in force and effect and not specifically cited as revoked or revised herein.

Effective date: August 19, 1971.

THOMAS S. KLEPPE,
Administrator.

[FR Doc.71-12481 Filed 8-25-71;8:47 am]

COLEMAN CAPITAL CORP.

Notice of Surrender of License To Operate as Small Business Investment Company

Notice is hereby given that Coleman Capital Corp., Chicago, Ill., incorporated under the laws of the State of Illinois, on August 31, 1961, has surrendered its license (Number 02/07-0048) issued by the Small Business Administration on March 13, 1962.

Under the authority vested by the Small Business Investment Act of 1958, as amended, and pursuant to the regulations promulgated thereunder, the surrender of the license of Coleman Capital Corp. is hereby accepted and it is no longer licensed to operate as a small business investment company.

Dated: August 18, 1971.

A. H. SINGER,
Associate Administrator for Operations and Investment.

[FR Doc.71-12513 Filed 8-25-71;8:50 am]

[License No. 03/04-0103]

DISTRIBUTION SERVICES INVESTMENT CO.

Notice of Application for Exemption with Respect to Certain Conflict of Interest Transactions

Notice is hereby given that Distribution Services Investment Co. (DSIC), 1725 K Street NW., Washington, DC 20006, a small business investment company licensed by the Small Business Administration (SBA) under the Small Business Investment Act of 1958, as amended (Act), has filed an application for an exemption with respect to § 107.1004(b)(5) of the SBA rules and regulations (13 CFR 107.1004(b)(5)) (regulations).

DSIC is wholly owned by Distribution Services, Inc. (DSI), which is located at the same address as DSIC. DSI is owned by 20 wholesale drug companies and two individuals.

Approximately six of these wholesale drug companies wish to sell their stock, by way of private transaction, to certain other present stockholders.

The aforesaid § 107.1004(b)(5) of the regulations provides that " * * * no licensee shall directly or indirectly provide financing to a small business concern * * * if the financing is used to provide funds * * * for use in purchasing property from an associate of the licensee * * *." One of the wholesalers, Bergen Brunswig Corp. (BB), of 2410 East 38th Street, Los Angeles, CA 90054, would acquire at least 10 percent of the stock as a result of the proposed transaction. Accordingly, BB Corp. would become an associate of DSIC under § 107.3 of the regulations.

In order to permit DSIC to lend funds to any drugstore (retailer) to use 50 percent or more of such proceeds to purchase inventory and/or fixtures from BB an exemption from the aforesaid § 107.1004(b)(5) of the regulations must be granted by SBA. Should SBA grant such an exemption it would be for a period of 1 year.

Interested persons are hereby afforded an opportunity to submit to SBA, not later than twenty (20) days from the date of publication of this notice, written comments concerning the granting of an exemption of the aforesaid section of the regulations by SBA as it may pertain to BB. Any such communication should be addressed to Associate Administrator for Operations and Investment, Small Business Administration, 1441 L Street NW., Washington, DC 20416.

After the aforementioned period, SBA may, under the Act and regulations, grant the aforesaid exemption from the provisions of § 107.1004(b)(5), on the basis of all relevant data submitted.

Dated: August 9, 1971.

A. H. SINGER,
Associate Administrator for Operations and Investment.

[FR Doc.71-12480 Filed 8-25-71;8:47 am]

DIVERSIFIED REALTY FUNDING CORP.

Notice of Filing of Application for Transfer of Control of Licensed Small Business Investment Company

Notice is hereby given that application has been filed with the Small Business Administration (SBA), pursuant to § 107.701 of the regulations governing Small Business Investment Companies (13 CFR 107.701 (1971)) for transfer of control of Diversified Realty Funding Corp. (DRFC), 299 Park Avenue, New York, NY 10017, a Federal licensee under the Small Business Investment Act of 1958, as amended (15 U.S.C. 661 et seq.), License No. 02/02-0177.

DRFC was licensed on July 10, 1962, and as of March 31, 1971, had paid-in capital and paid-in surplus from private sources of $500,001.

Mr. Nelson M. Loud, owner of 50 percent of the stock of DRFC, proposes to purchase the other 50 percent of DRFC's stock presently held by Mr. Jarvis Slade. The proposed transaction is subject to and contingent upon the approval of SBA.

The names and addresses of the proposed officers, directors, and stockholders of DRFC are as follows:

Douglass N. Loud, 125 East 84 Street, New York, NY 10028, President, Assistant Treasurer, Director.

Nelson M. Loud, Creek Place, Locust Valley, NY 11560, Treasurer, Director, 100 percent Stockholder.

Roger Mulvihill, 215 East 64 Street, New York, NY 10021, Assistant Secretary, Director.

Charles D. Donohue, Jr., 401 East 88 Street, New York, NY 10028, Secretary.

Mr. Douglass N. Loud is the son of Nelson M. Loud.

Matters involved in SBA's consideration of the application include the general business reputation and character of the management and of the proposed transferees, and the possibility of successful operations of the company under their control and management (including adequate profitability and financial soundness) in accordance with the Act and regulations.

Notice is further given that any interested person may, not later than 15 days from the date of publication of this notice, submit to SBA, in writing, relevant comments on the proposed transfer of control. Any such comments should be addressed to Associate Administrator for Operations and Investment, Small Business Administration, 1441 L Street NW., Washington, DC 20416.

A copy of this notice shall be published by the proposed transferee in a newspaper of general circulation in New York City.

A. H. SINGER,
Associate Administrator for Operations and Investment.

AUGUST 17, 1971.

[FR Doc.71-12479 Filed 8-25-71;8:47 am]

[License No. 10/13-5029]

MODEL CAPITAL CORP.

Notice of Issuance of License To Operate as Minority Enterprise Small Business Investment Company

On July 13, 1971, a notice was published in the FEDERAL REGISTER (36 F.R. 13070) stating that Model Capital Corp., 1106 East Spring Street, Seattle, WA 98122, had filed an application with the Small Business Administration, pursuant to § 107.102 of the SBA rules and regulations governing small business investment companies (13 CFR 107.102 (1971)), for a license to operate as a minority enterprise small business investment company (MESBIC).

Interested parties were given to the close of business July 23, 1971, to submit their written comments to SBA.

Notice is hereby given that, having considered the application and all other pertinent information, SBA has issued License No. 10/13-5029 to Model Capital Corp., pursuant to section 301(c) of the Small Business Investment Act of 1958, as amended.

Dated: August 18, 1971.

A. H. SINGER,
Associate Administrator for Operations and Investment.

[FR Doc.71-12512 Filed 8-25-71;8:50 am]

FEDERAL RESERVE SYSTEM

AMERICAN BANCSHARES OF MICHIGAN, INC.

Order Approving Action To Become a Bank Holding Company

In the matter of the application of the American Bancshares of Michigan, Inc., Kalamazoo, Mich., for approval of action to become a bank holding company through the acquisition of 100 percent of the voting shares (less directors' qualifying shares) of the successor by merger to the American National Bank and Trust Company of Michigan, Kalamazoo, Mich.

There has come before the Board of Governors, pursuant to section 3(a)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(1)) and § 222.3 (a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by the American Bancshares of Michigan, Inc., Kalamazoo, Mich., for the Board's prior approval of action whereby Applicant would become a bank holding company through the acquisition of 100 percent of the voting shares (less directors' qualifying shares) of the successor by merger to the American National Bank and Trust Company of Michigan (Bank), Kalamazoo, Mich.

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Comptroller of the Currency, and requested his

views and recommendation. The Comptroller recommended approval of the application.

Notice of receipt of the application was published in the FEDERAL REGISTER on June 16, 1971 (36 F.R. 11617), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of the application was forwarded to the U.S. Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered.

The Board has considered the application in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of the Applicant and the banks concerned, and the convenience and needs of the communities to be served, and finds that:

Applicant is a nonoperating corporation formed for the purpose of acquiring Bank as a subsidiary. (The proposed new bank into which Bank will be merged has significance only as a vehicle to accomplish the acquisition of all of the voting shares less directors' qualifying shares of Bank; hence, the proposal to acquire voting shares of the successor by merger to Bank is treated as a proposal to acquire voting shares of Bank.) Bank, which has deposits of $166.1 million, is the second largest of four banking organizations in its banking market, which approximates Kalamazoo County, and has approximately 32 percent of the commercial bank deposits within the county and 0.5 percent of total deposits in the State. (All banking data are as of December 31, 1970, and reflect holding company formations and acquisitions approved through June 30, 1971.)

Since Applicant has no present operations or subsidiaries and since the proposed acquisition involves only a corporate reorganization in the nature of a transfer of ownership of Bank from individuals to a holding company, consummation of the proposal would eliminate neither existing nor potential competition and would not appear to have any adverse effects on any other bank in the area involved.

The financial and managerial resources and prospects of Bank are regarded as satisfactory as would be those of Applicant upon acquisition of Bank. Consummation of the proposal would have no immediate effects on the convenience and needs of the community, although the more flexible operational structure of a holding company may lead to benefits in the future. Considerations related to the convenience and needs of the community as well as the financial and managerial resources and prospects of Bank and Applicant are consistent with approval. It is the Board's judgment that the proposed transaction would be in the public interest, and that the application should be approved.

It is hereby ordered, On the basis of the Board's findings summarized above, that said application be and hereby is approved, provided that the acquisition so approved shall not be consummated (a) before the 30th calendar day following the date of this order or (b) later than 3 months after the date of this order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Chicago, pursuant to delegated authority.

By order of the Board of Governors,[1] August 19, 1971.

[SEAL] NORMAND BERNARD,
Assistant Secretary.

[FR Doc.71-12495 Filed 8-25-71;8:48 am]

ATLANTIC BANCORPORATION

Order Approving Acquisition of Bank Stock By Bank Holding Company

In the matter of the application of Atlantic Bancorporation, Jacksonville, Fla., for approval of acquisition of 60 percent or more of the voting shares of Westside Atlantic Bank of Orlando, Orlando, Fla., a proposed new bank.

There has come before the Board of Governors, pursuant to section 3(a)(3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(3)) and § 222.3 (a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by Atlantic Bancorporation, Jacksonville, Fla., for the Board's prior approval of the acquisition of 60 percent or more of the voting shares of Westside Atlantic Bank of Orlando (Bank), Orlando, Fla., a proposed new bank.

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Florida Commissioner of Banking, and requested his views and recommendation. The Commissioner recommended approval of the application.

Notice of receipt of the application was published in the FEDERAL REGISTER on July 9, 1971 (36 F.R. 12927), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of the application was forwarded to the U.S. Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered.

The Board has considered the application in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of the applicant and the bank concerned, and the convenience and needs of the communities to be served, and finds that:

Applicant controls 17 banks with total deposits of $646 million, representing 4.6 percent of the State's total deposits. (All banking data are as of December 31, 1970, and reflect holding company formations and acquisitions approved through July 31, 1971.) Since Bank is a proposed new bank, consummation of the proposal will not increase applicant's share of total deposits in any market nor affect deposit concentration.

Applicant presently controls 2 percent of total deposits in the Orlando area, and its closest subsidiary to the proposed site of Bank is 5½ miles away in downtown Orlando. Since Bank will not be organized if the application is denied, the Board concludes that consummation of the proposal would not have significant adverse effects on competition in any relevant area.

The financial and managerial resources and future prospects of applicant, its subsidiaries, and Bank are satisfactory and, therefore, consistent with approval. Recent commercial and residential developments within Bank's proposed service area indicate some need for an additional banking office in the area. Accordingly, considerations relating to the convenience and needs of the community to be served lend some weight for approval. It is the Board's judgment that the proposed transaction would be in the public interest and that the application should be approved.

It is hereby ordered, For the reasons set forth above, that said application be and hereby is approved, provided that the acquisition so approved shall not be consummated (a) before the thirtieth calendar day following the date of this order or (b) later than 3 months after the date of this order, and provided further that (c) Westside Atlantic Bank of Orlando shall be open for business not later than 6 months after the date of this order. The periods described in (b) and (c) hereof may be extended for good cause by the Board, or by the Federal Reserve Bank of Atlanta pursuant to delegated authority.

By order of the Board of Governors,[1] August 19, 1971.

[SEAL] NORMAND BERNARD,
Assistant Secretary.

[FR Doc.71-12496 Filed 8-25-71;8:48 am]

BARNETT BANKS OF FLORIDA, INC.

Order Approving Acquisition of Bank Stock by Bank Holding Company

In the matter of the application of Barnett Banks of Florida, Inc., Jacksonville, Fla., for approval of acquisitions of 80 percent or more of the voting shares of Barnett Mall Bank, N.A., Winter Park, Fla., a proposed new bank.

There has come before the Board of Governors, pursuant to section 3(a)(3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(3)) and § 222.3 (a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by Barnett Banks of Florida, Inc., (Applicant), Jacksonville, Fla., a registered bank holding company, for the Board's prior approval of the acquisition of 80 percent or more of the voting shares of Barnett

[1] Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Daane, Maisel, and Brimmer. Absent and not voting: Governor Sherrill.

[1] Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Daane, Maisel, and Brimmer. Absent and not voting: Governor Sherrill.

Mall Bank, N.A. (Mall Bank), Winter Park, Fla., a proposed new bank.

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Comptroller of the Currency and requested his views and recommendation. The Comptroller responded that he recommended approval of the application.

Notice of receipt of the application was published in the FEDERAL REGISTER on July 3, 1971 (36 F.R. 12712), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of the application was forwarded to the U.S. Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered by the Board.

The Board has considered the application in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of the Applicant and the banks concerned, and the convenience and needs of the communities to be served, and finds that:

Applicant has 26 subsidiary banks with aggregate deposits of approximately $785 million, representing 5.6 percent of the commercial bank deposits in Florida. (Banking data are as of December 31, 1970, and reflect holding company formations and acquisitions approved by the Board through July 31, 1971.) Approval of the acquisition of Mall Bank would not presently increase Applicant's deposits since Mall Bank, as stated above, is a proposed new bank.

Although Applicant presently has one subsidiary bank, First National at Winter Park (First National), located 1.4 miles from the proposed site of Mall Bank, the two institutions will service different customers. First National is located in downtown Winter Park and deals primarily with larger commercial interests while Mall Bank will be a neighborhood institution serving suburban residential and retail business customers. Moreover, First National has only 10 percent of the deposits in an area where the leading organization has over 40 percent of the deposits. Because of this, there seems little danger that Applicant will become the dominant factor in the Orlando area even with the addition of Mall Bank. Considering the present competition existing in the area, the Board concludes that consummation of the proposed acquisition would not adversely affect competition in any relevant area.

The financial and managerial resources and future prospects of Applicant, its subsidiary banks, and Mall Bank are regarded as satisfactory. The establishment of Mall Bank would provide a more convenient banking location for many customers, and thus considerations related to the convenience and needs of the community lend some weight in favor of approval. It is the Board's judgment that the proposed acquisition would be in the public interest and that the application should be approved.

It is hereby ordered, On the basis of the Board's findings summarized above, that said application be and hereby is approved, provided that the acquisition so approved shall not be consummated (a) before the 30th calendar day following the date of this order or (b) later than 3 months after the date of this order, and provided further that (c) Barnett Mall Bank, N.A., shall be open for business not later than 6 months after the date of this order. The periods described in (b) and (c) hereof may be extended for good cause by the Board or by the Federal Reserve Bank of Atlanta pursuant to delegated authority.

By order of the Board of Governors,[1] August 19, 1971.

[SEAL] NORMAND BERNARD,
Assistant Secretary.

[FR Doc.71-12497 Filed 8-25-71;8:48 am]

FLORIDA NATIONAL BANKS OF FLORIDA

Notice of Application for Approval of Acquisition of Shares of Bank

Notice is hereby given that application has been made, pursuant to section 3(a)(3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(3)), by Florida National Banks of Florida, which is a bank holding company located in Jacksonville, Fla., for prior approval by the Board of Governors of the acquisition by applicant of 80 per cent or more of the voting shares of Brevard National Bank, Titusville, Fla.

Applicant's banks were controlled by the du Pont Trust which was required by the 1966 amendments to the Act to divest either its banking or its nonbanking assets by July 1, 1971. The Board has under review the Trust's contention that it is not a bank holding company with respect to banks controlled by applicant. Processing of the present application is not intended to reflect acquiesence by the Board in the Trust's contention.

Section 3(c) of the Act provides that the Board shall not approve:

(1) Any acquisition or merger or consolidation under section 3 which would result in a monopoly, or which would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States, or

(2) Any other proposed acquisition or merger or consolidation under section 3 whose effect in any section of the country may be substantially to lessen competition, or to tend to create a monopoly, or which in any other manner would be in restraint of trade, unless the Board finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served.

Section 3(c) further provides that, in every case, the Board shall take into consideration the financial and managerial resources and future prospects of the company or companies and the banks concerned, and the convenience and needs of the community to be served.

Not later than thirty (30) days after the publication of this notice in the FEDERAL REGISTER, comments and views regarding the proposed acquisition may be filed with the Board. Communications should be addressed to the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. The application may be inspected at the office of the Board of Governors or the Federal Reserve Bank of Atlanta.

Board of Governors of the Federal Reserve System, August 19, 1971.

[SEAL] NORMAND BERNARD,
Assistant Secretary.

[FR Doc.71-12498 Filed 8-25-71;8:49 am]

[1] Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Daane, Maisel, and Brimmer. Absent and not voting: Governor Sherrill.

INTERSTATE COMMERCE COMMISSION

[Notice 67]

MOTOR CARRIER, BROKER, WATER CARRIER, AND FREIGHT FORWARDER APPLICATIONS

AUGUST 20, 1971.

The following applications are governed by Special Rule 1100.247[1] of the Commission's general rules of practice (49 CFR, as amended), published in the FEDERAL REGISTER issue of April 20, 1966, effective May 20, 1966. These rules provide, among other things, that a protest to the granting of an application must be filed with the Commission within 30 days after date of notice of filing of the application is published in the FEDERAL REGISTER. Failure seasonably to file a protest will be construed as a waiver of opposition and participation in the proceeding. A protest under these rules should comply with section 247(d)(3) of the rules of practice which requires that it set forth specifically the grounds upon which it is made, contain a detailed statement of protestant's interest in the proceeding (including a copy of the specific portions of its authority which protestant believes to be in conflict with that sought in the application, and describing in detail the method—whether by joinder, interline, or other means—by which protestant would use such authority to provide all or part of the service proposed), and shall specify with particularity the facts, matters, and things relied upon, but shall not include issues

[1] Copies of Special Rule 247 (as amended) can be obtained by writing to the Secretary, Interstate Commerce Commission, Washington, D.C. 20423.

or allegations phrased generally. Protests not in reasonable compliance with the requirements of the rules may be rejected. The original and one copy of the protest shall be filed with the Commission, and a copy shall be served concurrently upon applicant's representative, or applicant if no representative is named. If the protest includes a request for oral hearing, such requests shall meet the requirements of section 247 (d)(4) of the special rules, and shall include the certification required therein.

Section 247(f) of the Commission's rules of practice further provides that each applicant shall, if protests to its application have been filed, and within 60 days of the date of this publication, notify the Commission in writing (1) that it is ready to proceed and prosecute the application, or (2) that it wishes to withdraw the application, failure in which the application will be dismissed by the Commission.

Further processing steps (whether modified procedure, oral hearing, or other procedures) will be determined generally in accordance with the Commission's General Policy Statement Concerning Motor Carrier Licensing Procedures, published in the FEDERAL REGISTER issue of May 3, 1966. This assignment will be by Commission order which will be served on each party of record.

The publications hereinafter set forth reflect the scope of the applications as filed by applicants, and may include descriptions, restrictions, or limitations which are not in a form acceptable to the Commission. Authority which ultimately may be granted as a result of the applications here noticed will not necessarily reflect the phraseology set forth in the application as filed, but also will eliminate any restrictions which are not acceptable to the Commission.

No. MC 720 (Sub-No. 8), filed July 22, 1971. Applicant: BIRD TRUCKING COMPANY, INC., Post Office Box 227, Waupun, WI 53963. Applicant's representative: Allan Bryant Torhorst, Post Office Box 307, Burlington, WI 53105. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Dairy products* (except in bulk), and *confectionary ingredients* (except in bulk), from the plantsite and warehouse facilities of Galloway-West Co., division of Borden's, Inc., at Fond du Lac, Wis., to points in Illinois north of U.S. Highway 36; and (2) *materials, equipment, and supplies used in the production of dairy products and confectionary ingredients* (except in bulk), from points in Illinois north of U.S. Highway 36 to the plantsite and warehouse facilities of Galloway-West Co., division of Borden's, Inc., at Fond du Lac, Wis. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Milwaukee or Madison, Wis.

No. MC 808 (Sub-No. 45), filed July 12, 1971. Applicant: ANCHOR MOTOR FREIGHT, INC., 21111 Chagrin Boulevard, Cleveland, OH 44122. Applicant's representative: J. A. Kundtz, 1100 National City Bank Building, Cleveland, Ohio 44114. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Motor vehicles* (except trailers), in initial movements, in truckaway service, between the plants of General Motors Corp. located in Detroit, Willow Run, Pontiac, Flint, and Lansing, Mich., on the one hand, and, on the other, points in Ohio, West Virginia, Virginia, Pennsylvania, Delaware, Maryland, New Jersey, New York, Connecticut, Rhode Island, Massachusetts, Vermont, New Hampshire, and Maine, under a continuing contract or contracts with General Motors Corp. NOTE: Common control and dual operations may be involved. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 966 (Sub-No. 23), filed July 12, 1971. Applicant: CAPITOL TRUCK LINES, INC., 200 West First Street, Topeka, KS 66603. Applicant's representative: Frank W. Taylor, Jr., 1221 Baltimore Avenue, Kansas City, MO 64105. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* except those of unusual value, classes A and B explosives, household goods, as defined by the Commission, commodities in bulk, commodities requiring special equipment and those injurious or contaminating to other lading, to serve Mound Valley, Kans., as an off-route point in connection with applicant's regular route operations between Kansas City, Mo.-Kans., and Coffeyville, Kans., from Kansas City, Mo., over U.S. Highway 50 to junction U.S. Highway 169, thence over U.S. Highway 169 to Coffeyville and return over the same route. NOTE: If a hearing is deemed necessary, applicant requests it be held at Kansas City, Mo.

No. MC 1641 (Sub-No. 93), filed July 21, 1971. Applicant: PEAKE TRANSPORT SERVICE, INC., Box 366, Chester, NE 68327. Applicant's representatives: Einar Viren, 904 City National Bank Building, Omaha, Nebr. 68102, and R. B. Parker (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid asphalt, road oils, and residual fuel oil*, in bulk, in tank vehicles, from Sugar Creek, Mo., to points in Nebraska. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Omaha, Nebr., or Kansas City, Mo.

No. MC 1641 (Sub-No. 94), filed July 29, 1971. Applicant: PEAKE TRANSPORT SERVICE, INC., Box 366, Chester, NE 68327. Applicant's representatives: Einar Viren, 904 City National Bank Building, Omaha, Nebr. 68102, and R. B. Parker (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Feed, feed ingredients, feed supplements, urea, feed grade urea, urea when used in feed or feed ingredients or feed supplements*, in bulk, in tank or hopper vehicles; (1) from Fremont, Nebr., to points in Colorado, Illinois, Iowa, Kansas, Missouri, Minnesota, North Dakota, Oklahoma, South Dakota, Texas, Wisconsin, and Wyoming; and (2) from distributing points in Nebraska to points in Kansas. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Omaha, Nebr., or Kansas City, Mo.

No. MC 1753 (Sub-No. 4), filed June 7, 1971. Applicant: RENZ TRUCK LINES, INC., 231 Walnut Street, Pacific, MO 63069. Applicant's representative: Herman W. Huber, 101 East High Street, Jefferson City, MO 65101. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, and except dangerous explosives, household goods as defined in *Practices of Motor Common Carriers of Household Goods*, 17 M.C.C. 467, commodities in bulk, commodities requiring special equipment, and those injurious or contaminating to other lading), between St. Louis, Mo., and the generating plant and facilities of Union Electric Co., at or near Rush Tower, Jefferson County, Mo.: From St. Louis over U.S. Highway 61 and Interstate Highway 55, thence over Jefferson County Route AA and unnumbered county roads to the plantsite, at or near Rush Tower, Mo., with authority to serve the intermediate and off-route generation, transmission, and distribution facilities of said company, between St. Louis and said plantsite (except Crystal City-Festus, Mo.). NOTE: If a hearing is deemed necessary, applicant requests it be held at St. Louis or Jefferson City, Mo.

No. MC 2633 (Sub-No. 57), filed July 30, 1971. Applicant: CROSSETT, INC., Post Office Box 946, Warren, PA 16365. Applicant's representative: Kenneth T. Johnson, Bankers Trust of Jamestown Building, Jamestown, N.Y. 14701. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Petroleum products* as described in appendix III to the report in *Descriptions in Motor Carrier's Certificates*, 61 M.C.C. 209, in bulk, in tank vehicles, from Clinton, Potter, and Tioga Counties, Pa., to points in Albany and Onondaga Counties, N.Y. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Pittsburgh, Pa.

No. MC 21866 (Sub-No. 69), filed July 19, 1971. Applicant: WEST MOTOR

FREIGHT, INC., 740 South Reading Avenue, Boyertown, PA 19512. Applicant's representative: Alan Kahn, 1920 Two Penn Center Plaza, Philadelphia, Pa. 19102. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Electric storage batteries and battery parts*, from Kankakee, Ill., to points in Maryland, Virginia, and West Virginia. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Philadelphia, Pa., or Washington, D.C.

No. MC 22254 (Sub-No. 59), filed July 9, 1971. Applicant: TRANS-AMERICAN VAN SERVICE, INC., 7540 South Western Avenue, Chicago, IL 60620. Applicant's representative: Elliot Bunce, 618 Perpetual Building, Washington, D.C. 20004. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Furniture*, from Benson, Ariz., to points in Colorado, Wyoming, New Mexico, Utah, Texas, Oklahoma, and Kansas. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Phoenix, Ariz., Chicago, Ill., or Washington, D.C.

No. MC 30844 (Sub-No. 363), filed July 15, 1971. Applicant: KROBLIN REFRIGERATED XPRESS, INC., 2125 Commercial Street, Waterloo, IA 50704. Applicant's representatives: Paul Rhodes (same address as applicant), and Truman A. Stockton, Jr., 1650 Grant Street Building, Denver, Colo. 80202. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, meat byproducts, and articles distributed by meat packinghouses*, as described in sections A and C of appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766 (except commodities in bulk and hides), from Holton, Kans., to points in Connecticut, Delaware, Maine, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, and Vermont. NOTE: Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C., or Chicago, Ill.

No. MC 32882 (Sub-No. 62), filed July 19, 1971. Applicant: MITCHELL BROS. TRUCK LINES, a corporation, 3841 North Columbia Boulevard, Portland, OR 97217. Applicant's representatives: Norman E. Sutherland, 1200 Jackson Tower, Portland, Oreg. 97205, and Ellis F. Chartier, Box 17039, Portland, OR 97217. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Conduit pipe, containing asbestos and cement with accessories, couplings, fittings and related parts made of plastic and rubber*, when traveling as part of the same shipment, from Stockton, Calif., to points in Wyoming and Colorado. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at San Francisco, Calif.

No. MC 52704 (Sub-No. 86), filed July 26, 1971. Applicant: GLENN McCLENDON TRUCKING COMPANY, INC., Post Office Drawer H, LaFayette, AL 36862. Applicant's representative: Archie B. Culbreth, Suite 417, 1252 West Peachtree Street NW., Atlanta, GA 30309. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Clay*, in containers, from Wrens, Ga., to points in Alabama, Arkansas, Louisiana, Mississippi, Missouri, North Carolina, South Carolina, Tennessee, Texas, and Oklahoma. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Atlanta, Ga.

No. MC 52704 (Sub-No. 87), filed July 19, 1971. Applicant: GLENN McCLENDON TRUCKING COMPANY, INC., Post Office Drawer H, Lafayette, AL 36862. Applicant's representative: Archie B. Culbreth, Suite 417, 1252 West Peachtree Street NW., Atlanta GA 30309. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Foodstuffs, prepared or canned, other than frozen* (except in bulk), from Lafayette and New Iberia, La., to points in Alabama, Arkansas, Georgia, Mississippi, North Carolina, South Carolina, and Tennessee. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Atlanta, Ga.

No. MC 55896 (Sub-No. 34), filed July 28, 1971. Applicant: R-W SERVICE SYSTEM, INC., 20225 Goddard Road, Taylor, MI 48180. Applicant's representative: Martin J. Leavitt, 1800 Buhl Building, Detroit, Mich. 48226. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Perlite*, other than crude, in bags or in packages, from the plantsite of Grefco, Inc., subsidiary of General Refractories Co., Crawfordsville, Ind., to points in the Lower Peninsula of Michigan and Ohio. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill., or Detroit, Mich.

No. MC 61231 (Sub-No. 61), filed July 12, 1971. Applicant: ACE LINES, INC., 4143 East 43d Street, Des Moines, IA 50317. Applicant's representative: William L. Fairbank, 900 Hubbell Building, Des Moines, Iowa 50309. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Urethane, urethane products, roofing and roofing materials, insulating materials, composition board and gypsum products, and materials* used in the installation thereof (except commodities in bulk), from the plantsite and warehouse facilities of the Celotex Corp. at Charleston, Ill., to points in Colorado, Iowa, Kansas, Michigan, Minnesota, Missouri, Montana, Nebraska, North Dakota, South Dakota, Wisconsin, and Wyoming. NOTE: Applicant states tacking possibilities but indicates it has no present intention of tacking. Persons interested in the tacking possibilities are cautioned that failure to oppose the application may result in an unrestricted grant of authority. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 61592 (Sub-No. 226), filed July 28, 1971. Applicant: JENKINS TRUCK LINE, INC., 3708 Elm Street, Bettendorf, IA. Applicant's representative: Donald W. Smith, 900 Circle Tower Building, Indianapolis, Ind. 46204. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Wooden fencing, posts, and accessories* used in the installation thereof, from Alpena, Carney, Gladstone, Moran, Posen, Powers, Stephenson, and Wallace, Mich., to points in the United States (except Alaska, California, Hawaii, Michigan, Idaho, Montana, Nevada, Oregon, Utah, and Washington). NOTE: Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 72442 (Sub-No. 35), filed July 29, 1971. Applicant: AKERS MOTOR LINES, INCORPORATED, Post Office Box 579, Gastonia, NC 28052. Applicant's representatives: Alan E. Serby, Post Office Box 872, Atlanta, GA 30301, and Lennox O. Boyles (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except household goods as defined by the Commission, articles of unusual value, classes A and B explosives, commodities requiring special equipment, and commodities in bulk), serving points within a 15-mile-radius of Atlanta, Ga., as off-route points in connection with carrier's otherwise authorized regular routes, restricted against the transportation of traffic, direct or interline, between Atlanta, on the one hand, and, on the other, the points named herein. NOTE: If a hearing is deemed necessary, applicant requests it be held at Atlanta, Ga.

No. MC 72495 (Sub-No. 9), filed May 3, 1971. Applicant: DON SWART TRUCKING, INC., Box 48, Route 2, Wellsburg, WV 26070. Applicant's representative: D. L. Bennett, 129 Edgington Lane, Wheeling, WV 26003. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Rock dust* (ground limestone), in bulk, in bags on flat trailers or in pneumatic tank trailers, from Benwood, W. Va., to points in Ohio on and east of U.S. Highway 23, and points in Pennsylvania on and west of U.S.

Highway 219. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Pittsburgh, Pa., or Washington, D.C.

No. MC 73165 (Sub-No. 300), filed July 12, 1971. Applicant: EAGLE MOTOR LINES, INC., 830 North 33d Street, Post Office Box 11086, Birmingham, AL 35202. Applicant's representative: Robert M. Pearce, Post Office Box E, Bowling Green, KY 42101. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Aluminum and aluminum products, and aluminum articles*, between the plantsite of Planet Corp., at Birmingham, Ala., on the one hand, and, on the other, points in and east of Texas, Oklahoma, Kansas, Nebraska, South Dakota, and North Dakota. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary applicant requests it be held at Birmingham, Ala.

No. MC 83217 (Sub-No. 56), filed July 16, 1971. Applicant: DAKOTA EXPRESS, INC., 1217 West Cherokee, Post Office Box 1252, Sioux Falls, SD 57101. Applicant's representative: Henry J. Schuette, 3109 South Lyndale, Sioux Falls, SD 57107. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Meats, cooked, cured, or prepared with or without vegetables, milk, eggs, or fruit ingredients*, from Fort Madison, Iowa, to points in West Virginia, New York, Connecticut, Pennsylvania, and Minnesota; and (2) *meats, meat products, meat byproducts, and articles distributed by meat packinghouses*, as described in sections A and C of appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766, from points in South Dakota, Nebraska, Kansas, Minnesota, Missouri, Wisconsin, Illinois, and Indiana, to Fort Madison, Iowa. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill., or Minneapolis, Minn.

No. MC 83539 (Sub-No. 317), filed July 12, 1971. Applicant: C & H TRANSPORTATION CO., INC., 1936–2010 West Commerce Street, Post Office Box 5976, Dallas, TX 75222. Applicant's representative: Thomas E. James (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Asphalt mixing machinery, storage systems, storage silos, surge systems, control centers, heaters, and equipment, parts, materials, and supplies* used in construction or installation of said commodities; and (2) *fabricated steel tanks, dye machines, steamers, and parts and accessories* used in the installation thereof, between points in Tennessee on the one hand, and, on the other, points in the United States (except Hawaii). NOTE: Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Atlanta, Ga. or Nashville, Tenn.

No. MC 83539 (Sub-No. 318), filed July 19, 1971. Applicant: C & H TRANSPORTATION CO., INC., 1936–2010 West Commerce Street, Post Office Box 5976, Dallas, TX 75222. Applicant's representative: Thomas E. James (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Metal panels, metal insulated panels, insulation, metal windows and doors and frames therefor, and accessories* necessary for the installation and completion of the named commodities, from Pine Bluff, Ark., to points in the United States (except Alaska, Arkansas, and Hawaii). NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Dallas, Tex., or Little Rock, Ark.

No. MC 103490 (Sub-No. 66), filed July 30, 1971. Applicant: PROVAN TRANSPORT CORP., 210 Mill Street, Newburgh, NY 12550. Applicant's representative: Bert Collins, 140 Cedar Street, New York, NY 10006. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Concrete products, pipe fittings, and materials and supplies*, incidental to the manufacture of concrete products (except in bulk), between the plantsite of Price Brothers Co., Dutchess County, N.Y., on the one hand, and, on the other, points in Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Ohio, Delaware, Maryland, Virginia, West Virginia, and the District of Columbia. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 103993 (Sub-No. 653), filed July 30, 1971. Applicant: MORGAN DRIVE-AWAY, INC., 2800 West Lexington Avenue, Elkhart, IN 46514. Applicant's representative: Paul D. Borghesani (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Trailers*, designed to be drawn by passenger automobiles, in initial movements, from points in New York, to points in the United States (except Alaska and Hawaii). NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. No duplicating authority is sought. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 105497 (Sub-No. 73), filed July 22, 1971. Applicant: THURSTON MOTOR LINES, INC., 600 Johnston Road, Post Office Box 10638, Charlotte, NC 28201. Applicant's representative: J. V. Luckadoo, Post Office Box 10638, Charlotte, NC 28201. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Boards made from wood using wood chips, wood shavings, or wood fiber*, alone or in combination, with or without added binder, with surface unfinished or finished with decorative or protective materials and with or without accessories and supplies used in the installation and application thereof, from points in Nash County, N.C., to points in Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia; and (2) *materials, equipment, and supplies*, used in the manufacture and distribution of the commodities described in (1) above, from points in Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia, to points in Nash County, N.C. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. Applicant further states that it now holds common carrier authority to serve points in Georgia, South Carolina, Tennessee, Virginia, and Russell County, Ala., through certain gateways. The purpose of this application is to acquire authority to serve points in States not authorized to be served and to eliminate gateway restriction. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 106051 (Sub-No. 44), filed July 12, 1971. Applicant: OLD COLONY TRANSPORTATION CO., INC., 676 Dartmouth Street, South Dartmouth, MA 02748. Applicant's representative: Francis E. Barrett, Jr., 536 Granite Street, Braintree, MA 02184. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, classes A and B explosives, automobiles, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment or special handling), between Albany, N.Y., and Champlain, N.Y., from Albany over U.S. Highway 9 to Champlain, and return over the same routes, serving all intermediate points and points in Rensselaer, Saratoga, Washington, Warren, Essex, and Clinton Counties, N.Y., as off-route points. NOTE: Applicant states it seeks no duplicating authority. If authority granted, applicant will request cancellation of its duplicating irregular route authority. If a hearing is deemed necessary, applicant requests it be held at Albany, N.Y.

No. MC 106088 (Sub-No. 5), filed July 29, 1971. Applicant: WM. O. HOPKINS, 528 South Milton Street, Rensselaer, IN 47978. Applicant's representative: Edward G. Bazelon, 39 South La Salle Street, Chicago, IL 60603. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (a) *Lumber, plywood, veneer, pressed wood, chipboard, flakeboard, and moldings*, from Zebulon, N.C.,

Memphis, Tenn., Baltimore, Md., Newport News, Va., and Calumet Harbor, Ill., to the plant and warehouse sites of Northway Products Co., located at or near Rensselaer, Ind.; (b) *paint, lacquer, enamel, stain, and paint supplies*, from Grand Rapids, Mich., to the plant and warehouse sites of Northway Products Co., located at or near Rensselaer, Ind., restricted against the transportation of commodities in bulk; and (c) *hardware*, from Canton, Ohio, Bridgeport, Conn., and Winston-Salem, N.C., to the plant and warehouse facilities of Northway Products Co., located at or near Rensselaer, Ind. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No MC 106088 (Sub-No. 6), filed July 29, 1971. Applicant: WM. O. HOPKINS, 528 South Milton Street, Rensselaer, IN 47978. Applicant's representative: Edward G. Bazelon, 39 South La Salle Street, Chicago, IL 60603. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (a) *Wire spring assemblies, box spring constructions, paper products, lumber, wire, cord, and machinery used in the manufacture of steel springs*, from the plantsites and warehouse facilities of Indiana Spring Corp. located at or near Rensselaer, Ind., to Middletown, Ohio; Grand Rapids, Mich.; Louisville, Ky.; and Hialeah and Orlando, Fla.; (b) *wire spring assemblies, box spring constructions, paper products, lumber, wire, cord, and machinery used in the manufacture of steel springs*, from the plantsites and warehouse facilities of Sealy Spring Corp., located at or near Delano, Pa., to Detroit and Grand Rapids, Mich.; Middletown and Medina, Ohio; Tucker, Ga.; and Orlando and Hialeah, Fla.; (c) *wire, cord, springs, and machinery used in the manufacture of steel springs*, from Cleveland and Archbold, Ohio, and Pueblo, Colo., to the plantsites and warehouse facilities of Indiana Spring Corp. located at or near Rensselaer, Ind.; (d) *wire, cord, and machinery used in the manufacture of steel springs*, from Chicago, South Chicago, and Waukegan, Ill.; Archbold and Cleveland, Ohio, to the plantsites and warehouse facilities of Sealy Spring Corp. located at or near Delano, Pa.; (e) *wire carriers and damaged or reject wire*, from the plantsites and warehouse facilities of Indiana Spring Corp. located at or near Rensselaer, Ind., to Waukegan, Chicago, South Chicago, Joliet, and Alton, Ill.; Aliquippa and Johnstown, Pa.; Cleveland and Portsmouth, Ohio; Roebling, N.J.; and Pueblo, Colo.; and (f) *wire carriers and damaged or reject wire*, from the plantsites and warehouse facilities of Sealy Spring Corp. located at or near Delano, Pa., to Waukegan, Chicago, South Chicago, Joliet, and Alton, Ill.; Cleveland and Portsmouth, Ohio; Roebling, N.J., and Pueblo, Colo. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 106509 (Sub-No. 22), filed July 14, 1971. Applicant: YOUNGER TRANSPORTATION, INC., 4904 Griggs Road, Post Office Box 14066, Houston, TX 77021. Applicant's representative: Wray E. Hughes (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Iron and steel and iron articles* (other than oilfield and pipeline commodities as defined in T. E. Mercer Extension, 74 M.C.C. 459), between points in Alabama, Arkansas, Kansas, Oklahoma, Louisiana, Mississippi, New Mexico, and Texas. NOTE: Applicant states that it is authorized to transport oilfield commodities as defined in T. E. Mercer Extension, 74 M.C.C. 459, between points in Alabama, Kansas, Oklahoma, Louisiana, Mississippi, Texas, and Lea and Eddy Counties, N. Mex. NOTE: Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Dallas or Houston, Tex., or New Orleans, La.

No. MC 107295 (Sub-No. 542), filed July 28, 1971. Applicant: PRE-FAB TRANSIT CO., a corporation, 100 South Main Street, Farmer City, IL 61842. Applicant's representative: Mack Stephenson (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Floor covering and accessories*, from Marcus Hook, Pa., and Trenton and Kearny, N.J., to points in Iowa, Minnesota, Montana, Nebraska, North Dakota, South Dakota, and Wisconsin. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Minneapolis, Minn., or Washington, D.C.

No. MC 107295 (Sub-No. 543), filed July 29, 1971. Applicant: PRE-FAB TRANSIT CO., a corporation, 100 South Main Street, Farmer City, IL 61842. Applicant's representatives: Dale L. Cox and Mack Stephenson (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Pipe, conduit, and fittings, iron or steel, including accessories* incidental to the completion, erection, and installation thereof; (a) from Sharon and Wheatland, Pa., to points in Georgia, Alabama, Louisiana, Mississippi, and Texas; and (b) from Alabama State Docks at Mobile, Ala., to points in Alabama, Mississippi, Louisiana, Texas, and Georgia. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Jackson, Miss.

No. MC 109637 (Sub-No. 381), filed July 12, 1971. Applicant: SOUTHERN TANK LINES, INC., 10 West Baltimore Avenue, Lansdowne, PA 19050. Applicant's representatives: John E. Nelson (same address as applicant), and Harry C. Ames, Jr., 666 11th Street NW., Washington, DC 20001. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Vegetable oils and shortening*, in bulk, in tank vehicles, from Louisville, Ky., to points in Ohio and the Lower Peninsula of Michigan. NOTE: Applicant states its present authority can be tacked to that here sought but it has no present intention of doing so. Persons interested in the tacking possibilities are cautioned that failure to oppose the application may result in an unrestricted grant of authority. Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 110420 (Sub-No. 638), filed July 8, 1971. Applicant: QUALITY CARRIERS, INC., I–94 and County Highway C, Bristol, WI. Applicant's representative: Allan B. Torhorst, Post Office Box 307, Burlington, WI 53105. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Chemicals*, in bulk, from points in Maryland and New Jersey to Janesville, Wis. NOTE: Applicant states that the requested authority could be tacked at Janesville, Wis., to serve other destinations, however, tacking is not intended. Persons interested in the tacking possibilities are cautioned that failure to oppose the application may result in an unrestricted grant of authority. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 111812 (Sub-No. 430), filed July 28, 1971. Applicant: MIDWEST COAST TRANSPORT, INC., 405½ East Eighth Street, Post Office Box 1233, Sioux Falls, SD 57101. Applicant's representative: Donald L. Stern, 530 Univac Building, 7100 and West Center Road, Omaha, NE 68106. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products and articles distributed by meat packinghouses* as described in sections A and C of appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766 (except hides and commodities in bulk), from Pekin and Peoria, Ill., to points in Iowa, Kansas, and Nebraska, restricted to the transportation of traffic originating at the plantsites and storage facilities of Bird Provision Co. at Pekin and Peoria, Ill. NOTE: Applicant states that the requested authority can be tacked at destinations with Subs 69 and 368, however most of this service by tacking could be performed direct single line by virtue of authority held in Sub 122. Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill., or Omaha, Nebr.

No. MC 112148 (Sub-No. 53), filed July 29, 1971. Applicant: POWERS TRANSPORTATION, INC., Post Office Box 87, Storm Lake, IA 50588. Applicant's representative: William L. Fairbank, 900 Hubbell Building, Des Moines, Iowa 50309. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular

routes, transporting: *Materials, supplies, and products* used in or produced by the food processing industry (except commodities in bulk), between Lawton, Decatur, and Paw Paw, Mich., on the one hand, and, on the other, points in Wisconsin. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at New York, N.Y., Washington, D.C., or Chicago, Ill.

No. MC 113024 (Sub-No. 115), filed July 21, 1971. Applicant: ARLINGTON J. WILLIAMS, INC., Rural Delivery No. 2, Smyrna, DE 19977. Applicant's representative: Samuel W. Earnshaw, 833 Washington Building, Washington, D.C. 20005. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Carbon black*, in bags, from North Bend, Sterlington, and Cabot, La., to Wilmington, Del., for the account of Electric Hose & Rubber Co., Wilmington, Del. NOTE: Applicant holds pending common carrier applications under MC 135046 and Subs 1, 2, and 3. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 113024 (Sub-No. 116), filed July 26, 1971. Applicant: ARLINGTON J. WILLIAMS, INC., Rural Delivery No. 2, Smyrna, DE 19977. Applicant's representative: Samuel W. Earnshaw, 833 Washington Building, Washington, D.C. 20005. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Materials and supplies* used in the distribution of baby goods, from Chicago, Ill., to Newark, Ohio for the account of International Playtex Corp., Dover, Del. NOTE: Applicant holds pending common carrier applications under MC 135046 and Subs 1, 2, and 3. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 113298 (Sub-No. 1) (Amendment), filed May 28, 1971, published in the FEDERAL REGISTER issue of July 1, 1971, and republished as amended this issue. Applicant: WEST END TRANSFER, INC., 1508 Jefferson Street, Bluefield, WV. Applicant's representative: S. Harrison Kahn, Suite 733, Investment Building, Washington, D.C. 20005. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Rock dust and gravel*, from points in Tazewell County, Va., and Mercer County, W. Va., to points in Pike, Letcher, Harlan, Knott and Martin Counties Ky.; Logan, Mingo, Kanawha, McDowell, Mercer, Summers, Raleigh, Boone, Greenbrier, Fayette, and Wyoming Counties, W. Va.; and Bland, Tazewell, Russell, Wise, Giles, Buchanan, Dickenson, Lee, and Scott Counties, Va. Restriction: The transportation sought herein is restricted to movement by rail. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. The purpose of this republication is to redescribe the authority sought: If a hearing is deemed necessary, applicant requests it be held at Bluefield, W. Va.

No. MC 113981 (Sub-No. 8), filed July 16, 1971. Applicant: V. J. HUNT, doing business as VEGAS TRUCKING & MOVING CO., 2853 Cedar Street, Las Vegas, NV 89104. Applicant's representative: William J. Lippman, Suite 960, 1819 H Street NW., Washington, DC 20006. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities*, (except those of unusual value, household goods as defined by the Commission, classes A and B explosives, commodities in bulk, and those requiring special equipment), between Las Vegas, Nev., and Bakersfield, Calif.; (1) from Las Vegas, Nev., over Interstate Highway 15 to Barstow, Calif., thence over California Highway 58 to Bakersfield, Calif., and return over the same route; (2) between Baker, Calif., and Tecopa, Calif., from Baker, Calif., over California Highway 127 to junction unnumbered Inyo County road thence over unnumbered Inyo County road to Tecopa, Calif., and return over the same route, serving Baker, Calif., as a point of joinder only; (3) between Beechers Corner, Calif., and Ridgecrest, Calif.; (a) from Beechers Corner, Calif., over California Highway 395 to junction unnumbered Inyo County road, known as Nine-Mile Grade, thence over unnumbered Inyo County road to junction California Highway 178 just west of West End, Calif.; and (b) from junction California Highway 395 and unnumbered Inyo County road, over unnumbered Inyo County road to Ridgecrest, Calif., and return over the same route, serving Beechers Corner, Calif., as a point of joinder only; and (4) between Freeman Junction and Mojave, Calif., over California Highway 14, serving Mojave, Calif., as a point of joinder only, as alternate routes for operating convenience only, in connection with applicant's presently authorized regular route operations between Las Vegas, Nev., and Bakersfield, Calif., serving no intermediate points in the routes described in (1), (2), (3), and (4) above. NOTE: If a hearing is deemed necessary, applicant requests it be held at Las Vegas, Nev., or Los Angeles, Calif.

No. MC 115162 (Sub-No. 226) (Amendment), filed May 6, 1971, published in the FEDERAL REGISTER issue of May 27, 1971, and republished as amended this issue. Applicant: POOLE TRUCK LINE, INC., Post Office Drawer 500, Evergreen, AL 36401. Applicant's representative: Robert E. Tate (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Boards*, building, wall or insulating; *fiberboard or pulpboard* made of vegetable, wood, or mineral fibers; *mineral or mineral and wood fibers or vegetable fibers combined; composition board; and accessories* used in the installation of the above commodities; from the plant and warehouse sites of Grefco, Inc., and facilities utilized by the Celotex Corp. located in Florence, Ky., to points in Alabama, Florida, Georgia, North Carolina, South Carolina, Tennessee, and Mississippi. NOTE: (1) Applicant states that the requested authority cannot be tacked with its existing authority, and that the authority sought herein is restricted to traffic originating at the plant and warehouse sites of Grefco, Inc., and facilities utilized by the Celotex Corp. located at Florence, Ky. (2) The purpose of this republication is to redescribe the commodity and territorial descriptions and to restrict the application to the plant and warehouse sites as shown above. If a hearing is deemed necessary, applicant requests it be held at Tampa, Fla., or Washington, D.C.

No. MC 115840 (Sub-No. 69), filed July 16, 1971. Applicant: COLONIAL FAST FREIGHT LINES, INC., 1215 West Bankhead Highway, Post Office Box 10327, Birmingham, AL 35202. Applicant's representative: C. E. Wesley (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Pipe, fittings, valves, hydrants, gaskets, and accessories* (except in bulk), from Holt, Ala., to points in the United States (except Alaska and Hawaii); and (2) *materials, supplies, and equipment* (except in bulk), used in the operations of a foundry, from points in the United States (except Alaska and Hawaii), to Holt, Ala. NOTE: Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Birmingham, Ala.

No. MC 115841 (Sub-No. 415), filed July 22, 1971. Applicant: COLONIAL REFRIGERATED TRANSPORTATION, INC., Post Office Box 168, Concord, TN 37720. Applicant's representatives: Roger M. Shaner (same address as applicant) and E. Stephen Heisley, 666 11th Street NW., Washington DC 20001. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods* (except in bulk), from Grand Island, Nebr., to points in Alabama, Arkansas, Georgia, Florida, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Iowa, Illinois, Indiana, Michigan, Ohio, Virginia, West Virginia, Pennsylvania, New Jersey, New York, Connecticut, Massachusetts, Vermont, New Hampshire, Maine, Texas, and Tennessee. NOTE: Applicant states that the requested authority can be tacked with its existing authority, but indicates that it has no present intention to tack, and therefore does not identify the points or territories which can be served through tacking. Persons interested in the tacking possibilities are cautioned that failure to oppose the application may result in an unrestricted grant of authority. Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at (1) Lincoln, Nebr.; (2) Topeka, Kans.; (3) Denver, Colo.

No. MC 116045 (Sub-No. 36), filed July 28, 1971. Applicant: NEUMAN

TRANSIT CO., INC., Post Office Box 38, Rawlings, WY 82301. Applicant's representative: Leslie R. Kehl, 420 Denver Club Building, Denver, Colo. 80202. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Class A explosives*, in container, in mixed shipments with nitro-carbonitrate, from Rawlins, Wyo., to points in Arizona, Colorado, Idaho, Montana, Nevada, and Utah, restricted to the transportation of traffic originating at the above origin and destined to the indicated destination points. If a hearing is deemed necessary, applicant requests it be held at St. Louis, Mo., or Denver, Colo.

No. MC 116073 (Sub-No. 177), filed July 28, 1971. Applicant: BARRETT MOBILE HOME TRANSPORT, INC., Post Office Box 919, Moorhead, MN 56560. Applicant's representative: Robert G. Tessar, 1819 Fourth Avenue South, Moorhead, MN 56560. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Trailers* designed to be drawn by passenger automobiles, in initial movements, and *buildings* in sections mounted on wheeled undercarriages, from origins which are points of manufacture, from points in Union County, N.C., to points in the United States (except Hawaii). NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Charlotte, N.C.

No. MC 116628 (Sub-No. 15), filed July 9, 1971. Applicant: SUBURBAN TRANSFER SERVICE, INC., Post Office Box 168, Rutherford, NJ 07070. Applicant's representative: William P. Sullivan, 1819 H Street NW., Washington, DC 20006. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Such merchandise* as is dealt in by retail department stores, and *materials and supplies* used in the operation of such stores, and *exhibition and fashion show equipment, materials, and paraphernalia*, between points in Connecticut, Delaware, Georgia, Illinois, Massachusetts, New Jersey, New York, Pennsylvania, Texas, Virginia, and the District of Columbia, limited to a transportation service to be performed under a continuing contract, or contracts, with Lord & Taylor of New York, N.Y. NOTE: Applicant states coincidental cancellation will be sought of a portion of its present authority under MC 116628 (Sub-No. 1) to serve Lord & Taylor. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 116763 (Sub-No. 202), filed July 30, 1971. Applicant: CARL SUBLER TRUCKING, INC., 115 North West Street, Versailles, OH 45380. Applicant's representative: H. M. Richters (same address as applicant). Authority sought to operate as a *comman carrier*, by motor vehicle, over irregular routes, transporting: *Food, foodstuffs, and food preparations* (except in bulk), from the plantsite and storage facilities utilized by Kraft Foods, Division of Kraftco Corp., in Decatur, Atlanta, Tucker, and Doraville, Ga., to points in Florida. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. No duplicating authority held or sought. If a hearing is deemed necessary, applicant requests it be held at Atlanta, Ga.

No. MC 116763 (Sub-No. 203), filed July 30, 1971. Applicant: CARL SUBLER TRUCKING, INC., 115 North West Street, Versailles, OH 45380. Applicant's representative: H. M. Richters (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Paper and paper products*, from Eaton, Ind., to points in Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, and Texas; and (2) *returned shipments of paper and paper products*, from points in Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, and Texas, to Eaton, Ind. NOTE: Applicant states that tacking possibilities may exist in the instant application and its presently held authority, however it has no present intention to tack, and has answered "no" to Item VI(b) in the application. Persons interested in the tacking possibilities are cautioned that failure to oppose the application may result in an unrestricted grant of authority. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 117167 (Sub-No. 2) (Amendment) filed May 13, 1971, published in the FEDERAL REGISTER issue of June 10, 1971, and republished as amended this issue. Applicant: WHEELER'S TOWING & SERVICE, INC., 5050 L Street, Omaha, NE 68117. Applicant's representative: Donald L. Stern, 530 Univac Building, Omaha, Nebr. 68106. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Wrecked, disabled, inoperative, stolen, abandoned, replacement, and repossessed motor vehicles and cargo trailers* by use of wrecker equipment only, between Omaha, Nebr., and Council Bluffs, Iowa, on the one hand, and, on the other, points in the United States (except Alaska and Hawaii); and (2) *wrecked, disabled, inoperative, stolen abandoned, replacement, and repossessed motor vehicles* (except automobiles), in truckaway service, between Omaha, Nebr., and Council Bluffs, Iowa, on the one hand, and, on the other, points in the United States (except Alaska and Hawaii). NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. The purpose of this republication is to reflect the additional word "replacement" to the commodity descriptions in (1) and (2) above. If a hearing is deemed necessary, applicant requests it be held at Omaha, Nebr.

No. MC 117883 (Sub-No. 158), filed July 12, 1971. Applicant: SUBLER TRANSFER, INC., 791 East Main Street, Versailles, OH 45380. Applicant's representative: Edward J. Subler, Post Office Box 62, Versailles, OH 45380. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Foodstuffs and advertising equipment, materials, and supplies* when shipped therewith (except commodities in bulk), in vehicles equipped with mechanical refrigeration, from points in Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania (except Bucks, Delaware, Chester, Lancaster, Dauphin, Lebanon, Berks, and Montgomery Counties, Pa.), Rhode Island, Vermont, Virginia, West Virginia, and the District of Columbia to points in Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, Ohio, Pennsylvania (on and west of U.S. Highway 219), and Wisconsin. NOTE: If a hearing is deemed necessary, applicant does not specify a location.

No. MC 118202 (Sub-No. 6), filed July 9, 1971. Applicant: SCHULTZ TRANSIT, INC., Post Office Box 503, Winona, MN 55987. Applicant's representative: Val M. Higgins, 1000 First National Bank Building, Minneapolis, MN 55402. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, and articles distributed by meat packinghouses*, as described in sections A and C of appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766 (except commodities in bulk, in tank vehicles, and hides), from the plantsite or storage facilities of Illini Beef Packers, Inc., at or near Joslin, Ill., to points in Connecticut, Delaware, Indiana, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, and the District of Columbia, restricted to traffic originating at the named origin and destined to the named territory. NOTE: Applicant holds contract carrier authority under MC 134631 and subs, therefore, dual operations may be involved. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill., or Minneapolis, Minn.

No. MC 118959 (Sub-No. 98), filed July 21, 1971. Applicant: JERRY LIPPS, INC., 130 South Frederick Street, Cape Girardeau, MO 63701. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (a) *Doors, garage or industrial with hardware accessories and springs, door hangers, hanger rails, track or parts thereof, iron or steel, and equipment, materials, and supplies used in the manufacture of doors*, from Waterloo, Iowa, to points in Alabama, Georgia, Florida, North Carolina, South Carolina, and Tennessee; and (b) *aluminum coil and equipment, materials, and supplies used in the manufacture of aluminum coil*, from Derry, Pa., to Monroe, Ga. NOTE: Applicant also holds contract carrier authority under MC 125664, therefore

dual operations may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill., or Atlanta, Ga.

No. MC 118989 (Sub-No. 65), filed July 29, 1971. Applicant: CONTAINER TRANSIT, INC., 5223 South Ninth Street, Milwaukee, WI 53211. Applicant's representative: Albert A. Andrin, 29 South La Salle Street, Chicago, IL 60603. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Metal containers and metal container ends and accessories and equipment* used in connection with the distribution of metal containers and metal container ends when moving with metal containers, from La Porte, Ind.; Lenexa, Kans.; Madisonville, Ky.; and Collierville, Tenn.; to points in the United States (except Alaska and Hawaii). NOTE: Applicant states the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill., or Milwaukee, Wis.

No. MC 119632 (Sub-No. 44), filed July 12, 1971. Applicant: REED LINES, INC., 634 Ralston Avenue, Defiance, OH 43512. Applicant's representative: John P. McMahon, 100 East Broad Street, Columbus, OH 43215. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Plastic containers, and closures and accessories therefor, and plastic carriers*, from the plant and warehouse sites of Owens-Illinois, Inc., at St. Louis, Mo., Chicago, Ill., and Cincinnati, Ohio, to points in Indiana, Illinois, Michigan, Missouri, Ohio, West Virginia, New York, and Pennsylvania. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Columbus, Ohio, or Washington, D.C.

No. MC 119774 (Sub-No 28), filed August 2, 1971. Applicant: MARY ELLEN STIDHAM, N. M. STIDHAM, A. E. MANKINS (INEZ MANKINS, EXECUTRIX), AND JAMES E. MANKINS, SR., a partnership, doing business as EAGLE TRUCKING COMPANY, Post Office Box 471, Kilgore, TX 75662. Applicant's representative: Bernard H. English, 6270 Firth Road, Fort Worth, TX 76116. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Roofing and siding materials, including accessories*, in straight or mixed truck loads, from Shreveport, La., to points in Alabama, Arkansas, Florida, Illinois, Indiana, Kansas, Kentucky, Mississippi, Missouri, New Mexico, Oklahoma, Tennessee, and Texas. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Shreveport, La., or Dallas, Tex.

No. MC 120673 (Sub-No. 4), filed July 21, 1971. Applicant: ACE TRANSPORT COMPANY, a corporation, City Park Road, Post Office Box 605, Oelwein, IA 50662. Applicant's representative: A. R. Fowler, 2288 University Avenue, St. Paul, MN 55114. Authority sought to operate as a *common carrier*, by motor vehicle over irregular routes, transporting: *Nitrogen fertilizer solutions and anhydrous ammonia*, in bulk, in tank vehicles, from the plantsite of Hawkeye Chemical Co., at or near Clinton, Iowa, to points in Illinois, Minnesota, Wisconsin, and Missouri. NOTE: If a hearing is deemed necessary, applicant requests it be held at Des Moines, Iowa.

No. MC 119908 (Sub-No. 15), filed July 26, 1971. Applicant: WESTERN LINES, INC., Post Office Box 1145, Houston, TX 77001. Applicant's representative: Austin L. Hatchell, 1102 Perry Brooks Building, Austin, Tex. 78701. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Lumber, lumber products, and building boards*, between points in Texas. NOTE: Applicant also holds contract carrier authority under MC 110814 and subs thereunder, therefore dual operations and common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Houston or Dallas, Tex.

No. MC 123061 (Sub-No. 60), filed July 22, 1971. Applicant: LEATHAM BROTHERS, INC., 46 Orange Street, Salt Lake City, UT 84104. Applicant's representative: Harry D. Pugsley, 400 El Paso Natural Gas Building, Salt Lake City, Utah 84111. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Animal and poultry feed, animal and poultry foods and ingredients used in the manufacture of both* (except in bulk, in tank vehicles), between points in Idaho, Nevada, Oregon, and Washington. NOTE: Applicant states that it intends to tack the requested authority to its existing authority at points in Idaho and serve between Utah and points applied herein. If a hearing is deemed necessary, applicant requests it be held at Salt Lake City, Utah, or Boise, Idaho.

No. MC 124813 (Sub-No. 83), filed July 19, 1971. Applicant: UMTHUN TRUCKING CO., a corporation, 910 South Jackson Street, Eagle Grove, IA 50533. Applicant's representative: William L. Fairbank, 900 Hubbell Building, Des Moines, Iowa 50309. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Limestone, limestone products, mineral mixtures, feed supplements, feed ingredients, and fertilizer materials*, from the plantsites and storage facilities of Calcium Carbonate Co., and Midwest Mineral Co. at Quincy, Ill., to points in Arkansas, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Tennessee, and Wisconsin, restricted to traffic originating at the named plantsites and storage facilities. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. Applicant holds contract carrier authority under MC 118468 and subs thereunder, therefore dual operations may be involved. If a hearing is deemed necessary, applicant requests it be held at Des Moines, Iowa; Chicago, Ill.; or St. Louis, Mo.

No. MC 125647 (Sub-No. 5), filed July 12, 1971. Applicant: ABSCO, INC., 237 South Washington Street, Greenfield, OH 45123. Applicant's representative: John P. McMahon, 100 East Broad Street, Columbus, OH 43215. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Business forms*, from Hillsboro and Greenfield, Ohio, to points in New York, New Jersey, Connecticut, Massachusetts, Pennsylvania, and Michigan; and (2) *materials and supplies* used in the manufacture, sale, and distribution of business forms, from points in New York, New Jersey, Connecticut, Massachusetts, Pennsylvania, and Michigan, to Greenfield and Hillsboro, Ohio, under contract with Rotary Forms Press, Inc., and Computor Stock Forms, Inc. NOTE: If a hearing is deemed necessary, applicant requests it be held at Columbus, Ohio.

No. MC 125687 (Sub-No. 6), filed July 21, 1971. Applicant: EASTERN STATES TRANSPORTATION, INC., 1060 Lafayette Street, York, PA 17405. Applicant's representative: S. Harrison Kahn, Suite 733, Investment Building, Washington, D.C. 20005. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Malt beverages and related advertising material, and empty containers and pallets*, between the plants and warehouses of the F & M Schaefer Brewing Co. located at Albany and New York, N.Y.; Fogelsville and Upper Macungie Township, Pa.; and Baltimore, Md. Restriction: The transportation sought herein is restricted to shipments moving between the plants, warehouses and breweries of F & M Schaefer Brewing Co. located at points named above. NOTE: If a hearing is deemed necessary, applicant requests it be held at Washington, D.C., or New York, N.Y.

No. MC 125687 (Sub-No. 7), filed July 21, 1971. Applicant: EASTERN STATES TRANSPORTATION, INC., 1060 Lafayette Street, York, PA 17405. Applicant's representative: S. Harrison Kahn, Suite 733, Investment Building, Washington, D.C. 20005. Authority sought to operate as a *common carrier* by motor vehicle, over irregular routes, transporting: (1) *Malt beverages and related advertising material* from Fogelsville, Upper Macungie Township, Pa., to points in Pennsylvania, Connecticut, Delaware, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Vermont, Virginia, and the District of Columbia; and (2) the return of *empty containers and pallets* from points in the aforementioned States and the District of Columbia to Fogelsville, Upper Macungie Township, Pa. NOTE: Applicant states that it intends to tack the requested authority with its

existing authority but does not identify the points or territories which can be served through tacking. Persons interested in the tacking possibilities are cautioned that failure to oppose the application may result in an unrestricted grant of authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C., or New York, N.Y.

No. MC 126276 (Sub-No. 53), filed July 22, 1971. Applicant: FAST MOTOR SERVICE, INC., 6150 South East Avenue, Hodgkins, IL 60527. Applicant's representative: James C. Hardman, 127 North Dearborn Street, Chicago, IL 60602. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Containers, container ends, closures and accessories, paper and paper articles, and plastic articles, and materials, equipment, and supplies* used in the manufacture, distribution, and sale of the foregoing specified commodities; (a) between points in New Mexico, Oklahoma, Texas, Arkansas, Louisiana, Mississippi, Alabama, Georgia, Florida, South Carolina, Tennessee, North Carolina, Virginia, and Kentucky; and (b) between points in (a) above, on the one hand, and, on the other, points in Colorado, Nebraska, Kansas, Minnesota, Iowa, Missouri, Wisconsin, Illinois, Indiana, Ohio, Michigan, West Virginia, Maryland, Delaware, New Jersey, Pennsylvania, New York, Connecicut, Vermont, New Hampshire, Rhode Island, Maine, Massachusetts, and the District of Columbia, under contract with Continental Can Co., Inc. NOTE: If a hearing is deemed necessary applicant requests it be held at Chicago, Ill., New York, N.Y., or Atlanta, Ga.

No. MC 126305 (Sub-No. 34), filed July 20, 1971. Applicant: BOYD BROTHERS TRANSPORTATION CO., INC., Rural Delivery 1, Clayton, AL 36016. Applicant's representative: George A. Olsen, 69 Tonnele Avenue, Jersey City, NJ 07306. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Metals*, for resmelting purposes only, from points in Maine, New Hampshire, Vermont, Connecticut, Massachusetts, New York, New Jersey, and Pennsylvania to points in Alabama. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Boston, Mass., or New York, N.Y.

No. MC 126899 (Sub-No. 46), filed July 1, 1971. Applicant: USHER TRANSPORT, INC., 3925 Old Benton Road, Paducah, KY 42001. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Malt beverages and incidental advertising materials and premiums* when shipped with malt beverages, and *returned empty containers* used in transporting malt beverages, on return; (a) from Newport, Ky., to points in Tennessee and New Jersey; and (b) between La Crosse and Sheboygan, Wis., and Newport, Ky. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Paducah, Ky.

No. MC 127115 (Sub-No. 3), filed July 16, 1971. Applicant: MILLERS TRANSPORT, INC., 510 West Third North, Hyrum, UT 84319. Applicant's representative: Harry O. Pugsley, 400 El Paso Gas Building, 315 East Second South, Salt Lake City, UT 84111. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Turkey eggs, animal and poultry feed and feed ingredients, peat moss, twine, grain by-products* (excluding flour) *fencing and farm hardware*, for the accounts of Farrell Grain Co. and R. J. Wight, Inc., from points in Alameda, San Bernardino, San Francisco, San Joaquin, Fresno, and Los Angeles Counties, Calif., to points in Weber, Box Elder, Cache, Davis, Sevier, and Sanpete Counties, Utah; (2) *twine and baler wire*, from points in Multnomah County, Oreg., to points in Weber, Box Elder, Cache, Davis, Sevier, and Sanpete Counties, Utah, and Oneida County, Idaho; and (3) *twine and baler wire*, for the account of Edward Brothers, from points in Alameda and San Joaquin Counties, Calif., and Multnomah County, Oreg., to points in Bonneville, Twin Falls, Cassia, Oneida, Franklin, and Caribou Counties, Idaho, and Cache County, Utah, under contract with Farrell Grain Co., Ogden, Utah; R. J. Wight, Ogden, Utah, and Edwards Brothers. If a hearing is deemed necessary, applicant requests it be held at Salt Lake City, Utah.

No. MC 127303 (Sub-No. 12), filed July 21, 1971. Applicant: HENRY ZELLMER, doing business as ZELLMER TRUCK LINES, Post Office Box 996, Granville, IL 61326. Applicant's representative: E. Stephen Heisley, 705 McLachlen Bank Building, 666 11th Street NW., Washington, DC 20001. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Glass containers, caps, covers, stoppers, tops, and fiberboard boxes*, from Seneca, Ill., to points in Iowa, Minnesota, Nebraska, South Dakota, Wisconsin, and Missouri. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill., or Washington, D.C.

No. MC 127539 (Sub-No. 24), filed July 30, 1971. Applicant: PARKER REFRIGERATED SERVICE, INC., 3533 East 11th Street, Tacoma, WA 89421. Applicant's representative: George R. LaBissoniere, 1424 Washington Building, Seattle, Wash. 98101. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Fresh and frozen meat products* from points in Washington to Portland, Oreg., and points in Washington and California. NOTE: Applicant holds contract carrier authority under MC 124593, therefore dual operations may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Seattle, Wash.

No. MC 127981 (Sub-No. 3), filed July 14, 1971. Applicant: H. R. MILLER TRUCKING, INC., 510 Dana Avenue, Columbus, OH 43223. Applicant's representative: Paul F. Beery, 88 East Broad Street, Columbus, OH 43215. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (a) *Uncrated caskets, casket displays, funeral supplies, and crated caskets* in mixed loads with uncrated caskets, (1) from Columbus, Ohio, to points in Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming; (2) from Falls City, Nebr., to points in the United States (except Alaska and Hawaii); and (b) *uncrated metal burial vaults*; (1) from Springfield, Ohio, to points in the United States (except Alaska and Hawaii). NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Columbus, Ohio.

No. MC 128375 (Sub-No. 64), filed July 29, 1971. Applicant: CRETE CARRIER CORPORATION, Box 249, Crete, NE 68333. Applicant's representatives: Duane W. Acklie, Post Office Box 80806, Lincoln, NE 68501, and Kenneth Adams (same address as applicant). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Such merchandise as is marketed by home products distributors*, from the warehouse and storage facilities of Amway Corp. located in the Dallas, Tex., commercial zone, to points in Louisiana, Arizona, Missouri, Oklahoma, Kansas, Colorado, New Mexico, and Texas, under continuing contract with Amway Corp. NOTE: If a hearing is deemed necessary, applicant requests it be held at Lincoln, Nebr.

No. MC 128375 (Sub-No. 65), filed July 29, 1971. Applicant: CRETE CARRIER CORPORATION, Box 249, Crete, NE 68333. Applicant's representative: Duane W. Acklie, Post Office Box 80806, Lincoln, NE 68501, and Kenneth Adams (same address as applicant). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Paper, paper products, and related items including advertising materials*, from points in Wisconsin and Michigan, to points in Montana, Idaho, Nevada, Utah, Wyoming, North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Texas, Minnesota, Iowa, Missouri, Arkansas, Louisiana, Mississippi, Alabama, Tennessee, Kentucky, Florida, Colorado, and New Mexico, under continuing contract with Hammermill Paper Co., and its divisions subsidiaries, including Western Paper Co. NOTE: If a hearing is deemed necessary, applicant requests it be held at Lincoln, Nebr.

No. MC 128939 (Sub-No. 9), filed July 26, 1971. Applicant: AYRCO CORPORATION, 3921 Imlay Street, Toledo, OH

43612. Applicant's representative: Martin J. Leavitt, 1800 Buhl Building, Detroit, MI 48226. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Malt beverages*, from the plantsites of Hamms Brewing Co., located at St. Paul, Minn., and the Carling Brewing Co., located at Frankenmuth, Mich., to Toledo, Ohio; and (2) *returned empty containers, and rejected or damaged merchandise*, on return, under contract with Maumee Valley Distributing Co. NOTE: If a hearing is deemed necessary, applicant requests it be held at Toledo, Ohio, or Chicago, Ill.

No. MC 129150 (Sub-No. 5), filed July 29, 1971. Applicant: CIACCIA TRUCKING COMPANY, INC., 106 Industrial Street, Rochester, NY 14608. Applicant's representative: Robert V. Gianniny, 900 Midtown Tower, Rochester, N.Y. 14604. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Used passenger automobiles*, in secondary movements, in truckaway service, between points in the towns of Corry (Erie County), Gibsonia (Allegheny County), Ebensburg (Cambria County), and town of Strinestown (York County), Pa., on the one hand, and Rochester, N.Y., on the other hand. Restrictions: (1) To the transportation of traffic either originating in Rochester, N.Y., and destined to the towns of Corry, Gibsonia, Ebensburg, and Strinestown, Pa., or originating in the towns of Corry, Gibsonia, Ebensburg, and Strinestown, Pa., and destined to Rochester, N.Y.; (2) against the transportation of passenger automobiles; (a) moving on U.S. Government bills of lading; (b) having a prior or subsequent movement by rail; and (c) for or on behalf of manufacturers of automobiles. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Rochester, N.Y.

No. MC 129615 (Sub-No. 7), filed July 20, 1971. Applicant: AMERICAN INTERNATIONAL DRIVEAWAY, a corporation, 2009 West Sixteenth Street, Long Beach, CA 90813. Applicant's representative: E. D. Helmer (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Motor homes*, in driveaway service, between points in Decatur and Elkhart, Ind., on the one hand, and, on the other, points in the United States (including Alaska and Hawaii). NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Ontario, Calif.

No. MC 133097 (Sub-No. 4), filed July 20, 1971. Applicant: SYSTEM REEFER SERVICE, INC., 4614 Lincoln Avenue, Cypress, CA 90630. Applicant's representative: Charles E. Creager, Suite 523, 816 Easley Street, Silver Spring, MD 20910. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Welded and weldless chain, cotter pins, automobile tire chains and miscellaneous attachments and parts therefor*, from York, Pa., to points in California, Utah, Oregon, and Washington, under contract with American Chain & Cable Co., Chain Division, York, Pa. NOTE: If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 133518 (Sub-No. 1), filed July 23, 1971. Applicant: BRUCE V. CURTIS, doing business as BRUCE CURTIS TRUCKING COMPANY, 614 West Main Street, Hazelwood, NC 28738. Applicant's representative: John I. Jay, Post Office Box 166, 427 North Main Street, Waynesville, NC 28786. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Lumber, molding stock and other interplant shipments of furniture manufacturing products*, between Hazelwood and Hickory, N.C.; Nichols, S.C.; and Memphis, Tenn.; under contract with Unagusta Manufacturing Corp., of Hazelwood, N.C. NOTE: If a hearing is deemed necessary, applicant requests it be held at Asheville or Charlotte, N.C.; Atlanta, Ga., or anywhere within North Carolina except on the coast.

No. MC 134113 (Sub-No. 5), filed July 29, 1971. Applicant: HI-BALL TRUCKING, INC., Post Office Box 1117, Billings, MT 59103. Applicant's representative: Jerome Anderson, 404 North 31st Street, Billings, MT 59101. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Rubber and rubber products* from Portland, Oreg., and its commercial zone, to the plantsite of Nu-Tread Tire Co., at Billings, Mont. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Billings, Mont.

No. MC 135256 (Sub-No. 1), filed July 26, 1971. Applicant: JOHN ALLEN BRUSH, doing business as DATA TRANSPORT, 18 Stuyvesant Street, Huntington, NY 11743. Applicant's representative: Rem V. Myers, 381 New York Avenue, Huntington, NY 11743. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Business papers, records, and documents* of Abraham & Straus, a division of Federated Department Stores, Inc., between the contracting shippers main store in Brooklyn, N.Y., and its branch store near junction of U.S. Highway 1 and 9 (Woodbridge Center), Woodbridge, N.J., under contract with Abraham & Straus, a division of Federated Department Stores, Inc. NOTE: If a hearing is deemed necessary, applicant requests it be held at New York City, N.Y.

No. MC 134286 (Sub-No. 13), filed July 21, 1971. Applicant: ARCTIC TRANSPORT, INC., 1005 West South Omaha Bridge Road, Council Bluffs, IA 51501. Applicant's representative: Charles J. Kimball, 605 South 14th Street, Post Office Box 82028, Lincoln, NE 68501. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, meat byproducts and articles distributed by meat packinghouses* as described in appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766, from Holton, Kans., to points in Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hamsphire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, West Virginia, and the District of Columbia. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Omaha, Nebr., or Kansas City, Mo.

No. MC 134375 (Sub-No. 5), filed July 28, 1971. Applicant: ELDON GRAVES, doing business as ELDON GRAVES TRUCKING, 17 West Washington Avenue, Yakima, WA 98903. Applicant's representative: Philip G. Skofstad, 4410 Northeast Fremont, Portland, OR 97213. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Animal and poultry feed and feed supplements;* (1) between points in California north of Santa Barbara, Los Angeles, Ventura, and San Bernardino Counties, on the one hand, and, on the other, points in Oregon and Washington; and (2) between points in Oregon on the one hand, and, on the other, points in Washington. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Portland, Oreg.

No. MC 134721 (Sub-No. 3), filed July 22, 1971. Applicant: GEORGE M. DZIAK, doing business as DZIAK PRODUCE CO., West 1201 Ide Avenue, Spokane, WA 99201. Applicant's representative: Donald A. Ericson, 708 Old National Bank Building, Spokane, WA 99201. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Disassembled corrugated cardboard containers*, from Spokane Industrial Park, Spokane, Wash., to points in Montana. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Spokane or Seattle, Wash., Portland, Oreg., or Boise, Idaho.

No. MC 135075 (Sub-No. 2), filed July 22, 1971. Applicant: M. M. SMITH STORAGE WAREHOUSE, INC., 811 Old Wilmington, Road, Fayetteville, NC 28305. Applicant's representative: Monty Schumacher, Suite 310, 2045 Peachtree Road, NE., Atlanta, GA 30309. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Used household goods*, as defined by the Commission, and *unaccompanied baggage and personal effects*, over irregular routes between

points in North Carolina and Lancaster, Chesterfield, Marlboro, Dillon, Marion, Harry, Darlington, and Florence Counties, S.C. Restriction: The operations authorized herein are subject to the following conditions: Said operations are restricted to the transportation of traffic having a prior or subsequent movement, in containers, except as to unaccompanied baggage and personal effects, beyond the points authorized. Said operations are restricted to the performance of pickup and delivery service in connection with packing, crating, and containerization, or unpacking, uncrating, and decontainerization of such traffic. NOTE: Applicant states that the requested authority cannot be tacked with its other proposed authority. If a hearing is deemed necessary, applicant requests it be held at Atlanta, Ga., or Raleigh, N.C.

No. MC 135150 (Sub-No. 1), filed July 28, 1971. Applicant: WAYNE ANDERSON, doing business as WAYNE ANDERSON CO., 416 North Second Street, East Grand Forks, MN 56721. Applicant's representative: E. J. Hanson, Box 1177, Grand Forks, ND 58201. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Dry manufactured fertilizer, and dry fertilizer ingredients*, truckload, in bulk or in bags, between the plant of Elk Valley Distributors, Inc., Larimore, N. Dak., on the one hand, and, on the other, points in Kittson, Roseau, Marshall, Pennington, Red Lake, Polk, Clearwater, Norman, Mahnomen, Clay, Becker, and Wilkin Counties, Minn., under contract with Elk Valley Distributors, Inc., Larimore, N. Dak. NOTE: If a hearing is deemed necessary, applicant requests it be held at Grand Forks, N. Dak., or Fargo, N. Dak.

No. MC 135294 (Sub-No. 1), filed July 19, 1971. Applicant: WILLIAM JAMES WIMMER, doing business as WILLIE'S BOAT MOVING, 1031 176th Street, Surrey, BC Canada. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Boats*, between the port of entry on the international boundary line between the United States and Canada at or near Blaine, Wash. and Seattle, Wash. NOTE: If a hearing is deemed necessary, applicant requests it be held at Seattle, Wash.

No. MC 135518 (Sub-No. 1), filed July 29, 1971. Applicant: EVERETT TRUCKING, INC., Post Office Box 56, Mount Vernon, WA 98273. Applicant's representative: George R. LaBissoniere, 1424 Washington Building, Seattle, Wash. 98101. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Malt and wine beverages*, from points in California to points in Washington and Portland, Oreg. NOTE: If a hearing is deemed necessary, applicant requests it be held at Seattle, Wash.

No. MC 135514 (Sub-No. 1), filed July 27, 1971. Applicant: PRESTIGE MOVING AND STORAGE, INC., 8290 Alpine Avenue, Sacramento, CA 95826. Applicant's representative: Alan F. Wohlstetter, 1700 K Street NW., Washington, DC 20006. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Used household goods*, between points in Alpine, Amador, El Dorado, Nevada, Placer, Sacramento, and Yolo Counties, Calif., restricted to the transportation of traffic having a prior or subsequent movement, in containers, and further restricted to the performance of pickup and delivery service in connection with packing, crating, and containerization, or unpacking, uncrating, and decontainerization of such traffic. NOTE: If a hearing is deemed necessary, applicant does not specify a location.

No. MC 135596 (Sub-No. 2), filed July 28, 1971. Applicant: EDWARD E. SCHMIDT, doing business as BUD SCHMIDT TRUCKING, 920 Fifth Street SW., Box 7, Waseca, MN 55402. Applicant's representative: Michael Fitzgerald, 400 Minnesota Federal Building, Sixth Street at Marquette Avenue, Minneapolis, MN 55402. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Sporting goods merchandise and articles* as are dealt in by Herters, Inc., *including pistols, rifles, shotguns, ammunition, ammunition loading tools, gun stocks, cartridge cases, ventilated shotgun ribs, binoculars, telescope rifle sights and mounts, sonar devices, shotgun varichokes, survival and camping equipment, archery equipment, fishing equipment, hunting equipment, animal traps, clay targets, fiberglass boats, snowmobiles, minibikes, and amplifying equipment*, between Waseca, Minn., on the one hand, and, on the other, points in Wisconsin and Iowa, under contract with Herters, Inc. NOTE: If a hearing is deemed necessary, applicant requests it be held at Minneapolis or St. Paul, Minn.

No. MC 135713 (Sub-No. 1), filed July 28, 1971. Applicant: AFRO-URBAN TRANSPORTATION, INC., 103 East 125th Street, New York, NY 10035. Applicant's representative: Charles W. Chapman, 233 Broadway, New York, NY 10007. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Water emulsion wax* (except commodities in bulk, in tank vehicles), from the site of Do-All Chemical Corp. at Brooklyn, N.Y., to G.S.A. warehouse facilities in Duluth and Savannah, Ga.; Chicago, Ill.; Middle River (Baltimore), Md.; Hingham (Boston), Mass.; Belle Meade and Metuchen, N.J.; Shelby, Ohio; and Norfolk and Franconia, Va.; under contract with Do-All Chemical Corp. NOTE: If a hearing is deemed necessary, applicant requests it be held at New York, N.Y., or Washington, D.C.

No. MC 135751 (Sub-No. 2), filed July 29, 1971. Applicant: ATLANTIC CARRIERS, INC., Box 284, Atlantic, IA. Applicant's representative: Thomas E. Leahy, Jr., 900 Hubbell Building, Des Moines, IA 50309. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Iron and steel articles;* (1) from Shenandoah, Iowa, to Kentland, Ind.; (2) from Nebraska City, Nebr., to Shenandoah, Iowa; and (3) from Chicago, Ill., to Shenandoah, Iowa, under contract with Farmaster Products, Inc. NOTE: If a hearing is deemed necessary, applicant requests it be held at Omaha, Nebr., or Chicago, Ill.

No. MC 135772, filed July 22, 1971. Applicant: BARRETT TRANSFER AND STORAGE CO., a corporation, 3812 Northeast Fourth Street, Renton, WA 98055. Applicant's representative: George R. LaBissoniere, 1424 Washington Building, Seattle, Wash. 98101. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Machinery, contractors and construction equipment, material, and supplies; building materials and iron and steel articles; and commodities*, which, because of their size and weight, require the use of special equipment, between points in King, Pierce, and Snohomish Counties, Wash., on the one hand, and, on the other, points in Washington and Oregon. NOTE: If a hearing is deemed necessary, applicant requests it be held at Seattle, Wash.

No. MC 135843 (Sub-No. 2), filed July 21, 1971. Applicant: IOWA GATEWAY, INC., doing business as GATEWAY TERMINAL, River Road, Keokuk, IA 52632. Applicant's representative: A. Arthur Davis, 400 Empire Building, Des Moines, Iowa 50309. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Iron and steel articles*, from Iowa Gateway Terminal located approximately 6 miles north of Keokuk, Iowa and 3¾ miles east of U.S. Highways 218 and 61 to points in Iowa, Illinois, Missouri, Kansas, Nebraska, Minnesota, and Wisconsin. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. Applicant holds contract carrier authority under MC 133399 and sub, therefore dual operations may be involved. If a hearing is deemed necessary, applicant requests it be held at Des Moines, Iowa.

MOTOR CARRIER OF PASSENGERS

No. MC 43267 (Sub-No. 14), filed July 15, 1971. Applicant: MOHAWK COACH LINES, INC., 149 Liberty Street, Little Ferry, NJ 07643. Applicant's representative: Robert E. Goldstein, 8 West 40th Street, New York, NY 10018. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *Passengers and their baggage, express, and newspapers*, in the same vehicle with passengers: (1) from junction U.S. Highway 9W and Union Avenue, New Windsor, N.Y., over Union Avenue to junction Temple Hill Road, thence over Temple Hill Road to junction New York Highway 207, thence over New York Highway 207 to the entrance gate of Stewart Air Field and return over the same route, serving all intermediate points; and (2) from junction New York Highway 307 and Union Avenue (near the New York State Thruway), over Union

Avenue to junction New York Highway 17K (near Newburgh, N.Y.), thence over New York Highway 17K to the city of Newburgh, N.Y., and return over the same routes, serving all intermediate points. NOTE: Applicant states it intends to tack the proposed extension of route to its present routes authorized in MC 43267 to provide service between New York, N.Y., and points in New Jersey, on the one hand, and, on the other, Stewart Air Field, New Windsor, N.Y. Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at New York, N.Y.

No. MC 123432 (Sub-No. 10), filed July 26, 1971. Applicant: WISCONSIN COACH LINES, INC., 901 Niagara Street, Post Office Box 1085, Waukesha, WI 53186. Applicant's representative: Edward G. Bazelon, 39 South La Salle Street, Chicago, Ill. 60603. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *Passengers and their baggage*, in special operations, between Great Lakes, Ill., and Milwaukee, Wis., from Great Lakes over Illinois Highway 42 to junction Illinois Highway 137, thence over Illinois Highway 137 to junction U.S. Highway 41, thence over U.S. Highway 41 to junction Interstate Highway 94, thence over Interstate Highway 94 to Milwaukee, and return over the same routes, serving no intermediate points. NOTE: If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 126880 (Sub-No. 1), filed July 22, 1971. Applicant: WILKINS TRANSPORTATION, INC., 343 South Vernal Avenue, Vernal, UT 84078. Applicant's representative: Irene Warr, 419 Judge Building, Salt Lake City, Utah 84111. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Passengers and their baggage*, in charter and special operations, between points in Routt and Moffit Counties, Colo., and points on the Green River in Moffit County, Colo., and points in Uintah County, Utah, NOTE: Applicant states tacking may be possible at Vernal, Utah (Uintah County), under MC 126880 and incidental charter rights thereunder. If a hearing is deemed necessary, applicant requests it be held at Salt Lake City, Utah, or Denver, Colo.

APPLICATION FOR BROKERAGE LICENSE

No. MC 130151, filed July 16, 1971. Applicant: FRONTIER ENTERPRISES, INC., doing business as FRONTIER TRAVEL AGENCY, 1931 North Carson Street, Carson City, NV. Applicant's representative: Reese H. Taylor, Jr., Union Federal Building, 308 North Curry Street, Carson City, NV 89701. For a license (BMC 5), to engage in operations as a *broker*, at Carson City, Nev., in arranging for the transportation by motor vehicle, in interstate or foreign commerce, of *passengers and their baggage*, both as individuals and in groups, in special and charter operations, between points in Nevada, on the one hand, and, on the other, points in California and Oregon.

By the Commission.

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

[FR Doc.71-12424 Filed 8-25-71;8:45 am]

ASSIGNMENT OF HEARINGS

AUGUST 23, 1971.

Cases assigned for hearing, postponement, cancellation, or oral argument appear below and will be published only once. This list contains prospective assignments only and does not include cases previously assigned hearing dates. The hearings will be on the issues as presently reflected in the official docket of the Commission. An attempt will be made to publish notices of cancellation of hearings as promptly as possible, but interested parties should take appropriate steps to insure that they are notified of cancellation or postponements of hearings in which they are interested.

MC 107583 Sub 48, Salem Transportation Co., Inc., assigned October 12, 1971, in Room 407, Trenton Trust Building, 28 West State Street, Trenton, NJ.

MC 111545 Sub 149, Home Transportation Co., Inc., assigned September 20, 1971, in Room 1614, Court of Claims, Everett McKinley Dirksen Building, 219 South Dearborn Street, Chicago, IL.

MC 125777 Sub 134, Jack Gray Transport, Inc., assigned October 6, 1971, at the Offices of the Interstate Commerce Commission, Washington, D.C.

MC-F-11115, N & N Transportation Co., Inc.—Purchase—Feraco, Inc., assigned October 4, 1971, at the Offices of the Interstate Commerce Commission, Washington, D.C.

MC 107295 Sub 90, Pre-Fab Transit Co., assigned October 7, 1971, at the Offices of the Interstate Commerce Commission, Washington, D.C.

MC 112539 Sub 8, Perchak Trucking, Inc., assigned October 4, 1971, at the Offices of the Interstate Commerce Commission, Washington, D.C.

MC 128555 Sub 3, Meat Dispatch, Inc., assigned September 28, 1971, at the Offices of the Interstate Commerce Commission, Washington, D.C.

MC 111401 Sub 295, Groendyke Transport, Inc., assigned October 4, 1971, at the Offices of the Interstate Commerce Commission, Washington, D.C.

MC 128273 Sub 72, Midwestern Express, Inc., assigned October 6, 1971, at the Offices of the Interstate Commerce Commission, Washington, D.C.

MC 51146 Sub 199, Schneider Transport & Storage, Inc. now being assigned hearing October 12, 1971, in Room 1086A, Everett McKinley Dirksen Building, 219 South Dearborn Street, Chicago, IL.

MC-107295 Sub 399, Pre-Fab Transit Co., now being assigned hearing October 4, 1971, in Room 1086A, Everett McKinley Dirksen Building, 219 South Dearborn Street, Chicago, IL.

MC-126276 Sub 46, Fast Motor Service, Inc., now being assigned hearing October 6, 1971, in Room 1086A, Everett McKinley Dirksen Building, 219 South Dearborn Street, Chicago, IL.

MC 119619 Sub 36, Distributors Service Co., assigned October 1, 1971, in Room 2404, Federal Building, 106 South 15th Street Omaha, NE.

MC 134286 Sub 4, Arctic Transport, Inc., assigned September 30, 1971, in Room 2404, Federal Building, 106 South 15th Street, Omaha, NE.

MC 134724 Sub 3, Teddy D. Clark, doing business as Big Rig Refrigeration, assigned September 30, 1971, in Room 2404, Federal Building, 106 South 15th Street, Omaha, NE.

MC 120646 Sub 4, Duncan Motor Lines, assigned October 26, 1971 in Room 342, Federal Building, 310 New Bern Avenue, Raleigh, NC.

MC-F-11179, Arkansas-Best Freight System, Inc.—Control and Merger—Youngblood Truck Lines, Inc., now assigned September 8, 1971, at Washington, D.C. is canceled.

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

[FR Doc.71-12548 Filed 8-25-71;8:52 am]

Office of the Secretary

[Suspension Docket No. 8664, Sub No. 1]

STABILIZATION OF RATES AND CHARGES, AUGUST 1971

AUGUST 23, 1971.

This supplements the Commission's Release No. 147-71 of Monday, August 16, 1971, entitled "Moratorium Set on Rate Increases."

To implement the Executive order of the President of the United States, dated August 15, 1971, the Commission on August 16, 1971, entered an order of suspension in Suspension Docket No. 8664, "Stabilization of Rates and Charges, August 1971." Under that order the Commission suspended all increased rates, fares, and charges, and all rules, regulations and practices affecting increases in rates, fares, and charges which had been filed with the Commission August 16, 1971, or earlier, with effective dates of August 17, 1971, or later.

The copy of the order[1] entered this date in Suspension Docket No. 8664 (Sub No. 1) has for its purpose the suspension of increased rate and tariff provisions which were filed August 17, 1971, through August 23, 1971.

Particular attention is directed to the fact that these orders relate to increases only and to the requirement set forth in the first paragraph on page 2 of the orders relating to the filing of supplements for the purpose of announcing the suspension of the increases.

In a related action, the Commission, Division 2, on August 16, 1971, issued Special Permission No. 72-810, which authorizes all carriers, upon not less than 1 day's notice, to postpone to November 13, 1971, the effective date of any tariff provisions not yet effective which result in increases. This permission also permits the publication, upon 1 day's notice, of tariff provisions directing the suspension, to and including November 12, 1971, of the effectiveness and operation of increases which were published to become effective August 15 and

[1] See F.R. Doc. 71-12547, *infra*.

16, 1971, and the reestablishment of the rates, fares, charges and other provisions which were in effect August 14, 1971.

The special permission also extends to tariff provisions resulting in reductions provided that they are a part of a general adjustment which included increases embraced by the Executive order.

Prompt action should be taken by all carriers to file appropriate tariff publications as may be necessary to implement the Executive order.

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

[FR Doc.71-12546 Filed 8-25-71;8:52 am]

[Suspension Docket No. 8664 (Sub No. 1)]

STABILIZATION OF RATES AND CHARGES, AUGUST 1971

Order. At a general session of the Interstate Commerce Commission held at its office in Washington, D.C., on the 23rd day of August 1971.

The President of the United States, by virtue of the authority vested in him by the Constitution and statutes of the United States, including the Economic Stabilization Act of 1970 (Public Law 91-379, 84 Stat. 799), as amended, has issued an Executive order dated August 15, 1971, providing for the stabilization of prices, rents, wages, and salaries for a period of 90 days from the date of the said order at levels not greater than the highest of those pertaining to a substantial volume of actual transactions by each individual, business, firm or other entity of any kind during the 30-day period ending August 14, 1971, for like or similar commodities or services. The Executive order also provides, inter alia, that no person shall charge, assess, or receive, directly or indirectly in any transaction prices in any form higher than as described therein.

It appearing, that there have been filed with the Interstate Commerce Commission schedules setting forth new increased rates, fares and charges and new rules, regulations and practices having the effect of increasing rates, fares and charges, applicable on interstate or foreign commerce, to become effective August 24, 1971, and later;

And it further appearing, that the said schedules would, if permitted to become effective, result in rates, fares, charges, rules, regulations or practices which would be in violation of the Executive order described above; and good cause appearing therefor;

It is ordered, That the operation of said schedules be and it hereby is suspended, and that the use thereof on interstate and foreign commerce be deferred to and including November 12, 1971, unless otherwise ordered by this Commission.

It is further ordered, That neither the schedules hereby suspended nor those sought to be altered thereby shall be changed until the period of suspension has expired, unless otherwise ordered by the Commission, except that rates, fares, charges, rules, regulations and practices may be changed if such change results in a reduction below the highest level which existed during the 30-day period preceding August 15, 1971.

It is further ordered, That all carriers, respondents to this order, be, and they are hereby, directed to file with this Commission supplements containing notice of suspension of all increased rates, fares, charges, rules, regulations and practices which are subject to this order.

And it is further ordered, That copies of this order be posted in the Office of the Secretary and in the section of tariffs of the Interstate Commerce Commission and that all carriers subject to the jurisdiction of the Interstate Commerce Commission be, and they are hereby, made respondents to this order.

By the Commission.

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

[FR Doc.71-12547 Filed 8-25-71;8:52 am]

[Notice 353]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

AUGUST 20, 1971.

The following are notices of filing of applications for temporary authority under section 210a(a) of the Interstate Commerce Act provided for under the new rules of Ex Parte No. MC-67 (49 CFR Part 1131), published in the FEDERAL REGISTER, issue of April 27, 1965, effective July 1, 1965. These rules provide that protests to the granting of an application must be filed with the field official named in the FEDERAL REGISTER publication, within 15 calendar days after the date of notice of the filing of the application is published in the FEDERAL REGISTER. One copy of such protests must be served on the applicant, or its authorized representative, if any, and the protests must certify that such service has been made. The protests must be specific as to the service which such protestant can and will offer, and must consist of a signed original and six copies.

A copy of the application is on file, and can be examined at the Office of the Secretary, Interstate Commerce Commission, Washington, D.C., and also in field office to which protests are to be transmitted.

MOTOR CARRIERS OF PROPERTY

No. MC 5470 (Sub-No. 63 TA), filed August 13, 1971. Applicant: TAJON, INC., Post Office Box 146, Rural Delivery No. 5, Mercer, PA 16137. Applicant's representative: Richard W. Sanguigni (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Silicon carbide*, in bulk, in dump trucks, from Jacksboro, Tenn., to Gadsden, Ala., Chicago and South Chicago, Ill., Burns Harbor, East Chicago, and Gary, Ind., Ashland, Ky., Sparrows Point, Md., Ecorse, Dearborn, and Trenton, Mich., Buffalo and Lackawanna, N.Y., Ashtabula, Cleveland, Lorain, Middletown, Steubenville and Warren, Ohio; Aliquippa, Braddock, Duquesne, Bethlehem, Conshohocken, Midland, Monessen and Natrona, Pa., and Weirton, W. Va., for 180 days. Supporting shipper: The Carborundum Company, Post Office Box 337, Niagara Falls, NY 14302. Send protests to: John J. England, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 2111 Federal Building, 1000 Liberty Avenue, Pittsburgh, PA 15222.

No. MC 44639 (Sub-No. 42 TA), filed August 13, 1971. Applicant: L & M EXPRESS CO., INC., 220 Ridge Road, Lyndhurst, NJ 07071. Applicant's representative: Herman B. J. Weckstein, 60 Park Place, Newark, NJ 07102. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Wearing apparel and materials and supplies* used in the manufacture of wearing apparel, between Crewe, Va., on the one hand, and, on the other, Louisa, Va., for 150 days. NOTE: Applicant states it intends to tack the authority in MC 44639. Supporting shipper: Lassie Togs, Inc., 112 West 34th Street, New York, NY 10001. Send protests to: District Supervisor Joel Morrows, Bureau of Operations, Interstate Commerce Commission, 970 Broad Street, Newark, NJ 07102.

No. MC 116073 (Sub-No. 181 TA), filed August 13, 1971. Applicant: BARRETT MOBILE HOME TRANSPORT, INC., Post Office Box 919, 1825 Maine Avenue, Moorhead, MN 56560. Applicant's representative: Robert G. Tessar (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Buildings*, complete or in sections, mounted on wheeled undercarriages, from Berwick, Pa., to points in Connecticut, New York, Michigan, Ohio, Rhode Island, Vermont, West Virginia, and Washington, D.C., for 180 days. Supporting shipper: DeLuxe Homes of Pa., Inc., 9th and Oak Streets, Post Office Box 323, Berwick, PA 18603. Send protests to: J. H. Ambs, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Post Office Box 2340, Fargo, ND 58102.

No. MC 133240 (Sub-No. 24 TA), filed August 13, 1971. Applicant: WEST END TRUCKING CO., INC., 530 Duncan Avenue, Jersey City, NJ 07306. Applicant's representative: George A. Olsen, 69 Tonnele Avenue, Jersey City, NJ 07306. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Such commodities* as are dealt in or used by discount or department stores, between the facilities of Unishops, Inc., their division and subsidiaries located in Jersey City, N.J., and Bayonne, N.J., on the one hand, and, on the other, Beatrice, Nebr., Gillette and Sheridan, Wyo., Monmouth, Ill., and Rome, Ga., for 150 days. Supporting shipper: Unishops, Inc., 21 Caven Point Road, Jersey City, NJ. Send protests to:

District Supervisor R. E. Johnston, Bureau of Operations, Interstate Commerce Commission, 970 Broad Street, Newark, NJ 07102.

No. MC 134599 (Sub-No. 21 TA), filed August 13, 1971. Applicant: INTERSTATE CONTRACT CARRIER CORPORATION, Post Office Box 748, Salt Lake City, UT 84110. Office: 265 West 27th South, 84115. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Games and toys*, under continuing contract with Mattel, Inc., from City of Industry, Calif., to points in Wisconsin, Michigan, Kentucky, and Mississippi, for 180 days. Supporting shipper: Mattel, Inc., City of Industry, Calif. (Jones K. Christensen, Manager Traffic). Send protests to: John T. Vaughan, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 5239 Federal Building, Salt Lake City, Utah 84111.

No. MC 134599 (Sub-No. 22 TA), filed August 13, 1971. Applicant: INTERSTATE CONTRACT CARRIER CORPORATION, Post Office Box 748, Salt Lake City, UT 84111. Office: 265 West 27th South, 84115. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Paper and paper products*, under continuous contract with the Beveridge Paper Co., a division of Scott Paper Co., from Indianapolis Ind., to points in Colorado, Utah, Washington, Oregon, New Mexico, Arizona, and California, for 180 days. Supporting shipper: The Beveridge Paper Co., a division of Scott Paper Co., 717 West Washington Street, Indianapolis, IN 46204. Send protests to: John T. Vaughn, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 5239 Federal Building, Salt Lake City, Utah 84111.

No. MC 135467 (Sub-No. 2 TA), filed August 13, 1971. Applicant: ORTNER AIR SERVICE, INC., Cleveland Hopkins International Airport, Cleveland, OH 44142. Applicant's representative: Bernard S. Goldfarb, 1625 The Illuminating Building, 55 Public Square, Cleveland, OH 44113. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *General commodities*, having a prior or subsequent movement by air, in an express service, between Cleveland Hopkins International Airport, Cleveland, Ohio, on the one hand, and, on the other, points in Lorain and Erie Counties, Ohio, for 180 days. Supporting shippers: Bettcher Industries, Inc., State Route 60 and Ohio Turnpike, Birmingham, Ohio.; Forest City Foam Products, Inc., 299 Clay Street, Wellington, OH 44090. Send protests to: District Supervisor G. J. Baccei, Interstate Commerce Commission, Bureau of Operations, 181 Federal Office Building, 1240 East Ninth Street, Cleveland, OH 44199.

No. MC 135834 TA, filed August 13, 1971. Applicant: STEVE CALDWELL, Route 1, Box 36, Adams, OR 97810. Applicant's representative: Lawrence V. Smart, Jr., 419 Northwest 23d Avenue, Portland, OR 97210. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Furniture*, unfinished and finished not further than primed; *furniture parts*, unassembled and partially assembled; *furniture hardware*, and *furniture samples*, from points in Umatilla and Washington Counties, Oreg., King and Spokane Counties, Wash., and Sonoma and Santa Cruz Counties, Calif., to points in Minnesota, Colorado, Texas, Illinois, Pennsylvania, Georgia, Massachusetts, California, Wisconsin, New Jersey, Washington, Oregon, and Indiana, for the account of Harris Pine Mills, for 180 days. Supporting shipper: Harris Pine Mills, Drawer 1168, Pendleton, Oreg. 97801. Send protests to: District Supervisor W. J. Huetig, Interstate Commerce Commission, Bureau of Operations, Room 450, 319 Southwest Pine Street, Portland, OR 97204.

No. MC 135885 TA, filed August 13, 1971. Applicant: COAL HAULERS, INC., Route 2, Box 388, North Little Rock, AR 72118. Applicant's representative: L. C. Cypert, 206 Fifteen, Fifteen Building, 1515 West Seventh Street, Little Rock, AR 72201. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Coal*, from points in Franklin, Johnson, Logan and Pope Counties, Ark., to Rail Heads and Arkansas River Ports in Franklin, Johnson, Logan and Pope Counties, Ark., and also to Fort Smith and Van Buren, Ark., for interstate movement beyond, for 180 days. Supporting shipper: Coal Development Company, Post Office Box 3337, Little Rock, AR 72203. Send protests to: District Supervisor William H. Land, Jr., Interstate Commerce Commission, Bureau of Operations, 2519 Federal Office Building, Little Rock, Ark., 72201.

By the Commission.

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

[FR Doc.71-12545 Filed 8-25-71;8:52 am]

FOURTH SECTION APPLICATIONS FOR RELIEF

AUGUST 17, 1971.

Protests to the granting of an application must be prepared in accordance with Rule 1100.40 of the general rules of practice (49 CFR 1100.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

LONG-AND-SHORT HAUL; CORRECTION

FSA No. *42262*[1]—*Aniline Oil to East St. Louis, Ill.* Filed by M. B. Hart, Jr., Agent (No. A6275), for interested rail carriers. Rates on oil, aniline, in tank-carloads, as described in the application, from Geismar, La., and Pascagoula, Miss., to East St. Louis, Ill.

Grounds for relief—Market competition.

Tariff—Supplement 142 to Southern Freight Association, Agent, tariff, ICC S-800. Rates are published to become effective on September 20, 1971.

FSA No. 42263—*Phthalic Anhydride from Ironton, Ohio.* Filed by M. B. Hart, Jr., Agent (No. A6274), for interested rail carriers. Rates on phthalic anhydride in tank-carloads, as described in the application, from Ironton, Ohio, to Baton Rouge, La.

Grounds for relief—Market competition.

Tariff—Supplement 316 to Southern Freight Association, Agent, tariff ICC S-484. Rates are published to become effective on September 23, 1971.

By the Commission.

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

[FR Doc.71-12544 Filed 8-25-71;8:52 am]

[1] This application was erroneously shown as 42261 instead of 42262 in the FEDERAL REGISTER of August 20, 1971, No. 162.

CUMULATIVE LIST OF PARTS AFFECTED—AUGUST

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

3 CFR

Page

PROCLAMATIONS:

4070 ... 14251
4071 ... 14297
4072 ... 15421
4073 ... 15513
4074 ... 15724
4075 ... 16039
2761A (see Proc. 4076) ... 16561
2929 (see Proc. 4076) ... 16561
3140 (see Proc. 4076) ... 16561
3513 (see Proc. 4076) ... 16561
3548 (see Proc. 4076) ... 16561
3822 (see Proc. 4076) ... 16561
4076 ... 16561

EXECUTIVE ORDERS:

July 2, 1910 (revoked in part by PLO 5094) ... 14313
5327 (see PLO 5096) ... 14639
6143 (revoked in part by PLO 5102) ... 14695
6276 (revoked in part by PLO 5102) ... 14695
6583 (revoked in part by PLO 5102) ... 14695
11007 (see EO 11614) ... 14621
11331 (amended by EO 11613) ... 14299
11345 (amended by EO 11613) ... 14299
11359 (amended by EO 11613) ... 14299
11371 (amended by EO 11613) ... 14299
11528 (see EO 11613) ... 14299
11613 ... 14299
11614 ... 14621
11615 ... 15727

PRESIDENTIAL DOCUMENTS OTHER THAN PROCLAMATIONS AND EXECUTIVE ORDERS:

Memorandum of August 23, 1971 ... 16887

5 CFR

213 ... 14301, 14463, 14623, 14723, 15446, 15737
300 ... 15446
733 ... 14463
772 ... 15446
900 ... 15515
1602 ... 15107

7 CFR

5 ... 15515
51 ... 16893
52 ... 14377, 16567
55 ... 16894
68 ... 14378, 15423
210 ... 14301
271 ... 14463
718 ... 14302, 15423
722 ... 14691, 15516
725 ... 14379, 16503
728 ... 16041
795 ... 16569
811 ... 14624, 15519
906 ... 14253
908 ... 14310, 14380, 14691, 15036, 15521, 16046, 16894
909 ... 14254
910 ... 14625, 15423, 16503, 16645
911 ... 16570
917 ... 14381
919 ... 15423, 15737
924 ... 15424
925 ... 15424
926 ... 16570
927 ... 16503
928 ... 16504
931 ... 14311
932 ... 16185
948 ... 15425
958 ... 14723
967 ... 16046
980 ... 14724
987 ... 15036, 16645
991 ... 16185
993 ... 14724, 15039
1121 ... 14312
1421 ... 15521
1427 ... 14626, 15737, 16047
1430 ... 15425
1446 ... 16571
1483 ... 14382, 14630
1801 ... 15737
1822 ... 14725
1890r ... 16572

PROPOSED RULES:

51 ... 15760
52 ... 14389, 14473, 14474
53 ... 14650
68 ... 16590, 16928
81 ... 15760
210 ... 15125
220 ... 15125
245 ... 15125
725 ... 15758
729 ... 16517
Ch. IX ... 14316, 16517, 16928
910 ... 14745
925 ... 14269, 14334
926 ... 14700, 15125
927 ... 14655
928 ... 14334
931 ... 16676, 16933
934 ... 14389
945 ... 15760
958 ... 15054
966 ... 16677
981 ... 16677, 16933
991 ... 16933
1004 ... 16517
1030 ... 14270, 14745
1032 ... 14270
1046 ... 14270
1049 ... 14270
1050 ... 14270, 15449
1061 ... 14476, 15054
1062 ... 14270
1063 ... 14752
1064 ... 14334, 14656
1068 ... 14476, 15054
1070 ... 14752
1078 ... 14752
1079 ... 14752, 15449
1094 ... 14390
1099 ... 14270
1104 ... 15450
1106 ... 15450

8 CFR

Page

100 ... 14725
103 ... 14630
214 ... 14254, 14630, 16646
234 ... 14630
238 ... 14630, 16646
245 ... 14630
264 ... 16646
299 ... 14631, 16646

PROPOSED RULES:

245 ... 16670
249 ... 16670

9 CFR

56 ... 15426
75 ... 14631
76 ... 14631, 14632, 15426, 16047
113 ... 16047
311 ... 15109
316 ... 15109
317 ... 15109, 15740

PROPOSED RULES:

310 ... 16194
318 ... 16194
320 ... 14335
325 ... 14335

10 CFR

2 ... 16896
20 ... 16897, 16898
30 ... 16897, 16898
31 ... 16898
40 ... 16897
50 ... 16897
55 ... 16897
70 ... 16897
71 ... 16897
73 ... 16897
150 ... 16898

PROPOSED RULES:

30 ... 16593
50 ... 14660
150 ... 16593

12 CFR

1 ... 16048
7 ... 17000
10 ... 14997
11 ... 14997
12 ... 14997
16 ... 14997
18 ... 14997
211 ... 16899
222 ... 15525
224 ... 14382
226 ... 16050, 16646
265 ... 14623
522 ... 15036
543 ... 15427
545 ... 15427, 16186
562 ... 15428

PROPOSED RULES:

207 ... 14405
222 ... 16695
226 ... 15130
269 ... 14479
291 ... 14480

13 CFR

Page

PROPOSED RULES:

121 ... 16946

14 CFR

25 ... 16899
39 ... 14691, 14692, 14743, 15109, 15110, 15428, 15740, 15741, 16186, 16505, 16572, 16573
47 ... 16187
71 ... 14254, 14312, 14382, 14383, 14463, 14632–14636, 14692, 14743, 15111–15114, 15429, 15526, 15527, 15741–15743, 16050, 16187, 16188, 16505, 16573, 16574, 16646, 16900
73 ... 14255, 14743, 14744, 15743, 16574
75 ... 15743, 15744, 16505, 16506
93 ... 16574
95 ... 15429, 16050
97 ... 14464, 15429, 16575, 16900
121 ... 16899
302 ... 14744
1204 ... 16901

PROPOSED RULES:

1 ... 14656
21 ... 14656
23 ... 14656
25 ... 14656
27 ... 14656
29 ... 14656
33 ... 14656
39 ... 14391, 14392, 14760, 15127
47 ... 14271
71 ... 14272, 14657–14659, 14761–14764, 15127, 15451–15454, 15669, 15761, 16195, 16591, 16592, 16680, 16938–16940
75 ... 14764, 16592
91 ... 14659
249 ... 16694
373 ... 16694

15 CFR

50 ... 15040
373 ... 15744
386 ... 15744
390 ... 15744

PROPOSED RULES:

400 ... 14768

16 CFR

13 ... 15651–15668, 16052, 16062
422 ... 16063
502 ... 14315

PROPOSED RULES:

422 ... 16120
434 ... 16595

17 CFR

211 ... 15527
231 ... 15527, 16506
240 ... 14465, 14725, 15527
241 ... 15527
249 ... 14465, 14725, 15430
270 ... 14727
274 ... 15430

PROPOSED RULES:

210 ... 16196
230 ... 16594
240 ... 16119, 16695
270 ... 15455, 15670, 16594

18 CFR

2 ... 16902
4 ... 15528

18 CFR—Continued

Page

101 ... 15528
141 ... 15528
154 ... 15528
156 ... 15528
157 ... 15528
201 ... 15528
260 ... 15528

PROPOSED RULES:

4 ... 15669
101 ... 16069
104 ... 16063
105 ... 16069
131 ... 15669
141 ... 14337, 16069
201 ... 16069
204 ... 16069
205 ... 16069
260 ... 14337, 16069
301 ... 15455
304 ... 15455
608 ... 14337
615 ... 14764

19 CFR

1 ... 15114
4 ... 14637
10 ... 15431, 15527
18 ... 16576
153 ... 14637, 16508

PROPOSED RULES:

1 ... 16194
8 ... 16661
10 ... 16590
19 ... 14388
24 ... 16661

20 CFR

25 ... 14623
404 ... 14693
405 ... 16188, 16647

PROPOSED RULES:

404 ... 16678
405 ... 16678, 16679

21 CFR

2 ... 14255, 14312
8 ... 16902
17 ... 14468
121 ... 14312, 14727–14729, 16065
135c ... 16508
141a ... 14469
141c ... 14469, 14470
141e ... 14469
146a ... 14469
146c ... 14469, 14470
146e ... 14469
148i ... 14469
148n ... 14469
148p ... 14469
148r ... 14469
148v ... 16189
191 ... 14729
301 ... 15744
308 ... 15744
420 ... 14471, 14730, 15114

PROPOSED RULES:

121 ... 14335, 14336
135g ... 14335, 14336
141 ... 16195
144 ... 14335
146a ... 14336, 14477
146c ... 14270
146e ... 14477
170 ... 16934
172 ... 16934
308 ... 16119

22 CFR

Page

11 ... 14693, 15530
41 ... 15745

24 CFR

200 ... 14637
Ch. III ... 16655, 16903, 16904
1914 ... 14637, 15531, 16189
1915 ... 14638, 15532, 16190

PROPOSED RULES:

32 ... 16680
72 ... 14336, 16521
201 ... 15455
1710 ... 14391
1720 ... 14391
1910 ... 15054

25 CFR

217 ... 16904

26 CFR

1 ... 14731, 14732, 16656
13 ... 14732
179 ... 14255
301 ... 15040

PROPOSED RULES:

1 ... 15050, 15053, 15123, 15758, 16112, 16119, 16590, 16661, 16922
13 ... 16922

28 CFR

0 ... 15431, 15432
21 ... 15432
45 ... 14466

29 CFR

55 ... 15433
102 ... 15101
505 ... 16191
608 ... 14735
609 ... 14735
611 ... 14735
612 ... 14736
779 ... 14466
1516 ... 16191
1518 ... 15437, 15533
1910 ... 15101, 15438

PROPOSED RULES:

10 ... 14270

30 CFR

PROPOSED RULES:

28 ... 14448
29 ... 14450

31 CFR

257 ... 16576
408 ... 15746

PROPOSED RULES:

103 ... 15449

32 CFR

46 ... 15114
92 ... 14736
93 ... 14466
96 ... 16191
169a ... 15747
213 ... 16063
214 ... 15750
241 ... 15114
719 ... 14739, 16577
720 ... 14739
755 ... 14740

32 CFR—Continued

Page

830 ... 14266
831 ... 14266
839 ... 15755
871 ... 15755
930a ... 14266
1453 ... 15534
1802 ... 16656

32A CFR

OEP (Ch. I):
ES Reg. 1 ... 16515, 16585
Circ. 1 ... 16586
Circ. 2 ... 16920
OIA (Ch. X):
OI Reg. 1 ... 16659
PROPOSED RULES:
Ch. X ... 14388

33 CFR

3 ... 16577
110 ... 14467, 14693
117 ... 14313, 16904
204 ... 15528
207 ... 16579
PROPOSED RULES:
117 ... 16521, 16937

35 CFR

67 ... 14694

36 CFR

6 ... 14740
7 ... 14267, 14694, 16065
11 ... 16508
PROPOSED RULES:
4 ... 14700
7 ... 14700, 16119
14 ... 16671

37 CFR

PROPOSED RULES:
2 ... 16194

38 CFR

3 ... 14313, 14467
21 ... 15755

39 CFR

171 ... 14694

40 CFR

4 ... 16626

41 CFR

1-1 ... 16656
5A-3 ... 16193
5A-6 ... 15755
5A-16 ... 15041
5A-73 ... 15041
5A-76 ... 15043
Ch. 14 ... 15116
14H-1 ... 14267
18-15 ... 15536
18-16 ... 15572
18-17 ... 15588
18-23 ... 15591
18-24 ... 15596
18-26 ... 15610
18-50 ... 15615
18-51 ... 15618
18-52 ... 15625
50-204 ... 16193
101-20 ... 14468, 15756
101-32 ... 14383
101-39 ... 16508

41 CFR—Continued

Page

101-43 ... 16066
114-32 ... 15438
114-35 ... 14740
114-40 ... 14740
114-47 ... 14740
PROPOSED RULES:
3-4 ... 14270

42 CFR

420 ... 15486
PROPOSED RULES:
466 ... 15704, 16594

43 CFR

4 ... 15116
1810 ... 15534
1840 ... 15119
1850 ... 15119
4110 ... 15119
9230 ... 15120
PUBLIC LAND ORDERS:
1726 (see PLO 5105) ... 15439
1899 (revoked in part by PLO 5097) ... 14639
2434 (see PLO 5106) ... 15439
2550 (modified by PLO 5100) ... 14640
4108 (modified by PLO 5108) ... 16509
4547 (revoked by PLO 5096) ... 14639
4582 (modified by PLO 5108) ... 16509
4936 (amended by PLO 5101) ... 14640
4962 (see PLO 5108) ... 16509
5081 (see PLO 5108) ... 16509
5084 ... 16905
5093 ... 14313
5094 ... 14313
5095 ... 14639
5096 ... 14639
5097 ... 14639
5098 ... 14640
5099 ... 14640
5100 ... 14640
5101 ... 14640
5102 ... 14695
5103 ... 14696
5104 ... 15439
5105 ... 15439
5106 ... 15439
5107 ... 15439
5108 ... 16509
5109 ... 16905
PROPOSED RULES:
2090 ... 15669
2200 ... 15669
2800 ... 16670

45 CFR

132 ... 15440
181 ... 16546
801 ... 16585
1201 ... 16905

46 CFR

146 ... 15043
308 ... 16907
PROPOSED RULES:
45 ... 15761
146 ... 15761
Ch. II ... 16520
512 ... 15060
530 ... 15128
545 ... 15128
546 ... 14765

47 CFR

Page

0 ... 15120, 16907
1 ... 16907
15 ... 16907, 16911
21 ... 15121
73 ... 13414, 14640, 16510
81 ... 15045
83 ... 16912
87 ... 16913
89 ... 15121, 16913, 16915
91 ... 15121, 16913, 16916
93 ... 15121, 16914, 16916
PROPOSED RULES:
2 ... 15054
18 ... 15054
21 ... 14404, 15054, 15131, 16940
43 ... 14404, 15131
61 ... 14404, 15131
64 ... 16944
73 ... 14405, 15054
74 ... 15054
87 ... 15131
89 ... 15054
91 ... 15054
93 ... 15054

49 CFR

1 ... 15122
170 ... 16658
171 ... 16580
173 ... 14696, 15047, 16580
178 ... 16581
179 ... 14696
Ch. III ... 16066
390 ... 16066
391 ... 14741, 16067
392 ... 16067
393 ... 15444, 16067
394 ... 14741
395 ... 14741
396 ... 16067
397 ... 14741, 16067
571 ... 14694, 14742, 15534, 16067
573 ... 14742
574 ... 16510
1033 ... 15122, 15534, 15756, 16583
1131 ... 14384
1249 ... 14384
Appendix C ... 16916
PROPOSED RULES:
173 ... 15762
179 ... 16680
393 ... 14477
571 ... 14273, 14392, 14764, 16196, 16694
1048 ... 14769

50 CFR

10 ... 14697
13 ... 14697
16 ... 14697
32 ... 14267, 14314, 14385, 14386, 14649, 14698, 14742, 15048, 15535, 15756, 15757, 16067, 16068, 16513, 16514, 16585, 16658, 16659, 16918-16920
33 ... 14387, 14698, 15536, 16659
PROPOSED RULES:
35 ... 14268

federal register

THURSDAY, AUGUST 26, 1971
WASHINGTON, D.C.
Volume 36 ■ Number 166

PART II

COMMITTEE FOR PURCHASE OF PRODUCTS AND SERVICES OF THE BLIND AND OTHER SEVERELY HANDICAPPED

■

Procurement List

Notice of Establishment of Initial List

COMMITTEE FOR PURCHASE OF PRODUCTS AND SERVICES OF THE BLIND AND OTHER SEVERELY HANDICAPPED

PROCUREMENT LIST

Notice of Establishment of Initial List

Notice is hereby given that pursuant to section 2 of Public Law 92-28 (85 Stat. 79) the initial procurement list is established as set forth below.

K. R. WHEELER,
Rear Admiral, SC, U.S. Navy, Chairman.

CLASS 1005

SLING, GUN, M1 (NYLON)

For small arms rifles. U.S. Army Dwg. D654058.

		Price Each
1005-654-4058	Stock Issue Pack	$0.596
	Basic Issue Pack	0.650

CLASS 1095

SCABBARD, BAYONET-KNIFE

Molded plastic. Use to carry the M4, M5A1, or M6 bayonet-knife, and other bayonet-knives as applicable. Shpg. wt. 40 lbs. Spec. MIL-S-796B.

1095-508-0339 ..... Each $1.60

CLASS 2540

BELT, AUTOMOBILE SAFETY, LAP

Passenger car safety seat belt. Reduces chance of injury. Gray web belt has 4,000-pound or more breaking strength. Non-binding . . . comfortable even on extended trips. Metal-to-metal buckle releases quickly with either hand. 10 belts to carton, Shpg. wt. 21 lbs. Fed. Spec. JJ-B-185A.

Seat belt with anchorage hardware. For permanent installation.

*2540-894-1273	Front seat	Each $3.13
2540-894-1274	Rear seat	Each $2.99

Seat belt without anchorage hardware. Quick-disconnect hook for belt removal. For 1962 or later car models with factory installed anchorage, or use with anchor kit, 2540-973-1325, listed in GSA Stock Catalog, Part I.

*2540-894-1275	Front seat	Each $2.54
2540-894-1276	Rear seat	Each $2.49

CLASS 3510

NET, LAUNDRY

Nylon net laundry bag. Standard size for military use. Protects clothing in washer. White, leno weave. Brass grommet closure. Type I, style A, Fed. Spec. JJ-N-180E and amendment 2.

Size 2. 144 to carton.

*3510-273-9738	12 x 22"	Each $0.39

Size 4. 72 to carton.

*3510-273-9739	24 x 36"	Each $0.93

CLASS 5140

BAG TOOL

Olive drab, coated nylon cloth. Steel strip reinforces mouth of pocket. Flap fastens with tie tape. 80 to carton; shpg. wt. 46 lbs. Natick Ord. Dwg. 2-3-170.

*5140-772-4142	20¼ x 10⅛"	Each $1.35

CLASS 5330

PACKING, PREFORMED (GROMMETS)

Cotton-roving grommets for bolts and studs. Machine wrapped. 500 to telescopic box with snaplock closure. Packing—36 boxes to OLC container; overseas, 36 boxes to V3S container. Spec. MIL-G-20240.

5330-543-7172	¼ x 3/16"	Box	$15.70
5330-543-7173	5/16 x 3/16"	Box	$15.99
5330-242-3676	⅜ x 3/16"	Box	$16.33
5330-543-7174	½ x ¼"	Box	$16.68
5330-242-3679	⅝ x ¼"	Box	$16.96
5330-543-7175	¾ x ¼"	Box	$17.25
5330-242-3675	⅞ x ¼"	Box	$17.60
5330-543-7176	1 x ¼"	Box	$17.88
5330-543-7177	1-⅛ x ⅜"	Box	$18.23
5330-543-7178	1-¼ x ⅜"	Box	$18.52
5330-543-7179	1-½ x ⅜"	Box	$18.86

CLASS 6515

TOURNIQUET, NON-PNEUMATIC

Olive drab cotton webbing with black oxidized buckle. Used to control severe arterial bleeding of extremities. Spring-tension clamp buckle with teeth prevents slippage. Free end diagonally-cut to ½-inch and vinyl-dipped for easy insertion. Label of Caution with instructions for use, printed in permanent red ink. 144 belts to container. Spec. MIL-T-36045.

6515-383-0565	1½ x 42"	Each	55¢

CLASS 6530

COVER, LITTER

Canvas cover for stretcher, 74 x 22⅛" wide. Color fast olive-drab, mildew-resistant. Folded and stitched edges; side folds and cutouts for insertion of aluminum litter poles. 3-ply cotton duck and webbing, one piece construction. 1 to package, 36 to carton. Shpg. wt. 94 lbs. for carton of 36.

Material furnished by Workshop. Spec. MIL-L-16446A.

6530-784-1035	For folding pole	Each	$3.8097

Material furnished by ordering office. Spec. MIL-L-16462B.

6530-784-1250	For rigid pole	Each	$1.087

DRAPE, SURGICAL

Unbleached cotton drapes. For covering patient during surgical operations. Fed. Spec. DDD-D-626D.

(1) *24 x 24".* Shpg. wt. 74 lbs. for carton of 216.

			East	*West*
6530-299-9608	Green	Dozen	$13.61	$13.70

34 x 66". Shpg. wt. 70 lbs. for carton of 60.

			East	*West*
6530-299-9607	Green	Each	$3.25	$3.29
6530-715-9310	White	Each	$2.57	$2.61

(2) *72 x 94".* Shpg. wt. 79 lbs. for carton of 18.

6530-299-9605	Green	Each	$8.98
6530-715-9340	White	Each	$7.96

94 x 108". Shpg. wt. 77 lbs. for carton of 12.

6530-299-9604	Green	Each	$12.75

STRAP, WEBBING, PATIENT SECURING

Secures patient to a litter. Material furnished by ordering office. Packing: 3 units to box; 24 boxes to carton. Shpg. wt. 58 lbs. per carton. Spec. MIL-S-36019.

6530-784-4205 ..... Each $1.63

WRAPPER, STERILIZATION

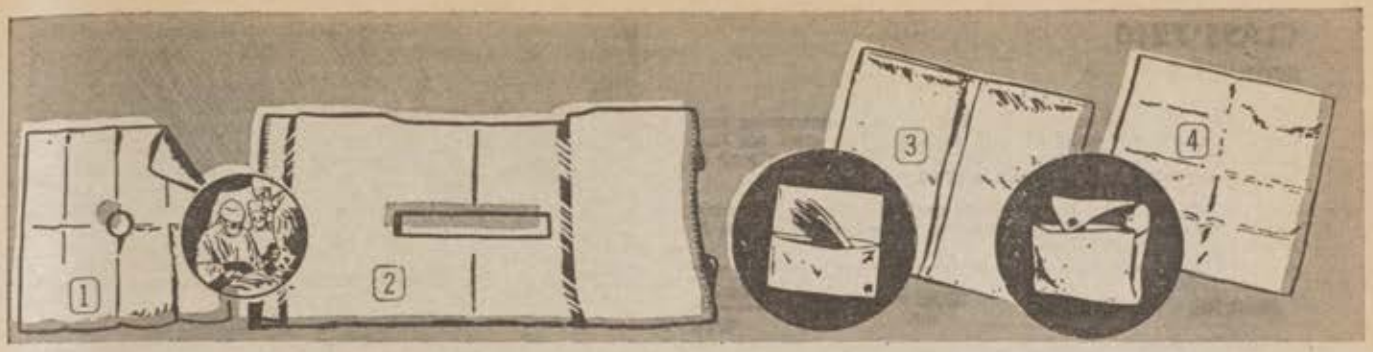
Double-thickness unbleached cotton wrappers. Holds gloves and instruments during sterilization and maintains sterility.

Int. Fed. Spec. DDD-W-00631C

(3) *Glove wrapper.* 12 x 13". Wallet type with double pocket. Shpg. wt. 68 lbs. per container of 30 dozen.

			East	*West*
6530-299-9603	Green	Dozen	$7.03	$7.08
6530-719-0000	White	Dozen	$6.11	$6.16

*Stocked in GSA Supply Distribution Facilities.



4 *Pack wrapper for surgical supplies.*

12 x 12". Shpg. wt: 59 lbs. Per container of 50 dozen.

6530-299-9602	Green	Dozen	$3.85	$3.88
6530-719-0030	White	Dozen	$3.47	$3.50

18 x 18". Shpg. wt. 82 lbs. Per container of 36 dozen.

6530-299-9601	Green	Dozen	$6.72	$6.78
6530-719-0035	White	Dozen	$5.60	$5.66

24 x 24". Shpg. wt. 79 lbs. Per container of 20 dozen.

6530-299-9600	Green	Dozen	$9.61	$9.69
6530-719-0040	White	Dozen	$8.17	$8.25

36 x 36". Shpg. wt. 85 lbs. Per container of 10 dozen.

			East	West
6530-299-9599	Green	Dozen	$19.82	$20.07
6530-719-0045	White	Dozen	$15.61	$15.86

54 x 54". Shpg. wt. 46 lbs. per carton of 30.

6530-926-4912 ..... Green ..... Each $3.16

VA DESCRIPTION 209F WRAPPERS

Green cotton pack wrappers. No diagonal stitching.

				East	West
6530-850-8611	18½ x 14½"	Dozen		$7.34	$7.41
6530-850-8612	48 x 48"	Each		$2.27	$2.30
6530-850-8613	54 x 54"	Each		$2.58	$2.61
6530-850-8614	54 x 76"	Each		$3.71	$3.76

INT. FED. SPEC. DDD-W-00631C and VA Description 209F WRAPPERS. No diagonal stitching.

12 x 12". Packing—600 per shipping container. Shpg. wt. 57 lbs.

6530-926-4902	Green	Dozen	$3.56	$3.58

18 x 18". Packing—432 per shipping container. Shpg. wt. 80 lbs.

6530-926-4903	Green	Dozen	$6.18	$6.25

24 x 24". Packing—240 per shipping container. Shpg. wt. 77 lbs.

6530-926-4904	Green	Dozen	$8.66	$8.74

36 x 36". Packing—120 per shipping container. Shpg. wt. 83 lbs.

6530-926-4905	Green	Dozen	$17.64	$17.89

CLASS 6532

CAP, OPERATING, SURGICAL

Nonadjustable jean operating cap for surgical personnel. Cylindrical with flat crown. Crown circumference: medium-23½", large-24", extra large-25". Packing—768 to container. Shpg. wt. 48 lbs. Fed Spec. DDD-C-48E.

6532-299-9614	Green	Medium	Dozen	$2.32
6532-715-8330	White	Medium	Dozen	2.25
6532-299-9613	Green	Large	Dozen	2.35
6532-715-8325	White	Large	Dozen	2.27
6532-299-9612	Green	X-Large	Dozen	2.40
6532-715-8320	White	X-Large	Dozen	2.31

Adjustable cotton jean cap. Worn by VA personnel during surgical procedures. Folded band adjusts for comfort and proper head size (6¾ through 7½). Tapes tie in back. Identification label sewn on inside. Grayish green. Machine washable. 288 to carton. Class 2, Fed. Spec. DDD-C-48E.

6532-543-7378 ..... Dozen $8.88

*Stocked in GSA Supply Distribution Facilities.

Nurses' poplin caps. Helmet type with snood. Green only. Shpg. wt. 50 lbs. per carton of 672. DPSC, Spec. Data Sheet No. 1, Feb. 9, 1966.

6532-634-6262	Medium	Dozen	$7.21
6532-634-6263	Large	Dozen	$7.21
6532-634-6264	X-Large	Dozen	$7.21

PILLOWCASE

Disposable white paper pillowcase for casualty evacuations. Protects pillow from blood, pus, and perspiration. 50 to package, 300 to carton. Spec. MIL-P-36215A.

6532-634-9828 ..... 20½ x 31½" ..... Each $ 0.22

CLASS 6695

KIT, SPECTRO OIL ANALYSIS (GROUND EQUIPMENT)

Container and metal cans furnished by ordering agency. 12 kits to case. AFF41608-67-5172.

6695-925-2982 ..... Case $3.16

SAMPLER-SPECTRO, ANALYSIS OIL KIT

Designed to test various types and grades of oil used by Air Force. 25 kits to carton. A. F. Description No. 6695NCO22676K.

6695-758-1355 ..... Carton $3.85

CLASS 7195

BULLETIN BOARD

Wall mounted plywood bulletin boards. 3-ply douglas fir. Hardwood frame, natural (clear varnish) or buff finish. Blackboard side has double coat of flat silicate paint. Fastening screws included. Post office Spec. E-120-A.

Open style (without glass door). For workroom use. 2-hole fastening.

Frame, finish		Overall size, in.	Shpg. wt., lbs.	Price, Each
Natural	Buff			
7195-989-2370	7195-844-9036	24 x 48	27	$10.57
7195-989-2371	7195-844-9037	36 x 48	43	13.28
7195-989-2372	7195-844-9038	42 x 48	51	15.29

Glass case model. For lobby use. Hinged door with double thick glass. Brass lock and pull. Four holes for fastening. 2 keys included.

Frame, finish		Overall size, in.	Shpg. wt., lbs.	Price, Each
Natural	Buff			
7195-990-0615	7195-843-7938	33½ x 39½	88	$28.50

CLASS 7210

BEDSPRING

Box spring with coil construction. For use with innerspring mattresses. Cone-shaped coils of high carbon spring steel are tempered after forming to retain shape, last longer. Springs may be ordered separately or in sets with mattress.

Coils prefabricated in one complete unit. Oil-tempered wire-mat insulation covered with full length layers of felt. Fed. Spec. AA-B-260D.

Stock No.	Size, in.	Shpg. wt., lbs.	Price, Each	
			East	West
7210-582-7540	38 x 75	79	$22.58	$23.33
7210-582-0984	36-½ x 79-½	81	23.30	24.09
7210-110-8104	38 x 80	100	23.90	24.76
7210-582-7541	53 x 75	105	26.40	27.40
7210-110-8105	53 x 80	125	27.56	28.75

Hand-tied coils indivdually stapled to box frame. Sisal or wire-mat insulator covered with full length layer of felt. 8-ounce ticking. Spec. MIL-B-19923.

7210-559-5085	38 x 75	76	26.60	27.40
7210-559-6025	53 x 75	100	30.70	31.81

COVER, MATTRESS

Unbleached. Protects mattress ticking from soil, stains, and wear. Tie tapes for closing flap and end openings. 10 to package. Size and shpg. wt. shown. Fed. Spec. DDD-C-628D.

Cotton drill

Boxed corners, slit opening. 6" high. Type I, class 1.
*7210-291-8419.....36 x 76".....88 lbs.....Each $3.65

Cotton sheeting

Boxed corners, slit opening. 6" high. Type I, class 2.
*7210-205-3083.....36 x 80".....66 lbs.....Each $3.58
*7210-205-3082.....40 x 84".....73 lbs.....Each $3.62

Set-in-box, flap opening. 6½" high. Type II, class 2.
*7210-067-7969.....37½ x 82".....90 lbs.....Each $4.82

Envelope style, end opening. 6" high. Type III, class 2
7210-998-7745.....31 x 76½".....45 lbs.....Each $2.06
7210-883-8492.....43½ x 81½".....60 lbs.....Each $2.53
7210-171-1091.....34 x 86½".....55 lbs.....Each $2.41
7210-935-6619.....36" x 82".....Each $2.48

MATTRESS

CLEARANCE FROM FEDERAL PRISON INDUSTRIES.—Before requesting allocation from National Industries for the Blind, clearance for cotton-felt regular bed and innerspring mattresses must be obtained from the Federal Prison Industries except on LCL deliveries west of the Mississippi River. Clearance number must be shown on the request for allocation.

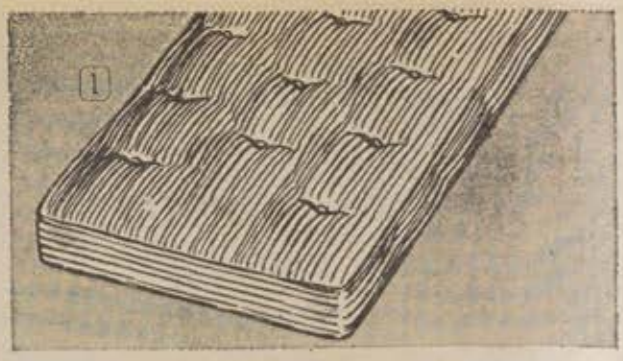
Cotton-Felt

(1) Berth mattress. Preshrunk fire-resistant ticking. Hand-stitched rolled or plain box edges.
Class 1—25% cotton, 75% linters.
Class 2—50% cotton, 50% linters. Fed. Spec. V-M-81E.
C.P.O. 28 x 77 x 4½". Shpg. wt: 90 lbs. per carton of 3.

		East	West
7210-263-8578	Class 1.....Each	$13.85	$14.57
7210-205-3538	Class 2.....Each	$14.86	$15.63

Crew. 26 x 72½ x 4". Shpg. wt: 75 lbs. per carton of 3.

		East	West
7210-263-8579	Class 1.....Each	$12.12	$12.75
7210-205-3890	Class 2.....Each	$12.70	$13.36



Regular bed mattress for bed, bunk, or cot. Well-garnetted felt in unbroken laminated layers. For better support and more comfort, felt distributed heavier in the middle third of mattress. Blue-and-white striped 7-ounce ticking. Intermediate sizes may be obtained at the price of the next larger size. Fed. Spec. V-M-81E.

Grade B. 25% cotton-felt, 75% linters.

(2) Plain box edge, type I	(3) Rolled box edge, type II	Size, in.	Price	
			East	West
7210-531-6476	7210-531-6479	26x72-½	$10.78	$11.34
7210-205-3574	7210-205-3893	26x76	9.75	10.26
7210-205-3575	7210-680-0938	27x73	11.68	12.29
7210-205-3576	7210-205-3894	30x76	12.62	13.28
7210-205-3577	7210-205-3891	31x78	13.04	13.72
7210-205-3579	7210-205-3889	33x75	17.94	18.87
7210-252-9628	7210-716-0500	34x76	14.91	15.69
7210-274-3780	7210-274-7001	36x78	16.50	17.36
7210-205-3581	7210-205-3485	38x75	20.30	21.36

Grade C. 40% cotton-felt, 60% linters.

(2) Plain box edge, type I	(3) Rolled box edge, type II	Size, in.	Price	
			East	West
7210-531-6477	7210-531-6480	26x72-½	$11.68	$12.29
7210-205-3906	7210-205-3532	26x76	10.48	11.02
7210-205-3907	7210-205-3454	27x73	12.66	13.32
7210-253-4649	7210-205-3455	30x76	13.75	14.47
7210-253-4648	7210-269-9198	31x78	14.44	15.19
7210-205-3904	7210-205-3915	33x75	19.72	20.75
7210-205-3905	7210-205-3916	34x76	16.16	17.00
7210-205-3902	7210-205-3913	36x78	18.00	18.94
7210-205-3900	7210-205-3896	38x75	22.32	23.48

(4) Innerspring mattress. Free-end coil construction. No side sway . . . edges won't sag . . . mattress firmly supports body. Wire mat covering . . . outside border is of felt-padded ticking. Packing— Par. 5.2.2.2. Type II, Fed. Spec. V-M-96E.

Stock Number	Size, ins.	Shipping wt., lbs.	Price, each	
			East	West
7210-205-3585	29 x 76	42	$22.50	$23.36
7210-205-3535	33 x 78	45	24.40	25.35
7210-682-6505	36 x 75	50	25.20	26.23
7210-716-0706	36 x 78	53	26.00	27.09
7210-551-5497	36 x 84	57	27.80	28.97
7210-682-6507	38 x 75	60	26.65	27.77
7210-205-3534	39 x 78	62	27.30	28.53
7210-205-3488	41½ x 78	65	29.20	30.51
7210-205-3489	47 x 78	73	32.60	34.07
7210-205-3490	53 x 73	78	34.00	35.53
7210-682-6506	53 x 75	81	34.80	36.37
7210-582-2354	36 x 80	56	26.55	27.67
7210-110-8102	38 x 80	68	27.60	28.76
7210-110-8103	53 x 80	96	36.80	38.46

MATTRESS, BED

Rubber foam mattress with nonremovable tick covering. 4" thick. For hospitals and government establishments in U.S. and overseas. Fed. Spec. ZZ-M-91E.

7210-682-6503....38 x 75"....Shpg. wt. 38 lbs.....Each $26.75
7210-682-6504....53 x 75"....Shpg. wt. 50 lbs.....Each $37.19

*Stocked in GSA Supply Distribution Facilities.

MATTRESS, INNERSPRING, PLASTIC-COATED

Plastic-coated innerspring mattress for hospital beds. Resists blood, oil, grease, carbon tetrachloride, alkali, mild acid, and chemical asepticizers. Flame resistant. V.A. Description 7160715 and Fed. Spec. V-M-96E.

Stock No.	Size, ins.	Shipping wt. lbs.	Price, Each	
			East	West
7210-995-1093	36 x 75	50	$23.78	$23.78
7210-682-7146	36 x 80	56	$25.13	$25.13

BEDSPRING AND MATTRESS SET

Innerspring mattress and bedspring set in matching ticking. Spring and mattresses are same size except the 36 x 80" mattress is supplied with 36½ x 79½" spring. When ordering innerspring mattress and bedspring sets banded together with steel strapping, add 75 cents per set.

Innerspring Mattress	Bedspring	Size, inches	Shpg. wt., lbs.	Price, set	
				East	West
7210-582-2354	7210-582-0984	36 x 80	132	$49.85	$51.76
7210-682-6507	7210-559-5085	38 x 75	134	53.25	55.17
7210-682-6507	7210-582-7540	38 x 75	137	49.23	51.10
7210-682-6506	7210-559-6025	53 x 75	178	65.50	68.18
7210-682-6506	7210-582-7541	53 x 75	183	61.20	63.77

RENOVATED MATTRESSES

Orders for renovated mattresses may be arranged through GSA regional offices.

Cotton-felt and Innerspring mattresses, renovated in accordance with applicable military specifications, are available in standard sizes from the Agency for the Blind. A used mattress will be replaced by a renovated mattress of similar size and construction on a one-for-one basis, at prices specified in price schedule below. Mattresses which show water damage, contain clippings, nonstandard material and otherwise not suitable for renovation will be held pending instructions from the ordering office.

Prices are f.o.b. shipping point. Packaging and packing charges, specified below, are separate, with an additional charge if more than three pounds of felt is used for renovation.

Pickup and delivery, where possible, will be done by the Agency for the Blind at a nominal charge.

PRICE SCHEDULE FOR RENOVATED COTTON-FELT MATTRESS

Freight classification. To save on shipping costs of cotton-felt mattresses, mark Government Bills of Lading "Rags, n.o.i.b.n. (old mattresses having value only for reclamation of raw material)." Ship hand-made bales (bundles) second class; machine-pressed bales, fourth class.

Charges for packaging and packing (cotton-felt)

Packaging	Packing	Cost per Mattress
1 to polyethylene bag	3 to corrugated container	$1.35
1 to polyethylene bag	3 to burlap tube	1.30
None	3 to corrugated container	.85
None	3 to paper bag	.30

BERTH

(1) 7-oz. preshrunk fire-resistant ticking will be furnished by Agency for the Blind. Renovation prices are for plain box edge mattresses. If more than three pounds of felt are needed for renovation, an additional charge of 14¢ a pound will be made for class 1 mattress (25% cotton-felt, 75% linters); 19¢ a pound for class 2 mattress (50% cotton-felt, 50% linters). If specified, rolled box edge is available at the same price.

C. P. O. Mattress. 28 x 77 x 4½"

7210-M-1050.....Class 1.....Each $8.76
7210-M-1050.....Class 2.....Each $9.30

Crew Mattress. 26 x 72½ x 4"

7210-M-1050.....Class 1.....Each $7.81
7210-M-1050.....Class 2.....Each $8.12

REGULAR BED

7-oz. ticking will be furnished by Agency for the Blind. Renovation prices are for plain box edge mattresses. If specified, rolled edge is available at the same price. If more than three pounds of felt are needed for renovation, the additional charge is 14¢ a pound for grade B, and 17¢ a pound for grade C mattresses.

Grade B Mattress. 25% Cotton-felt, 75% Linters.

Stock No.	Size, Inches.	Price, each
	26 x 72½	$6.08
	26 x 76	5.61
	27 x 73	6.50
	30 x 76	6.92
7210-M-1050	31 x 78	7.10
	33 x 75	9.33
	34 x 76	7.98
	36 x 78	8.63
	38 x 75	10.31

Grade C Mattress. 40% Cotton-Felt, 60% Linters.

Stock No.	Size, Inches.	Price, each
	26 x 72½	$6.50
	26 x 76	5.95
	27 x 73	6.95
	30 x 76	7.44
7210-M-1050	31 x 78	7.73
	33 x 75	10.13
	34 x 76	8.55
	36 x 78	9.30
	38 x 75	11.21

RENOVATED MATTRESS—Continued

PRICE SCHEDULE FOR RENOVATED INNERSPRING MATTRESSES

Freight classification. Contact the Transportation Management Division (PMDS) at the nearest GSA regional office for shipping instructions.

Charges for packaging and packing (innerspring)

Size, Inches	Packaging	Packing	Cost Per Mattress
36 x 75	1 to polyethylene bag	None	$0.25
36 x 80	1 to polyethylene bag	None	0.25
38 x 75	1 to polyethylene bag	None	0.28
53 x 75	1 to polyethylene bag	None	0.54
36 x 75	1 to paper bag	None	0.45
36 x 80	1 to paper bag	None	0.53
38 x 75	1 to paper bag	None	0.48
53 x 75	1 to paper bag	None	0.67
36 x 75	None	1 to carton	1.63
36 x 80	None	1 to carton	1.81
38 x 75	None	1 to carton	1.82
53 x 75	None	1 to carton	2.18

INNERSPRING

Prices for sizes not indicated must be negotiated with Agency for the Blind. Type II.

Size Inches	Price	
	With Used Spring Unit	With New Spring Unit
29 x 76	$14.50	$19.40
33 x 78	15.00	20.00
36 x 75	15.35	20.65
36 x 78	15.68	21.18
36 x 80	15.64	21.90
36 x 84	15.93	22.86
38 x 75	15.59	21.00
38 x 80	15.98	22.89
39 x 78	15.92	22.72
41½ x 78	16.45	23.70
47 x 78	17.95	26.40
53 x 73	18.72	27.78
53 x 75	19.50	28.10
53 x 80	20.85	29.82

PAD, MATTRESS

White cotton pad for mattress protection. Quilted. Machine washable. Individually packaged in polyethylene bag. Number to carton and shpg. wt, shown in parentheses. Fed Spec. DDD-P-56C.

*7210-227-1526.....36 x 76".....(18; 54 lbs.).....Each $3.36
*7210-753-3042.....52 x 75".....(12; 52 lbs.).....Each $4.79

PILLOWCASE

Cotton. Commercial designation 140. Packing—domestic: 96 to carton except 14½ x 16½" has 216 to carton. Fed. Spec. DDD-P-351F.

NOTE.—Prices include charge for marking "U.S." in 1" letters. If marking not required, annotate purchase order accordingly and deduct 12¢ per dozen from prices shown.

Stock Number	Finished size, inches	Shpg. wt. Lbs./ Ctn.	Price, dozen	
			East	West
Green.				
7210-299-9609	20½ x 32½	38	$8.55	$8.67
White.				
*7210-170-5478	20½ x 27½	29	6.18	6.30
7210-292-2326	20½ x 30½	33	6.17	6.29
*7210-171-1100	20½ x 32½	38	7.16	7.28
*7210-205-3101	22¼ x 32½	43	7.80	7.92
7210-205-3101A	14½ x 16½	50	3.88	4.00
Green. (Marked "U.S.")				
*7210-054-7910	20½ x 32½	38	$8.55	$8.67
White. (Marked with Caduceus)				
7210-716-9000	20½ x 32½	38	7.16	7.28

Cotton percale. White. Commercial designation 180. Packed 96 to container. Fed. Spec. DDD-P-351F.

*7210-761-1472	20½ x 32½	38	$7.81	$7.93

SHEET, BED (CRIB)

Plain bleached cotton crib sheet. 45 x 72". Unshrunk. Commercial type 140. 10 to bundle. Shpg. wt. 98 lbs. per carton of 120. Fed. Spec. DDD-S-281G.

7210-634-1288 .....Bundle $10.12

TOWEL, DISH

Bleached white cotton crash towel. *Material furnished by ordering agency.* 12 to bundle, 288 to carton. Type I, class 2, size 2, Fed. Spec. DDD-T-511C.

*7210-171-1144.....17 x 36".....Dozen $1.12

WASHCLOTH

Disposable white cellulose acetate washcloth. 6-ply laminated on double nylon mesh. Soft and absorbent. Strong . . . wet or dry. Shpg. wt. shown. 4 packages of 250, 1,000 to case. Int. Fed. Spec. DDD-W-0090.

*7210-060-6008.....11 x 11".....18 lbs.....Case $14.94
*7210-082-2065.....14½ x 15".....30 lbs.....Case $18.87

CLASS 7220

MAT, FLOOR

(1) Heavy natural-tan fiber door mats. Brushlike fibers clean mud and dirt from shoes. 1½" thick. Bound edges. Packing—Paragraphs 5.2.2.2, except for minimum weights and identification labels. Shpg. wt. shown. Fed. Spec. DDD-M-156D.

*7220-205-3099.....18 x 30".....72 lbs.....Dozen $44.50
*7220-224-6491.....22 x 36".....107 lbs.....Dozen 60.09
*7220-205-3100.....30 x 48".....184 lbs.....Dozen 102.76

(2) Tough rubberized-fabric mat. Napped cord surface cleans shoes, absorbs moisture. 2-⅞ x ½" links, made from corded section of automobile tires, joined with spring-steel cross wires and steel sleeves. If brass sleeves are specified, add 6 per cent to price. 6 to bundle, 2 bundles to container. Shpg wt. shown. Fed. Spec ZZ-M-46C.

Standard size

7220-224-6489.....12 x 25".....48 lbs.....Dozen $22.73
7220-205-2807.....14 x 25".....56 lbs.....Dozen 26.16
7220-205-2808.....16 x 25".....66 lbs.....Dozen 30.01
7220-224-6490.....18 x 25".....94 lbs.....Dozen 33.54
*7220-238-8852.....18 x 29".....116 lbs.....Dozen 38.73
7220-224-6487.....18 x 26".....144 lbs.....Dozen 47.56
*7220-224-6488.....24 x 36".....192 lbs.....Dozen 64.09
*7220-224-6486.....24 x 50".....210 lbs.....Dozen 86.73

Special size made to order

48 x 96" is largest size made in one piece. Larger sizes are made in sections.

7220-205-2805.....(2 lbs. per sq. ft.).....Sq. Ft. $1.57

(3) Black rubber mat. Brick red links form diamond design in center. Long links, without nosing, assembled on spring-steel wire. If brass wire is specified, add 10 per cent to price. 6 to bundle, 2 bundles to container. Shpg. wt. shown. Fed. Spec. ZZ-M-46C.

Standard size

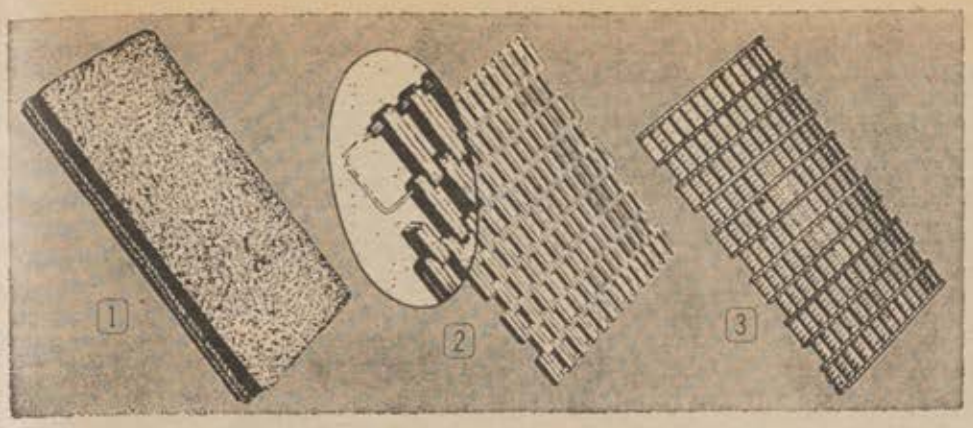
*7220-238-8854.....17 x 28".....70 lbs.....Dozen $34.72

Special size made to order

48 x 96" is largest size made in one piece. Larger sizes are made in sections.

7220-205-2806.....(1½ lbs. per sq. ft.).....Sq. ft. $ 1.56

*Stocked in GSA Supply Distribution Facilities.



CLASS 7290

COVER, IRONING BOARD

Silicone-aluminum treated cotton ironing board cover. Approx. size: 56″ long, 22″ wide at head, 7½″ at narrow end. Tie tapes. One to plastic bag, 24 to container, shpg. wt. 9 lbs. Fed. Spec. RR-I-660B.

*7290-130-3271 ..... Dozen $9.24

CLASS 7360

DINING PACKET, DIETETIC

Hospital dietetic dining packets. Color-coded to indicate contents. 500 packets to case. Type and shpg. wt. shown. Int. Fed. Spec. L-D-001363 and Amendment 2.

Granulated sugar

Napkin and straw.
*7360-935-6407 ..... Red ..... (I, 10 lbs.) ..... Case $10.80

Sugar, salt, pepper, napkin and straw.
*7360-935-6408 ..... Green ..... (II, 21 lbs.) ..... Case $13.65

2 sugar packs, pepper, napkin and straw.
*7360-935-6409 ..... Green ..... (III, 28 lbs.) ..... Case $14.75

Sugar, salt, napkin and straw.
*7360-935-6410 ..... Pink ..... (IV, 20 lbs.) ..... Case $12.65

2 sugar packs, salt, napkin and straw.
*7360-935-6411 ..... Pink ..... (V, 27 lbs.) ..... Case $13.75

Sugar, napkin and straw.
*7360-935-6412 ..... Blue ..... (VI, 19 lbs.) ..... Case $12.00

2 sugar packs, napkin and straw.
*7360-935-6413 ..... Blue ..... (VII, 24 lbs.) ..... Case $13.00

Sugar, salt substitute, pepper, napkin and straw.
*7360-935-6416 ..... Gray ..... (X, 20 lbs.) ..... Case $15.10

2 sugar packs, salt substitute, pepper, napkin and straw.
*7360-935-6417 ..... Gray ..... (XI, 28 lbs.) ..... Case $16.25

Sugar, salt substitute, napkin and straw.
*7360-935-6420 ..... Violet ..... (XIV, 18 lbs.) ..... Case $14.15

2 sugar packs, salt substitute, napkin and straw.
*7360-935-6421 ..... Violet ..... (XV, 25 lbs.) ..... Case $15.25

Sugar substitute (saccharin)

Sugar substitute, salt, pepper, napkin and straw.
*7360-177-4958 .... Yellow .... (XVIII) .... 14 lbs. ..... Case $14.80

2 sugar substitute packs, salt, pepper, napkin and straw.
*7360-177-4959 .... Yellow .... (XIX) ..... 16 lbs. ..... Case $17.05

Sugar substitute, salt substitute, pepper, napkin and straw.
*7360-177-4960 .... Orange .... (XX) ..... 12 lbs. ..... Case $16.30

2 sugar substitute packs, salt substitute, pepper, napkin and straw.
*7360-177-4961 .... Orange .... (XXI) ..... 13 lbs. ..... Case $18.55

Sugar substitute, salt, napkin and straw.
*7360-177-4962 .... Tan ..... (XXII) ..... 13 lbs. ..... Case $13.80

2 sugar substitute packs, salt, napkin and straw.
*7360-177-4963 .... Tan ..... (XXIII) .... 15 lbs. ..... Case $16.05

DINING PACKET, INFLIGHT

4 For one-time use with inflight lunch boxes. Contains sturdy plastic fork, knife, spoon, can opener, salt, sugar, pepper, napkin, tooth picks, chewing gum, straw, and wash and dry towel. 200 packets to case, Shpg. wt. 26 lbs. Fed. Spec. L-D-350A.

		East	West
*7360-660-0526	Case	$17.41	$17.78

CLASS 7510

BINDER, NOTE PAD

Available from Agency for the Blind after January 31, 1971.

Writing portfolio. Black vinyl plastic. Inside flap pockets for holding loose-leaf sheets and writing pads. 10 to carton, 50 to container. Int. Fed. Spec. UU-B-00400A and Fed. Std. 273A.

7510-145-0296 ..... Letter size. 8 x 10½″ ..... Each $0.359
*7510-728-8060 ..... Legal size. 8 x 12½″ ..... Each $0.438

REFILL, BALLPOINT PEN

For all regular-use ballpoint pens and desk sets. Packing: Dozen to box; 144 dozen to carton. Shpg. wt. 17 lbs. per carton. Int. Fed. Spec. GG-B-0060C.

Fine point

*7510-754-2688 ..... Black ..... Dozen $0.387
*7510-754-2689 ..... Dark blue ..... Dozen $0.383
*7510-754-2690 ..... Green ..... Dozen $0.390
*7510-754-2691 ..... Red ..... Dozen $0.393

Medium point

*7510-543-6792 ..... Black ..... Dozen $0.379
*7510-543-6793 ..... Dark blue ..... Dozen $0.375
*7510-754-2687 ..... Green ..... Dozen $0.382
*7510-543-6795 ..... Red ..... Dozen $0.385

PORTFOLIO

Low-cost plastic underarm envelope. 12 to carton. Full width fastener. Type I, Int. Fed. Spec. L-P-00600.

Plastic Slide Fastener, Class 1.

14-¾ x 11-¾″ Shpg. wt. 8 lbs.
*7510-558-1572 ..... Black ..... Dozen $5.73
*7510-616-7241 ..... Blue ..... Dozen $5.73
*7510-551-9813 ..... Brown ..... Dozen $5.73
16-¾ x 12″. Shpg. wt. 10 lbs.
*7510-558-1573 ..... Black ..... Dozen $6.77
*7510-616-7239 ..... Blue ..... Dozen $6.77
*7510-558-1571 ..... Brown ..... Dozen $6.77

*Stocked in GSA Supply Distribution Facilities.

PORTFOLIO—Continued

Metal Slide Fastener, Class 2.

14-¾ x 11-⅜" Shpg.wt. 8 lbs.
*7510-995-4856.....Black .....Dozen $5.96
*7510-995-4857.....Blue .....Dozen $5.96
*7510-995-4854.....Brown .....Dozen $5.96
16-¾ x 12".
*7510-995-4852.....Black .....Dozen $7.00
*7510-995-4853.....Blue .....Dozen $7.00
*7510-995-4850.....Brown .....Dozen $7.00

CLASS 7520

ARCH BOARD FILE

⅛" composition (hard board) back. Two metal arch type paperholders, spaced 2¾" on metal base. Shpg. wt. shown below. Type I, class B, Int. Fed. Spec. LLL-A-00650C.

Without perforator, index or cover. 12 to carton.
*7520-281-4845.....9 x 14½".....13 lbs.....Each $0.503
*7520-255-7081.....9 x 17".....14 lbs.....Each $0.510

With perforator, without index or compressor cover. 6 to carton.
*7520-191-1074.....9 x 14½"..... 9 lbs.....Each $0.933
*7520-191-1075.....9 x 17".....10 lbs.....Each $0.940

With perforator, index and compressor cover. 6 to carton.
*7520-281-4848.....9 x 14½".....12 lbs.....Each $1.285
*7520-240-5498.....9 x 17".....13 lbs.....Each $1.306

BALLPOINT PEN

Regular use ballpoint pens with replaceable cartridges. All colors reproducible by microfilm. Black reproducible by thermography, dry copying, and direct-image offset process. Int. Fed. Spec. GG-B-0060C.

Retractable pocket-type ballpoint pen (with clip). Black ink and barrel, lettered "U.S. Government". Smooth writing—no blotting. Packing: Dozen to box; 144 dozen to carton. Shpg. wt. 39 lbs. per carton.

*7520-935-7135.....fine point.....Dozen $0.812
*7520-935-7136.....medium point.....Dozen $0.804

Nonretractable pens. Without cap or clip. Quick-drying, non-fading—will not smear. Barrel color matches color of ink. Packing: Dozen to box; 144 dozen to carton. Shpg. wt. 34 lbs. per carton.

Fine point

*7520-664-5198.....Black.....Dozen $0.701
*7520-664-5200.....Dark blue.....Dozen $0.697
*7520-663-0059.....Green.....Dozen $0.704
*7520-664-5197.....Red.....Dozen $0.707

Medium point

*7520-298-7045.....Black.....Dozen $0.693
*7520-754-2516.....Dark blue.....Dozen $0.689
*7520-298-7046.....Green.....Dozen $0.696
*7520-754-2517.....Red.....Dozen $0.699

24" chain fastens to desk or table to prevent pilferage. Shpt. wt. 66 lbs. per carton.

*7520-543-7149.....Dark blue.....Dozen $1.626

BOOK ENDS

Steel upright book supports. 5½" high, 4¾" deep. One piece 20-gage sheet metal. Gray enamel finish. Packing: 12 pairs to package; 72 pairs to carton. Shpg. wt. 61 lbs. per carton. Fed. Spec. AA-B-551C.

*7520-264-5479 .....Pair 25¢

CASE, MAINTENANCE AND OPERATIONAL MANUALS

Two pocket cloth case. For storage of technical literature, charts, books, or pamphlets pertaining to maintenance and operation of equipment. Pocket sizes: 16 x 9¾ x 1⅛", 16 x 9 x 1⅜" deep. Olive-drab cotton duck. Snap fasteners. Mildew-resistant and water-repellent. Spec. MIL-C-11743C.

*7520-559-9618.....22 x 12¾".....Each $1.60

CLIP BOARD FILE

Composition hardboard for writing and filing. 5½" metal clip holds papers up to 1" thick. ⅜" eye for hanging. Rounded edges. 24 to carton. Int. Fed. Spec. LLL-A-00650C.

9 x 12½". Letter size. Shpg. wt. 19 lbs.
*7520-281-5918.....Each $0.213

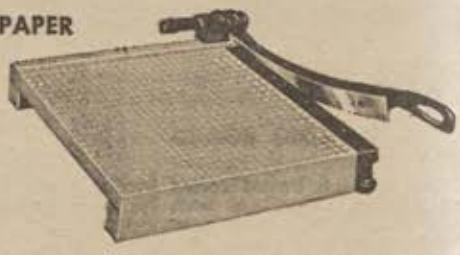
9 x 15½". Shpg. wt. 23 lbs.
*7520-254-4610.....Each $0.227

9 x 17". Legal size. Shpg. wt. 25 lbs.
*7520-240-5503.....Each $0.234

9¼ x 11¾". Shpg. wt. 19 lbs.
*7520-274-5496.....Each $0.211

13¼ x 11¼". Shpg. wt. 24 lbs.
*7520-281-5892.....Each $0.23[illegible]

TRIMMER, PAPER



Wood cutting board with drop knife blade. Cuts photographs, photostats, paper and light cardboard. Graduation on baseboard makes it easy to cut to size. ½" spacing, parallel guide lines at right angles to cutting edge. Movable trimming guide. Std. pack in parentheses. Class I, Int. Fed. Spec. GG-T-00678A.

*7520-224-7621.....24" x 24".....(12).....EA $19.80
*7520-282-2137.....30" x 30".....(1).....EA $29.50

CLASS 7920

BROOM, PUSH

Price includes charge for marking Fed. Stock No. on block. If marking not required, annotate purchase order accordingly and deduct 12¢ per dozen from prices shown.

[1] Tough 7" rattan fibers withstand rough usage—suitable for sweeping concrete surfaces or streets. Two holes in block for handle changeover to equalize wear. Packing—6 brooms to fiberboard container. Fed. Spec. H-B-71B.

*7920-267-2967.....Dozen $16.55

BROOM, UPRIGHT

Prices for Corn and Bassine fiber brooms include charge for marking Fed. Stock No. on handle. If marking not required, annotate purchase order accordingly and deduct 16¢ per dozen from prices shown.

Sweeping brooms. 41" smooth wood handle except where otherwise noted. Shpg. wt. shown per dozen brooms.

[2] **Corn Fiber. Fed. Spec. H-B-51B.**

Toy or hearth broom for use with dust pans. 12-13" long fibers. 24" wood handle.
*7920-292-4371.....8-10 lbs.....Dozen $8.04

Small broom for parlor use. A lightweight broom suitable for school, barrack, household and office use. 15-16" long fibers.
*7920-292-4375.....29 lbs.....Dozen $18.09

Medium broom for warehouse use. 16-17" long fibers.
*7920-292-4372.....32 lbs.....Dozen $19.73

Large broom for warehouse or yard use. 17-18" long fibers.
*7920-291-8305.....36 lbs.....Dozen $22.02

[3] **Bassine Fiber. Fed. Spec. H-B-56.**

Generally for outdoor use . . . natural fibers unaffected by water. For use on concrete and other rough surfaces. Packing—Domestic: 12 to burlap-wrapped bundle with handles wire-tied. Overseas: Same as domestic, except broom fibers fastened with one steel strap.

*7920-292-2368.....28 lbs.....Dozen $16.58
*7920-292-2369.....32 lbs.....Dozen $17.51
*7920-292-4370.....36 lbs.....Dozen $19.34

*Stocked in GSA Supply Distribution Facilities.

BROOM, WHISK

4 Corn fiber whiskbroom with ring hanger 3 x 10". Shpg. wt. 4 lbs. for carton of 144. Int. Fed. Spec. H-B-00101B.

*7920-240-6350 ..... Dozen $6.10

BRUSH, CHASSIS AND RUNNING GEAR

Prices include charge for marking Fed. Stock No. on handle. If marking not required, annotate purchase order accordingly and deduct 12¢ per dozen from prices shown.

5 Long-handled brush with oiled palmetto or polypropylene bristles. Tough 2" bristles are staple set in hardwood handle. Bristles unaffected by detergent. Packing—Domestic: 12 to fiberboard carton. Overseas: V-board carton with waterproof liner. Shpg. wt. 14 lbs. Fed. Spec. H-B-181C.

*7920-255-7536 ..... 19½" long ..... Dozen $11.32

BRUSH, CLEANING, AIRCRAFT

Tampico brush without handle. For use in cleaning surfaces of aircraft. 5⅜ x 1¾". 12 to fiberboard container. Shpg. Wt. 18 lbs. Type II, Size 1. Spec. MIL-B-5612A.

*7920-281-7009 ..... Dozen $15.28

BRUSH, DUSTING, BENCH

Price includes charge for marking Fed. Stock No. on handle. If marking not required, annotate purchase order accordingly and deduct 12¢ per dozen from price.

100% horsehair bristles 2¾" long, staple or pitch set in hardwood block. 14½", overall, 5½" tapered handle and 9" brush. 12 to container. Shpg. wt. 9 lbs. Int. Fed. Spec. H-B-00190A.

*7920-178-8315 ..... Dozen $19.96

BRUSH, FLOOR SWEEPING

Price includes charge for marking Fed. Stock No. on block. If marking not required, annotate purchase order accordingly and deduct 12¢ per dozen from prices shown.

6 *Brush only.* Staple set 3" bristles. Two holes in block for handle changeover to equalize wear. Packing—Domestic: 12 to fiberboard carton. Overseas: 12 to V-board carton. Shpg. wt. shown in parentheses. Fed. Spec. H-B-651F.

Horsehair

*7920-238-2442	14" Length	(24)	Dozen	$39.70
*7920-243-3407	18" Length	(29)	Dozen	50.83
*7920-238-2443	24" Length	(38)	Dozen	70.00
*7920-292-2363	30" Length	(52)	Dozen	100.57
*7920-263-9848	36" Length	(58)	Dozen	121.22

Horsehair/Tampico

*7920-292-2365	14" Length	(24)	Dozen	$25.19
*7920-292-2367	18" Lenght	(29)	Dozen	31.84
*7920-292-2366	24" Length	(38)	Dozen	43.76
*7920-264-4638	30" Length	(52)	Dozen	71.99
*7920-292-2362	36" Length	(58)	Dozen	86.32

*Stocked in GSA Supply Distribution Facilities.

BRUSH, SANITARY

Prices include charge for marking Fed. Stock No. on handle. If marking not required, annotate purchase order accordingly and deduct 12¢ per dozen from prices shown.

For cleaning bedpans and toilets. Hardwood handle. 12 to carton. 6 cartons to fiberboard container. Fed. Spec. H-B-481C.

7 *Curved brush head.* Bristles set in twisted wire, 4½" x 5¼" head. 14" handle. Shpg. wt.—Domestic: 33 lbs., Overseas: 41 lbs.

*7920-240-7178	Tampico	Dozen $3.53
*7920-141-5450	Horsehair	Dozen $6.74
*7920-772-5800	Nylon	Dozen $7.32

8 *Straight brush head.* Spiral wound, tufted dome. 4" x 5½" head. 16" handle. Shpg. wt.—Domestic: 45 lbs.; Overseas: 54 lbs.

*7920-234-9317 ..... Tampico ..... Dozen $7.04

BRUSH, SCRUB

Price includes charge for marking Fed. Stock No. on block. If marking not required, annotate purchase order accordingly and deduct 12¢ per dozen from price.

Floor scrubbing. Rectangular hardwood block 2¾ x 8". Bristles 1¼" long. Fibers given below. 36 brushes to carton. Shpg. wt. 29 lbs. Fed. Spec. H-B-1490.

*7920-240-7174	Palmetto	Dozen $5.94
7920-951-8795	Polypropylene	Dozen $5.14

9 Sink or pot scrubbing. 8⅜" long. One-piece hardwood handle and block. 2" palmyra fiber bristles 36 to fiberboard container. Shpg. wt. 26 lbs. per carton. Int. Fed. Spec. H-B-00444A.

*7920-297-1511 ..... Dozen $4.97

Nail and hand scrubbing brushes. 8 rows of stiff synthetic bristles in hardwood block. 4¼" x 1¾". 72 brushes to carton. Shpg. wt. 12 lbs. per carton. Fed. Spec. H-B-1490.

*7920-619-9162 ..... Dozen $4.48

BRUSH, SHOE AND STOVE

Price includes charge for marking Fed. Stock No. on block. If marking not required, annotate purchase order accordingly and deduct 1¢ per brush from price shown.

Shoe and stove polishing brush. Horsetail hair set in rectangular hardwood block. 7¼" x 2⅛". Grooved along each side. 12 to box, 144 to carton. Shpg. wt. 70 lbs. per carton. Int. Fed. Spec. H-B-00581A.

*7920-852-8170.....Each 49¢

BRUSH, WIRE SCRATCH

Price includes charge for marking Fed. Stock No. on block. If marking not required, annotate purchase order accordingly and deduct 12¢ per dozen from price.

Steel-wire brushes for removing paint, rust, and acid stains. Bristle about 1¼" long. Class 1, Fed. Spec. H-B-178C.

(1) *Long handle, 3 rows x 18 rows, 14¼" long.* Shpg. wt. 32 lbs. for carton of six dozen. Type I.

*7920-282-9245.....Dozen $3.75

(2) *Long handle, 4 rows x 18 rows, 14¼" long.* Shpg. wt. 39 lbs. for carton of six dozen. Type II.

*7920-291-5815.....Dozen $4.42

(3) *Short handle, 4 rows x 16 rows. About 10½" long.* Shpg. wt. 33 lbs. for carton of six dozen. Type III.

*7920-282-9246.....Dozen $4.34

(4) *No handle, flat top, 6 rows x 19 rows. Bristles about* 1⅛" long. 2¼" x 7¼" block. Shpg. wt. 57 lbs. for carton of six dozen. Type IV.

*7920-246-8501.....Dozen $5.25

(5) *No handle, curved top, 9 rows x 21 rows.* 2¼" x 7¼" block. Oil-tempered steel wire bristles 1⅛" long. Shpg. wt. 60 lbs. for carton of six dozen. Type V.

*7920-223-7649.....Dozen $7.40

BRUSH, WIRE, STAINLESS STEEL

Removes rust from aircraft engines. Fed. D.P. 02016C.

7920-958-1157.....Dozen $5.40

BRUSH SET, SHOE AND STOVE

Dauber and one polishing brush set. 1 set to chipboard box; 24 boxes to fiberboard container. Price includes charge for marking Fed. Stock No. If marking not required, annotate purchase order accordingly and deduct 24¢ per dozen from price. Shipping weight—16 lbs. per carton. Int. Fed. Spec. H-B-00581A.

*7920-205-0200.....Dozen $10.11

CLOTH, POLISHING

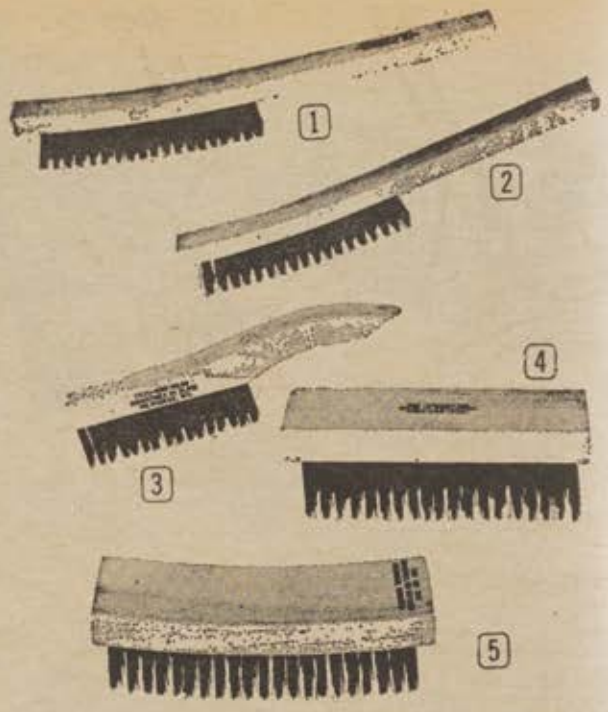
Plain or twill weave dustcloths. 20 x 36". Well-napped on both sides. White or colored. 1 cloth to polyethylene bag, 25 bags to bundle. Shpg. wt. 40 lbs for carton of 200 bags. *For special packaging of oil-treated cloths in interior cartons, add 2¢ for each cloth to price shown.* Fed. Spec. DDD-C-411B.

Oil-treated

*7920-205-3170.....Each $0.275

Untreated

*7920-664-0103.....Bundle $6.16



HANDLE, MOP See also Mop, Dusting, Cotton

Handles for wet mopheads described, below. Malleable iron head, plastic coated. Length and shpg. wt. shown. Fed. Spec. NN-H-101E.

(6) **Spring-lever type**

Wood handle. 3 dozen to carton.

*7920-246-0930	54"	64 lbs.	Dozen $6.58
*7920-205-1170	60"	69 lbs.	Dozen 6.91

(7) **Screw type**

Wood handle. 3 dozen to carton.

*7920-205-1168	54"	83 lbs.	Dozen $13.71
*7920-267-1218	60"	88 lbs.	Dozen 14.05
*7920-205-1167	72"	93 lbs.	Dozen 14.61

Steel handle. 2 dozen to carton.

*7920-550-9902	54"	74 lbs.	Dozen $18.06
*7920-550-9911	60"	78 lbs.	Dozen 18.64
*7920-550-9912	72"	90 lbs.	Dozen 19.44

MOP, DUSTING, COTTON

(8) Elliptical slip-on dry floor mop. 4-ply cotton yarn with 53" wood handle. Double swivel flips mophead into any cleaning position. Shpg. wt. shown below. Int. Fed. Spec. T-M-00570A.

Complete mop

Price includes assembly of mopheads to handles. If assembly not required, annotate purchase order accordingly and deduct 26¢ per dozen.

*7920-205-0481	16" long	23 lbs.	Dozen $19.06
*7920-205-0483	23" long	26 lbs.	Dozen 24.75
*7920-205-0484	30" long	30 lbs.	Dozen 32.05

Mophead only

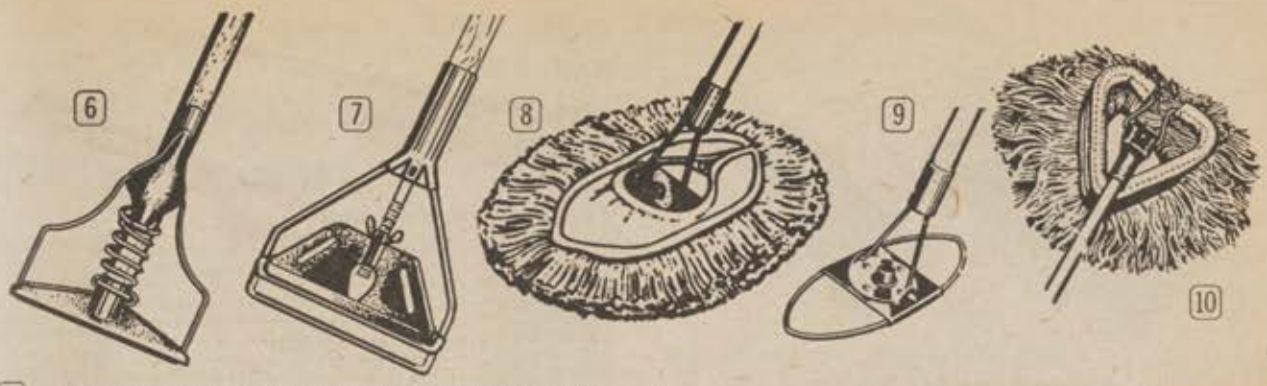
Price includes overpacking of six dozen mopheads to carton. If overpacking not required, annotate purchase order accordingly and deduct 15¢ per dozen.

*7920-205-0485	16" long	6 lbs.	Dozen $10.85
7920-205-0486	19" long	7 lbs.	Dozen 13.06
*7920-205-0487	23" long	9 lbs.	Dozen 16.01
*7920-205-0488	30" long	11 lbs.	Dozen 23.23

(9) **Handle only**

7920-320-2020	16" mops	17 lbs.	Dozen $8.37
7920-320-2021	19" mops	18 lbs.	Dozen 8.47

*Stocked in GSA Supply Distribution Facilities.



10 Triangular floor mop. 19" wide sweep. 2-ply drill or twill cotton yarn, 12" long. For dusting smooth surface floors. 53" wood handle. 12 to carton, Shpg. wt. shown below. Type T, Int. Fed. Spec. T-M- 00567B.

Complete mop

*7920-245-8289	Oil-treated	24 lbs.	Dozen	$13.23

Mophead only

7920-634-0201	Dry	12 lbs.	Dozen	$7.71
*7920-267-4921	Oil-treated	12 lbs.	Dozen	$8.01

11 Oblong slip-on mophead for wire frame. 360° swivel with 60" metal handle. With a flick of the handle, swivel feature permits use in tight, narrow spaces, corners, and under furniture. 12 to carton except 7920-851-0142 (6 to carton). Shpg. wt. shown below. Int. Fed. Spec. T-M-00550B.

Mophead only

*7920-998-2482	26" long...18" frame	12 lbs.	Dozen	$19.51
*7920-998-2483	32" long...24" frame	15 lbs.	Dozen	25.60
*7920-998-2484	44" long...36" frame	22 lbs.	Dozen	33.27
*7920-851-0141	56" long...48" frame	28 lbs.	Dozen	42.32

12 **Handle only**

*7920-998-2485	18" frame	44 lbs.	Dozen	$20.69
*7920-998-2486	24" frame	51 lbs.	Dozen	23.65
*7920-851-0140	36" frame	60 lbs.	Dozen	31.12
*7920-851-0142	48" frame	36 lbs.	Dozen	37.96

MOP, WET, CELLULOSE

Squeeze type sponge mop. Rectangular: 9" long, 2¼" wide, 1½" thick. 44½ to 48½" handle. Pur. Des. 7920-728-1167, revised 6/24/70.

Complete mop. 12 to carton. Shpg wt. 24 lbs.

*7920-728-1167	Each	$1.48

Sponge refill. 24 to carton. Shpg. wt. 5 lbs.

7920-471-2876	Each	$0.52

MOPHEAD, WET

Price includes charge for marking Fed. Stock No. If marking not required, annotate purchase order accordingly and deduct 12¢ per dozen from prices shown.

Cotton mophead for wet mopping. Maximum size shown below. Use with spring-level or screw-type handles. Shpg. wt. per carton of 36 except 7920-205-0425 (per carton of 72). Int. Fed. Spec. T-M-00561D.

Narrow band. Type I.

Four-ply yarn. Style 2. (For Public Building Service use.)

				East	West
*7920-205-0425	37"	99 lbs.	Dozen	$ 9.15	$ 9.30
*7920-205-0426	45"	Packing as specified by ordering office.	Dozen	13.88	14.12

Eight-ply yarn, Untaped. Style 1.

*7920-141-5549	30"	30 lbs.	Dozen	$5.13	$5.38
*7920-171-1148	34"	40 lbs.	Dozen	6.45	6.77

*Stocked in GSA Supply Distribution Facilities.

*7920-141-5550	37"	48 lbs.	Dozen	7.75	8.14
*7920-141-5547	41"	58 lbs.	Dozen	9.01	9.47
*7920-141-5548	42"	62 lbs.	Dozen	9.90	10.41
*7920-141-5544	43"	75 lbs.	Dozen	11.66	12.26

14 **Wide band. Type II.**

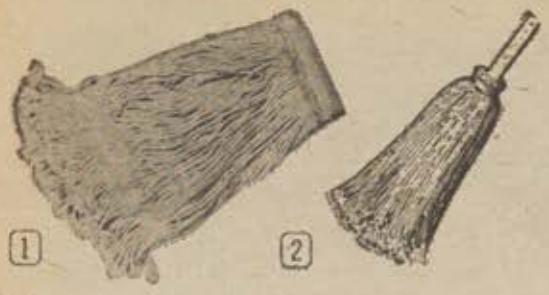
Eight-ply yarn. Untaped. Style 1.

				East	West
7920-141-5545	30"	30 lbs.	Dozen	$ 5.57	$ 5.83
*7920-141-5542	34"	40 lbs.	Dozen	6.88	7.21
*7920-245-8290	37"	48 lbs.	Dozen	8.19	8.58
*7920-141-5543	41"	58 lbs.	Dozen	9.45	9.91
*7920-923-0448	42"	62 lbs.	Dozen	10.35	10.86
*7920-141-5541	43"	75 lbs.	Dozen	12.12	12.72

Cotton and rayon floor mops for wet mopping. 4-ply yarn. Tape is sewn 1¾" across yarns to prevent tangling. Maximum size shown below. Shpg. wt. per carton of 36. Style 2, Int. Fed. Spec. T-M-00561D.

15 **Narrow band; Tanglefree. Type I.**

7920-926-5492	30"	30 lbs.	Dozen	$10.30
*7920-926-5493	33"	40 lbs.	Dozen	13.32
*7920-926-5494	37"	48 lbs.	Dozen	16.00
*7920-926-5495	41"	58 lbs.	Dozen	18.34
*7920-926-5496	42"	62 lbs.	Dozen	20.17
*7920-926-5497	45"	75 lbs.	Dozen	22.04



1 Wide band; Tanglefree. Type II.

7920-926-5498	30"	30 lbs.	Dozen	$10.51
7920-926-5499	33"	40 lbs.	Dozen	13.61
*7920-926-5500	37"	48 lbs.	Dozen	16.32
7920-926-5501	41"	58 lbs.	Dozen	18.66
7920-926-5502	42"	62 lbs.	Dozen	20.50
*7920-926-5503	45"	75 lbs.	Dozen	22.39

Cellulose-coated sponge-yarn mophead for wet floor use. Wide band. Shpg. wt. 30 lbs. per carton. Number to carton shown below. For handle, see 7920-205-1170. Int. Fed. Spec. T-M-001465.

			East	Wes.
*7920-634-0202	72	Dozen	$13.56	$14.15
*7920-634-0203	36	Dozen	25.86	27.03

2 Cotton deck swab with fixed handle. Shpg. wt. 26 lbs. per bundle of 10. Fed. Spec. T-M-580.

		East	West
*7920-224-8726	Bundle	$12.52	$12.67

CLASS 8105

BAG, COTTON MAILING

Mailing bag with white clothlined address tag. Draw string at end opening. Handy for mailing small unbreakable articles, parts, bolts, nuts, and screws. 3 x 5-½" address tag. Packing—Par. 5.1.1 and 5.2.2. Fed. Spec. PPP-B-20B.

Stock Number	Size, inches	No. bundles to container	Shpg. wt., lbs. per container	Price, 100 bags East	Price, 100 bags West
*8105-183-6981	3 x 4	24	39	$ 3.12	$ 3.17
*8105-281-3924	3 x 5	24	41	3.46	3.51
*8105-183-6982	4 x 9	20	44	4.87	4.95
*8105-179-0089	4-½ x 8	16	41	4.87	4.95
*8105-281-3925	5 x 7	16	44	4.87	4.95
*8105-183-6985	5-½ x 14	18	45	7.01	7.12
*8105-271-1511	6 x 9	12	41	6.01	6.12
*8105-174-0836	6-½ x 10	20	43	6.83	6.94
*8105-183-6989	7-½ x 18	12	46	10.00	10.24
*8105-290-3360	8 x 10	16	41	7.55	7.71

BAG, COTTON DRILL (WASTE RECEPTACLE)

Canvas bag for swinging door waste receptacles. 7.7 oz. natural carded drill. 16 x 16 x 22½". Shpg. wt. 52 lbs. Per carton of 72. Int. Fed Spec. PPP-B-001088.

*8105-282-8183.....Each $1.07

CLASS 8115

BOX, SET-UP, MAILING, DENTAL

Mailing box for dental models, try-ins and finished prosthetic products. Shpg. wt. 23 lbs. for container of 48 boxes. Fed. Spec. PPP-B-670.

8115-511-5750.....Size 1.....Each 27¢

CLASS 8345

FLAG, SIGNAL

Naval letter and numeral signal flags. Acrylic cloth bunting. Without staff or fringe. Type I, Class 1, Spec. MIL-F-2692D.

Size 3½ Letters

5 ft., 9½" fly; 5 ft., 9½" hoist

8345-935-0588	A	Each	$10.09
8345-935-0589	B	Each	9.89
8345-935-0590	C	Each	10.32
8345-935-0591	D	Each	10.09
8345-935-0592	E	Each	9.89
8345-935-0594	G	Each	10.32
8345-935-0595	H	Each	9.89
8345-935-0597	J	Each	10.09
8345-935-0598	K	Each	9.89
8345-935-0599	L	Each	10.21
8345-935-0602	O	Each	9.89
8345-935-0604	Q	Each	9.54
8345-935-0607	T	Each	10.09
8345-935-0608	U	Each	10.21

Size 3½ Numerals *

5 ft., 9½" fly; 5 ft., 5" hoist.

8345-935-0633	1	Each	$9.66
8345-935-1840	2	Each	9.66
8345-935-0634	3	Each	9.66
8345-935-0638	7	Each	9.70
8345-935-0639	8	Each	9.70
8345-935-0640	9	Each	9.70

Size 4 Letters

4 ft., 4½" fly; 4 ft. 4½" hoist.

8345-926-9977	A	Each	$5.70
8345-926-9216	B	Each	5.30
8345-926-9978	C	Each	5.60
8345-926-6804	D	Each	5.45
8345-926-6806	E	Each	5.70
8345-926-9979	G	Each	5.98
8345-926-6807	H	Each	5.33
8345-926-6809	J	Each	5.81
8345-926-9980	K	Each	5.70
8345-926-9219	L	Each	5.83
8345-935-0582	O	Each	5.90
8345-926-9984	Q	Each	5.57
8345-926-6003	T	Each	5.81
8345-926-9985	U	Each	5.83

Size 4 Numerals

4 ft., 4½" fly; 4 ft., 1" hoist.

8345-935-0619	1	Each	$5.65
8345-935-1839	2	Each	5.65
8345-935-0620	3	Each	5.65
8345-935-0623	7	Each	5.65
8345-935-0409	8	Each	5.65
8345-935-0624	9	Each	5.65

Size 6 Letters

2 ft., 11" fly; 2 ft. 11" hoist.

8345-935-0445	A	Each	$4.14
8345-926-6803	B	Each	4.13
8345-935-0446	C	Each	4.44
8345-926-6805	D	Each	4.14
8345-935-0447	E	Each	4.13
8345-926-9987	G	Each	4.44
8345-935-0448	H	Each	4.13
8345-926-6810	J	Each	4.14
8345-926-9988	K	Each	4.13
8345-935-0450	L	Each	4.32
8345-935-0451	O	Each	4.13
8345-935-0453	Q	Each	3.77
8345-926-6002	T	Each	4.14
8345-926-6814	U	Each	4.32

*Stocked in GSA Supply Distribution Facilities.

Size 6 Numerals

2 ft., 11" fly; 2 ft., 5" hoist.

8345-935-0436	1	Each	$3.80
8345-935-0437	2	Each	3.80
8345-935-0438	3	Each	3.80
8345-935-0408	7	Each	3.88
8345-935-0441	8	Each	3.88
8345-935-0442	9	Each	3.88

Size 8 Letters

1 ft., 9" fly; 1 ft., 9" hoist.

8345-935-0464	A	Each	$3.65
8345-935-0465	B	Each	3.49
8345-935-0466	C	Each	3.86
8345-935-0467	D	Each	3.66
8345-935-0468	E	Each	3.49
8345-935-0470	G	Each	3.86
8345-935-0471	H	Each	3.49
8345-935-0473	J	Each	3.66
8345-935-0474	K	Each	3.49
8345-935-0475	L	Each	3.78
8345-935-0478	O	Each	3.49
8345-935-0480	Q	Each	3.15
8345-935-0483	T	Each	3.66
8345-935-0484	U	Each	3.78

Size 8 Numerals

1 ft., 9" fly; 1 ft., 6" hoist.

8345-935-0626	1	Each	$3.52
8345-935-1838	2	Each	3.52
8345-935-0627	3	Each	3.52
8345-935-0407	7	Each	3.55
8345-935-0630	8	Each	3.55
8345-935-0631	9	Each	3.55

CLASS 8415

APRON, CONSTRUCTION WORKER'S

CLEARANCE FROM FEDERAL PRISON INDUSTRIES.—Before requesting allocation from National Industries for the Blind, obtain clearance for construction worker's apron from the Federal Prison Industries. Show clearance number on the allocation request.

Carpenters' heavy duck bib apron. 21 x 19" wide. Combination tool and pencil bib pocket, double waist pocket for nails; doublestitched. Neck and waist band. 5 to bundle. Shpg. wt. 45 lbs. for carton of 60.

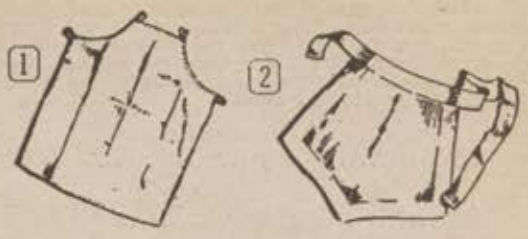
Natural. Int. Fed. Spec. DDD-A-001466.

*8415-205-3895 ..... Each $1.37

Olive drab. Mildew and water-repellent. Type II, Spec. MIL-A-11226D.

8415-257-4290 ..... Each $1.62

APRON, FOOD HANDLER'S



White cotton drill. Fed. Spec. DDD-A-616F.

Full length apron, Type I.

1 Bib apron for butchers and kitchen help. Separate tapes for tying loops at neck and waist. 46" long. 10 to bundle. 12 bundles to carton. Shpg. wt. 73 lbs. to carton.

		East	*West*
*8415-255-8577	Bundle	$10.97	$11.14

Full length apron, Type II.

One-piece bib apron, with self-cloth neckband, tie loops, and separate tie tapes. 42" long. 10 to bundle. 12 bundles to carton. Shpg. wt. 69 lbs.

*8415-634-0205 ..... Size 2 ..... Bundle $10.94

Half length apron, Type III.

One-piece half apron (without bib and neckband). Selfcloth waistband, tie loops, and separate cotton tie tape. 30½" long, 32" wide. 10 to bundle. Shpg. wt. 64 lbs. for carton of 16 bundles.

*8415-051-1173 ..... Bundle $7.85

APRON, FOOD SERVING

2 Half apron for waitresses and other food handlers. 3-point shape, 1½" waistband. White mercerized cotton. 14½" long, 17" wide. 12 to bundle. Shpg. wt. 40 lbs. Per container of 24 bundles. VA Description 7150428A.

*8415-899-3027 ..... Dozen $5.87

BAND, HELMET, CAMOUFLAGE

Olive-drab elastic band. Worn over steel helmets to support camouflaged helmet cover listed in July 1970 Schedule of Blind-Made Products (Stock No. 8415-261-6833). 23" circumference 2,000 to carton. *Elastic cotton webbing to be furnished by ordering office.* Spec. MIL-B-1851C.

8415-576-2873 ..... Each $0.0184

CAP, FOOD HANDLER'S

White caps for cooks and bakers. Net top. Circular crown. Not adjustable. Size shown below. *Cloth furnished by ordering agency.* 80 to carton. Shpg. wt. 14 lbs. Fed. Spec. DDD-C-41C.

8415-234-7677	Large 7½"	Dozen	$4.83
8415-234-7678	Medium 7⅛"	Dozen	$4.83
8415-234-7679	Small 6¾"	Dozen	$4.83

COVER, HELMET

Camouflaged cotton duck cloth. Shaded green and brown. 15½" high. 20½" wide. Identification label sewn to cover. *Cloth to be furnished by ordering office.* Shpg. wt. 27 lbs. for carton of 125. Spec. MIL-C-17502B (MC).

8415-261-6833 ..... Each $0.295

HEADBAND, FOOD SERVING

White mercerized cotton. For waitresses and other food handlers. Matches food serving apron. 50 to bundle, 10 bundles to carton. Shpg. wt. 50 lbs. VA Spec. 73-H-63975C.

8415-634-4939 ..... Dozen $1.76

*Stocked in GSA Supply Distribution Facilities.

TRAFFIC SAFETY CLOTHING

Reflective clothing protects military police and marching troops from motor vehicles at night. Silver/white reflective sheeting attached to a smooth surface blaze orange fluorescent fabric with adjustable Velcro-type fasteners. The retro-reflective sheeting provides the safety necessary at night and will retain virtually full reflective intensity when wet from rain. Smooth surface reduces dirt pickup and allows easy cleaning. Std. pack in parentheses.

Safety vest.
8415-177-4974.....(48).....Each $6.60

Leg band.
8415-177-4975.....(2/192).....Pair $2.50

Sleevelet.
8415-177-4976.....(2/192).....Pair $2.00

Arm band.
8415-177-4977.....(2/192).....Pair $1.50

Helmet band.
8415-177-4978.....(2/720).....Dozen $3.60

CLASS 8440

BELT, TROUSERS

Assembly of web belts with clips (no buckles). *Ordering agency to furnish webbing and clips.* Shpg. wt. 22 lbs. Spec. MIL-B-833D.

8440-000-000.....Assembly of 100 belts.....$4.04

NECKERCHIEF

Black acetate twill neckerchief. Worn by male Navy enlisted personnel with the Service Blue Dress and Service White Uniform. Not for hot ironing. Spec. MIL-N-16339D.

8440-240-4922.....36 x 36".....Each $ 0.99

NECKTIE

Four-in-hand, two-fold man's necktie. All wool tropical worsted. Crease-resistant interlining. 2" wide, 300 to container. Spec. MIL-N-41804A.

8440-926-6604.....Black .....Class 1.....Each 64¢
8440-926-4933.....Blue .....Class 2.....Each 64¢
8440-931-8371.....Khaki .....Class 3.....Each 64¢

CLASS 8465

BAG, BARRACK

Laundry bag with draw cord. Olive-green cotton sateen. Use to hold soiled clothing. *Cloth to be furnished by ordering office.* Shpg. wt. 62 lbs. for container of 50 bags. Spec. MIL-B-2378E.

8465-530-3692.....Each 55¢

BAG, DUFFEL

Military type duffel bag. 12½" x 37" deep. Olive-drab cotton duck. Web carrying handle and shoulder strap. Document pocket. Flat bottom. Clip-top closure permits secure locking with padlock. 20 to carton. *Duck and webbing to be furnished by ordering office.* Type I, Spec. MIL-B-829H.

Price includes palletization.

8465-265-4928.....Each $1.165

BAG, SLEEPING, PAPER

Disposable sleeping bag. Dry-waxed-kraft paper, water and moisture resistant. ¾" thick cellulose insulating paper with two-way creped layers to allow for flexibility. 6½ ft. x 3 ft. wide. 6 rolled bags to bundle, each weighing 4½ lbs. CAUTION: Flammable. USDA FS. Spec. 32.

*8465-338-5415.....Each $1.83

BAG, WATER, DESERT TYPE

Canvas (linen-duck). Filler-spout stopper and carrying handle. For cooling and carrying drinking water. 12 x 16". FS. Spec. 5100-35A.

*8465-205-3073.....2-gal.....Each 88¢
*8465-205-3074.....5-gal.....Each $1.28

BELT, MP

Adjustable white belt worn by male Navy personnel. Shiny brass buckle. Shpg. wt. 80 lbs. Per carton of 144. Spec. MIL-B-80218B.

8465-527-8843.....Each $2.49

CLOTHES STOP

Seine twine with metal tips. Hank consists of about 43 feet of twine with tips clinched to twine at 20½" intervals. May be used as a continuous line for hanging drying laundry or cut apart into shorter lengths for tying clothing into bundle. 200 packages of 25 each to carton. Natural finish twine (per Fed. Spec. TT-T-881D). Shpg. wt. 44 lbs. Per carton of 5000. Spec. MIL-C-20006D.

8465-377-5701.....Hank $0.27

SUSPENDERS, FIELD PACK

Olive drab suspenders worn to support the M-1956 combat field pack. Clip fasteners for attaching to soldier's equipment belt. *Webbing furnished by ordering agency.* 80 to carton. Shpg. wt. shown below. Spec. MIL-S-40160B.

8465-577-4922.....Regular.....70 lbs.....Each $1.77
8465-577-4923.....Long.....75 lbs.....Each $1.77
8465-823-7231.....Extra long.....80 lbs.....Each $1.77

CLASS 9920

ASH RECEIVER, TOBACCO

Two-piece aluminum ash tray. Top lifts for emptying. 4¼" dia., 1½" deep. Stamped "U.S." on bottom, 72 to carton. Type III, style A, Fed. Spec. AA-A-710B.

*9920-682-6757.....Each $0.334

TAG, ALUMINUM

For tagging U.S. animals suspected of harboring disease. USDA Pur. Desc.

None assigned.....Each $0.024

*Stocked in GSA Supply Distribution Facilities.

MILITARY RESALE PROGRAM ITEMS

BROOMS

7920B510 903	Broom, parlor, medium weight	1.66
7920B510 905	Broom, plastic filament, flagged ends.	1.36
7920B510 906	Broom, corn Fan-Flare, light weight.	1.28
7920B510 909	Broom, corn, whisk 10-in. size	.64

BRUSHES

7920B510 911	Brush, floor, w/handle, Tampico center, plastic border.	1.49
7920B510 913	Brush, lint, 2-row, blister pack	.51
7920B510 916	Brush, sanitary bowl and toilet, nylon filament.	.56
7920B510 918	Brush, scrubbing, household size 9" x 2¼".	.33

MOPS

7920B510 920	Handle, spring lever, for wet mopheads.	.38
7920B510 921	Wring, Easy Mop self wringing	2.98
7920B510 922	Wax applicator, foam block, with handle.	.68
7920B510 924	Mop, block sponge, w/scrub strip brush, wringer and handle.	.88
7920B510 925	Mop, dusting, mitt type, 100 percent nylon yarn w/handle.	1.69
7920B510 926	Mop, stick or yacht, viscose and rayon, wet cleaning, assorted colors.	.79
7920B510 928	Mop, cotton, stick, wet cleaning, 10 oz.	.68
7920B510 929	Mop, dusting, cotton triangular shape w/handle.	1.19
7920B510 931	Refill, Wring Easy Mop	.99
7920B510 932	Refill, foam block for wax applicator.	.24
7920B510 934	Refill, sponge for mop, block sponge.	.62
7920B510 936	Mophead, viscose and rayon, wet cleaning assorted colors.	.51
7920B510 937	Mophead, cotton, wet cleaning, 10 oz.	.41
7920B510 939	Refill, mophead dusting 100 percent nylon yarn.	1.28

KITCHEN ITEMS

7210B510 942	Cloth, dish, knitted cotton, pkg. 2.	.32
7330B510 943	Cloth, dishwashing, non-woven fabric size 12" x 12".	.21
7210B510 945	Towel, kitchen, cotton, Birdseye weave, pkg. 2, large size.	.69
7330B510 946	Potholders, quilted cotton	.19
7330B510 949	Mitt, oven, quilted cotton	.36
7330B510 951	Mop, glassware and dishware	.19
7330B510 953	Scrubber, plastic, for pots, pans, dishes.	.29
7330B510 954	Scrubber, nylon, rectangular	.12
7920B510 955	Brush, vegetable, twisted wire, plastic filament.	.29
7330B510 956	Brush, bottle, nylon filament, twisted wire wood handle.	.31
7920B510 957	Brush, dish and pan, with scraper, nylon bristles, styrene handle.	.59
8530B510 958	Brush, grooming, nails, hands, shampoo.	.25
7330B510 959	Brush, pastry and basting, twisted wire wood handle.	.32

LAUNDRY ITEMS

7290B510 962	Cover and Pad Set, ironing board, one double coated silicone and one polyurethane pad.	1.44
7290B510 964	Cover, ironing board, silicone, double coated.	.87

MILITARY RESALE PROGRAM ITEMS

LAUNDRY ITEMS—Continued

7290B510 968	Dampening bag, plastic with zipper.	.56
7290B510 970	Washing machine bag, nylon with zipper.	.71
7290B510 974	Clothesline, plastic, rayon reenforced 100 feet.	.73

GENERAL

7210B510 981	Cloth, all-purpose, cotton, pkg. of 2.	.36
7210B510 982	Cloth, polishing and dusting, pkg. of 2 (not treated).	.34
7210B510 984	Cloth, wash, face, pkg. of 2	.38
8450B510 985	Bib, terrycloth, waterproof backing, pkg. of 2.	.48
7220B510 992	Mat, floor, vinyl, utility	1.69
7920B510 993	Sponge, body, bath, circular, assorted colors.	.27
3740B510 994	Swatter, fly, fiber blade, twisted wire handle.	.14

ADDITIONAL ITEMS

Chock assembly, wheel, adjustable rope type

FSN	Price/each		Codit reflecting
	Unpainted	Painted	
1730-294-3694	$4.43	$4.95	$6.25
1730-294-3695	5.73	6.25	7.29
1730-294-3696	9.17	9.95	12.08
1730-063-4095	3.13	3.20	4.32
1730-945-8450	2.08	2.50	3.02

Case, Spectacle:
6540-735-5157 ---------- Each $0.1512

Bedspread:
7210-728-0188 ---------- $4.333
7210-728-0189 ---------- $4.333
7210-728-0186 ---------- $4.333
7210-728-0190 ---------- $4.333
7210-728-0191 ---------- $4.333
7210-728-0187 ---------- $4.333

Cover Mattress, Envelope:
7210-241-9718 ---------- Each $2.84
7210-230-1041 ---------- Each $2.45

Pillow, Bed:
7210-619-8262 ---------- Each $2.94

Cover, Pillow (plastic):
7210-958-9118 ---------- Dozen $5.55

Curtain, Shower:
7230-205-1762 ---------- Each $0.89

Pad, Bakery:
7330-379-4439 ---------- Each $0.54

2-Piece Pressboard Binders:
7510-582-4201 ---------- Box $3.73
7510-281-4309 ---------- Box $3.53
7510-281-4314 ---------- Box $4.69
7510-281-4310 ---------- Box $5.77
7510-619-7952 ---------- Each $0.15
7510-281-4311 ---------- Box $5.06
7510-281-4313 ---------- Box $4.18
7510-281-4315 ---------- Box $5.29
7510-286-7792 ---------- Box $2.87
7510-286-7794 ---------- Box $2.95
7510-582-5488 ---------- Box $5.59
7510-286-7791 ---------- Box $4.70

2-Piece Pressboard Binders—Continued
7510-582-3807 ---------- Box $5.18
7510-582-4198 ---------- Box $3.31
7510-582-4200 ---------- Box $4.48
7510-582-4204 ---------- Box $5.89
7510-582-4205 ---------- Box $3.67
7510-582-4206 ---------- Box $3.68
7510-582-4207 ---------- Box $4.28
7510-582-4197 ---------- Box $2.56
7510-582-4199 ---------- Box $2.49
7510-582-3801 ---------- Box $4.70
7510-582-4203 ---------- Box $3.19
7510-582-3809 ---------- Box $4.76

Pencil, Mechanical:
7520-161-5664 ---------- Each $0.24

Cards, Guide, File and Card Sets, Guide File:
7530-989-0184 ---------- HD $9.20
7530-989-2425 ---------- HD $9.40
7530-988-6541 ---------- HD $5.29
7530-988-6542 ---------- HD $5.29
7530-988-6543 ---------- HD $5.29
7530-988-6549 ---------- HD $5.69
7530-988-6550 ---------- HD $5.69
7530-988-6551 ---------- HD $5.69
7530-988-6544 ---------- HD $4.75
7530-988-6545 ---------- HD $4.75
7530-988-6546 ---------- HD $4.75
7530-988-6547 ---------- HD $4.75
7530-988-6548 ---------- HD $4.75
7530-988-6515 ---------- HD $2.09
7530-988-6516 ---------- HD $2.09
7530-988-6520 ---------- HD $2.52
7530-988-6521 ---------- HD $2.52
7530-988-6517 ---------- HD $2.09
7530-988-6518 ---------- HD $2.09
7530-988-6522 ---------- HD $2.52
7530-989-0698 ---------- Set $0.625
7530-989-0697 ---------- Set $0.755
7530-989-0683 ---------- HD $2.30
7530-082-2635 ---------- HD $2.78
7530-082-2646 ---------- HD $1.70
7530-989-0684 ---------- HD $2.30
7530-989-0686 ---------- HD $2.78
7530-989-0692 ---------- HD $5.32
7530-989-0694 ---------- HD $5.68
7530-989-0693 ---------- HD $4.84
7530-989-0695 ---------- HD $5.30

Handles, Wood:
7920-177-5106 ---------- Each $0.23
7920-141-5452 ---------- Each $0.28
7920-263-0328 ---------- Each $0.245

Brush, Scrub, Vegetable:
7920-324-2746 ---------- Dozen $2.26

Mop, Wet, Cellulose:
7920-432-7117 ---------- Each $1.48

Backing Plates, Plastic (for Army Metal Insignia):
8415-421-7475 ---------- Pair $0.018
8415-421-7476 ---------- Do.
8415-421-7477 ---------- Do.
8415-421-7478 ---------- Do.
8415-421-7479 ---------- Do.
8415-421-7480 ---------- Do.
8415-421-7481 ---------- Do.
8415-421-7482 ---------- Do.
8415-421-7483 ---------- Do.
8415-421-7484 ---------- Do.
8415-421-7485 ---------- Do.

Slide Fastener Unit, Laced Boot:
8430-465-1888 ---------- Pair $1.35
8430-465-1889 ---------- Do.
8430-465-1890 ---------- Do.

NEW ITEMS

CLASS 7210

PILLOW, BED

Fluffy foam cushion. All urethane flaked filling gives firm support. Holds shape after repeated washings. Non-allergenic, mildew-resistant and dustproof. *Std. pack: 12.* Int. Fed. Spec. ZZ-P-001235.
*7210-894-1144.....20 x 26" .....Each $1.47

SHEET, CRIB

Bleached white percale. Unshrunk. Commercial No. 180. 1 to "poly" bag, 48 to carton. Type III, size 1, Fed. Spec. DDD-S-281G.
7210-717-0000.....45 x 72" .....Each $1.12

CLASS 8105

BAG, MOTION SICKNESS

Leakproof, plastic bag for travel emergencies. Plastic covered wire ties at top, 6 x 12" with 3" gusset. Packed in envelope. 1,000 to carton. Fed. Spec. PPP-B-23A and Int. amend. 1.
*8105-835-7212 .....Carton $23.50

CLASS 8120

CAP, COMPRESSED GAS CYLINDER

Steel cap protector for valves of compressed gas cylinder. Class 1, level B. Spec. MIL-C-17376B.
8120-178-9814.....3½" dia. .....Each $1.663
8120-178-0076.....3⅛" dia. .....Each $1.663

CLASS 8460

KIT BAG, FLYER'S

For recovering, carrying, and storing personnel-type parachutes and other equipment. Sage green cotton duck, slide fastener, 2 cotton web handles. 23½" long, 13" wide, 19" high. *Duck cloth, webbing, and tape furnished by ordering agency.*
8460-606-8366 .....Each $2.47

CLASS 8465

BAG, SOILED CLOTHES

Fire-resistant, green saran twill. Round bottom, slide fastener and four hanger straps. 8" dia. 22¼" high. BUSHIPS Dwg. 805-162-9086, rev. G, dated 10/28/64 (with exceptions)
8465-286-5455 .....Each $3.20

* Stocked in GSA Supply Distribution Facilities.

REVISED DESCRIPTIONS

(Supersedes description in January 1971 Schedule of Blind-Made Products)

CLASS 7360

DINING PACKET, DIETETIC

Hospital dietetic dining packets. Color-coded to indicate contents. 500 packets to case. Type and shpg. wt. shown. Int. Fed. Spec. L-D-001363 and amendment 3.

2 sugar packs, salt, pepper, napkin and straw.
*7360-935-6409....Green....(III)....28 lbs.....Case $14.75

CLASS 8105

BAG, COTTON MAILING

Stock Number	Size, inches	No. bundles to container	Shpg. wt., lbs. per container	Price, 100 bags	
				East	West
100 bags to bundle					
*8105-183-6981	3 x 4	24	39	$ 3.12	$ 3.17
*8105-281-3924	3 x 5	24	41	3.46	3.51
*8105-183-6982	4 x 9	20	44	4.87	4.95
*8105-179-0089	4-½ x 8	16	41	4.87	4.95
*8105-281-3925	5 x 7	16	44	4.87	4.95
*8105-271-1511	6 x 9	12	41	6.01	6.12
50 bags to bundle					
*8105-183-6985	5-½ x 14	18	45	7.01	7.12
*8105-174-0836	6-½ x 10	20	43	6.83	6.94
*8105-183-6989	7-½ x 18	12	46	10.00	10.24
*8105-290-3360	8 x 10	16	41	7.55	7.71

DELETIONS

Stock Number	Item name
*8465-205-3073	Bag, water
*8465-205-3074	Bag, water

PRICE CHANGES

REFILL, BALLPOINT PEN

Fine point

*7510-754-2688	Black	Dozen	$0.395
*7510-754-2689	Dark blue	Dozen	$0.391
*7510-754-2690	Green	Dozen	$0.498
*7510-754-2691	Red	Dozen	$0.401

Medium point

*7510-543-6792	Black	Dozen	$0.386
*7510-543-6793	Dark blue	Dozen	$0.382
*7510-754-2687	Green	Dozen	$0.388
*7510-543-6795	Red	Dozen	$0.392

BALLPOINT PEN

*7520-935-7135	fine point	Dozen	$0.833
*7520-935-7136	medium point	Dozen	$0.823

Fine point

*7520-664-5198	Black	Dozen	$0.720
*7520-664-5200	Dark blue	Dozen	$0.716
*7520-663-0059	Green	Dozen	$0.722
*7520-664-5197	Red	Dozen	$0.726

Medium point

*7520-298-7045	Black	Dozen	$0.711
*7520-754-2516	Dark blue	Dozen	$0.706
*7520-298-7046	Green	Dozen	$0.713
*7520-754-2517	Red	Dozen	$0.717
*7520-543-7149	Dark blue	Dozen	$1.647

PACKING CHANGES

BROOM, WHISK

Shpg. wt. 40 lbs. for carton of 144.

TRAFFIC SAFETY CLOTHING

8415-177-4978.....12 and 720 to carton.

SPECIFICATION CHANGES

BELT, AUTOMOBILE SAFETY, LAP

Change Fed. Spec. JJ-B-185A to DOT MVSS 209.

BRUSH, SANITARY

Change Fed. Spec. H-B-481C to Int. Fed. Spec. H-B-00481D.

APRON, CONSTRUCTION WORKER'S

Change Int. Fed. Spec. DDD-A-001466 Fed. Spec. DDD-A-1466A.

APRON, FOOD SERVING

Change VA Description 7150428A to VA Spec. X-1303.

CLOTHES STOP

Change Spec. MIL-C-20006D to MIL-D-20006E.

SUSPENDERS, FIELD PACK

Change Spec. MIL-S-40160B to MIL-S-40160C.

OTHER CHANGES

Under "Procedure for Purchase," second par., change address to:

National Industries for the Blind
1511 K Street, NW
Washington, D.C. 20005

MOPHEAD, WET

Four-ply yarn. Change Style 2 to Style 1. (For Public Service use.)

* Stocked in GSA Supply Distribution Facilities.

[FR Doc.71-12143 Filed 8-25-71;8:45 am]

federal register

THURSDAY, AUGUST 26, 1971
WASHINGTON, D.C.
Volume 36 ■ Number 166

PART III

DEPARTMENT OF THE TREASURY

Comptroller of the Currency

■

INTERPRETIVE RULINGS

Title 12—BANKS AND BANKING

Chapter I—Bureau of the Comptroller of the Currency, Department of the Treasury

PART 7—INTERPRETIVE RULINGS

This part will include for the first time a codified body of interpretive rulings which heretofore were published only in the Comptroller's Manual for National Banks and in similar earlier manuals. These rulings, which interpret and apply the laws and regulations relating to national banks and general principles of prudent banking, have become of increasing importance not only to national banks but to persons dealing with national banks and to the public generally. The Comptroller has accordingly concluded that the public interest requires the publication of these rulings in the Code of Federal Regulations. Concurrently with this publication the Comptroller is publishing these rulings in a new edition of the Manual.

The following table indicates where subjects formerly appearing in Part 7—Intepretations will be found in either the new Part 7—Interpretive Rulings or elsewhere.

Old reference	Subject	New reference
7.2	Service charges	7.8000.
7.3	VA mortgages	7.2145(b).
7.5	Appointment of directors	7.4305(b).
7.6	Preemptive rights	7.6050.
7.7	Capital notes	7.1100(b).
7.9	Loans to executive officers	Part 215 of this title.
7.10	Operations subsidiaries	7.7376.

This part and the new edition of the Manual reflect some substantive changes of policy from that appearing heretofore. A description of these changes follows. These brief descriptions do not affect the legal status of the text of the ruling which alone is controlling. The numerical references are to sections appearing in this part or to Manual paragraphs which have been deleted.

Section or paragraph No.	*Description of change*
1132	Deleted. Repurchase agreements covering mortgage loans are now subject to borrowing limits. See 7.7005.
1175	Deleted. In rem loans no longer excepted from lending limits.
7.1185	Changes to conform to principle of the Investment Security Regulation (Part 1 of this chapter). Public body guaranteeing a loan must have general taxing power in order for a loan to be excepted from lending limits.
1190	Deleted. Loans secured by municipal securities are no longer excepted from lending limits.
7.2125	A sentence added to paragraph (d) states that renewals of 1-year real estate loans must conform to amortization requirements.
7.2145	Paragraph (f) was changed to conform to the principle of the Investment Security Regulation (Part 1 of this chapter). Public body guaranteeing a loan must have general taxing power in order for a loan to be excepted from real estate lending limits.
7.2400	New paragraph (c) states that apartment houses are considered residential rather than commercial for purpose of statute.
7.4210	Paragraph (a) was changed to permit joint ownership of directors' qualifying shares; new paragraph (e) was added to permit inter vivos trust of directors' qualifying shares.
7.5225	Certain reports of mysterious disappearances under $1,000 were eliminated.
5235	Deleted. Definition of executive officer is found in Part 215 of this title.
6060	Deleted. Prior approval of voting trusts is no longer required.
7.7016	New section. It embodies the office position distinguishing a letter of credit from a guaranty.
7110	Deleted in view of uncertainty caused by decision of court in Georgia Association of Independent Insurance Agents v. Saxon.
7377	Deleted. Storage warehouse is no longer considered a proper incidental activity.
7.7435	Rewritten to emphasize the local nature of the problem of holiday closings. No Federal law.
7.7479, 7.7480.	7480 was divided into two parts: 7.7479 interprets the statute on charitable contributions; 7.7480 permits limited investment in community development projects.
7.7490, 7.7491.	Messenger service and deposit machines. A sentence was added to conform to the decision of the court in Dickinson v. First National Bank in Plant City.
7.7519	New section. Loans sold with repurchase obligation are considered to be borrowings by selling bank.

Ruling 7.4215 is not included in the FEDERAL REGISTER since it merely restates and does not interpret the statutes cited.

Part 7, Chapter I, Title 12 of the Code of Federal Regulations of the United States of America, is amended to read as follows:

Subpart A—Lending Limits

OBLIGATIONS SUBJECT TO LENDING LIMITS

COMBINING LOANS TO SEPARATE BORROWERS

EXCEPTIONS TO 10 PERCENT LENDING LIMIT

Subpart B—Loans Secured by Real Estate

AUTHORITY: The provisions of this Part 7 issued under R.S. 324 et seq., as amended; 12 U.S.C. 1 et seq.

Subpart A—Lending Limits

OBLIGATIONS SUBJECT TO LENDING LIMITS

§ 7.1100 Lending limits.

(a) *Law—12 U.S.C. 84.*

The total obligations to any national banking association of any person, copartnership, association, or corporation shall at no time exceed 10 per centum of the amount of the capital stock of such association actually paid in and unimpaired and 10 per centum of its unimpaired surplus fund.

[For exceptions to lending limits, see § 7.1510 et seq.]

(b) *Unimpaired surplus.* The term "unimpaired surplus fund" as used in 12 U.S.C. 84 includes all capital accounts (other than capital stock), derived from either paid-in capital funds or retained earnings, not subject to known charges, and which are considered interchangeable by resolution of the bank's board of directors.

(1) Some examples of capital accounts which are includable in the term "unimpaired surplus fund" are:

(i) Surplus (paid-in or earned);

(ii) Undivided profits (paid-in or earned—unearned income must be deducted);

(iii) Reserve for loan losses or bad debts, less the amount of tax which would become payable with respect to the tax-free portion of the reserve if such portion were transferred from the reserve;

(iv) Valuation reserve for securities;

(v) Reserve for contingencies;

(vi) The proceeds of capital notes, capital debentures, or other similar obligations, subordinated in right of payment to the prior payment in full of all deposit liabilities.

(2) Accounts which are subject to known specific charges are not includable in the "unimpaired surplus fund." Some examples of such accounts are:

(i) Reserve for dividends declared;

(ii) Reserve for taxes, interest and expenses.

(The above definition of "unimpaired surplus fund" also is used in computing other statutory limitations. See § 7.7545.)

§ 7.1105 Purchase of open accounts.

(a) *General.* The purchase of open accounts is a part of the business of banking and within the power of a national bank. Such accounts need not in every case represent an evidence of debt.

(b) *Export transactions.* A national bank may also purchase open accounts in connection with export transactions,

particularly when the accounts are protected by insurance such as that provided by the Foreign Credit Insurance Association and the Export-Import Bank.

§ 7.1110 Purchase of paper: repurchase agreements.

Where a bank buys third party paper (including open accounts), but the seller agrees to repurchase it upon default, the seller's obligation to repurchase is subject to the lending limit and is measured by the total unpaid balance of the paper owned by the bank less the applicable seller's reserves against defaulted paper, if any. Where the seller's obligation to repurchase is limited, it is measured by the total amount of paper the seller may ultimately be obligated to repurchase.

§ 7.1115 Purchase of paper: seller's reserve.

Where no more than an agreed percentage of the price paid for third party paper is retained and credited to a reserve to be held as a form of collateral security, and where the bank has no direct or indirect recourse against the seller for uncollectibility, neither the reserve nor the obligations of the parties liable on such paper constitute obligations of the seller subject to the lending limit.

§ 7.1120 Obligations charged off in whole or in part.

The lending limit applies to all existing obligations of the customer to the bank, including obligations whch have been charged off on the books of the bank either in whole or in part. It does not apply to obligations which have become unenforceable by reason of a discharge in bankruptcy.

§ 7.1125 Obligations of accommodation parties.

(a) Law—12 U.S.C. 84:

The term "obligations" shall mean the direct liability of the maker or acceptor of paper discounted with or sold to such association and the liability of the endorser, drawer, or guarantor who obtains a loan from or discounts paper with or sells paper under his guaranty * * *.

(b) The liability of a maker, acceptor, drawer, endorser, or guarantor is an obligation within the meaning of this section when the party has obtained a loan or has sold or discontinued the paper.

(c) The liability of an endorser, drawer, or guarantor who does not receive any of the proceeds of the loan or discount from the bank is ordinarily not considered an obligation of such endorser, drawer, or guarantor for the purposes of 12 U.S.C. 84.

§ 7.1130 Sale of Federal Reserve funds to another bank.

When a bank purchases Federal Reserve funds from another bank, the transaction ordinarily takes the form of a transfer from a seller's account in a Federal Reserve Bank to the buyer's account therein, payment to be made by the purchaser, usually with a specified fee. The transaction does not create on the part of the buyer an obligation subject to 12 U.S.C. 84 or a borrowing subject to 12 U.S.C. 82, but is to be considered a purchase and sale of such funds.

§ 7.1131 Purchase or sale of securities: resale or repurchase agreement.

The purchase or sale of securities by a bank, under an agreement to resell or repurchase at the end of a stated period, is not a borrowing subject to 12 U.S.C. 82 nor an obligation subject to the lending limit of 12 U.S.C. 84.

§ 7.1135 Sale of loan participations: agreement on effect of default.

Where a participation in a loan is sold to another bank the agreement may provide that repayment must first be applied to the share sold. Since one of the purposes of such a sale may be to reduce the bank's retention of loans which may exceed its lending limit, the agreement should as a matter of prudent banking practice also provide that, in the event of default or a comparable event defined in the agreement, the participants shall share in all subsequent repayments and collections in proportion to the percentage of participation at the time of the happening of the event.

§ 7.1150 Interest or discount on loan.

The lending limit applies, without regard to the form of the obligation, to the amounts actually advanced by the bank and not to any interest which may accrue thereon.

§ 7.1160 Commitments to lend or pay.

An agreement to lend to a customer or to pay others for its account, under irrevocable sight letters of credit or otherwise, does not result in an obligation subject to the lending limit until the bank is required to make the advance or payment. The making and management of agreements of this nature will require the exercise of prudent banking judgment to prevent the creation of loans in excess of the lending limit.

§ 7.1161 Overdrafts.

The use of overdrafts which represent prearranged financing is a legal means of extending credit. Significantly sizable overdrafts will be reviewed for credit quality and adherence to statutory lending limits in the same manner as other loans.

§ 7.1180 Investment securities: separate limitation.

The lending limits prescribed by 12 U.S.C. 84 are separate and distinct from the investment limits prescribed by 12 U.S.C. 24. Accordingly, a national bank may make loans to one borrower to the full amount permitted by 12 U.S.C. 84 and also hold eligible investment securities of the same obligor to the full amount permitted by 12 U.S.C. 24.

§ 7.1181 Loan to industrial development authority.

A loan or other extension of credit to an industrial development authority or similar public entity created for the purpose of constructing and leasing a plant facility to an industrial occupant is not an obligation of the authority for the purpose of 12 U.S.C. 84 if: (a) The bank relies on the credit of the industrial occupant in making the loan; (b) the authority's liability with respect to the loan is limited solely to whatever interest it has in the particular facility; (c) the authority's interest is assigned to the bank as security for the loan; and (d) the industrial occupant's lease rentals are assigned and paid directly to the bank.

§ 7.1185 Loan or credit guaranteed by State or political subdivision.

To the extent a loan or other extension of credit to a bank customer is guaranteed by a State or political subdivision thereof, possessing general powers of taxation, including property taxation, the loan or credit extension is not an obligation of the customer for the purpose of 12 U.S.C. 84 if the guarantee is supported by a pledge of the full faith and credit of the State or subdivision. The lending bank should obtain the opinion of competent counsel that the guaranty is a valid and enforceable obligation of the public body. See §§ 1.3(g) of this chapter and 7.2145 (a) and (f).

COMBINING LOANS TO SEPARATE BORROWERS

§ 7.1310 Loans to corporations and their subsidiaries.

(a) *Law—12 U.S.C. 84.*

The total obligations to any national banking association of any person, copartnership, association, or corporation shall at no time exceed 10 per centum of the amount of capital stock of such association actually paid in and unimpaired and 10 per centum of its unimparied surplus funds. The term "obligations" * * * shall include in the case of obligations of a copartnership or association the obligations of the several members thereof and shall include in the case of obligations of a corporation all obligations of all subsidiaries thereof in which such corporation owns or controls a majority interest. * * *

(b) *Purpose.* The section is intended to prevent one individual, or a relatively small group, from borrowing an unduly large amount of the bank's deposits for the use of the particular business enterprises in which they are engaged. It is intended to safeguard the bank's depositors by spreading the loans among a relatively large number of persons engaged in different lines of business.

(c) *General rules.* (1) Obligations of a parent corporation shall be combined with obligations of all subsidiary corporations in which the parent owns or controls a majority interest.

(2) If the parent corporation is not borrowing, obligations of subsidiary corporations are generally not combined except in the following situations:

(i) Bank is looking to a single source for repayment of the loan.

(ii) One or more loans is for the accommodation of the parent corporation or other subsidiary.

(iii) The borrowing corporations are not separate concerns in reality but merely departments or divisions of a single enterprise.

(3) Obligations of a corporation must be combined with any other extension of credit the proceeds of which are used for the benefit of the corporation.

§ 7.1320 Loans to members of a partnership or association.

(a) Under 12 U.S.C. 84 the obligations of the several members of a partnership, regardless of the purpose or the use of proceeds, are required to be combined with obligations of the partnership.

(b) In addition, where persons engaged in a common enterprise, whether in the form of a partnership, joint venture, or other association, individually borrow funds which are to be used in that enterprise, the loans must be considered as a single credit.

EXCEPTIONS TO 10-PERCENT LENDING LIMIT

§ 7.1500 General principle as to exceptions.

(a) LAW—12 U.S.C. 84:

Such limitation of 10 per centum shall be subject to the following exceptions: * * *

(b) The general rule is that advances to any one customer shall not exceed 10 percent of capital and surplus, and situations in which it is permissible to go beyond this limit are exceptions. Larger loans are permitted only in exceptional circumstances, and an exception to the 10-percent limit is not applicable unless the transaction meets the standard.

§ 7.1510 Exception 1: Drafts and bills of exchange.

(a) *Law—12 U.S.C. 84(1).*

[Such limitation of 10 per centum shall be subject to the following exceptions:]

(1) Obligations in the form of drafts or bills of exchange drawn in good faith against actually existing values shall not be subject under this section to any limitation based upon such capital and surplus.

(b) *General scope.* Exception 1 applies to negotiable drafts and to bills of exchange drawn by the seller of commodities upon the purchaser and bearing the acceptance of the latter, or drawn by the purchaser of commodities upon his bank and endorsed by the seller. In order to qualify under exception 1, drafts or bills of exchange must be two name paper. Thus, unaccepted drafts are not eligible, nor are bills of exchange endorsed without recourse or not endorsed.

(c) *Drafts payable on demand or at sight.* (1) Demand or sight drafts should be presented to the drawee for payment and not for acceptance. If such a draft is accepted instead of being paid the liability of the drawer would ordinarily be discharged. A bank purchasing the instrument would not be protected by the liability of both parties to a current mercantile transaction and, consequently, the obligation would not be eligible under exception 1.

(2) A demand or sight draft executed and endorsed to the bank in such a manner as to preserve the negotiability of the instrument and the liability of both the buyer and the seller of the goods is eligible under exception 1. An appropriate waiver by the drawer of demand for acceptance and payment will ordinarily preserve the liability of the drawer after acceptance by the drawee.

(d) *Drafts where the drawer is not to be held liable.* Where there is a tacit or express understanding of all the parties concerned that the drawer is not to be held liable and the bank does not rely upon the credit of the drawer, the paper is not eligible under exception 1. Examples of this nature may occur when drafts are drawn by the grower of agricultural products upon the buyer thereof.

(e) *Drafts payable a specified period after arrival of shipment.* A draft payable a specified period after arrival of a shipment is not eligible under exception 1. Since the arrival of a shipment is not certain such a condition impairs the instrument's negotiable character. See § 7.1530(e).

(f) *Drafts where a buyer and a seller are not parties.* Where the parties to a draft do not include the buyer and the seller in an actual sale of a commodity, the draft is not eligible under exception 1. Examples:

(1) A draft drawn by a purchasing agent on his principal covering shipments of the commodities to the latter.

(2) A draft drawn by a principal upon his selling agent in connection with a shipment forwarded to the agent for sale.

(3) A draft drawn by one corporation on an affiliated corporation where both are parts of a single coordinated business enterprise.

§ 7.1520 Exception 2: Discount of commercial and business paper.

(a) *Law—12 U.S.C. 84(2).*

[Such limitation of 10 per centum shall be subject to the following exceptions:]

(2) Obligations arising out of the discount of commercial or business paper actually owned by the person, copartnership, association, or corporation negotiating the same shall not be subject under this section to any limitation based upon such capital and surplus.

(b) *General scope.* (1) Exception 2 applies to negotiable paper given in payment of the purchase price of commodities purchased for resale or to be used in connection with the fabrication of a product, or to be used for any other business purpose which may reasonably be expected to provide funds for payment of the paper, and bearing the full recourse endorsement of an actual owner.

(2) It also applies to the renewal of such paper when the renewal is consistent with these conditions.

(3) It also applies to negotiable paper given in payment of the purchase price of commodities in export transactions. In such cases it may bear the full recourse endorsement of an actual owner or may be endorsed by such owner without recourse or with limited recourse, or may be accompanied by a separate agreement for limited recourse, but if endorsed without full recourse, must be supported by an assignment of appropriate insurance covering the foreign, political, and credit risks applicable to the paper. The insurance provided by the Export-Import Bank and the Foreign Credit Insurance Association is considered appropriate insurance for this purpose and the paper for which it may be used is considered to be commercial or business paper to which exception 2 is applicable.

(4) This exception does not ordinarily apply to nonnegotiable paper and does not ordinarily apply to negotiable paper arising out of the purchase by consumers of consumer goods. Obligations on the part of the seller of such paper may be considered under exception 13.

(c) *Overdue commercial paper.* (1) When paper meets the requirements of exception 2, neither the obligation of the maker nor that of the endorser need be taken into account when applying the lending limits, so long as the paper is kept current as to principal and interest payments due. However, since the reason for the unlimited credit under exception 2 is that the paper arises from the sale of a commodity which may reasonably be expected to provide funds for payment of the paper, failure to pay either principal or interest when due removes the reason for the unlimited credit. Hence, although the line of credit to the maker or the endorser of such paper should not be classified as excessive by reason of such default, the paper on which the default has occurred must thereafter be taken into consideration in determining whether an additional extension of credit can be made within the limits of 12 U.S.C. 84 to either the maker or the endorser of such paper.

(2) If the bank renews exception 2 paper, or receives in its stead a new note signed by the same maker and indorsed by the same indorser (for either an installment or the whole note), such extended or renewed notes must be regarded as though the bank had made a new extension of credit in that amount. See § 7.1540(f).

§ 7.1530 Exception 3: Obligations secured by goods in shipment.

(a) *Law—12 U.S.C. 84(3).*

[Such limitation of 10 per centum shall be subject to the following exceptions:]

(3) Obligations drawn in good faith against actually existing values and secured by goods or commodities in process of shipment shall not be subject under this section to any limitation based upon such capital and surplus.

(b) *General scope.* Exception 3, like exception 1, relates to obligations drawn in good faith against actually existing values. The obligations must be secured by goods or commodities in process of shipment, but the form of the obligation is not specified. It is, accordingly, immaterial whether the obligation is negotiable or nonnegotiable and whether it is one name or two name paper. The remaining requirements clearly indicate, however, that exception 3 relates only to paper arising in connection with a sale transaction.

(c) *In process of shipment.* (1) The phrase "in process of shipment" embraces mainly the period of time when the good or commodities are in the hands of a carrier and actualy in transit. It may also include the period required for assembling the goods at the warehouse of the carrier and the time the

goods are in such warehouse awaiting suitable shipping facilities.

(2) It is not essential that the goods be in continuous motion toward the consignee, but all of the steps necessary to accomplish the ultimate delivery of the goods to a specified destination must have been taken by the shipper and the goods must be in the hands of the carrier with instructions to thus deliver them to that destination. Goods or commodities which are merely stored in a warehouse with the expectation that at some future date they will be sold or shipped are not "in process of shipment."

(d) *Secured by goods or commodities.* The requirement that exception 3 paper be "secured by goods or commodities in process of shipment" is satisfied only if the notes or drafts held by the bank are accompanied by order bills of lading. Such shipping documents give the bank effective legal control of, and security title to, the shipments and prevent diversion of the goods by the shipper. This is not true with respect to invoices, bills of sale, straight bills of lading, chattel mortgages, etc., and consequently documents of these types are not eligible security for the purposes of exception 3.

(e) *Drafts payable a specified period after arrival of a shipment.* A draft payable a specified period after the arrival of a shipment which is not eligible under exception 1 (see § 7.1510(e)) is eligible under exception 3 when accompanied by an order bill of lading covering the shipment.

§ 7.1540 Exception 4: Guaranty of short-term paper.

(a) *Law—12 U.S.C. 84(4).*

[Such limitation of 10 per centum shall be subject to the following exceptions:]

(4) Obligations as indorser or guarantor of notes, other than commercial or business paper excepted under (2) hereof, having a maturity of not more than 6 months, and owned by the person, corporation, association, or copartnership indorsing and negotiating the same, shall be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus.

(b) *Obligations as endorser or guarantor.* For the definition of this phrase as used in 12 U.S.C. 84 see § 7.1125.

(c) *Separate guaranty or repurchase agreement.* Exception 4 applies not only to endorsement and guaranties appearing on the instruments themselves, but also applies to guaranties or repurchase agreements embodied in separate documents, provided the notes covered thereby are adequately identified.

(d) *Having a maturity of not more than 6 months.* The six months maturity mentioned in exception 4 refers to the period of time from (1) the date on which the notes are acquired by the bank to (2) the final maturity of the endorsed or guaranteed notes. An agreement to repurchase in not more than 6 months a note having a later maturity is not eligible under exception 4.

(e) *Demand notes.* Exception 4 also applies to endorsements and guaranties of demand notes owned by the endorser or guarantor, but it ceases to be applicable, in the case of a demand note, 6 months after such note is acquired by the bank.

(f) *Overdue paper: renewals and extensions.* (1) Where a national bank holds endorsed or guaranteed notes under exception 4, such notes, after they mature, are no longer within the scope of that exception, and they must thereafter be included among the endorser's or guarantor's obligations subject to the 10-percent limit.

(2) If such matured paper is carried in an overdue status, an excessive loan to the endorser or guarantor is not created thereby, although the dollar amount of such paper must be taken into consideration in applying the 10-percent limit to new extensions of credit to the endorser or guarantor. However, if the bank extends the maturity or accepts renewal notes, the extended or renewed notes must be regarded as though the bank had made a new extension of credit in that amount. Renewed or extended exception 4 paper will not again qualify under exception 4. Therefore, if the endorser or guarantor already had a direct obligation to the bank equal to its 10-percent limit, renewal or extension of matured exception 4 paper would bring the endorser's or guarantor's line above the 10-percent limit permitted by 12 U.S.C. 84. Renewed or extended exception 2 paper may, however, qualify under exception 4. See § 7.1520(c).

§ 7.1550 Exception 5: Banker's acceptances.

(a) *Law—12 U.S.C. 84(5).*

[Such limitation of 10 per centum shall be subject to the following exceptions:]

(5) Obligations in the form of banker's acceptances of other banks of the kind described in (12 U.S.C. 372) shall not be subject under this section to any limitation based upon such capital and surplus.

(b) *General scope.* The obligations described in 12 U.S.C. 372 arise out of the acceptance of time drafts or bills of exchange drawn on the bank which grow out of transactions involving the importation or exportation of goods; or which grow out of transactions involving domestic shipment of goods provided certain security requirements are met. These obligations are subject to certain limitations set forth or provided for in 12 U.S.C. 372. See § 7.7420 as to use of banker's acceptances to finance credit transactions.

(c) *Acceptance by bank on behalf of customer.* A national bank may obligate itself as acceptor on a time draft drawn for the account of a particular customer even though the other obligations of that customer to the bank are equal to the bank's legal limit under 12 U.S.C. 84. The limitations of 12 U.S.C. 84 on the amount which may be lent by a national bank to one borrower are separate and distinct from the limitations of 12 U.S.C. 372 and in no way restrict the amount of time drafts that a member bank may accept for any one person, firm or corporation. If, however, the bank purchases its own acceptances under the foregoing circumstances it must treat the transaction as a loan and not as an acceptance and would have to include the amount thereof with other obligations of the customer in applying the limitations of 12 U.S.C. 84.

§ 7.1560 Exception 6: Loans secured by shipping documents or warehouse receipts covering readily marketable staples.

(a) *Nature of security—(1) Law—12 U.S.C. 84(6).*

[Such limitation of 10 per centum shall be subject to the following exceptions:]

(6) Obligations of any person * * * in the form of notes or drafts secured by shipping documents, warehouse receipts or other such documents transferring or securing title covering * * * staples * * *.

(2) *General principles.* For the purposes of exception 6, the important characteristic of warehouse receipts and order bills of lading is that the holder of such a document has control of the commodity and can obtain immediate possession. In the event of default on a loan secured by such documents, the bank would be in a position to sell the underlying commodity and promptly transfer title and possession to the purchaser, thus being able to protect itself without extended litigation. This is not true of trust receipts, chattel mortgages, and similar documents, so that documents of these types are not eligible security for loans under exception 6.

(3) *Field warehouse receipts.* Field warehouse receipts may be acceptable collateral under exception 6 whenever the receipts are issued by a duly bonded and licensed grain elevator or warehouse, having exclusive possession and control of the commodities covered thereby, even though the grain elevator or warehouse is maintained on the commodity owner's premises.

(4) *Pledge of commodities to bank.* In cases where it is not possible to establish and maintain a satisfactory field warehousing plan, it is sometimes feasible to comply with exception 6 through a pledge arrangement. The requirements of exception 6 may be satisfied by a pledge of eligible commodities to the lending bank or its agent, even though the pledged commodities remain on the borrower's premises. If an agent of the bank, acting on its behalf, actually has exclusive possession and control of the pledged property, under an arrangement which is valid under the law of the State and gives the bank power to transfer title and possession, the bank as pledgee would have protection substantially equal to that provided by shipping documents or warehouse receipts.

(5) *Warehouse receipts issued by the borrower.* Warehouse receipts issued by the borrower-owner which is a grain elevator or warehouse company, duly bonded and licensed and regularly inspected by State or Federal authorities, may be considered eligible collateral under exception 6 only when the receipts are registered with an independent registrar whose consent is required before the commodities covered thereby may be withdrawn from the warehouse. Warehouse receipts registered in this

manner are issued only in a limited number of markets.

(b) *Nature of commodities*—(1) *Law 12 U.S.C. 84(6).*

Obligations * * * secured by * * * readily marketable nonperishable staples when such property is fully covered by insurance, if it is customary to insure such staples * * *.

* * * * *

Obligations * * * secured by * * * refrigerated or frozen readily marketable staples when such property is fully covered by insurance * * *.

(2) *Readily marketable staples.* (i) A readily marketable staple may be defined as an article of commerce, agriculture, or industry of such uses as to make it the subject of dealings in a ready market with sufficiently frequent quotations of prices as to make (*a*) the price easily and definitely ascertainable, and (*b*) the staple itself easy to realize upon by sale at any time. Although exception 6 is not limited to staples which are traded in constantly on an organized market, it does require the existence of sufficiently regular and continuous trading to assure the bank that, if it becomes necessary to sell the collateral in order to collect the loan, the staple could be readily sold by the bank at a price approximately ascertainable in advance and not involving any considerable sacrifice from the amount, at which it is valued as collateral.

(ii) Exception 6 is designed primarily to apply to such basic commodities as wheat and other grains, cotton, wool, basic metals such as tin, cooper, and lead and the like. With few exceptions, fabricated commodities, unlike such uniform staples, do not constitute standardized interchangeable units regardless of the manufacturer and, accordingly, they do not possess the same broad marketability and do not qualify as readily marketable staples.

(iii) Whether a commodity is readily marketable necessarily depends upon existing conditions, and a commodity which qualifies at one time might cease to be such at a later date because of fundamental changes in supply or scope of usefulness, for example, by which the extent and steadiness of market demand were greatly reduced.

(3) *Nonperishable staples.* Commodities sometimes fail to qualify as nonperishable because of the manner in which they are to be handled or stored during the life of the particular loan, even though the same commodity, if handled and stored in a manner in which it is protected against spoilage for a period of the loan, may qualify as nonperishable. Accordingly, the question whether certain staples are nonperishable is a question of fact to be separately ascertained in each case.

(4) *Refrigerated or frozen staples.* Exception 6 expressly covers obligations secured by refrigerated or frozen readily marketable staples when such property is fully covered by insurance.

(c) *Lending limits*—(1) *Nonperishable staples; collateral required.* (i) The lending limit applicable to loans made under exception 6 and secured by nonperishable staples depends upon the percentage by which the market value of the staples exceeds the amount of the loan or a portion thereof. That is, when the market value of the staples is not less than 115 percent of the amount of the loan, the lending limit is 25 percent of the bank's capital and surplus. The lending limit may be increased an additional 5 percent when the market value of the staples securing the additional obligation is not less than 120 percent of the face amount of such additional obligation. A further additional 5 percent is permitted when the market value of the collateral for the additional obligation is not less than 125 percent of such additional obligation. The lending limit increases in this manner to a maximum of 50 percent when the market value of the collateral securing the final additional obligation authorized is not less than 140 percent of such additional obligation.

(ii) Example: The following example illustrates the minimum collateral requirements for loans made under exception 6 to one obligor in the case of a national bank having unimpaired capital and surplus of $100,000:

Percent of unimpaired capital and surplus	Amount of loan	Minimum collateral at all times		
		Required percent of loan portions	Required value	
10	$10,000	0	0	
15 Additional	15,000 Additional	115	$17,250	
5 do	5,000 do	120	6,000	Additional.
5 do	5,000 do	125	6,250	Do.
5 do	5,000 do	130	6,500	Do.
5 do	5,000 do	135	6,750	Do.
5 do	5,000 do	140	7,000	Do.
50	50,000		49,750	

(2) *Refrigerated or frozen staples: collateral required.* A lending limit of 25 percent of the bank's capital and surplus is applicable to loans under exception 6 secured by refrigerated or frozen readily marketable staples having a market value of not less than 115 per cent of the loan.

(3) *Time limit on applicability of collateral required.* Exception 6 is applicable to the obligation of any one person arising from a single transaction or secured by the same staples for not more than 10 months when the obligation is secured by nonperishable staples and for not more than 6 months when the obligation is secured by refrigerated or frozen staples.

§ 7.1570 Exception 7: Loans secured by livestock and dairy cattle.

(a) *Loans secured by livestock*—(1) *Law—12 U.S.C. 84(7).*

[Such limitation of 10 per centum shall be subject to the following exceptions:]

(7) Obligations of any person * * * in the form of notes or drafts secured by shipping documents or instruments transferring or securing title covering livestock or giving a lien on livestock when the market value of the livestock securing the obligation is not at any time less than 115 per centum of the face amount of the notes covered by such documents shall be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus * * *.

(2) *Application.* This first sentence of exception 7 covers obligations which are secured by first liens on readily marketable livestock (dairy and beef cattle, hogs, sheep, goats, horses and mules, poultry, and fish) whether or not such livestock are held for resale.

(3) *Grazing lien on livestock.* Under the laws of certain states, a person furnishing pasturage under a grazing contract may have a lien on the livestock for the amount due for pasturage. If the lien which is based on pasturage furnished by the lienor prior to the making of the loan (i) is assigned to the bank by a recordable instrument and (ii) is protected against being defeated by some other lien or claim, by payment to a person other than the bank, or otherwise, it would qualify under exception 7, provided the amount of such perfected lien is at least equal to the amount of the loan and the value of the livestock is at no time less than 115 per centum of the loan. Where the amount due under the grazing contract is dependent upon future performance thereunder, the resutling lien has merely prospective value and does not meet the requirements of exception 7.

(b) *Loans secured by dairy cattle.*—(1) *Law—12 U.S.C. 84(7).*

[Such limitation of 10 per centum shall be subject to the following exceptions:]

(7) * * * Obligations arising out of the discount by dealers in dairy cattle of paper given in payment for dairy cattle, which bear a full recourse endorsement or unconditional guarantee of the seller and are secured by the cattle being sold, shall be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus.

(2) *Application.* This second sentence of exception 7 applies to obligations arising out of the discount by dealers in dairy cattle of paper given in payment for dairy cattle bearing the full recourse endorsement or unconditional guarantee of the seller and secured by liens on the cattle being sold.

(c) *Character of lien.* Liens of the type contemplated by exception 7 are generally in the form of recorded chattel mortgages or bills of sale but may arise in other ways if the security provided is substantially equivalent to that afforded by a recorded chattel mortgage.

§ 7.1580 Exception 8: Loans secured by U.S. obligations.

(a) Law—12 U.S.C. 84(8).

(b) Regulation—See Part 6 of this title.

§ 7.1590 Exception 9: Loans to banks with the approval of the Comptroller of the Currency.

(a) Law—12 U.S.C. 84(9).

§ 7.1600 Exception 10: Take-over commitment by an agency of the Federal Government.

(a) *Law—12 U.S.C. 84(10).*

[Such limitation of 10 per centum shall be subject to the following exceptions:]

(10) Obligations shall not be subject under this section to any limitation based upon such capital and surplus to the extent that such obligations are secured or covered by guaranties, or by commitments or agreement to take over or to purchase, made by any Federal Reserve bank or by the United States or any department, bureau, board, commission, or establishment of the United States, including any corporation wholly owned directly or indirectly by the United States: *Provided,* That such guaranties, agreements, or commitments are unconditional and must be performed by payment of cash or its equivalent within 60 days after demand. The Comptroller of the Currency is hereby authorized to define the terms herein used if and when he may deem it necessary.

(b) *General scope.* Exception 10 applies to obligations, or portions thereof, with respect to which there is an unconditional guaranty, takeover agreement, or commitment by an agency of the Federal government to be performed by the payment of cash or its equivalent within 60 days after demand for payment is made. Exception 10 applies to loans insured by the Federal Housing Administration.

(c) *Definition of "unconditional".* (1) A Federal agency's guaranty, agreement, or commitment to take over or purchase is unconditional if the protection afforded the bank is not substantially diminished or impaired in the case of loss resulting from factors beyond the bank's control.

(2) Protection against loss is not materially diminished or impaired by procedural requirements, such as an agreement to take over only in the event of default, including default over a specified period of time, a requirement that notification of default be given within a specified period after its occurrence, or a requirement of good faith on the part of the bank.

§ 7.1610 Exception 11: Obligations of a local public agency.

(a) Law—12 U.S.C. 84(11).

§ 7.1620 Exception 12: Loans insured by the Secretary of Agriculture.

(a) *Law—12 U.S.C. 84(12).*

[Such limitation of 10 per centum shall be subject to the following exceptions:]

(12) Obligations insured by the Secretary of Agriculture pursuant to the Bankhead-Jones Farm Tenant Act, as amended, or the Act of August 28, 1937, as amended (relating to the conservation of water resources), or sections 1471–1485 of Title 42, shall be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus.

(b) *Amendment.* The Consolidated Farmers Home Administration Act of 1961 superseded and repealed the Act of August 28, 1937, and repealed titles I, II, and IV of the Bankhead-Jones Farm Tenant Act. Exception 12 should be construed as also applying to obligations insured pursuant to provisions of the Consolidated Farmers Home Administration Act which amended or superseded provisions of the Bankhead-Jones Farm Tenant Act.

§ 7.1630 Exception 13: Obligations as endorser or guarantor of installment consumer paper.

(a) *Law—12 U.S.C. 84(13).*

[Such limitation of 10 per centum shall be subject to the following exceptions:]

(13) Obligations as endorser or guarantor of negotiable or nonnegotiable installment consumer paper which carries a full recourse endorsement or unconditional guarantee by the [seller] * * * shall be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus: * * *.

[See proviso in section 7.1630(e)(1).]

(b) *General scope of exception.* This exception applies to negotiable or nonnegotiable installment consumer paper which carries a full recourse endorsement or unconditional guaranty by the seller transferring same. The obligations of an endorser or guarantor of such paper are subject to a limitation equal to 25 per centum of the bank's capital and surplus, except that no limitation is applicable to such obligations when the bank certifies that it is relying primarily upon the maker of the paper for the payment thereof.

(c) *Definition of "consumer" and "consumer paper".* (1) The term "consumer" includes the user of any product, commodity, goods, or service, whether leased or purchased. Such term does not include a user who purchases a product or commodity for the purpose of resale or for fabrication into goods for sale. For the exception and rulings applicable to such business or commercial paper, see exception 2 and § 7.1520 et seq.

(2) The term "consumer paper" includes paper relating to automobiles, mobile homes, office equipment, household appliances, tuition fees, and like consumer items, and similar paper executed for the purchase of insurance or of a residence. Also included is paper covering the lease (where the bank is not the owner or lessor) or purchase of equipment for use in manufacturing, farming, construction, or excavation.

(d) *Unconditional guaranty.* The unconditional guaranty may be in the form of a repurchase agreement or a separate guaranty agreement. (See § 7.1600(c) for definition of the term "unconditional".) A condition reasonably within the power of the bank to perform, such as, in certain cases, the repossession of the consumer product covered by a defaulted obligation, will not be considered to make conditional an otherwise unconditional agreement.

(e) *Reliance upon maker of paper; certification—(1) Law—12 U.S.C. 84(13).*

(13 * * * *Provided, however,* That if the bank's files or the knowledge of its officers of the financial condition of each maker of such obligations is reasonably adequate, and upon certification by an officer of the bank designated for that purpose by the board of directors of the bank, that the responsibility of each maker of such obligations has been evaluated and the bank is relying primarily upon each such maker for the payment of such obligations, the limitations of this section as to the obligations of each such maker shall be the sole applicable loan limitation: *Provided, further,* That such certification shall be in writing and shall be retained as part of the records of such bank.

(2) *Certification requirements.* Under certain circumstances installment consumer paper which meets the other requirements of exception 13 is subject only to the lending limitations applicable to the maker of the paper. The circumstances include the requirement that a certification be made by an officer designated by the board of directors that the responsibility of each maker has been evaluated and that the bank is relying primarily upon each maker for the payment of the obligation. In addition the bank's files or the knowledge of an officer with respect to the financial condition of each maker must be reasonably adequate. What is required essentially is the responsible exercise of prudent banking judgment supported by a reasonably adequate record. Where paper is purchased in substantial quantities the records, evaluation and certification may be in such form as is appropriate for the class and quantity of paper involved.

Subpart B—Loans Secured by Real Estate

§ 7.2000 Real estate loans.

(a) *Law—12 U.S.C. 371.*

Any national banking association may make real estate loans * * *. A loan secured by real estate within the meaning of this section shall be * * *.

(b) *General definition.* A real estate loan within the meaning of 12 U.S.C. 371 is any loan secured by real estate where the bank relies upon such real estate as the primary security for the loan. Where the bank in its judgment relies substantially upon other factors, such as the general credit standing of the borrower, guaranties, or security other than real estate, the loan does not constitute a real estate loan within the meaning of 12 U.S.C. 371, although as a matter of prudent banking practice it may also be secured by real estate.

(c) *Mortgage taken as security for debt previously contracted.* (1) Law—12 U.S.C. 29.

A national banking association may purchase, hold and convey real estate for the following purposes * * * Second. Such as shall be mortgaged to it in good faith by way of security for debts previously contracted.

(2) Where a real estate mortgage is taken in good faith to prevent loss on a loan previously made, the loan so secured is not a real estate loan within the meaning of 12 U.S.C. 371.

(d) *Land contracts.* Where real estate is sold under a contract which provides that legal title thereto is not to be conveyed to the purchaser until all or a specified portion of the purchase price is paid, but remains in the seller (or in a trustee) as security for such payment, the contract plus the security title retained by the seller constitute a loan secured by real estate which may be a real estate loan within the meaning of 12 U.S.C. 371.

(e) *Loan secured by building and machinery.* Machinery and equipment in a building which are adapted to the use being made of the land and building, and which are intended to be permanent additions thereto, in general will constitute a portion of the real estate and may be taken into account in calculating the maximum permissible loan for purposes of 12 U.S.C. 371. This standard governs the application of 12 U.S.C. 371 to national banks throughout the country, notwithstanding that the law of the particular state is otherwise for tax or other special purposes.

(f) *Home improvement loans.* Home improvement loans made in substantial reliance upon the credit standing of the borrower, insurance, collateral, or combinations of these factors, are not real estate loans, and additional security in the form of junior mortgages, taken as a matter of prudent banking practice, need not meet the requirements of 12 U.S.C. 371.

(g) *Perfecting personal property security interest.* A loan made in reliance upon the security of a mobile home will not be considered a real estate loan, although as a prudent banking practice the security interest is recorded or otherwise perfected as if the mobile home were real estate.

(h) *Reliance on rentals.* A loan made to a lessor of real estate in substantial reliance upon the creditworthiness of the lessee, including an assignment of rentals to be due from the lessee following completion and occupancy of the leased premises, is not a real estate loan, although as a matter of prudent banking practice the loan may also be secured by a mortgage upon the real estate.

(i) *Interim financing and mortgage warehousing.* (1) A loan secured by a real estate mortgage, made for the purpose of sale to a mortgage investor pursuant to his takeout commitment and tailored to meet his specifications, is not a real estate loan. The warehousing of loans secured by real estate mortgages is not within the purview of 12 U.S.C. 371.

(2) In either case, the takeout commitment shall provide that the mortgage investor is unconditionally committed to purchase or repurchase the loan or loans within a reasonable time.

§ 7.2005 Loans secured by real estate mortgages of others.

Where the borrower pledges or assigns a real estate mortgage of another to secure a loan for his own account, the loan is not a real estate loan within the meaning of 12 U.S.C. 371, nor subject to the requirements thereof, since the pledged or assigned mortgage on real estate is personal rather than real property.

§ 7.2020 Improved real estate.

(a) *Law—12 U.S.C. 371.*

* * * may make real estate loans * * * upon improved real estate, including improved farm land and improved business and residential properties.

(b) *General requirements.* Generally, real estate is improved within the meaning of 12 U.S.C. 371 when substantial and permanent construction or development has contributed substantially to its value.

(c) *Improved farm land.* Farm land is improved when it is useful for agricultural purposes without further substantial improvements. Agricultural purposes include animal husbandry as well as the growing of crops. Usefulness for such purposes may be demonstrated either by actual past or present use, by the appraisal of persons familiar with the value of agricultural land or by both. The appraised value of improved farm land for the purpose of the limitations contained in 12 U.S.C. 371 is its value for agricultural purposes.

(d) *Improved business and residential property.* Business and residential property is improved when substantial and permanent improvements have been constructed or developed on the property, or when its value has been enhanced by such improvements in its immediate vicinity. Examples are:

(1) Land upon which a shell home has been placed on a permanent foundation and connected with the usual utilities.

(2) A commercial recreation area which included 75 campsites with picnic tables, tent bases, toilet facilities, fireplaces, dockage, and a beach.

(3) A trailer park consisting of 30 sites with facilities for sewage, running water, and electricity.

(e) *Offsite improvements.* Whether offsite improvements have enhanced the value of property is a question of fact to be determined in each case. Examples of real estate improved by offsite improvements:

(1) Property which is valuable because the improvements of a developed urban area are immediately available to it.

(2) Lots in a housing subdivision for which substantial improvements such as streets, water, sewer, and other utilities have been provided.

(3) Prime industrial property enhanced in value because it is located on a paved street with utilities and transportation facilities available.

(4) An undeveloped residential tract almost completely surrounded by developed and rapidly developing residential property, and which is adjacent to a major university campus in the process of development.

(f) *Development loans.* National banks may make loans where the proceeds thereof are to be used to acquire and convert undeveloped property into improved real estate. At such time as the proceeds of the loan have been paid out and the improvements completed, the loan must be secured by improved real estate within the meaning of 12 U.S.C. 371.

§ 7.2040 First liens.

(a) *Law—12 U.S.C. 371.*

* * * may make real estate loans secured by first liens upon improved real estate * * *.

(b) *General definition.* A first lien on real estate within the meaning of 12 U.S.C. 371 is any lien which grants to the holder thereof a claim against the property so secured which is prior to the rights of all others with respect thereto. Such a lien will normally be created by an instrument in the form of a mortgage or deed of trust but may also consist of a judgment which by operation of law creates a lien against certain property of the judgment debtor or a land contract such as that described in § 7.2000(d).

(c) *Effect of life estates and similar claims.* A mortgage on the fee simple interest in real estate which is subject to an existing life tenancy or other existing or potential claim whereby under local law the interest of the life tenant or other claimant may vest in whole or in part in a third party free of the mortgage is not an eligible first lien under 12 U.S.C. 371 unless said third party joins in the mortgage or otherwise agrees to subordinate his interest in the mortgaged property.

(d) *Effect of certain permitted liens.* (1) A mortgage on real estate will be subject from time to time to various liens, charges and encumbrances which, although they may be paramount to the bank's security claim in the form of a mortgage, do not substantially affect the value or use of the real estate. Liens for taxes and assessments imposed by a governmental body for the current year, zoning laws and ordinances, construction liens not yet filed or relating to obligations not overdue, permits, rights-of-way, easements, leases, and encumbrances will not prevent such mortgage from constituting a first lien within the meaning of 12 U.S.C. 371.

(2) A mortgage on real estate may be a first lien within the meaning of 12 U.S.C. 371 although subordinate to another lien if the bank (i) holds funds pledged by or on behalf of the borrower in an amount sufficient to cover at all times the prior lien and (ii) may at any time effect payment of the prior lien.

(e) *Exclusion of oil, gas, or mineral rights from lien of mortgage.* A mortgage on the fee title to realty is a first lien thereon despite the fact that the mortgage may expressly provide that it does not cover oil, gas, or mineral rights. This is true regardless of whether the mortgagor has already transferred or mortgaged such rights to a third person or simply retains such rights by excluding them from the lien of the mortgage given to the bank.

(f) *Merger of first and second liens.* A national bank may hold a first and a second mortgage on qualifying real estate if there is no intervening lien and if the aggregate of the amounts due on both mortgages, as well as their terms of payment, conform with the provisions of 12 U.S.C. 371. In such a case the combined

mortgages will be regarded as merged into one qualifying first lien. A lien which arises only upon the bank's election of its remedy under mortgage insurance or guaranty, applicable to the first lien, is not an intervening lien.

(g) *"Cover-all" or "open-end" mortgages.* Mortgages sometimes contain a provision that the mortgaged properties shall secure both the loan for which it is given as well as all other present and future indebtedness of the borrower to the bank, i.e., a "cover-all clause," such mortgage being frequently termed an "open-end" mortgage. In such case, if the loan for which the mortgage is given is a real estate loan within the meaning of 12 U.S.C. 371, then the amount of all other loans made by the bank in primary reliance upon the security of the real estate must be added together with the initial loan to determine if the requirements of 12 U.S.C. 371 have been met.

(h) *Personal liability of mortgagor.* The requirement of 12 U.S.C. 371 that a real estate loan shall be secured by a first lien does not require that the mortgagor have personal liability for the mortgage loan.

§ 7.2100 Conditions upon which national banks may make real estate loans.

(a) *Law—12 U.S.C. 371.*

Any national banking association may make real estate loans secured by first liens upon improved real estate * * *. A loan secured by real estate within the meaning of this section shall be in the form of an obligation or obligations secured by a mortgage, trust deed, or other instrument upon real estate, which shall constitute a first lien on real estate in fee simple * * * and any national banking association may purchase any obligation so secured when the entire amount of such obligation is sold to the association.

(b) *Requirements for all loans which are real estate loans within the meaning of 12 U.S.C. 371.* Any loan which is a real estate loan within the contemplation of 12 U.S.C. 371 must comply with the following requirements:

(1) The real estate must be improved. See § 7.2020.

(2) The real estate must be owned in fee simple. (For loan secured by leaseholds see § 7.2200.)

(3) The security must be a first lien.

(4) The security instrument must be a mortgage, trust deed or a similar instrument.

§ 7.2120 Participation in real estate loan.

(a) *Law—12 U.S.C. 371.*

* * * [A]ny national banking association may purchase any obligation so secured in whole or in part and at any time or times prior to the maturity of such obligation.

(b) *In general.* (1) A national bank may not invest in real estate bonds in the guise of purchasing a participation in real estate loans. Purchase of such bonds shall be in compliance with the Investment Securities Regulation (Part 1 of this chapter).

(2) However, a national bank may participate in the making of a real estate loan and may purchase a participation in an existing real estate loan without becoming owner of the entire loan, if the participation interest of the bank is, in either case, adequately protected by the terms of the participation agreement.

§ 7.2125 Amortization of real estate loans.

(a) *Amortization.* Amortization requires that there be reduction of the principal of the debt during the life of the loan. This ordinarily contemplates a regular schedule of payments. Any deviation from a regular schedule of such payments should be based on prudent banking judgment.

(b) *When amortization is required.* A real estate loan must be amortized when the amount of the loan exceeds 50 percent of the appraised value of the property which secures it, or when the term of such loan exceeds 5 years.

(c) *Amortization requirements of 12 U.S.C. 371.*

Loan as percentage of appraised value	Term of loan in years	Minimum rate of amortization
0-50	0-5	None.
	5-10	A-1, A-2, or A-3.
0-66⅔	0-10	A-1, A-2, or A-3.
	10-20	A-2, or A-3.
0-99	0-30	A-3.

A-1—Installment payments sufficient to amortize 40 percent or more of the principal of the loan within a period of not more than 10 years.
A-2—Installment payments sufficient to amortize the entire principal of the loan within a period of not more than 30 years.
A-3—Installment payments sufficient to amortize the entire principal of the loan within the period ending on the date of its maturity.

(d) *One-year real estate loans.* A real estate loan of not more than 1 year meets the amortization requirements of 12 U.S.C. 371 although no reduction of principal is required before maturity. Any renewal must qualify with the amortization requirements set forth above.

§ 7.2145 Real estate loans insured or guaranteed.

(a) *Government-insured loans.* Where the bank in its judgment relies substantially on the insurance or guaranty of a governmental agency in making a loan, it does not constitute a real estate loan within the meaning of 12 U.S.C. 371. See §7.2000.

(b) *Veterans Administration guaranteed loans.* Any loan at least 20 percent of which is guaranteed or insured by the Administrator of Veterans Affairs is not a real estate loan within the meaning of 12 U.S.C. 371 and, therefore, not subject to the restrictions thereof.

(c) *Private mortgage insurance or guaranty.* Where a national bank makes a loan in substantial reliance upon private company mortgage insurance or guaranty, the loan does not constitute a real estate loan within the meaning of 12 U.S.C. 371, to the extent of the guaranty. Appropriate evidence to demonstrate justification for such reliance should be retained in the bank's files.

(d) *Real estate as additional security.* Where the bank in its judgment makes a loan in substantial reliance on the insurance or guaranty of a governmental agency, private company mortgage insurance or guaranty, the creditworthiness of the borrower, or collateral other than real estate, the loan may also be secured by real estate as a matter of prudent banking practice or because such security is required by the insurer or guarantor.

(e) *Leasehold loans.* For applicability of above rulings to loans secured by leaseholds, see § 7.2200(c).

(f) *Guaranty of State or political subdivision.* A loan secured by a mortgage on real estate is not a real estate loan to the extent a State or political subdivision thereof, possessing general powers of taxation, including property taxation, guarantees the loan and pledges its full faith and credit in support of its guaranty. The lending bank should obtain the opinion of competent counsel that the guaranty is a valid and enforceable obligation of the public body. See § 7.1185 and § 1.3(g) of this chapter.

§ 7.2146 Loans participations with Small Business Administration.

Loans in which the Small Business Administration cooperates through agreement to participate on an immediate or deferred basis under the Small Business Act are not real estate loans within the purview of 12 U.S.C. 371.

§ 7.2148 Real estate mortgage errors and omissions insurance.

A national bank may purchase real estate mortgage errors and omission insurance for the purpose of protecting itself against loss in its capacity as mortgagee, mortgage fiduciary or mortgage servicer, due to its own errors or omissions, the errors or omissions of the mortgagor, or the inadequacy of insurance obtained by the mortgagor.

§ 7.2150 Loan in excess of appraised value.

A real estate loan which is excessive in relation to the appraised value of the real estate will not be considered in violation of the statute if the excessive portion is fully guaranteed or is fully secured by pledged collateral in the form of a savings account, certificate of deposit, assignment of rents, or other security to which the bank has ready access and first claim.

§ 7.2155 Maximum aggregate of real estate loans.

(a) *Law—12 U.S.C. 371.*

No such association shall make loans in an aggregate sum in excess of the amount of the capital stock of such association paid in and unimpaired plus the amount of its unimpaired surplus fund, or in excess of 70 per centum of the amount of its time and savings deposits, whichever is the greater.

(b) *In general.* The aggregate outstanding balances of real estate loans made or purchased may not exceed at the time of making a real estate loan the unimpaired capital plus the unimpaired surplus of the bank or 70 percent of the time and savings deposits of the bank, whichever is greater.

(c) *Existing commitment.* An existing commitment to make a real estate loan is not includable in the aggregate amount of real estate loans which a bank is permitted to make under 12 U.S.C. 371.

§ 7.2160 Commitment by Government agency to insure.

Where a Government insuring agency has issued to a national bank a firm commitment to insure, the mortgage loan covered thereby is considered, for the purpose of 12 U.S.C. 371, to be an insured loan. A conditional commitment differs from a firm commitment in that no specific mortgagor is named therein, the insuring agency merely agreeing to insure a mortgage in the amount and under the terms specified, provided a borrower (mortgagor) is obtained who is satisfactory to the insuring agency.

§ 7.2170 Purchase at premium or discount.

A national bank may, at its option, charge off or amortize all premiums paid for mortgages. Mortgages purchased at a discount may be carried on the books either (a) at cost price or (b) at the amount of unpaid balance, with an appropriate offset for the amount of unearned discount.

§ 7.2190 Demand and short-term real estate and construction loans.

(a) A real estate loan in an amount in excess of 50 percent but not more than 90 percent of the appraised value of the real estate security may be made on a demand basis if provision in writing is made whereby in the absence of demand the entire principal of the loan will be liquidated within a stated period of time not exceeding 30 years by regular payments of principal.

(b) Loans made to finance the construction of industrial or commercial buildings or of residential or farm properties may come within the third paragraph of 12 U.S.C. 371, even though they are made payable on demand instead of having a stated maturity of not more than 60 months, provided that the parties intend that the loan be paid off or refinanced within the 60-month period, and provided that demand is made or the loan paid within such period.

§ 7.2195 Condominium loans.

Where State law permits or recognizes condominium ownership, the purchaser of a condominium apartment takes title to improved real estate eligible as security for real estate loans within the meaning and limitations of 12 U.S.C. 371. In condominium ownership the owner-mortgagor owns, separately, one or more single dwelling units in a multiple-unit apartment building and has an undivided interest with the owners of the other apartments in common areas and facilities serving the building. Many States have not enacted enabling legislation recognizing this form of real estate ownership. In the absence of such legislation, national banks must satisfy themselves that these loans will meet the requirements of 12 U.S.C. 371.

§ 7.2200 Real estate loans secured by leaseholds.

(a) *Law—12 U.S.C. 371.*

Any national banking association may make real estate loans secured by first liens upon improved real estate * * *, under such rules and regulations as may be prescribed by the Comptroller of the Currency, on a leasehold under a lease which does not expire for at least 10 years beyond the maturity date of the loan * * *.

(b) *Requirements for all real estate loans secured by leaseholds.* (1) Any real estate loan secured by a leasehold within the meaning of 12 U.S.C. 371 must comply with the following conditions:

(i) The leasehold must be on improved real estate. See § 7.2020.

(ii) The security must be a first lien on the leasehold.

(2) In order to qualify as an acceptable leasehold for security for a real estate loan made by a national bank, the covenants and restrictions contained in the lease which provide for forfeiture or reversion in the event of a breach must not be more onerous or burdensome than those contained in leases in general use in the area in which such bank is located, and the lease should permit acquisition of the leasehold by the lending bank by voluntary conveyance or assignment by the lessee, and acquisition and sale under judicial process, without being subject to such restrictions as would jeopardize recovery of the security value of such leasehold.

(3) The security instrument must be a mortgage, trust deed or similar instrument.

(4) The loan must mature at least 10 years before the date on which the lease is due to expire. This requirement may be met by an option to renew for a period of 10 years beyond the term of the mortgage.

(5) The loan must be amortized as are loans secured by first liens on real estate owned in fee simple.

(6) The "appraised value" of a leasehold, for the purpose of 12 U.S.C. 371, shall be determined by the use of accepted and reliable methods of appraising leasehold values including, in areas where such information is available, a consideration of the sales prices of comparable leaseholds.

§ 7.2400 Construction loans.

(a) *Law—12 U.S.C. 371 (third paragraph).*

Loans made to finance the construction of industrial or commercial buildings and having maturities of not to exceed 60 months where there is a valid and binding agreement entered into by a financially responsible lender to advance the full amount of the bank's loans upon completion of the buildings and loans made to finance the construction of residential or farm buildings and having maturities not to exceed 60 months, shall not be considered as loans secured by real estate within the meaning of this section but shall be classed as ordinary commercial loans whether or not secured by a mortgage or similar lien on the real estate upon which the building or buildings are being constructed: *Provided*, That no national banking association shall invest in, or be liable on, any such loans in an aggregate amount in excess of 100 per centum of its actually paid-in and unimpaired capital plus 100 per centum of its unimpaired surplus fund. Notes representing loans made under this section to finance the construction of residential or farm buildings and having maturities not to exceed 9 months shall be eligible for discount as commercial paper within the terms of (12 U.S.C. 343) if accompanied by a valid and binding agreement to advance the full amount of the loan upon the completion of the building entered into by an individual, partnership, association, or corporation acceptable to the discounting bank.

(b) *Application.* (1) The third paragraph of section 371 is intended to enable a national bank to finance the construction of industrial or commercial buildings, or residential or farm buildings, to a limited extent, without such credits having to conform to the provisions of the first paragraph of section 371.

(2) The construction loan requirement for commercial and industrial buildings contained in the third paragraph of section 371, that there be a "valid and binding agreement entered into by a financially responsible lender to advance the full amount of the bank's loans upon the completion of the buildings" may be met by any form of takeout provision which includes a valid and binding agreement by a financially responsible party and which will result in the full repayment of the bank's loan upon completion of the buildings. The purpose of the statute is that there be adequate provision for the repayment of the full amount of the bank's loan within the time prescribed. This may be provided by a financially responsible buyer as well as by such a lender. The words "lender" and "advance" should be regarded as illustrating rather than requiring a particular form of takeout provision.

(c) *Residential buildings.* Loans made to finance the construction of buildings intended primarily for residential purposes are considered residential loans rather than commercial loans under the third paragraph of section 371.

§ 7.2405 Combined construction and permanent real estate loans.

A national bank may make a combined construction and permanent loan secured by residential, farm, industrial or commercial property for a period up to 30 years and 60 months. Section 371 does not require that interim and permanent financing be made separately.

§ 7.2410 Construction loans held beyond the permissible period.

Construction loans which have been held by a bank for a period exceeding 60 months and which are secured by liens on realty are to be considered real estate loans subject to the first paragraph of section 371. If the real estate security meets the requirements of section 371, or can be made to conform to such requirements, the loans will constitute conforming real estate loans. The total amount of such loans must be taken into account in determining whether the bank can make additional real estate loans within the aggregate limit prescribed by section 371.

§ 7.2600 Loans on forest tracts.

(a) *Law—12 U.S.C. 371 (fourth paragraph).*

(b) *Chattel mortgage loans.* Where the laws of a State permit a valid chattel mortgage on standing timber, a loan so secured is not a real estate loan under the second paragraph of 12 U.S.C. 371.

Subpart C—Bank Ownership of Property

§ 7.3000 General authority.

Law—12 U.S.C. 29.

§ 7.3005 Real estate necessary for accommodation in the transaction of business.

Real estate necessary to the accommodation of the bank's business includes real estate other than that upon which bank buildings are located. Thus, real estate used for parking facilities and data processing centers is necessary in the transaction of business. Such real estate also includes that held for future banking use, where the bank in good faith expects to utilize such property as bank premises. This will permit a prudent program of property acquisition for future bank use. Such real estate is to be treated as bank premises owned and so reported.

§ 7.3010 Municipal parking lots.

Where parking facilities are acquired by means of expenditures toward the acquisition and operation of municipal parking lots, such expenditures ordinarily represent a business expense to be charged off rather than treated as an investment.

§ 7.3020 Real estate acquired as salvage on uncollectible loans.

(a) *Disposal of "salvage" real estate within 5 years.* (1) A national bank may comply with the last paragraph of 12 U.S.C. 29 by retaining or transferring to a subsidiary or affiliate, for use in the business of the bank, subsidiary or affiliate, real estate acquired by the bank for a debt previously contracted.

(2) Compliance with the last paragraph of 12 U.S.C. 29 may also be accomplished, subject to prior approval of the Regional Administrator of National Banks, by disposal of real estate so acquired under an arrangement by which the bank will realize additional compensation upon the ultimate disposition of the property by the transferee where (i) the bank has been unable to dispose of the real estate except at an unreasonably low price resulting in a substantial loss to the bank and (ii) there is no reason to believe that a substantially higher price is obtainable for such real estate within a reasonable period.

(b) *Payment of existing liens on "salvage" real estate.* A national bank may assume or pay off encumbrances on real estate which it properly acquired as salvage in connection with a debt previously contracted, provided the bank's interest in the property is sufficient to justify such action.

§ 7.3025 Other real estate owned.

(a) Sections 7.3000 and 7.3020 set forth the legal requirements and Office policy relating to the acquisition and disposition of other real estate owned. The preferred method of disposition is through sale at a price sufficient to cover the bank's investment and costs of acquisition. When consummation of such a sale has not taken place and where the requirements of the last paragraph of 12 U.S.C. 29 cannot be met under the provisions of § 7.3020(a)(1), the following policy is to be initiated by the bank.

(1) The book value of each parcel of real estate should represent only the balance of the loan when transferred to Other Real Estate Owned. Accrued interest, taxes and attorney fees should be charged off upon transfer.

(2) A new appraisal of the property should be made at the time of its acquisition. When the book value exceeds this appraised value, the difference should be charged off.

(3) Except where authorized to the contrary by the Comptroller of the Currency, each parcel of real estate should be written down annually to achieve its elimination by the expiration of the statutory period imposed by 12 U.S.C. 29.

1st year—10 percent of book value as described in subparagraph (1) of this paragraph.
2d year—15 percent of book value as described in subparagraph (1) of this paragraph.
3d year—20 percent of book value as described in subparagraph (1) of this paragraph.
4th year—25 percent of book value as described in subparagraph (1) of this paragraph.
5th year—30 percent of book value as described in subparagraph (1) of this paragraph.

(b) Banks currently following a chargeoff program established prior to September 1, 1964, may be allowed to continue if they so desire.

(c) An alternate policy is permissible if, in the judgment of the Examiner, such a charge against profits would be harmful to the bank in view of more immediate problems such as asset weaknesses, earning power, capital or any other reason. In this case a substitute program may be initiated if fully supported by the facts as set forth in the Report of Examination.

(d) If a bank has any loan secured by a lien on real estate and the mortgagee is in possession of the property, collecting rents or entitled to collect rents, and looks to the sale of the real estate to liquidate the debt, the same rules as set forth in subparagraph (1) of this paragraph should be applied unless the obligation is being carried out in accordance with its terms.

(e) Loan write-downs as set forth in subparagraph (1) of this paragraph may be made as direct charges against the parcels of real estate, as unallocated charge offs or as credits to a valuation reserve set up specifically for that purpose.

§ 7.3100 Investment in bank premises or stock of a corporation holding premises.

(a) *Law—12 U.S.C. 371d.*

Hereafter no national bank, without the approval of the Comptroller of the Currency, * * * shall (1) invest in bank premises, or in the stock, bonds, debentures, or other such obligations of any corporation holding the premises of such bank or (2) make loans to or upon the security of the stock of any such corporation, if the aggregate of all such investments and loans, together with the amount of any indebtedness incurred by any such corporation which is an affiliate of the bank, as defined in (12 U.S.C. 221a) will exceed the amount of the capital stock of such bank.

(b) *Bank premises—(1) Permissible means of holding.* Real estate for bank premises may be acquired and held directly by a national bank by any reasonable and prudent means, including ownership in fee, a leasehold estate, or interest in a cooperative. Such real estate may be held either directly by the bank or by one or more subsidiaries or affiliates.

(2) *Furniture and equipment.* A bank premises corporation may own fixed assets, including bank furniture and data processing equipment, in addition to real estate. A bank premises corporation owning electronic data processing equipment leased to the bank for operation by the bank is not a bank service corporation within the meaning of the Bank Service Corporation Act. (12 U.S.C. 1861 et seq.)

(c) *Computation of investment in bank premises.* When a national bank proposes to make an investment in bank premises in any of the ways described in the statute, then the aggregate of all such investments must be added to the indebtedness incurred upon bank premises and other fixed assets by any corporation in which the bank has invested and which is affiliated with the bank in the manner described in 12 U.S.C. 221a in order to determine whether the approval of the Comptroller of the Currency is required. No such approval is required for investments made by an affiliated corporation holding the premises of the bank if the bank itself has made no investment in the affiliated corporation in any of the ways described in the statute.

(d) *Options to purchase.* An unexercised option to purchase bank premises or stock in a corporation holding bank premises is not an investment in bank premises. Prior approval of the Regional Administrator of National Banks is necessary to exercise the option if the purchase price, including the amount paid for the option, together with the bank's other investment in fixed assets would exceed the amount of the bank's capital stock.

(e) *Approval by Regional Administrator.* The approval of the Regional Administrator of National Banks shall be obtained before the consummation of any plans under which the bank's investment in bank premises will be increased to an amount exceeding its capital stock. The Regional Administrator of National Banks will ordinarily approve an investment in fixed assets aggregating in amount up to 50 percent of capital stock, surplus and undivided profits where a reasonable need for such investment can be shown.

§ 7.3300 Leasing of public facilities.

A national bank may purchase or construct a municipal building, such as a school building, or other similar public facility and, as holder of legal title, lease the same to a municipality or other public authority having resources sufficient to make payment of all rentals as they become due. The lease agreement shall provide that upon its expiration the lessee will become owner of the building or facility.

§ 7.3400 Leasing of personal property.

A national bank may become the owner or lessor of personal property acquired upon the specific request and for the use of a customer and may incur such additional obligations as may be incident to becoming an owner and lessor of such property. Lease transactions do not result in obligations for the purpose of 12 U.S.C. 84. Since lease payments are in the nature of rent rather than interest, 12 U.S.C. 85 and 86 are not applicable.

§ 7.3500 Utilization of data processing equipment.

Incidental to its banking services, a national bank may make available its data processing equipment or perform data processing services on such equipment for other banks and bank customers.

Subpart D—Corporate Practices

Shareholders' Meetings

§ 7.4000 Notice of shareholders' meetings.

At least 10 days notice by first class mail, postage prepaid, should be given of the time, place and purpose of all shareholders' meetings. A longer period may be required by the articles of association, bylaws or law. Where action other than election of directors is contemplated, the relevant statutory provision may require not only a longer period of notice but that notice be given by certified or registered mail, by publication or both; e.g., 12 U.S.C. 214a, 215, and 215a, relating to conversions, consolidations and mergers of national banks.

§ 7.4005 Date of shareholders' meeting.

The date of the annual meeting of shareholders is required to be specified in the bylaws of a national bank. See 12 U.S.C. 71. Accordingly, article Fourth of the Articles of Association should be amended to read as follows:

Fourth. The regular annual meeting of the shareholders of this Association shall be held at its main banking house, or other convenient place duly authorized by the board of directors, on such day of each year as is specified therefor in the bylaws.

§ 7.4010 Quorum for shareholders' meeting.

The statutes regulating national banks are silent with regard to the number of shareholders required to constitute a quorum at a shareholder meeting. Therefore, the articles of association or bylaws of a national bank may specify the vote necessary for the transaction of business at a shareholder meeting. If neither the articles of association nor the bylaws specify what constitutes a quorum, the rules of general corporate law are applicable.

§ 7.4015 Solicitation of proxies for shareholders' meeting.

(a) *Comptroller's regulation.* Solicitation of a proxy with respect to stock of a national bank having a class of equity securities held of record by 750 or more persons (after May 1, 1967, 500 or more persons) is subject to Part 11 of this chapter.

(b) *Convertible capital debentures.* The owner of a convertible capital note, capital debenture, or similar obligation is not a holder of an equity security until exercise of the conversion right.

§ 7.4020 Director or attorney as proxy.

Any person or groups of persons, including directors or attorneys for the bank may be designated to act as proxy but not officers, clerks, tellers, or bookkeepers of the bank.

Directors

§ 7.4100 Number of directors.

The number of directors is fixed by 12 U.S.C. 71a at not less than five nor more than 25.

§ 7.4105 Annual meeting for election of directors.

When the day fixed for the regular annual meeting of the shareholders falls on a legal holiday in the state in which the bank is located, the shareholders' meeting shall be held, and the directors elected, on the next following banking day. The provision that directors "shall hold office * * * until their successors are elected and have qualified" is simply for the purpose of preventing the bank from being without a directorate in the event that, due to inadvertence or emergency, the shareholders' meeting is not held on the specified date or there is delay in the qualification of persons elected to the new board.

§ 7.4110 Honorary directors or advisory board.

Honorary or advisory members of the board of directors may be appointed by a national bank to act in advisory capacities without the power of final decision in matters concerning the business of the bank. Any listing of such honorary or advisory directors must distinguish between them and the bank's board of directors or indicate their advisory status.

§ 7.4200 Qualifications of directors.

Law—12 U.S.C. 72.

§ 7.4205 Person convicted of crime serving as director, officer, or employee.

Law—12 U.S.C. 1829.

§ 7.4210 Ownership of stock necessary to qualify as director.

To comply with the requirements of 12 U.S.C. 72 relating to the ownership of stock, a director must own his qualifying shares in his own right.

(a) *Joint ownership and tenancies in common.* Bank shares held jointly or as a tenant in common are qualifying shares held by a director "in his own right": *Provided,* That the aggregate par value of the shares which the director would be entitled to receive on dissolution of the joint tenancy or tenancy in common is not less than $1,000.

(b) *Pledge shares.* National bank shares pledged by the holder to secure a loan do not constitute shares owned "in his own right" for purposes of qualifications as a director.

(c) *Shares subject to repurchase option.* Shares of national bank stock which are purchased subject to an absolute option vested in the seller to repurchase the shares within a specified period are not owned by the purchaser "in his own right" for purposes of qualifying as a director of the bank under section 72. The retention of such an option by the seller would enable him to disqualify the purchaser as a director at any time simply by exercising the repurchase option, and this possibility would be inconsistent with the concept of bona fide independent ownership upon which the stock ownership requirement is based.

(d) *Shares in voting trust.* Shares deposited in a voting trust where the depositor surrenders (1) legal ownership (depositor ceases to be registered owner of the stock), (2) power to vote the stock or to direct how it shall be voted, or (3) power to transfer legal title to the stock, are not owned so as to qualify as directors' qualifying shares.

(e) *Shares in inter vivos trust.* Shares deposited by a director in a living trust as to which the director is a trustee and retains an absolute power of revocation are qualifying shares owned by the director "in his own right."

§ 7.4300 Cumulative voting in election of directors.

(a) *Law—12 U.S.C. 61.*

In all elections of directors, each shareholder shall have the right to vote the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate such shares and give one candidate as many votes as the number of directors multiplied by the number of his shares shall equal, or to distribute them on the same principle among as many candidates as he shall think fit; and in deciding all other questions at meetings of shareholders, each shareholder shall be entitled to one vote on each share of stock held by him * * *.

(b) *Example.* For example, where a national bank with a board of directors consisting of seven members, one shareholder, owning 150 shares cumulates his 1,050 votes so as to cast 525 votes each for two of nine candidates. The remaining (majority) shareholders, owning 300 shares, cast 300 votes for each of seven other candidates. The two candidates who received 525 votes would be elected. None of the seven candidates who received 300 votes each would be elected to the remaining five directorships. A second ballot should be held to elect five directors, and in his second ballot the

shares which were voted for the two directors elected on the first ballot could not be voted. In other words on the second ballot (and any subsequent ballots which prove necessary) a stockholder is not entitled to vote shares which he has already fully cumulated and voted in favor of a successful candidate. This rule is based on the fact that to permit such shares to be voted again would result, in some cases, in defeating the proportional representation of all interests which is the purpose of cumulative voting.

§ 7.4305 Filling vacancy in or increasing board of directors.

(a) *Law—12 U.S.C. 74.*

Any vacancy in the board shall be filled through appointment by a majority of the remaining directors then in office, and any director so appointed shall hold his place until the next election.

(b) *Appointment pursuant to articles of association.* If authorized by the bank's articles of association or an amendment thereto, a national bank may properly increase the number of its directors within the limits specified in 12 U.S.C. 71a and appoint persons to fill the resulting vacancies between meetings of stockholders. Such authorization to increase the number of directors shall be limited to not more than two where the number of directors last elected by shareholders was 15 or less and not more than four where the number of directors last elected by shareholders was 16 or more.

§ 7.4400 Organization meeting.

Upon receiving the returns of the judges of election, the chairman or secretary should notify the directors-elect of their election and of the time at which they should meet for the purpose of taking their oaths and organizing the new board. After the board has organized, it should appoint committees of the board and officers, fix salaries for the ensuing year, and transact such other business as may properly come before the organization meeting.

§ 7.4410 List of directors.

(a) Immediately after the organization meeting of the new board, the president, cashier, or secretary of the bank should forward Form CC 7022–10 to the Comptroller of the Currency.

(b) The names of the directors on this form should agree with the respective names of the directors on the oaths. The number of shares represented at the meeting should be shown on the form and if it is known that not all shares represented at the meeting were voted, this fact, to the extent practicable the number of shares represented, and the number voted should be indicated under "remarks" on the form. The form should be signed by the president, cashier or secretary. See section 7.5245.

§ 7.4415 Oath of directors.

(a) 12 U.S.C. 73 prescribes the requirements with reference to the oath to be taken by directors. A notary public who is also an officer of a national bank is not eligible to administer the oath to directors of that bank. A notary public who is a director but not an officer of a national bank is eligible, however, to administer the oath to directors of that bank.

(b) Directors in attendance at the organization meeting who are residents of the same State should execute the joint oath (Form CC 7022–08), and those who are residents of separate states should execute the individual oath (Form CC 7022–09). This form is also appropriate for directors not in attendance at the meeting. A reelected director who has had uninterrupted service is required to file another oath upon reelection.

(c) Oaths of directors shall be immediately transmitted to the Comptroller of the Currency and shall be filed and preserved in his office for a period of 10 years.

§ 7.4420 Quorum of board of directors; proxies not permissible.

The articles of association or bylaws of a national bank should provide that, for the transaction of business, a quorum of the board of directors shall consist of not less than a majority of the entire board then in office. A national bank director cannot vote by proxy.

§ 7.4425 Delegation of directors' duties.

The board of directors of a national bank may not delegate responsibility for its duties but may assign the performance thereof.

OFFICERS, DIRECTORS, AND EMPLOYEES

§ 7.5000 Bonus and profit sharing plans.

A national bank may adopt any reasonable bonus or profit-sharing plan designed to insure adequate remuneration of bank officers and employees.

§ 7.5010 Pension plans.

National banks are encouraged to provide employee pension plans and to make reasonable contributions to the cost thereof. Eligibility standards should be applied uniformly and there should be no discriminatory provisions in the plan which would result in special benefits to any officer or employee. The plan should be submitted to shareholders for approval. Ordinarily, it is desirable that such plans qualify under section 401 et seq. of the Internal Revenue Code of 1954, as amended.

§ 7.5015 Employee stock option and stock purchase plans.

National banks may provide employee stock purchase and stock option plans in accordance with § 13.1 of this chapter.

§ 7.5200 President as director.

Pursuant to 12 U.S.C. 76, the president of a national bank must be a member of its board of directors. A director other than the president may be elected chairman of the board.

§ 7.5210 Same person holding offices of president and cashier.

As various statutory provisions require documents to be executed by either the president or the cashier, or both, separate persons should occupy those offices. See § 7.5245.

§ 7.5215 Fidelity bonds covering officers and employees.

(a) All officers and employees of a national bank must have adequate fidelity coverage, and the failure of directors to require bonds with adequate sureties and in sufficient amount may make them liable for any losses which the bank sustains because of the absence of such bonds. Directors should not serve as sureties on such bonds.

(b) The board of directors should determine the amount of such coverage, premised upon a consideration of such factors as (1) internal auditing safeguards employed, (2) number of employees, (3) amount of deposit liabilities, and (4) amount of cash and securities normally held by the bank, among others.

§ 7.5217 Indemnification of directors and officers.

(a) In order to secure and retain competent personnel, a national bank may amend its articles of association to provide for the indemnification of directors, officers, and other employees against legal and other expenses incurred in defending law suits brought against them by reason of the performance of their official duties.

(b) Payment of premiums for insurance covering such indemnification of officers, directors, and other employees is a permissible expense.

(c) It should be understood, however, that in order to preserve incentives for sound banking principles neither the bank's articles of association, bylaws, shareholder resolutions nor insurance shall provide for the indemnification of bank personnel who are adjudged guilty of, or liable for, willful misconduct, gross neglect of duty, or criminal acts.

§ 7.5220 Contracts of employment.

The board of directors of a national bank, pursuant to paragraph Fifth of 12 U.S.C. 24, may enter into employment contracts with its officers and employees upon reasonable terms and conditions.

§ 7.5225 Defalcations by employees.

(a) An immediate written report shall be made by an appropriate officer of the bank to the Regional Administrator of National Banks, the nearest office of the FBI, the U.S. attorney for the bank's district, and the bonding company, of any of the following events:

(1) Any known or suspected theft, embezzlement, check-kiting operation, misappropriation or other defalcation involving bank personnel or bank funds in any amount. Where there is reason to suspect any person or persons in connection with the event, the identity of such persons and the reason for suspicion shall be included in the report.

(2) Any state of facts growing out of the affairs of the bank known or suspected to involve criminal violation of any other section of the United States Code.

(3) Any mysterious disappearance or unexplained shortage of bank funds or other assets of $1,000 or more.

(b) The chief executive or other appropriate officer shall notify the board of directors not later than at their next meeting, of the filing of any report hereunder.

§ 7.5230 Purchase of employee's residence.

As a legitimate part of a program for the development and efficient utilization of bank personnel, a national bank may purchase the residence of an employee who has been transferred to another area, in order to spare him a loss in the prevailing market. The bank should arrange for early divestment of title to such property.

§ 7.5245 Duties of cashier performed by secretary.

The bylaws of a national bank may assign to the bank's secretary, or to any other officer the board of directors designates to carry out the functions usually performed by a corporate secretary, some or all of the duties previously assigned to the banks' cashier, including custody and use of the corporate seal and the execution of stock certificates and other documents.

SHARES, STOCK CERTIFICATES, AND DIVIDENDS

§ 7.6005 Restricting transfer of stock and record dates.

(a) The provisions of 12 U.S.C. 52 permit a national bank to impose conditions upon the transfer of its stock reasonably calculated to simplify the work of the bank with respect to stock transfers, voting at shareholder meetings, and related matters and to protect it against fraudulent transfers.

(b) Stock records of a national bank may be closed for a reasonable period to ascertain shareholders for voting purposes. As an alternative, the bank may fix a record date for determining the shareholders entitled to notice of and to vote at any meeting of shareholders. Such record date should be in reasonable proximity to the date of giving notice to the shareholders of such meeting.

§ 7.6010 Facsimile signatures on bank stock certificates.

12 U.S.C. 52 requires that every national bank stock certificate shall be signed by the president and the cashier of the association, or by such other officers as the bylaws of the association shall provide, and shall be sealed with the seal of the association. Such signatures may be manual or facsimile.

§ 7.6015 Lost stock certificates.

A national bank may adopt procedures for replacing lost, stolen, or destroyed stock certificates that meet the requirements of the law of the State in which the bank is located in the event that the bank's articles of association or bylaws have no provisions for such procedures.

§ 7.6025 Books and records of national banks.

(a) *Inspection.* The only provision of Federal banking law authorizing persons other than the Comptroller of the Currency or his authorized representatives to inspect books or records of a national bank is contained in 12 U.S.C. 62, relating to the right of shareholders, creditors, and certain tax officials to inspect the list of shareholders of a bank. Production of records may, however, be required under normal judicial procedures.

(b) *Visitorial powers.* The exercise of visitorial powers over national banks is vested in the Comptroller of the Currency. See 12 U.S.C. 484. Other officials, including State banking officials, have no authority to conduct examinations or to inspect or require the production of books or records of national banks, except as authorized by law. Federal law provides special procedures for verifying payroll records for unemployment compensation purposes (26 U.S.C. 3305(c)), for enforcing the Fair Labor Standards Act (29 U.S.C. 211), and for ascertaining the correctness of Federal tax returns within the purview of 26 U.S.C. 7602.

(c) *Reports of examination.* The report of examination made by an examiner selected by the Comptroller of the Currency is designed for use in the supervision of the bank. The bank's copy of the report is the property of the Comptroller of the Currency and is furnished to the bank solely for its confidential use. The bank's directors, in keeping with their responsibilities both to depositors and to stockholders, should thoroughly review the report. However, under no circumstances shall the bank, or any of its directors, officers, or employees disclose or make public in any manner, the report or any portion thereof. Accordingly, such report shall not be made available to other banking institutions in connection with proposed transactions such as mergers and consolidations. Similarly, such report shall not be made available to a clearing house association. However, this Office has no objection to the voluntary disclosure by a bank of information concerning its affairs to such association where such disclosure is through reports prepared by the bank or by others at the request of the bank. See § 4.18 of this chapter.

§ 7.6030 Purchase of own shares or loan secured by own shares.

(a) *Law—12 U.S.C. 83.*

No association shall make any loan or discount on the security of the shares of its own capital stock, nor be the purchaser or holder of any such shares, unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith; and stock so purchased or acquired shall, within 6 months from the time of its purchase, be sold or disposed of at public or private sale; or, in default thereof, a receiver may be appointed to close up the business of the association, according to (12 U.S.C. 192).

(b) *Permitted agreements, relating to bank shares.* A national bank may require a borrower holding shares of the bank to execute agreements (1) not to pledge, give away, transfer, or otherwise assign such shares, (2) to pledge such shares at the request of the bank when necessary to prevent loss, and (3) to leave such shares in the bank's custody.

(c) *Use of capital notes and debentures.* A national bank may not make loans secured by a pledge of its own capital notes and debentures. Such notes and debentures must be subordinated to the claims of depositors and other creditors of the issuing bank, and are, therefore, capital instruments within the purview of 12 U.S.C. 83.

§ 7.6040 Fractional shares.

To avoid complicated record keeping in connection with fractional shares, a national bank issuing additional stock by stock dividend, upon consolidation or merger, or otherwise, may adopt arrangements such as the following preclude the issuance of fractional shares:

(a) Script or warrants for trading in fractions may be issued.

(b) If there is an established and active market in the bank's stock, the bank may make reasonable arrangements to provide those to whom fractional shares would otherwise be issued an opportunity to realize at a fair price upon the fraction not being issued through its sale, or the purchase of the additional fraction required for a full share.

(c) The bank may remit the cash equivalent of the fraction not being issued to those to whom fractional shares would otherwise be issued. The cash equivalent shall be based on the market value of the stock, if there is an established and active market in the bank's stock, or, in the absence of such a market, on a reliable and disinterested determination as to the fair market value of the stock if such stock is available.

(d) The bank may sell full shares representing all the fractions at public auction or to the highest bidder after having solicited and received sealed bids from at least three licensed stock brokers. The proceeds of sale shall be distributed pro rata to shareholders who otherwise would be entitled to the fractional shares.

§ 7.6050 Preemptive rights.

The articles of association of a national bank, by affirmative vote of the holders of two-thirds of the bank's outstanding voting shares, must provide for or specifically negate the vesting of preemptive rights in the shareholders thereof.

§ 7.6060 Voting trusts.

(a) From a supervisory viewpoint, a voting trust of national bank stock is not objectionable if there is nothing in the operation of the voting trust that adversely affects the welfare of the bank.

(b) The law of the State in which the bank is located should also be observed in the preparation of the trust agreement.

§ 7.6100 Limitations on payment of dividends.

The board of directors of a national bank may, subject to the following limitations, declare quarterly, semiannual or annual dividends of so much of the net profits of the bank as it may judge expedient. No dividend may be declared which would impair the capital of the bank. The payment of dividends is subject to the following additional statutory limitations.

(a) Until the surplus fund of a national bank is equal to its common capital, no dividends may be declared unless, in the case of quarterly or semiannual dividends, not less than one-tenth of the bank's net profits of the preceding half-year has been carried to the surplus fund and, in case of annual dividends, not less than one-tenth of its net profits of the preceding two consecutive half-year periods has been carried to the surplus fund (12 U.S.C. 60).

(b) In addition to the foregoing limitations, the approval of the Regional Administrator of National Banks is required if the total of all dividends, including the proposed dividend, declared by the bank in any calendar year exceeds the total of the bank's net profits of that year combined with its retained net profits of the preceding 2 years, less any required transfers to surplus or a fund for the retirement of preferred stock (12 U.S.C. 60(a). For the purpose of this and the preceding subparagraph (1), the term "net profits" means "the remainder of all earnings from current operations plus actual recoveries on loans and investments and other assets, after deducting from the total thereof all current operating expenses, actual losses, accrued dividends on preferred stock, if any, and all Federal and State taxes." (12 U.S.C. 60(b)).

(c) No dividend may be declared or paid on the common stock of a national bank until cumulative dividends on outstanding preferred stock have been paid in full (12 U.S.C. 51b) and no dividends may be paid if the bank is in default on the payment of any assessment due to the Federal Deposit Insurance Corporation (12 U.S.C. 1828(b)).

§ 7.6120 Dividends payable in property other than cash.

In addition to cash dividends, directors of a national bank may declare dividends payable in property with the approval of the Comptroller of the Currency. Even though the property distributed has been previously charged down or written off entirely, the dividend is equivalent to a cash dividend in an amount equal to actual current value of the property. Before the dividend is declared, the excess of actual value over book value should be shown on the books of the bank as a recovery, and the dividend should then be declared in the amount of the full book value (equivalent to actual current value) of the property being distributed.

§ 7.6125 Payment of dividends; bad debts.

(a) Matured debts due a national bank on which interest is past due and unpaid for 6 months are statutory bad debts, unless well secured and in process of collection, to be deducted in computing funds available for the payment of dividends. Overdue indebtedness of every type owing to the bank must be taken into account, whether in form of ordinary loans made by the bank or in the form of investment securities owned by it, or otherwise.

(b) The statutory reference (12 U.S.C. 56) to debts due to the bank means debts which have matured. Maturity may be the result of demand, arrival of the stated maturity date, or acceleration either by contract or operation of law.

(c) In the absence of demand for payment, demand obligations become overdue only after a reasonable time for payment has elapsed; what constitutes a reasonable time depends on all the circumstances of each particular case. For purposes of 12 U.S.C. 56, relating to withdrawal of capital and unearned dividends, demand obligations which are 6 months or more behind a schedule on interest payments (and not well secured and in process of collection) constitute bad debts.

(d) Installment obligations on which interest is past due for 6 months are statutory bad debts subject to the other conditions of the statute, to the extent that payments of principal are in default.

(e) For purposes of 12 U.S.C. 56, it is immaterial whether all or part of the 6-months' period of default on interest has run before the debt matures.

(f) In order to be well secured, a loan must be secured by collateral in the form of mortgage or liens on, or pledges of, real or personal property, including securities having a realizable value sufficient to discharge the debt in full or the guaranty of a financially responsible party.

(g) For purposes of the statute, the amount of the debt is the amount at which it is carried on the bank's books, after deducting any chargeoff which has been made.

(h) In the case of claims against bankrupts' or decedents' estates, a debt is considered well secured only in the event (1) the obligation is fully secured by a specific lien on realty of personalty or (2) the claim of the bank against the estate has been filed, the statutory period for filing claims has expired and the assets of the estate are adequate to discharge all obligations in full.

(i) The requirement that a defaulted debt, even though well secured, must be in process of collection to be removed from the category of statutory bad debts is not satisfied unless collection of the particular debt is proceeding in due course, either through legal action, including judgment enforcement procedures, or in appropriate circumstances, through vigorous collection efforts not involving legal action which may reasonably be expected to result in repayment of the debt or in its restoration to current status at an early date.

(j) When a debtor has been adjudicated bankrupt or has died and his estate has been subjected to administration, it is often impossible for a creditor to do more than file a claim with the trustee, executor or administrator. In such cases, if the claim has been duly filed, it is considered by the Comptroller of the Currency as being in process of collection, although it will still be a bad debt if it is not well secured.

Subpart E—Miscellaneous

Guaranties and Suretyship

§ 7.7000 Guaranty or endorsement of notes or other obligations sold by the bank.

A national bank may lawfully endorse or otherwise guarantee notes or other obligations sold by the bank for its own account. The amount of the obligations covered by such guaranty or endorsement should be reflected as a liability on the records and in the reports of condition of the bank and such liabilities are to be included in computing the aggregate indebtedness of the bank which, pursuant to 12 U.S.C. 82, may not exceed (with certain exceptions) the amount of the bank's capital stock plus 50 percent of its unimpaired surplus fund.

§ 7.7010 National bank as guarantor or surety on indemnity bond.

(a) A national bank may lend its credit, bind itself as a surety to indemnify another, or otherwise become a guarantor, if it has a substantial interest in the performance of the transaction involved or has a segregated deposit sufficient in amount to cover the bank's total potential liability. For example, a bank, as a fiduciary, has a sufficient interest in the faithful performance by its cofiduciary of his duties to act as surety on the bond of such cofiduciary.

(b) Under appropriate circumstances, foreign branches may exercise additional powers pursuant to 12 U.S.C. 604a.

§ 7.7012 Foreign operations.

A national bank may guarantee the deposits and other liabilities of its Edge Act and agreement corporations and of its corporate instrumentalities in foreign countries.

§ 7.7015 Check "guaranty" plans.

An arrangement whereby a bank holds out to the public that it will honor checks drawn on it up to a certain amount by a depositor displaying a so-called "check guaranty card," is in essence an agreement by the bank with its depositor to extend credit to the depositor, if necessary, to honor his checks. Such an arrangement is essentially a commitment to lend and is within the power of a national bank.

§ 7.7016 Letters of credit distinguished from guaranty.

A national bank may issue its own letters of credit to or on behalf of its customers in the normal course of its business provided that the bank's obligation may legally be described as a letter of credit and not as a mere guaranty. In order to constitute a true letter-of-credit transaction, the following elements must all be present: (a) The bank must receive a fee or other valid business consideration for the issuance of its undertaking; (b) the bank's undertaking must contain a specified expiration date or be for a definite term; (c) the bank's

undertaking must not be unlimited but be up to a stated amount; (d) the bank's obligation to pay must arise only upon the presentation of specific documents and the bank must not be called upon to determine disputed questions of fact or law; (e) the bank's customer must have an unqualified obligation to reimburse the bank on the same condition as the bank has paid.

INSURANCE

§ 7.7100 National banks acting as general insurance agents.

12 U.S.C. 92 provides that national banks may act as agents for any fire, life, or other insurance company in any place the population of which does not exceed 5,000 inhabitants. This provision is applicable to any office of a national bank when the office is located in a community having a population of less than 5,000 even though the principal office of such bank is located in a community whose population exceeds 5,000.

§ 7.7115 Insuring lives of bank officers.

A national bank may purchase insurance for the benefit of the bank on the life of an officer whose death would be of such consequence to the bank as to give it an insurable interest in his life.

§ 7.7200 Authority to act as "finder."

A national bank, pursuant to request, may act as "finder" in bringing together a buyer and seller, where the bank's activity is limited to the introduction and it takes no further part in the negotiations. For this service the bank may accept a fee.

INTEREST CHARGES AND USURY

§ 7.7310 Charging interest at rates permitted competing institutions; charging interest to corporate borrowers.

(a) A national bank may charge interest at the maximum rate permitted by State law to any competing State-chartered or licensed lending institution. If State law permits a higher interest rate on a specified class of loans, a national bank making such loans at such higher rate is subject only to the provisions of State law relating to such class of loans that are material to the determination of the interest rate. For example, a national bank may lawfully charge the highest rate permitted to be charged by a State-licensed small loan company or morris plan bank, without being so licensed.

(b) A national bank located in a State the law of which denies the defense of usury to a corporate borrower may charge a corporate borrower any rate of interest agreed upon by such borrower.

§ 7.7312 Loan agreement providing for share in profits, income or earnings.

A national bank may take as consideration for a loan a share in the profit, income or earnings from a business enterprise of a borrower. Such share may be in addition to or in lieu of interest. The borrower's obligation to repay principal, however, shall not be conditioned upon the profit, income or earnings of the business enterprise.

§ 7.7315 Charging additional fee for credit report or investigation of borrower.

Subject to contrary or limiting State statute, a national bank may exact from a borrower, in addition to interest taken at the highest rate permitted under State law, reasonable fees or compensation for credit reports or investigations with respect to a borrower's credit.

TRANSACTIONS WITH AFFILIATES

§ 7.7355 Debts of affiliate as bank indebtedness.

(a) For purposes of 12 U.S.C. 82, a national bank's indebtedness or liability does not include the debts or liabilities of an affiliate of the bank, such as a premises holding corporation (12 U.S.C. 371d), except to the extent of each debt of, or other claim against, the affiliate with respect to which the bank is personally liable either as obligor or guarantor. Similarly, for purposes of 12 U.S.C. 56, a national bank's bad debts do not include bad debts due to an affiliate.

(b) This section does not apply to debts of operating subsidiaries described and discussed in § 7.7376.

§ 7.7360 Loans secured by stock or obligations of an affiliate.

Where a loan is otherwise adequately secured, additional security in the form of the capital stock, bonds, debentures, or other such obligations of an affiliate need not be considered in determining the limitation contained in 12 U.S.C. 371c with respect to the aggregate amount of loans secured by stock or obligations of an affiliate.

OPERATIONS THROUGH SUBSIDIARIES

§ 7.7376 Operating subsidiaries.

(a) *General rule.* With the prior approval of the Comptroller of the Currency, a national bank may engage in activities, which are a part of the business of banking or incidental thereto, by means of an operating subsidiary corporation. In order to qualify as an operating subsidiary hereunder, at least 80 percent of the voting stock of the subsidiary must be owned by the parent bank.

(b) *Activities permitted.* An operating subsidiary may perform any business function which the parent bank is permitted to perform. For example, through a bank department or an operating subsidary, a national bank may issue credit cards, service mortgages, lease property, offer travel services, or operate a credit bureau.

(c) *Transactions with parent bank.* Transactions between the parent bank and the operating subsidiaries are subject to the limitations contained in 12 U.S.C. 371c, unless the operating subsidiary is a kind of company excepted by the provisions of that section. Companies engaged solely in furnishing services to or performing services for a parent bank constitute an excepted category. Any service performed by an operating subsidiary as defined herein, may be presumed to be performed for its parent bank, for the purpose of section 371c. Therefore, the limitations contained in 12 U.S.C. 371c will ordinarily not be applicable to transactions between a parent bank and its operating subsidiary.

(d) *Applicability of banking laws*—(1) *Banking laws applicable.* Except as otherwise permitted by statute or regulation, all provisions of Federal banking laws applicable to the operations of the parent bank shall be equally applicable to the operations of its operating subsidiaries.

(2) *Consolidation of figures.* Unless otherwise provided by statute or regulation, pertinent book figures of the parent bank and its operating subsidiaries shall be consolidated for the purpose of applying applicable statutory limitations, such as sections 56, 60, 82, 84, or 371d.

Example. The combined exposures of the parent bank and all of its operating subsidiaries to a single borrower shall not exceed the bank's loan limit (12 U.S.C. 84).

Example. (The combined borrowings of the bank and all of its operating subsidiaries shall not exceed the bank's borrowing limit (12 U.S.C. 82)).

(3) *Examination and supervision.* Each operating subsidiary shall be subject to examination and supervision by the Office of the Comptroller of the Currency in the same manner and to the same extent as the parent bank. If, upon examination, the Comptroller of the Currency shall ascertain that the subsidiary is created or operated in violation of law or regulation or that the manner of operation is detrimental to the business of the parent bank and its depositors, he may order the bank to dispose of all or part of such subsidiary upon such terms as he may deem proper.

(4) *Report of disposition of operating subsidiary.* Prior to disposition of an operating subsidiary, the parent bank shall inform the Comptroller of the Currency and the Regional Administrator, by letter, of the terms of the transaction.

§ 7.7378 Issuance of credit cards.

A national bank may issue credit cards, either directly or through a subsidiary corporation.

§ 7.7379 Servicing of mortgage and other loans as agent.

A national bank may act as agent in warehousing and servicing of mortgage and other loans, either directly or through a subsidiary corporation.

§ 7.7380 Loans originating at other than banking offices.

(a) A national bank may utilize the services of and compensate persons not employed by the bank for originating loans.

(b) Origination of loans by employees or agents of a national bank or of a subsidiary corporation at locations other than the main office or a branch office of the bank does not violate 12 U.S.C. 36 and 81 provided that the loans are approved and made at the main office or a branch office of the bank or at an office of the subsidiary located on the premises of, or contiguous to, the main office or branch office of the bank.

§ 7.7390 Bank service corporations.

(a) The provisions of 12 U.S.C. 1861–1865 permit national banks to invest an amount not exceeding 10 percent of capital and surplus in the stock of a corporation organized to perform bank services for two or more banks. The term "invest", as used in the Act, includes both the purchase of stock in and loans to a service corporation. Nothing in the Act or its legislative history would preclude banks from sharing in the ownership of the corporation with individuals or with corporations other than banks. "Bank services" is defined to include check and deposit sorting and posting; computation and posting of interest and other credits and charges; preparation and mailing of checks, statements, notices, and similar items; or any other clerical, bookkeeping, accounting, statistical or similar function performed for a bank. No national bank may cause these services to be performed for it by any means unless assurances satisfactory to the Comptroller of the Currency are furnished that the performances thereof will be subject to his regulation and examination. No such assurances are necessary where the bank owns the equipment outright, however. When a national bank invests in a bank service corporation, the bank must obtain from said corporation a letter recognizing the right of the Comptroller to examine and regulate its activities. This letter must be retained as a part of the permanent records of the bank and, in addition, a copy must be entered in the minutes of the board of directors. The examiner at the time of the regular examination will review the assurances for compliance with the requirements of the statute. In the instance where a bank contracts for the performance of such services, rather than invests in a bank service corporation, the bank must obtain this letter from the supplier of said service.

(b) 12 U.S.C. 1863 prohibits a discriminatory denial of bank services by a bank service corporation to a competitor of any bank holding stock therein. In addition, such corporations may only perform bank services for banks. Bank services, however, as defined in the Act, would include any service which a bank would ordinarily perform for a customer. Accordingly, if a bank undertakes to handle the payroll accounts or the accounts receivable of a customer, a bank service corporation may perform for the bank the service necessary to enable the bank to fulfill its undertaking.

OTHER RULINGS

§ 7.7400 Deposits by national banks in nonmember banks.

12 U.S.C. 463 forbids member banks to keep on deposit with any nonmember State bank or trust company a sum exceeding 10 percent of capital and surplus. The bank of North Dakota is not a nonmember State bank within the meaning of this section and national banks, therefore, may maintain deposits with that bank in excess of 10 percent.

§ 7.7405 National banks as depositaries of public money.

12 U.S.C. 90 and 12 U.S.C. 265 govern the appointments and regulation of national banks as depositaries of public money. Upon request from any national bank asking to be designated a depositary for public moneys the Deposits Branch, Bureau of Accounts of the Treasury Department will furnish the bank with appropriate instructions, including applicable Treasury regulations.

§ 7.7410 Pledge of bank assets as security for deposits.

National banks lack the power to pledge their assets to secure private deposits. However, Federal statutes permit national banks to pledge assets as security for public money (12 U.S.C. 90); certain Indian moneys (25 U.S.C. 156, 162 and 162a); insolvent national bank funds (12 U.S.C. 192); Government of Puerto Rico funds (48 U.S.C. 780); proceeds of sale of U.S. obligations (31 U.S.C. 771); funds deposited or held in trust awaiting investment (12 U.S.C. 92a) and bankruptcy funds deposited under the provisions of 11 U.S.C. 101.

§ 7.7415 Surety bond in lieu of pledged assets.

If an insurance company's surety bond is acceptable to a public depositor as surety for public deposits, a national bank may obtain such a surety bond and pledge securities or other assets in order to reduce its premium.

§ 7.7420 Acceptances.

National banks are not limited in the character of acceptances which they may make in financing credit transactions, and bankers' acceptances may be used for such purpose, since the making of acceptances is an essential part of banking authorized by 12 U.S.C. 24.

§ 7.7430 Preparing income tax returns for customers or public.

While a national bank may not serve as an expert tax consultant, it may assist its customers in preparing their tax returns, either gratuitously or for reasonable fees.

§ 7.7434 Business hours.

Agreements, arrangements, undertakings, or understandings among banks, through clearing houses or otherwise, concerning hours or days when such banks may be open for business are not permissible in any form. Wherever a bank has been involved in any of the practices cited, the board of directors should review its banking hours independently of any other bank, and take appropriate action to establish independently a schedule of banking hours. In taking this action, it is appropriate to make such changes in the schedule of banking hours as are deemed necessary or desirable in the light of the individual bank's costs and competitive position.

§ 7.7435 Banks remaining closed.

There is no Federal law governing holidays for national banks. Local counsel should be consulted on the question of possible liability under State laws affecting the validity of transactions consummated on days designated legal holidays by State authorities and also on the question of possible liability if the bank remains closed on any day not designated a legal holiday by State authorities.

§ 7.7445 Charitable foundations.

A national bank may establish a charitable foundation (either in the form of a charitable trust or a nonprofit corporation as provided by State law) to assist in making the charitable contributions permitted by paragraph Eighth of 12 U.S.C. 24 if the following conditions are met:

(a) The instrument creating the foundation (1) sets forth the purposes of the foundation in such fashion as to make it exclusively a charitable, philanthropic or benevolent instrumentality, and (2) provides that the operations of the foundation shall be fully disclosed to the Office of the Comptroller of the Currency upon request.

(b) The trust department of the bank or one or more directors or officers of the bank acts as trustees or directors of the foundation.

(c) Contributions by the bank to the foundation in any one year do not exceed the amount permitted by Federal law as a deduction from income for the purpose of the Federal tar on corporate income.

§ 7.7455 National banks holding collateral stock as nominee.

In accepting stock of another bank or other corporation as collateral for a loan, a national bank may have such stock transferred to its name, as nominee.

§ 7.7475 National banks acting as travel agents.

Incident to those powers vested in them under 12 U.S.C. 24, national banks may provide travel services for their customers and receive compensation therefor. Such services may include the sale of trip insurance and the rental of automobiles as agent for a local rental service. In connection therewith, national banks may advertise, develop, and extend such travel services for the purpose of attracting customers to the bank. See § 7.7376

§ 7.7479 Charitable contributions.

Pursuant to the provisions of paragraph Eighth of 12 U.S.C. 24, a national bank may contribute to community funds or charitable, philanthropic or benevolent instrumentalities conducive to public welfare, provided that it is located in a State the laws of which do not expressly prohibit State banking institutions from making such contributions and provided that the amount contributed does not exceed that which is allowed by the Internal Revenue Service as a deduction from income.

§ 7.7480 Investments in community development projects.

Occasionally banks are asked to contribute to a community development

corporation, wherein the bank will receive an equity interest in or evidence of debt which may have value in the future, but which is clearly not a bankable asset by ordinary standards. Such "investment" may be made and charged off as a contribution. If the bank wishes to carry the investment as an asset, the examiners will treat it as permissible under the paragraph Eighth of 12 U.S.C. 24: *Provided*, That the following conditions are met:

(a) The project must be of a predominantly civic, community or public nature and not merely private and entrepreneurial.

(b) The bank's investment in any one project does not exceed 2 percent of its capital and surplus and its aggregate investment in all such projects does not exceed 5 percent of its capital and surplus.

(c) Such investments are accounted for on the bank's books under "other assets."

§ 7.7482 Postal service by national banks.

(a) A national bank may maintain and operate a postal substation on banking premises and receive income therefrom. The services performed by the substation may include meter stamping of letters and packages and the sale of related insurance. The bank may advertise, develop, and extend the services of the substation for the purpose of attracting customers to the bank.

(b) The operation of the postal substation shall be in accordance with the rules and regulations of the U.S. Postal Service. The books and records of the substation shall be kept separate from those of other banking operations. Under 39 U.S.C. 705 and regulations issued pursuant thereto, the Postal Service may inspect the books and records of the substation.

§ 7.7485 National banks acting as payroll issuer.

A national bank may disburse to employees of its customers payroll funds deposited with it by such customers. Disbursement may be made by direct payment to any employees, or by crediting an account standing in the employee's name at the disbursing bank.

§ 7.7490 Messenger service.

To meet the requirements of its customers, a national bank may provide messenger service by means of an armored car or otherwise, pursuant to an agreement wherein it is specified that the messenger is the agent of the customer rather than of the bank. Deposits collected under this arrangement are not considered as having been received by the bank until they are actually delivered to the teller at the bank's premises. Similarly, a check is considered as having been paid at the bank when the money is handed to the messenger as agent for the customer. In some States, however, this power may be limited by the branching provision of 12 U.S.C. 36 and the bank would then be required to consider those aspects of the transaction which might give the bank advantages over State chartered banks in its competition for customers.

§ 7.7491 Deposit machines.

A national bank may utilize at any location a machine which receives checks, currency, or coin for deposit. The machine shall provide documentary evidence of the transaction which states that the transaction will become a deposit upon verification and crediting at the main office or a branch office of the bank. Utilization of such machines at locations other than the main office or a branch office of the bank does not constitute branch banking. A bank may provide insurance protection under its bonding program for transactions involving such machines. In some States, however, this power may be limited by the branching provision of 12 U.S.C. 36 and the bank would then be required to consider those aspects of the transaction which might give the bank advantages over State chartered banks in its competition for customers.

§ 7.7495 Debt cancellation contracts.

A national bank may provide for losses arising from cancellation of outstanding loans upon the death of borrowers. The imposition of an additional charge and the establishment of necessary reserves in order to enable the bank to enter into such debt cancellation contracts are a lawful exercise of the powers of a national bank and necessary to the business of banking.

§ 7.7500 Sale of money orders at nonbanking outlets.

A national bank may designate bonded agents to sell the bank's money orders at nonbanking outlets. Such a draft, if signed by an authorized officer of the selling agent of the bank, is closely akin to a cashier's check on which the bank is both drawer and drawee, and which is accepted simultaneously with its issuance. Thus, the bank is solely liable for payment upon proper presentation and demand. If the draft has no provision for a signature by an officer or selling agent of the bank, the imprinted name of the bank will not be construed to be such a signature, and such a draft is closely akin to an ordinary draft on which the bank is only the drawee and upon which the bank is not liable unless the bank accepts the check upon presentation and demand. The responsibility of both the bank and its agent should be carefully defined in a written agreement setting forth the duties of both parties and providing for remuneration of the agent. Such agents need not report on sales and transmit funds therefrom more frequently than at the end of the third business day following receipt of the funds.

§ 7.7505 Accelerated depreciation for tax purposes.

In order that a national bank may benefit from widely practiced and generally accepted accounting procedures available under the Internal Revenue Code to other taxpayers, the bank may use for income tax purposes one of the accelerated methods of depreciation set forth in section 167(b) of the Internal Revenue Code of 1954, as amended, and apply a generally accepted nonaccelerated method for financial accounting purposes with respect to certain newly acquired assets selected by the bank. Once the dual depreciation treatment is applied to a given asset it must be continued until the asset is fully depreciated. Upon adoption of the above practice, accounting recognition must be given to deferred income taxes applicable to the excess of depreciation allowed for income tax purposes over depreciation expense recorded for financial accounting purposes, if such taxes are material in amount.

§ 7.7515 Service charges on dormant accounts.

A national bank may, consistent with contracts of deposit, impose such service charges on dormant accounts as its board of directors determines to be reasonable.

§ 7.7516 Sharing of banking quarters.

The operations of a national bank and another financial institution should be separately identified and maintained within any banking quarters which may be shared by these institutions. Similarly, the assets and records of such institutions should be segregated. Where a national bank and another financial institution share banking quarters, an active officer or employee of one institution may engage in the performance of work for the other institution pursuant to an agency agreement and under such conditions as to insure that the agency relationship is readily known to the customers of either institution.

§ 7.7517 Accounts without service charge.

No newly organized national bank may offer checking accounts without service charge, without the prior approval of the Comptroller.

§ 7.7518 Bank indebtedness; Federal funds, securities repurchase agreements, Federal Reserve bills payable.

For purposes of 12 U.S.C. 82, a national bank's indebtedness or liability does not include Federal funds purchased (see § 7.1130) obligations to repurchase securities sold (see § 7.1131), or bills payable to the Federal Reserve (12 U.S.C. 82(5)). Accordingly, for purposes of § 14.5(b) of this chapter, a national bank's indebtedness or liability is determined without regard to such items. Also see §§ 7.7355 and 7.7530.

§ 7.7519 Loan repurchase agreements.

The sale by a national bank of notes or other paper in its loan portfolio under a repurchase agreement is to be considered a borrowing by the selling bank subject to the limitations contained in 12 U.S.C. 82. The liability of the bank to the purchaser of such paper is equal to the total amount of the obligations covered by the repurchase agreement.

§ 7.7530 Issuance of promissory notes.

(a) A national bank may issue at part or discount its negotiable or nonnegotiable promissory notes of any maturity.

(b) The provisions of Part 16 of this chapter should be consulted for offering circular requirements if there is to be a public offering of such notes or a series thereof.

§ 7.7535 Receipt of stock from SBIC.

Since a national bank may purchase the stock of a small business investment company (see 15 U.S.C. 682(b)), it may also receive the benefits of such stock ownership; e.g., stock dividends. The receipt and retention of a dividend by a national bank from an SBIC in the form of stock of a corporate borrower of the SBIC is not a purchase of stock within the meaning of paragraph Seventh of 12 U.S.C. 24.

§ 7.7540 Reports of condition: Waiver of affiliate reports.

When a report of an affiliate of a national bank is required, such report shall be published by the national bank in the same manner as its own condition reports. However, reports of affiliates are no longer required unless specifically requested by the Comptroller.

§ 7.7545 Unimpaired surplus fund.

The definition of the term "unimpaired surplus fund" as contained in § 7.1100(b) is also applicable in determining the capital requirements by which a national bank's investment securities are limited (12 U.S.C. 24); the minimum capital requirements for the establishment of branches (12 U.S.C. 36(c)); the limitations on the aggregate amount of real estate loans (12 U.S.C. 371); the limitation on the aggregate amount of loans to affiliates (12 U.S.C. 371c); and the limitation on the aggregate amount a national bank may keep on deposit with a nonmember State bank (12 U.S.C. 463). For the purpose of determining a bank's borrowing limit under 12 U.S.C. 82, the definition of "unimpaired surplus fund" contained in § 7.1100(b) is applicable with the exception of subdivision (vi) (proceeds of capital notes, capital debentures or similar obligations).

§ 7.7550 Accrual of bond discount.

Discount on any bond, including a security of Type I, II, or III (§ 1.3 of this chapter) whether arising upon original issue or purchase in the market, may be accrued if there is concurrent accrual of income tax on such discount.

§ 7.7560 Automatic payment plan account.

A national bank may, for the benefit and convenience of its savings depositors, adopt an automatic payment plan under which a savings account will earn dividends at the current rate paid on regular savings accounts and the depositor, upon reaching a previously designated age, will receive his accumulated savings and earned interest thereon in installments of equal amounts over a specified period.

§ 7.7570 Separate investment security limitations.

The 10 percent investment limitation of 12 U.S.C. 24(7) may be applied separately to each security issue of a single issuer of such securities, if the proceeds of each issue are to be used to acquire and lease real estate and related facilities to economically and legally separate industrial tenants and each issue is payable solely from and secured by a first lien on, the revenues to be derived from rentals paid by such lessee under net noncancellable leases.

§ 7.7590 Interest rate escalation clause.

Under the ordinary rules of contract law, a loan agreement may include an interest rate escalation clause.

§ 7.7595 Acquisition of national bank stock by employees; profit-sharing or pension trust.

A profit-sharing or pension trust for the benefit of employees of a national bank may acquire, as trust assets, capital stock of such national bank provided that such an acquisition is specifically authorized by the governing instrument of the trust. The primary consideration in making investments for the trust should remain the operation of the fund for the exclusive benefit of the employees. Details of all such transactions consummated during any calendar month shall be reported not later than 10 days after the close of that month to the Comptroller of the Currency.

§ 7.8000 Charges by banks.

All charges to customers should be arrived at by each bank on a competitive basis and not on the basis of any agreement, arrangement, undertaking, understanding or even discussion among banks or their officers.

Dated: August 20, 1971.

[SEAL] WILLIAM B. CAMP,
Comptroller of the Currency.

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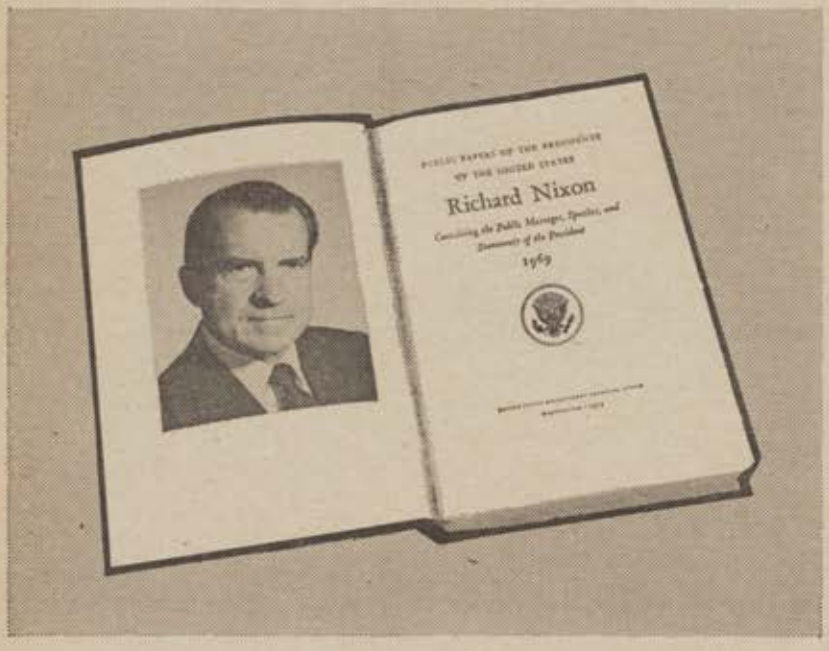

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