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Title 3—THE PRESIDENT

Proclamation 3840

LAW AND ORDER IN THE WASHINGTON METROPOLITAN AREA

By the President of the United States of America

A Proclamation

WHEREAS I have been informed that conditions of domestic violence and disorder exist in the District of Columbia and threaten the Washington metropolitan area, endangering life and property and obstructing execution of the laws, and that local police forces are unable to bring about the prompt cessation of such acts of violence and restoration of law and order; and

WHEREAS I have been requested to use such units of the National Guard and of the Armed Forces of the United States as may be necessary for those purposes; and

WHEREAS in such circumstances it is also my duty as Chief Executive to take care that the property, personnel and functions of the Federal Government, of embassies of foreign governments, and of international organizations in the Washington metropolitan area are protected against violence or other interference:

NOW, THEREFORE, I, LYNDON B. JOHNSON, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do command all persons engaged in such acts of violence to cease and desist therefrom and to disperse and retire peaceably forthwith.

IN WITNESS WHEREOF, I have hereunto set my hand this fifth day of April, in the year of our Lord nineteen hundred and sixty-eight, and of the Independence of the United States of America the one hundred and ninety-second.

THE WHITE HOUSE,
4:02 P.M.
Friday, April 5, 1968.

[F.R. Doc. 68-4256; Filed, Apr. 5, 1968; 5:30 p.m.]

Proclamation 3841

LAW AND ORDER IN THE STATE OF ILLINOIS

By the President of the United States of America

A Proclamation

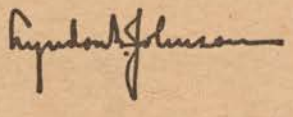
WHEREAS the Governor of the State of Illinois has informed me that conditions of domestic violence and disorder exist in and about the City of Chicago in that State, obstructing the execution and enforcement of the laws, and that the law enforcement resources available to the City and State, including the National Guard, have been unable to suppress such acts of violence and to restore law and order; and

WHEREAS the Governor has requested me to use such of the armed forces of the United States as may be necessary for those purposes; and

WHEREAS such domestic violence and disorder are also obstructing the execution of the laws of the United States, including the protection of federal property in and about the City of Chicago:

NOW, THEREFORE, I, LYNDON B. JOHNSON, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, including Chapter 15 of Title 10 of the United States Code, do command all persons engaged in such acts of violence to cease and desist therefrom and to disperse and retire peaceably forthwith.

IN WITNESS WHEREOF, I have hereunto set my hand this 7th day of April, in the year of our Lord nineteen hundred and sixty-eight, and the Independence of the United States of America the one hundred and ninety-second.



THE WHITE HOUSE,
1:00 A.M.
April 7, 1968.

[F.R. Doc. 68-4267; Filed, Apr. 8, 1968; 10:00 a.m.]

Proclamation 3842

LAW AND ORDER IN THE STATE OF MARYLAND

By the President of the United States of America

A Proclamation

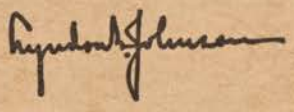
WHEREAS the Governor of the State of Maryland has informed me that conditions of domestic violence and disorder exist in and about the City of Baltimore in that State, obstructing the execution and enforcement of the laws, and that the law enforcement resources available to the City and State, including the National Guard, have been unable to suppress such acts of violence and to restore law and order; and

WHEREAS the Governor has requested me to use such of the armed forces of the United States as may be necessary for those purposes; and

WHEREAS such domestic violence and disorder are also obstructing the execution of the laws of the United States, including the protection of federal property in and about the City of Baltimore:

NOW, THEREFORE, I, LYNDON B. JOHNSON, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, including Chapter 15 of Title 10 of the United States Code, do command all persons engaged in such acts of violence to cease and desist therefrom and to disperse and retire peaceably forthwith.

IN WITNESS WHEREOF, I have hereunto set my hand this seventh day of April, in the year of our Lord nineteen hundred and sixty-eight, and the Independence of the United States of America the one hundred and ninety-second.



THE WHITE HOUSE,
10:12 P.M.
April 7, 1968.

[F.R. Doc. 68-4269; Filed, Apr. 8, 1968; 10:01 a.m.]

Executive Order 11403

PROVIDING FOR THE RESTORATION OF LAW AND ORDER IN THE WASHINGTON METROPOLITAN AREA

WHEREAS I have today issued Proclamation No. 3840, calling upon persons engaged in acts of violence and disorder in the Washington metropolitan area to cease and desist therefrom and to disperse and retire peaceably forthwith; and

WHEREAS the conditions of domestic violence and disorder described therein continue, and the persons engaging in such acts of violence have not dispersed:

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States and Commander in Chief of the Armed Forces under the Constitution and laws of the United States, including Chapter 15 of Title 10 of the United States Code and Section 301 of Title 3 of the United States Code, and by virtue of the authority vested in me as commander-in-chief of the militia of the District of Columbia by the Act of March 1, 1889, as amended (D.C. Code, Title 39), it is hereby ordered as follows:

SECTION 1. The Secretary of Defense is authorized and directed to take all appropriate steps to disperse all persons engaged in the acts of violence described in the proclamation, to restore law and order, and to see that the property, personnel and functions of the Federal Government, of embassies of foreign governments, and of international organizations in the Washington metropolitan area are protected against violence or other interference.

SEC. 2. In carrying out the provisions of Section 1, the Secretary of Defense is authorized to use such of the Armed Forces of the United States as he may deem necessary.

SEC. 3. (a) The Secretary of Defense is hereby authorized and directed to call into the active military service of the United States, as he may deem appropriate to carry out the purposes of this order, units or members of the Army National Guard and of the Air National Guard to serve in the active military service of the United States for an indefinite period and until relieved by appropriate orders. Units or members may be relieved subject to recall at the discretion of the Secretary of Defense. In carrying out the provisions of Section 1, the Secretary of Defense is authorized to use units and members called or recalled into the active military service of the United States pursuant to this section.

(b) In addition, in carrying out the provisions of Section 1, the Secretary of Defense is authorized to exercise any of the powers vested in me by law as commander-in-chief of the militia of the District of Columbia, during such time as any units or members of the Army National Guard or Air National Guard of the District shall not have been called into the active military service of the United States.

SEC. 4. The Secretary of Defense is authorized to delegate to one or more of the Secretaries of the military Departments any of the authority conferred upon him by this order.

Lyndon B. Johnson

THE WHITE HOUSE,
4:03 P.M.
Friday, April 5, 1968

[F.R. Doc. 68-4257; Filed, Apr. 5, 1968; 5:31 p.m.]

Executive Order 11404

PROVIDING FOR THE RESTORATION OF LAW AND ORDER IN THE STATE OF ILLINOIS

WHEREAS I have today issued Proclamation No. 3841, pursuant in part to the provisions of Chapter 15 of Title 10 of the United States Code; and

WHEREAS the conditions of domestic violence and disorder described therein continue, and the persons engaging in such acts of violence have not dispersed;

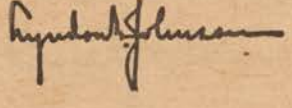
NOW, THEREFORE, by virtue of the authority vested in me as President of the United States and Commander in Chief of the Armed Forces by the Constitution and laws of the United States, including Chapter 15 of Title 10 of the United States Code, and Section 301 of Title 3 of the United States Code, it is hereby ordered as follows:

SECTION 1. The Secretary of Defense is authorized and directed to take all appropriate steps to disperse all persons engaged in the acts of violence described in the proclamation and to restore law and order.

SEC. 2. In carrying out the provisions of Section 1, the Secretary of Defense is authorized to use such of the Armed Forces of the United States as he may deem necessary.

SEC. 3. The Secretary of Defense is hereby authorized and directed to call into the active military service of the United States, as he may deem appropriate to carry out the purposes of this order, units or members of the Army National Guard and of the Air National Guard to serve in the active military service of the United States for an indefinite period and until relieved by appropriate orders. Units or members may be relieved subject to recall at the discretion of the Secretary of Defense. In carrying out the provisions of Section 1, the Secretary of Defense is authorized to use units and members called or recalled into the active military service of the United States pursuant to this section.

SEC. 4. The Secretary of Defense is authorized to delegate to one or more of the Secretaries of the military Departments any of the authority conferred upon him by this order.



THE WHITE HOUSE,
1:01 A.M.
April 7, 1968.

[F.R. Doc. 68-4268; Filed, Apr. 8, 1968; 10:00 a.m.]

Executive Order 11405

PROVIDING FOR THE RESTORATION OF LAW AND ORDER IN THE STATE OF MARYLAND

WHEREAS I have today issued Proclamation No. 3842, pursuant in part to the provisions of Chapter 15 of Title 10 of the United States Code; and

WHEREAS the conditions of domestic violence and disorder described therein continue, and the persons engaging in such acts of violence have not dispersed;

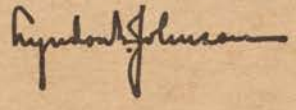
NOW, THEREFORE, by virtue of the authority vested in me as President of the United States and Commander in Chief of the Armed Forces by the Constitution and laws of the United States, including Chapter 15 of Title 10 of the United States Code, and Section 301 of Title 3 of the United States Code, it is hereby ordered as follows:

SECTION 1. The Secretary of Defense is authorized and directed to take all appropriate steps to disperse all persons engaged in the acts of violence described in the proclamation and to restore law and order.

SEC. 2. In carrying out the provisions of Section 1, the Secretary of Defense is authorized to use such of the Armed Forces of the United States as he may deem necessary.

SEC. 3. The Secretary of Defense is hereby authorized and directed to call into the active military service of the United States, as he may deem appropriate to carry out the purposes of this order, units or members of the Army National Guard and of the Air National Guard to serve in the active military service of the United States for an indefinite period and until relieved by appropriate orders. Units or members may be relieved subject to recall at the discretion of the Secretary of Defense. In carrying out the provisions of Section 1, the Secretary of Defense is authorized to use units and members called or recalled into the active military service of the United States pursuant to this section.

SEC. 4. The Secretary of Defense is authorized to delegate to one or more of the Secretaries of the military Departments any of the authority conferred upon him by this order.



THE WHITE HOUSE,
10:13 P.M.
April 7, 1968.

[F.R. Doc. 68-4270; Filed, Apr. 8, 1968; 10:01 a.m.]

Rules and Regulations

Title 15—COMMERCE AND FOREIGN TRADE

Chapter III—Bureau of International Commerce, Department of Commerce

SUBCHAPTER B—EXPORT REGULATIONS

[10th Gen. Rev. of Export Regs., Amdt. 46]

MISCELLANEOUS AMENDMENTS TO CHAPTER

Parts 373, 381, 385, and 399 of the Code of Federal Regulations are amended as set forth below:

PART 373—LICENSING POLICIES AND RELATED SPECIAL PROVISIONS

Sections 373.20, 373.43, 373.50, and 373.65 of this part are revised to read as follows:

§ 373.20 Copper ores, concentrates, matte, ash, residues, waste, scrap, and blister copper.

(a) *Copper ores, concentrates, matte, and blister copper*—(1) *General policy of denial.* As a general policy, applications for licenses to export any of the following commodities will be denied, except as indicated in subparagraph (2) of this paragraph:

Export Control Commodity Number and Commodity Description	
28311	Copper ores and concentrates.
28312	Copper matte.
68211	Blister copper and other unrefined copper.

(2) *Exceptions to general policy of denial*—(i) *Commodities that cannot be processed commercially for technological or economic reasons other than strike conditions.* Consideration will be given to approval of applications covering the proposed export of commodities described in subparagraph (1) of this paragraph which, because of technological or economic reasons, cannot be processed commercially in the United States. Such an application shall include:

(*a*) A statement describing the commodities, an analysis of the metal content, and an explanation of the difficulty in processing the commodity in the United States;

(*b*) The following certification:

I (We) certify that to my (our) best knowledge and belief the commodities described on this application cannot be commercially processed in the United States;

(*c*) The identification of the foreign consumer by setting forth one of the following applicable statements in the space on the license application entitled "Additional Information" or on an attachment thereto:

The foreign consumer of the commodities covered by this application is the same as that shown in the "ultimate consignee in foreign country" space on this license application.

or, if the foreign consumer is not the same as that shown in the space on the license application entitled "Ultimate Consignee in Foreign Country":

The name and address of the foreign consumer is_____;

and

(*d*) A Single Transaction Statement by Consignee and Purchaser, Form FC–842, submitted in accordance with the provisions of § 373.65 and bearing the endorsement of the designated representative of the U.S. Agency for International Development (AID) Mission, Saigon, if the proposed shipment, regardless of value, is destined for the Republic of Vietnam (area not under Communist control). To obtain this endorsement, the consignee and/or purchaser shall submit his Statement, in original and two copies, to the U.S. AID Mission, Saigon, Vietnam. Upon endorsement, the original of the Statement will be returned to the consignee or purchaser, for forwarding to the U.S. exporter; the copies will be retained by the U.S. AID Mission.

(ii) *Commodities that cannot be processed commercially because of strike conditions.* Consideration will be given to approval of applications received from, or on behalf of, copper producers covering the proposed export to Country Groups T and V of commodities described in subparagraph (1) of this paragraph, that cannot be processed commercially in the United States due to the nonavailability of processing facilities caused by strike conditions in the domestic copper industry. Such applications shall include the following certification:

I (We) certify that due to strike conditions there are no domestic facilities available for processing the commodities described on this application.

In addition, if the proposed shipment, regardless of value, is destined for the Republic of Vietnam, the application shall be supported by a Single Transaction Statement, Form FC–842, endorsed by the designated representative of the U.S. Agency for International Development Mission, Saigon, as set forth in subdivision (i) (*d*) of this subparagraph.

(b) *Copper and copper-base alloy waste and certain nickel scrap*—(1) *Scope.* The following commodities are subject to the provisions of this paragraph (b):

Export Control Commodity Number and Commodity Description	
28401	Copper bearing ash and residues.
28402	Copper or copper-base alloy waste and scrap.
28403	Nickel alloy waste and scrap containing 50 percent or more copper irrespective of nickel content.

(2) *Shipments not commercially processable in the United States*—(i) *Commodities that cannot be processed in the United States for technological or economic reasons other than strike conditions.* An application for a license to export any of the commodities described above that for any technological or economic reasons other than strike conditions cannot be processed commercially in the United States will be considered for licensing without a charge against the copper export quota. Where an application covers commodities that cannot be processed for a technological reason, such application shall be accompanied by a copy(ies) of a letter(s) received by the applicant from a recognized scrap processor(s) who has (have) declined to process the scrap described on the application. Additionally, such an application shall be accompanied by the documentation set forth in paragraph (a) (2) (i) of this section. An application for license to export any of the commodities described above that cannot be processed for an economic reason shall include a statement setting forth such reason in full detail.

(ii) *Commodities that cannot be processed because of strike conditions.* (*a*) An application for a license to export any of the commodities described above that cannot be processed commercially in the United States due to the nonavailability of custom smelting facilities caused by strike conditions in the domestic copper industry will be considered for licensing without a charge against the copper export quota. The approval of such an application shall be contingent further upon the determination by the Office of Export Control that the commodities covered by the application cannot be economically absorbed otherwise by the domestic economy. Such an application shall include the following certification:

I (We) certify that the copper bearing scrap commodities described on this application are of a type normally processed by domestic custom smelting facilities. Due to strike conditions there are no domestic custom smelting facilities available for the processing of these commodities.

(*b*) Where an application covers commodities to be exported under the provisions of this paragraph (b) (2) (ii) that will be smelted and the resulting refined copper, or an equivalent quantity thereof, will be imported into the United States for consumption, it shall also contain the following certification:

I (We) certify that there are no domestic facilities available for processing the commodities described on this application. The refined copper produced from these commodities, less the customary charges made by the foreign refinery, or an equivalent amount of refined copper will be imported into the United States for consumption.

Such applications may be for 100 percent of the stocks of the commodities held by the applicant. However, the refined copper resulting from the export of copper bearing scrap commodities must be imported into the United States no later than 120 days after the scrap export to which it is related.

(c) Where the export of commodities under the provisions of this subparagraph (2)(ii) will not result in the import of refined copper into the United States for consumption, consideration will be given to applications for licenses to export as much as 80 percent of an applicant's inventory of the commodities described in subparagraph (1) of this paragraph as of October 31, 1967 and 80 percent of his receipts of such commodities during each month thereafter.

(d) An export license granted under the provisions of this paragraph (b) will be valid for no more than 60 days.

(e) In addition, if the proposed shipment, regardless of value, is destined for the Republic of Vietnam, the application shall be supported by a Single Transaction Statement, Form FC–842, endorsed by the designated representative of the U.S. Agency for International Development Mission, Saigon, as set forth in paragraph (a)(2)(i)(d) of this section.

(iii) *Reporting requirement.* A person or firm participating in exports under the provisions of subdivision (ii) of this subparagraph shall forward a report of his stock levels as of October 31, 1967, and a report of his receipts during each successive month thereafter of the commodities described in subparagraph (1) of this paragraph to the Office of Export Control (Attention: 862), U.S. Department of Commerce, Washington, D.C. 20230.

(3) *Other shipments.* (i) Commodities described in subparagraph (1) of this paragraph that cannot be licensed under the provisions of subparagraph (2) of this paragraph will be considered for licensing under the Past Participation in Exports licensing method (see § 373.8). To qualify as a historical exporter, an exporter shall submit a statement of past participation in exports. The statement shall set forth the quantity (in copper content pounds) and total dollar value, by country of ultimate destination, exported by the exporter during the calendar year 1964 and during the first three calendar quarters of 1965, i.e., January–March, April–June, and July–September, as well as the grand totals for the period January 1, 1964, through September 30, 1965. However, the statement shall not include the types of shipments set forth in § 373.8(c)(1), or a shipment that was not commercially processable in the United States as described more fully in subparagraph (2) of this paragraph.

(ii) In addition, the foreign consumer shall be identified on the license application in the manner set forth in paragraph (a)(2)(i)(c) of this section; and if the proposed shipment, regardless of value, is destined for the Republic of Vietnam, the application shall be supported by a Single Transaction Statement, Form FC–842, endorsed by the designated representative of the U.S. Agency for International Development Mission, Saigon, as set forth in paragraph (a)(2)(i)(d) of this section.

NOTE: 1. See § 373.43 for special provisions covering other copper commodities.

2. See §§ 373.18 and 373.39 for special provisions covering other nickel commodities.

§ 373.43 Blister and refined copper, copper-base alloy ingots, master alloys, and semifabricated copper products.

(a) *Blister copper and other unrefined copper.* Blister copper and other unrefined copper, Export Control Commodity No. 68211, are subject to the special provisions set forth in § 373.20(a).

(b) *Refined copper other than copper-base alloy ingots*—(1) *Scope.* The term "refined copper," as used in this paragraph (b), means any refined copper, including remelted, in cathodes, billets, ingots (except copper-base alloy ingots), wire bars, and other crude forms (Export Control Commodity No. 68212).

(2) *Copper produced from or shipped as an offset against foreign materials.* Subject to the provisions of subparagraph (4) of this paragraph, license applications covering refined copper produced from foreign-origin copper raw material or refined copper produced from material which was declared as an offset against an equivalent quantity of foreign-origin copper raw materials entered into the United States under a Customs Import Entry, will be considered for licensing without a charge against the refined copper export quota only if:

(i) The application is submitted to the Office of Export Control within 3 months following the date of the related Customs Import Entry. However, such an application may be submitted to the Office of Export Control subsequent to 3 months following the date of the Customs Import Entry provided that the Customs Import Entry is dated on or after May 15, 1967, and provided that the applications is submitted either during the duration of the strike in the domestic copper industry that began on July 15, 1967, or within 1 month following the settlement of the strike;

(ii) The application is supported by the following certification:

I (We) certify that the refined copper described in this license application has been or will be (a) produced from foreign origin copper raw materials, or (b) produced in the United States from copper raw materials against which an equivalent quantity of copper raw materials, originating from (name of country), has been entered into the United States by (name and address of importer) under Customs Import Entry No. (Entry number), on (date), at (location of port), covering (quantity) pounds of copper content.

If the importer is a customs broker or is otherwise acting as an agent, the above certification shall also include the name of the principal for whom the agent is acting; and

(iii) For an export to the Republic of Vietnam (area not under Communist control), regardless of value, the application is supported by a Form FC–842, Single Transaction Statement by Consignee and Purchaser, submitted in accordance with the provisions of § 373.65 and bearing the endorsement of the designated representative of the U.S. Agency for International Development (AID) Mission, Saigon. To obtain this endorsement, the consignee and/or purchaser shall submit his Statement, in original and two copies, to the U.S. AID Mission, Saigon, Vietnam. Upon endorsement, the original of the Statement will be returned to the consignee or purchaser, for forwarding to the U.S. exporter; the copies will be retained by the U.S. AID Mission.

(3) *Copper not produced from foreign materials.* (i) Subject to the provisions of subparagraph (4) of this paragraph, refined copper not meeting the provisions of subparagraph (2) of this paragraph will be licensed under the Past Participation in Exports method of licensing (see § 373.8). To qualify as a historical exporter, an exporter shall submit a statement of past participation in exports. The statement shall set forth the quantity (in copper content pounds) and total dollar value exported by the applicant during the base period of January 1, 1963, through June 30, 1965, except that the following types of shipments shall not be included:

(*a*) Refined copper produced from foreign-origin materials; and

(*b*) Refined copper produced from material that was declared as an offset against an equivalent quantity of foreign materials entered into the United States under a Customs Import Entry.

(ii) A statement submitted by other than a refiner shall be accompanied by a certification from the exporter's refiner, setting forth the quantity of refined copper produced from domestic materials which the refiner delivered to the exporter during the period January 1, 1963, through June 30, 1965. A refiner, unable to state accurately the quantity of domestic-origin refined copper delivered to the exporter during the base period, may certify to an estimated quantity delivered to the exporter based on the ratio of domestic-origin materials to foreign-origin materials used by the refiner for the refiner's total production of refined copper during the period January 1, 1963 through June 30, 1965.

(iii) In addition, the foreign consumer shall be identified on each license application in the manner set forth in § 373.20(a)(2)(i)(c); and for an export to the Republic of Vietnam, regardless of value, the license application shall be supported by a Single Transaction Statement, endorsed by the designated representative of the U.S. Agency for International Development Mission, Saigon, as set forth in subparagraph (2) of this paragraph.

(4) *Certification regarding U.S. National Stockpile origin.* Except in unusual circumstances, an application for a license to export refined copper supplied from the U.S. National Stockpile will be

denied. Therefore, each license application shall specify whether it covers refined copper supplied from the U.S. National Stockpile. This information shall be entered on the application in the space entitled "Additional Information" or on an attachment thereto, as follows:

(i) If the application covers copper not supplied from the U.S. National Stockpile, the exporter shall enter the following certification:

I (We) certify that the refined copper described in this application has not been, and will not be, supplied from the U.S. National Stockpile.

(ii) If the application covers copper supplied from the U.S. National Stockpile, the exporter shall so indicate.

(iii) If the exporter does not know, or is unable to determine, whether the refined copper has been, or will be, supplied from the U.S. National Stockpile, he shall so indicate and include the reason(s) why this information is not available.

(c) *Copper-base alloy ingots*—(1) *Scope.* The term "copper-base alloy ingots," as used in this paragraph (c), means any ingots composed essentially of copper with one or more other metals; for example, beryllium copper ingots, devarda alloy ingots, guinea alloy ingots, ounce metal ingots, etc. (Export Control Commodity No. 68212).

(2) *Licensing method.* Copper-base alloy ingots will be licensed under the Past Participation in Exports method of licensing (see § 373.8). In order to qualify as a historical exporter, an exporter shall submit a statement of past participation in exports. The statement shall set forth the quantity (in copper content pounds) and total dollar value exported by the applicant during the base period January 1, 1963, through June 30, 1965.

In addition, the foreign consumer shall be identified on each license application in the manner set forth in § 373.20(a)(2)(i)(c); and for an export to South Vietnam, regardless of value, the license application shall be supported by a Single Transaction Statement, endorsed by the designated representative of the U.S. Agency for International Development Mission, Saigon, as set forth in paragraph (b)(2)(iii) of this section.

(d) *Semifabricated copper products and master alloys of copper*—(1) *Scope.* The term "semifabricated copper products and master alloys of copper," as used in this paragraph (d), includes the following commodities:

Export Control Commodity Number and Commodity Description

51470 Master alloys of copper containing 8 percent or more phosphor.
68213 Master alloys of copper.
68221 Bars, rods, angles, shapes, sections, and wire of copper or copper-base alloy.
68222 Plates, sheets, and strips (including perforated) of copper or copper-base alloy.
68223 Copper foil.
68224 Copper or copper alloy powders and flakes.
68225 Tubes, pipes, and blanks therefor, and hollow bars of copper or copper-base alloy.
69892 Copper or copper-base alloy castings and forgings.
72310 Wire and cable coated with, or insulated with, fluorocarbon polymers or copolymers.
72310 Coaxial-type communications cable as follows: (a) Containing fluorocarbon polymers or copolymers, (b) using a mineral insulator dielectric, (c) using a dielectric aired by discs, beads, spiral, screw, or any other means, (d) designed for pressurization or use with a gas dielectric, or (e) intended for submarine laying.
72310 Other coaxial cable.
72310 Communications cable containing more than one pair of conductors of which any one of the conductors, single or stranded, has a diameter exceeding 0.9 mm. (0.035 inch), as follows: (a) Cable in which the nominal mutual capacitance of paired circuits is less than 53 nanofarads/mile (33 nanofarads/KM), except conventional paper and air dielectric types, (b) submarine cable, or (c) cable containing fluorocarbon polymers or copolymers.
72310 Other communications cable containing more than one pair of conductors and containing any containing any conductor, single or stranded, exceeding 0.9 mm. in diameter.
72310 Other copper or copper-base alloy insulated wire and cable.

(2) *Shipments under military and AID contracts.* Applications for licenses to export under U.S. military contracts or under contracts financed by the U.S. Agency for International Development any of the commodities set forth in subparagraph (1) of this paragraph, will be considered for licensing without a charge against the exporter's share of the quota. Such applications shall include a statement that the commodities and quantities described on the application are being shipped pursuant to a U.S. military contract or under a contract financed by the Agency for International Development and shall also include the contract number and date of contract. If the shipment is being made pursuant to a U.S. military contract, the application shall specify the branch of the military service executing the contract and the DO–DX defense priority rating. In addition, for an export to the Republic of Vietnam, regardless of value, the license application shall be supported by a Single Transaction Statement, Form FC–842, endorsed by the designated representative of the U.S. Agency for International Development Mission, Saigon, as set forth in paragraph (b)(2)(iii) of this section.

(3) *Other shipments.* Applications for licenses to export any of the commodities set forth in subparagraph (1) of this paragraph which will not be shipped under U.S. military contracts or under U.S. Agency for International Development contracts, generally will be licensed under the Past Participation in Exports method of licensing (see § 373.8). A sizeable portion of the quota will be reserved for historical and nonhistorical exporters to meet essential export requirements that cannot be satisfied under the Past Participation in Exports licensing method. The Office of Export Control will announce at the beginning of each licensing period the percentage of the quota to be licensed under the Past Participation in Exports method of licensing and the percentage of the quota to be reserved for esential export requirements. In order to qualify as a historical exporter, an exporter shall submit a statement of past participation in exports. The statement shall set forth the quantity (in copper content pounds) and total dollar value exported by the applicant during the base period of January 1, 1964, through December 31, 1965, in each of the following three categories:

(i) The quantity shipped under U.S. military contracts;

(ii) The quantity shipped under contracts financed by the U.S. Agency for International Development; and

(iii) The quantity of other shipments.

If the exporter did not make any shipments during the base period under U.S. military or U.S. Agency for International Development contracts, he shall so indicate in his statement of past participation in exports. In addition, for an export to the Republic of Vietnam, regardless of value, the license application shall be supported by a Single Transaction Statement, Form FC–842, endorsed by the designated representative of the U.S. Agency for International Development Mission, Saigon, as set forth in paragraph (b)(2)(iii) of this section.

NOTE: See § 373.20 for special provisions covering other copper commodities.

§ 373.50 Electronic computers.

An application for a license to export electronic computers, analog or digital (including digital differential analyzers), Export Control Commodity No. 71420, shall include the information set forth in paragraph (a), (b), or (c) of this section, as applicable:

(a) *Analog computers.* (1) The quantity and accuracy rating of each type of summer, integrator, multiplier, or function generator employed; and

(2) A description of any capability for automatic insertion or alteration of problem setup and of any incorporated device functioning solely as a memory.

(b) *Digital computers.* (1) The internal memory read-write cycle time;

(2) The size of internal memory (bits) to be supplied with the computer being exported;

(3) The maximum internal memory (designed capability in bits); and

(4) The theoretical maximum main memory access rate calculated by multiplying the maximum number of memory accesses per second by the number of bits per word in one access times the number of overlaps. "Word" as used herein includes all data, checking, sign, parity, and other bits handled by the computer as a unit.

(c) *Peripheral equipment, magnetic recording equipment, and magnetic recording media.* (1) The quantity, type, and specification for each peripheral or magnetic recording device;

(2) The maximum data transfer rate (where applicable);

(3) The maximum packing density (where applicable);

(4) The maximum data storage capacity per unit (where applicable);

(5) The maximum, minimum, and average access times (where applicable); and

(6) The design specifications or pertinent military specifications if specially designed for mobile, marine, or airborne operation.

Instead of including this information on each application, the applicant may furnish the Office of Export Control with technical specifications and other related data for his line of electronic computers and keep this information current by supplementing it with technical bulletins or other similar publications as they are released. In such cases, an exporter can comply with the requirements of this § 373.50 by identifying the model number and entering the following statement in the space on the application entitled "Commodity Description" or on an attachment to the application:

The current technical information relating to the commodity(ies) described on this application, as required by § 373.50 of the Export Regulations, has been previously furnished the Office of Export Control.

§ 373.65 Ultimate consignee and purchaser statement.

(a) *Scope*—(1) *General.* The provisions of this § 373.65 apply to all proposed shipments of commodities for which validated export licenses are required where the country of ultimate destination is in Country Group S, V, W, X, Y, or Z, and to all proposed shipments under the Time Limit (TL) licensing procedure (see Part 377 of this chapter) to Country Group T. (See § 370.1(g) of this chapter for country groups.)

(2) *Exemptions.* The provisions of this § 373.65 do not apply if the license application covering the proposed shipment shows that one or more of the following conditions are present:

(i) An Import Certificate is required in support of the license application in accordance with § 373.2 (or, as applicable, a Swiss Blue Import Certificate as provided in § 373.67, or a Yugoslav End-Use Certificate as provided in § 373.70);

(ii) The total value, as shown on the export order covering the application, of the commodity(ies) classified in a single entry on the Commodity Control List is less than $500. However, the exemption does not apply to an application supported by a Form FC–843, Multiple Transactions Statement by Consignee and Purchaser, or to an application covering a shipment to the Republic of Vietnam (area not under Communist control) of any copper commodity described in § 373.20 or § 373.43;

(iii) Shipment will be made under a Project License issued or to be issued as set forth in Part 374 of this chapter;

(iv) (*a*) The ultimate consignee named in the license application is a foreign government or foreign government agency, and the foreign purchaser is also a foreign government or foreign government agency. However, if one of the parties to the transaction, either purchaser or ultimate consignee, is a party other than the foreign government or government agency, then a statement from that purchaser or ultimate consignee is required.

(*b*) For the purpose of this section the term "government agency" is construed as follows:

(*1*) National governmental departments operated by government-paid personnel performing governmental administrative functions; e.g., Finance Ministry, Ministry of Defense, Ministry of Health, etc. Municipal or other local government entities must submit consignee statements.

(2) National government-owned public service entities; e.g., nationally owned railway, postal, telephone, telegraph, broadcasting, and power systems, etc.

(*c*) The term "government agency" does not include government corporations, quasi-government agencies, and state enterprises engaged in commercial, industrial, and manufacturing activities, such as petroleum refining, production, and distribution plants, mines, steel mills, retail stores, automobile manufacturing plants, airlines, or steamship lines which operate between two or more countries, etc.;

(v) Shipment will be made by a relief agency registered with the Advisory Committee on Voluntary Foreign Aid, U.S. Agency for International Development, to a member agency in the foreign country;

(vi) The license applicant is the same person as the ultimate consignee in the country of ultimate destination, provided that the applicant furnishes all the applicable information on the license application which is required in the consignee/purchaser statement. This exemption does not apply where the applicant and the consignee are separate entities, such as parent and subsidiary, or affiliated or associated firms;

(vii) The application for a license is supported by a Form FC–43, Statement by Foreign Importer of Aircraft or Vessel Repair Parts[1] (see Supplement S–23 for facsimile of form); by a Form FC–143,[1] Request for Authorization to Distribute U.S. Origin Commodities Stocked Abroad to Approved Customers[1] (see Supplement S–24 for facsimile of form); or by the current Station Number or validation number of either of these forms[1] (see §§ 373.3 and 373.4);

(viii) The export will be made for display at a trade fair or exhibition, or for demonstration or testing purposes (see § 373.6); or

(ix) A request for authorization to make temporary exports of video tape (see § 373.57).

[1] Forms FC–43, FC–143, FC–842, and FC–843 may be obtained at all U.S. Department of Commerce field offices listed on page 1 and from the Office of Export Control (Attention: 852), U.S. Department of Commerce, Washington, D.C. 20230. Foreign importers may obtain copies of these forms from their U.S. exporter or from U.S. Diplomatic and Consular offices.

(b) *Statements required from ultimate consignee and purchaser*—(1) *General.* The applicant shall furnish a statement from the ultimate consignee and purchaser, Form FC–842,[1] Single Transaction Statement by Consignee and Purchaser, or Form FC–843,[1] Multiple Transactions Statement by Consignee and Purchaser, dated on or after January 1, 1956 (see Supplements S–12 and S–13 for facsimile of forms) named in the application, certifying to certain facts relating to the proposed transaction. This statement is required by the Office of Export Control to make certain that foreign consignees and purchasers are fully aware of their responsibility not only for the representations made to the Office of Export Control, but also for the proper disposition of the licensed commodities only in those foreign countries where the Office of Export Control has authorized disposition. In addition, the requirement for this statement curtails the time-consuming supplementary inquiries by the Office of Export Control which otherwise often may be necessary.

(2) *Signature by ultimate consignee.* The consignee/purchaser statement must be manually signed by the ultimate consignee (the person abroad who is actually to receive the material for the designated end use), or by a responsible official of the ultimate consignee who has personal knowledge of the information included in the statement, who has authority to bind the ultimate consignee, and who has the power and authority to control the use and disposition of the licensed commodities in the country of ultimate destination. The authority to sign this statement may not be delegated to any person (agent, employee, or other) whose authority to sign is not inherent in his official position with the ultimate consignee. The official signing the statement may be located in the United States or in a foreign country; his official title shall be included with his signature.

(3) *Signature by purchaser.* If the purchaser (the person abroad who has entered into the export transaction with the applicant to purchase the commodities for delivery to the ultimate consignee) named in the export license application is a person different than the named ultimate consignee, the purchaser must sign the statement executed by the ultimate consignee, or the applicant must attach to the application an additional statement executed by the purchaser. The purchaser's statement shall meet the same requirements of signature, etc., as are stated in subparagraph (2) of this paragraph for the ultimate consignee, and must contain the same information as required from the ultimate consignee in subsequent paragraphs of this § 373.65. The purchaser's statement may be a Form FC–842 or a Form FC–843, and shall be completed in accordance with the procedure described in paragraph (c) of this section.

(4) *Alterations.* (i) After a consignee/purchaser statement, Form FC–842 or FC–843, has been signed by the

consignee or purchaser, no corrections, additions or alterations may be made by any person other than the consignee or purchaser. (The signing of the exporter's certification on the form is not construed to be a correction, addition or alteration of the form within the meaning of this paragraph (b)(4)).

(ii) If the signed statement is incomplete or incorrect in any respect, the applicant shall obtain a corrected statement from the consignee and/or purchaser. (See paragraph (c)(1)(x)(c) of this section.)

(5) *Amendments to statements.* Where a consignee/purchaser statement, Form FC–842 or FC–843, is on file in the Office of Export Control, an amendment to the statement may be submitted in the form of an additional Form FC–842 or FC–843, a wire or cable, or a copy of the wire or cable from the ultimate consignee. Sufficient identifying information shall be submitted with the amendment to permit the Office of Export Control to identify the amendment with the statement on file in the Office of Export Control, such as: Form number (Form FC–842 or FC–843); name of consignee or purchaser and date of signing; case number of the license application with which the statement was submitted to the Office of Export Control; applicant's reference number; etc. However, no amendment will be granted to extend the validity period of a Form FC–843, Multiple Transactions Statement by Consignee and Purchaser, except as indicated in paragraph (c)(4) of this section.

(6) *Applications filed without statements.* An application not supported by a consignee/purchaser statement, Form FC–842 or FC–843 (where required) from the ultimate consignee or purchaser will be returned without action to the applicant. However, an applicant who can show to the satisfaction of the Office of Export Control that he has made diligent efforts to obtain such statement and has been unable to get it, may so advise the Office of Export Control in a letter attached to his application, giving the stated reasons of the ultimate consignee or purchaser for failing or refusing to give the applicant such statement, and the application will receive consideration for approval.

(7) *30-day grace period.* Whenever the requirement for a consignee/purchaser statement for any commodity is extended by reason of the addition of a country group(s) in the column on the Commodity Control List headed "Validated License Required for Country Groups Shown Below," an export license application for such commodity and country group(s) need not conform to the requirements of this § 373.65 for a period of 30 days from the date such commodity becomes subject to the additional country group(s) requirements. (See § 370.1(g) of this chapter for country groups.) In lieu of the end-use and ultimate consignee purchaser statements during such 30-day period, applications shall be accompanied by any evidence available to the exporter which will support the applicant's representations concerning the ultimate consignee, ultimate destination, and the end-use. Such evidence may consist of copies of the letter of credit, the order for the commodities, correspondence between the exporter and ultimate consignee, or other documents received from the ultimate consignee.

(c) *Information required in consignee statements*—(1) *General.* (i) Where an application to export a commodity involves a single transaction, a statement shall be submitted on Form FC–842, Single Transaction Statement by Consignee and Purchaser (see Supplement S–12 for facsimile of form). In the event of an emergency, the statement may be submitted in the form of a wire or cable provided it contains the same information as required on the form.

(ii) Exporters who have a continuing and regular business relationship with an ultimate consignee (including but not limited to applicants having foreign branches or subsidiaries or distributors under franchise with the applicant), involving recurring orders for the same commodities to the same destinations and for the same end uses, may submit to the Office of Export Control a statement on Form FC–843, Multiple Transactions Statement by Consignee and Purchaser (see Supplement S–13 for facsimile of form). However, an exporter may not submit a Multiple Transactions Statement in support of an application for a validated license to export any copper commodity described in § 373.20 or § 373.43 to the Republic of Vietnam. Such an application, regardless of value, shall be supported by a Single Transaction Statement.

(iii) An applicant for a Time Limit (TL) License (see Part 377 of this chapter) must submit Form FC–843 for each ultimate consignee and purchaser named on the application. Statements submitted under the multiple transactions procedure will not be accepted on any form other than Form FC–843.

(iv) The exporter shall attach to Form FC–843 a list, in original only, of the Office of Export Control licensing divisions responsible for licensing those commodities listed on the statement, and shall submit the original plus one additional copy of the Multiple Transactions Statement for each Office of Export Control licensing division responsible for licensing these commodities. (The Production Materials and Consumer Products Division is responsible for licensing all commodities with Processing Numbers from 200 through 399 inclusive; the Capital Goods Division is responsible for licensing all commodities with Processing Numbers from 400 through 499 inclusive; and the Scientific and Electronic Equipment Division is responsible for licensing all commodities with Processing Numbers from 600 through 699 inclusive.) Since there are three licensing divisions in the Office of Export Control which license commodities, a maximum of an original plus three additional copies will be required. If the commodities to which the statement applies are assigned Processing Numbers under a single licensing division, the original plus only one additional copy of the statement will be required.

(v) Form FC–843, Multiple Transactions Statement by Consignee and Purchaser, shall cover all proposed exports of such commodities regardless of value (including those based on export orders amounting to less than $500), for which applications for export licenses will be submitted to the Office of Export Control during all or any part of the period ending on June 30 of the year following the year during which the statement is executed (unless an earlier termination date is desired and is specified on the statement). For example, a statement executed on April 3, 1968, may cover proposed exports for which license applications are filed on or before June 30, 1969.

(vi) All of the information required by this paragraph (c), or by Form FC–842 or Form FC–843, shall be furnished if applicable to the transaction. If such information is unknown, that fact should also be disclosed. Special provisions applicable to Form FC–842 are set forth in subparagraph (2) of this paragraph; special provisions applicable to Form FC–843 are set forth in subparagraph (3) of this paragraph; and the information required on both the Single and Multiple Transactions Statements is set forth below:

(*a*) Name and address of the ultimate consignee;

(*b*) Name of the U.S. exporter or person with whom the order has been placed;

(*c*) Description of the commodities to which the statement applies. The commodities shall be described in terms which will enable the Office of Export Control to determine that the commodities described on the consignee/purchaser statement are the same as those described on the related application for export license. Where the commodity description on the statement is not readily identifiable with that shown on the license application, the applicant should add an explanatory note in the space entitled "Commodity Description" or on an attachment thereto, to make the relationship clear;

(*d*) The nature of the consignee's usual business, including whether he is the user, seller, etc., of the commodities to which the statement applies;

(*e*) The ultimate destination of the commodity or commodities to which the consignee/purchaser statement applies, showing whether the commodities will be reexported from the country indicated in the space on the statement entitled "Ultimate Consignee Name and Address," and, if the commodities are for reexport, the name of the country or countries to which reexport is proposed (in the space entitled "Disposition of Commodities"). (See § 373.68 for filing of consignee/purchaser statements on exports to certain areas of Vietnam.) It is emphasized that nothing shown on Form FC–842 or Form FC–843 shall be construed as an authorization by the Office of Export Control to reexport the

commodities to which the consignee/purchaser statement applies without the approval of specific countries from the Office of Export Control. Such authorization to reexport is not granted on the basis of information on these forms but as a result of a specific request by the U.S. exporter on the license application or upon request of the consignee through the U.S. exporter after the license is issued (see § 372.12 of this chapter);

(*f*) A specific and detailed description of the end use to which the commodity or commodities will be put by the ultimate consignee in the country of ultimate destination in the space entitled "Specific End Use." If the ultimate consignee will use the commodity or commodities to produce other end products, show the names of the end products, the country(ies) where the production or manufacture will take place, and the country(ies) in which the end product will be distributed, if these facts are known. The end-use information shall be set forth in as much detail as is known to the person(s) signing the consignee/purchaser statement;

(*g*) Any additional facts relating to the transaction which the consignee or purchaser believes will be of value to the Office of Export Control in the consideration of license applications submitted in his behalf by the U.S. exporter in the space entitled "Additional Information" or on an attachment thereto;

(*h*) The name of any person, other than the employees of the ultimate consignee or purchaser, who assisted in the preparation of the consignee/purchaser statement;

(*i*) A certification by the consignee and/or purchaser, as defined in paragraphs (b) (2) and (3) of this section, that the facts contained in the consignee/purchaser statement are true and correct to the best of their knowledge and belief; a certification by the consignee and/or purchaser that they will promptly send a supplemental statement to the U.S. exporter of any change of facts or intentions set forth in their statement(s) which occurs after the statement has been prepared and forwarded; and that with respect to any shipment which the consignee and/or purchaser propose to dispose of contrary to the representations made in the statement, or contrary to the limitations on countries of distribution which may be indicated on the Bill of Lading, commercial invoice or other comparable documents, they will notify the U.S. exporter and secure approval of the Office of Export Control through the U.S. exporter prior to such disposition; and

(*j*) The applicable information described below should be submitted to the Office of Export Control by the applicant for the export license or the duly authorized agent of the applicant in those instances where the consignee/purchaser statement, Form FC–842 or FC–843, contains corrections, additions, or alterations. Consignee/purchaser statements that do not contain this information may be returned to the applicant for clarification.

(*1*) Where the statement contains corrections, additions, or alterations which appeared on the statement at the time of receipt from the ultimate consignee or purchaser, the following certification shall be attached to the statement[1]:

I (We) certify that no corrections, additions or alterations were made on the attached Form (FC–842) (FC–843) by me (us) after the form was signed by the (ultimate consignee) (purchaser).

(*2*) Where the consignee/purchaser statement has been partially or completely filled in by the applicant or his agent prior to signing by the ultimate consignee or purchaser, the name of the person assisting in preparing the statement shall be shown in the space entitled "Assistance in Preparing Statement." If, in so assisting, any corrections, additions, or alterations are made on the form, the applicant shall advise the Office of Export Control, in writing, of (*i*) the changes made, (*ii*) the reason(s) for making the changes, and (*iii*) shall include the certification shown in (*1*) of this subdivision (vi) (*j*).

(*3*) In accordance with paragraph (b) (4) of this section, after a Form FC–842 or FC–843 has been signed by the consignee or purchaser, no corrections, additions, or alterations may be made by any person other than the consignee or purchaser. However, in those instances where an explanatory note by the applicant will aid in identifying the commodity description shown on the consignee/purchaser statement with that shown on the related license application, the applicant may add this explanatory note on the related license application in the space entitled "Commodity Description" or on an attachment thereto. In all other instances where a correction, addition or alteration to a Form FC–842 or FC–843 appears necessary after the form was signed by the consignee or purchaser, the applicant shall return the form for correction to the consignee or purchaser, as applicable.

(*2*) *Special provisions applicable to Single Transaction Statement.* In addition to the general information set forth in subparagraph (1) of this paragraph, the following special provisions apply to the Form FC–842, Single Transaction Statement by Consignee and Purchaser:

(i) The form shall be submitted to the Office of Export Control within 90 days from the date of signing by the consignee or purchaser, whichever date is later;

(ii) The quantity and (if known) the value of commodities ordered by the consignee or purchaser from the U.S. exporter shall be shown on the statement in the spaces entitled "Quantity" and "Value." If the actual value is not known, an estimated value should be shown and labeled "estimate." If it is impossible to determine an estimated value, the word "Unknown," shall be shown, together with an explanation of the reason why an actual or estimated value cannot be provided;

(iii) The end use of the commodities by the ultimate consignee shall be inserted on the statement in the space entitled "Specific End Use," including, if known, the end use of the commodities by the customers of the ultimate consignee. If the end use by the customers is unknown, enter the word "Unknown"; and

(iv) A Single Transaction Statement submitted in support of an application for a validated license to export any copper commodity described in §§ 373.20 or 373.43 to the Republic of Vietnam shall be endorsed by the designated representative of the U.S. Agency for International Development Mission, Saigon, Vietnam, as set forth in §§ 373.20(a) (2) (i) (*d*) and 373.43(b) (2) (iii).

NOTE: 1. *Commodities licensed in terms of dollar value.* If the commodity is licensed in terms of dollar value, an application for an export license will not be approved for a quantity significantly in excess of the actual or estimated value shown on the Form FC–842. Where the Form FC–842 indicates that the value is unknown, the Office of Export Control will consider the approval of one application against the related Form FC–842, provided that the applicant states on the license application that the transaction described on the license application is the same as that described on the Form FC–842.

2. *Commodities not licensed in terms of dollar value.* If the commodity is not licensed in terms of dollar value, the Office of Export Control uses the value information shown on Form FC–842 primarily as an aid to identifying the commodity. Applications covering this type of commodity will not be approved for a quantity significantly in excess of the quantity shown on the related Form FC–842.

(*3*) *Special provisions applicable to the Multiple Transactions Statement.* In addition to the general information set forth in subparagraph (1) of this paragraph, the following special provisions apply to the Form FC–843, Multiple Transactions Statement by Consignee and Purchaser:

(i) A representation that the statement shall be considered a part of every application for license filed by the named U.S. exporter or person with whom the order is placed, for export to the consignee of the commodity or commodities to which the statement applies during the period stipulated, shall be entered on the statement in the space entitled "Request"; and

(ii) The nature of the consignee's business relationship with the U.S. exporter named on the Form FC–843, and how long the relationship has existed, shall be entered in the space entitled "Nature of business and relationship with U.S. exporter named in Item 2."

NOTE: Proper number of copies of statement: U.S. exporters may wish to advise their foreign importers (ultimate consignees and purchasers) to submit these statements in as many copies as the exporter requires for submission to the Office of Export Control for all license applications to be submitted in connection with the importer's order(s) (see paragraph 373.65(c) (1) above).

[1] Late revisions of Forms FC–842 and FC–843 provide a printed certification for this purpose.

(4) *Method of extension of validity period of Multiple Transactions Statement.* (i) In lieu of submitting a new Form FC–843 Multiple Transactions Statement, the coverage period of a currently valid Multiple Transactions Statement by Consignee and Purchaser on file in the Office of Export Control, may be extended by the submission to the Office of Export Control of (*a*) a certification completed by the ultimate consignee and purchaser, and (*b*) a copy of the U.S. exporter's letter to his ultimate consignee and purchaser requesting the completion of such certification. Such certification and letter shall meet, as a minimum, the requirements described below and shall be submitted in the same number of copies as are required for the Multiple Transactions Statement under subparagraph (1) of this paragraph.

(ii) The following certification shall be signed by the ultimate consignee and purchaser (if applicable):

"I (We) certify that:

(1) I (We) have reread our Form FC–843, Multiple Transactions Statement, dated ----------;

(2) The facts contained in this Multiple Transactions Statement which will expire on ---------- have not changed to date;

(3) The facts contained in this Multiple Transactions Statement accurately and completely reflect our past and present relationship with (Name of U.S. exporter) and our intended use and disposition of commodities received during the period ending (June 30 of next year, unless an earlier termination date is desired);

(4) I (We) shall promptly send a supplemental statement to the named U.S. exporter disclosing any change of facts or intentions which occurs after the signing of this certification; and

(5) With respect to any shipment which I (we) propose to dispose of contrary to the representations made in the above described Form FC–843, or contrary to limitations on countries of distribution which I (we) receive on my (our) Bill of Lading, commercial invoice or comparable documents, I (we) will notify the named U.S. exporter, and will secure the U.S. Government approval through this exporter prior to such disposition.

(Print or type)

(Date of signing)

(Name of consignee/purchaser)

(Address of consignee/purchaser)

(Signature of official of firm named)

(Name and title of person signing statement)

(iii) The U.S. exporter's letter to his ultimate consignee and/or purchaser requesting the above certification shall, among other things, include the following instructions: (*a*) The currently valid Form FC–843, shall be reexamined to make sure that the facts and intentions have not changed; (*b*) the commodities shall be used in the authorized countries only; (*c*) the commodities shall not be diverted or transshipped from authorized destinations to other destinations without prior United States approval; and (*d*) the exporter must be informed of any future change of facts or intentions from those stated in the certification.

(iv) The certification completed by the ultimate consignee and purchaser and the copy of the U.S. exporter's letter to his ultimate consignee and purchaser requesting the completion of such certification must be received in the Office of Export Control before the expiration date of the statement or any previous extensions thereof.

(d) *Applications supported by consignee statements*—(1) *Applications supported by a Multiple Transactions Statement.* An application for an export license supported by a Form FC–843, Multiple Transactions Statement by Consignee and Purchaser shall contain the following statement in the space entitled "Additional Information" or on an attachment thereto:

This application is supported by the Multiple Transactions Statement dated ---------- from the named consignee to this applicant.

(2) *Applications supported by Single Transaction Statement.* Where a Form FC–842, Single Transaction Statement by Consignee and Purchaser, covers a purchase order for a commodity or commodities that require more than one license application, each license application supported by the Single Transaction Statement shall contain the following certification in the space entitled "Additional Information" or on an attachment thereto:

I (We) certify that the quantities of commodities shown on all export licenses based on the Single Transaction Statement dated ----------, when added to the quantities shown on all additional applications pending in the Office of Export Control based on the same Single Transaction Statement, including the present application, do not total more than the quantities shown on that statement. This Single Transaction Statement was submitted in support of application number: (Insert case number, or if case number is unknown, the applicant's reference number, date of submission of the application to which the Single Transaction Statement was attached, and Export Control Commodity Numbers and Processing Number shown on that application.)

(3) *Requirements applicable to both Single and Multiple Transactions Statements*—(i) *Purchase order.* The statement from the ultimate consignee and purchaser shall relate only to purchase orders placed by one ultimate consignee and one purchaser with one U.S. exporter. A purchase order covered by any consignee statement may involve several commodities. The Form FC–842, Single Transaction Statement by Consignee and Purchaser, shall relate to only one purchase order. The Form FC–843, Multiple Transactions Statement by Consignee and Purchaser, may cover more than one purchase order.

(ii) *Coded terms and translation requirements.* (*a*) All abbreviations, coded terms, or other expressions having special significance in the trade or to the parties to the transaction shall be explained. Commodities shown in quantities other than Commodity Control List units shall be converted into Commodity Control List units. Documents in a foreign language shall be accompanied by an accurate English translation. Such translation need not be made by a translating service but, if not, shall be certified by the applicant to be a correct translation. Exporters may provide their foreign customers with Forms FC–842 and FC–843 translated into the foreign language of the customers. Copies of Form FC–842 and Form FC–843 in foreign languages will not be provided by the Office of Export Control.

(*b*) An explanation or translation of a consignee/purchaser statement shall be submitted on an attachment to the consignee/purchaser statement. (See § 381.8 of this chapter with regard to an alteration of an export control document.)

(iii) *Applicability of statements on consignee/purchaser statement to license application and export license.* Information supplied by a consignee or purchaser on a consignee/purchaser statement (Forms FC–842 or FC–843) cannot be construed as extending or expanding the specific information on a license application or an export license resulting therefrom. With regard to disclosure of facts pertaining to an individual export transaction, the export license application covering the transaction must be self-contained. The authorizations contained in the resulting export license are not extended by the general information contained in the consignee/purchaser statement with regard to reexport from the country of destination or with regard to any other facts relative to the transaction as reported on the application.

(iv) *Liability of ultimate consignee or purchaser.* Misrepresentations, either through failure to disclose facts, concealing a material fact, or furnishing false information in the required consignee/purchaser statement, will subject the ultimate consignee and/or purchaser to administrative action by the Office of Export Control, including suspension, revocation, or denial of licensing privileges and denial of other participation in exports from the United States.

(v) *Applicant's responsibility for full disclosure.* In submitting consignee/purchaser statements (Forms FC–842 or FC–843) from the ultimate consignee and foreign purchaser, the applicant is not relieved of responsibility for full disclosure of any other information concerning the ultimate destination and end use of which he has knowledge or belief, whether or not inconsistent with the representations of the ultimate consignee or foreign purchaser. In accordance with the provisions of § 381.5 of this chapter, the applicant shall promptly bring to the attention of the Office of Export Control any change in the facts which were set forth in the first or any supplementary statement from the ultimate consignee or purchaser and which was brought to his notice by the ultimate consignee or purchaser or any other person subsequent to the date the statement was made.

(vi) *Applicant not named on consignee statement.* If the applicant for license is not named on the consignee/purchaser statement, the order party provisions of

§ 372.4(a)(2) of this chapter must be observed.

(e) *Letterheads and order forms.* The printed name, address, or nature of business of the ultimate consignee or purchaser appearing on his letterhead or order form shall not constitute evidence of either his identity, the country of ultimate destination, or end use of the commodities described in the application.

(f) *Request for amendment.*[1] (1) A new consignee/purchaser statement, Form FC–842 or FC–843, shall accompany a request for an amendment of an export license which proposes a change in the consignee or purchaser in the transaction named in the export license, if the proposed amendment is not in accordance with the consignee and purchaser statement previously submitted to the Office of Export Control.

(2) A new Form FC–842, Single Transaction Statement by Consignee and Purchaser, or a letter, wire, or cable from the ultimate consignee and purchaser (if applicable) confirming the change, shall accompany a request for an amendment of an export license which proposes any increase in the quantity set forth in the export license if the proposed amendment is not in accordance with the Single Transaction Statement by Consignee and Purchaser previously submitted to the Office of Export Control. If a proposed quantitative amendment is in accordance with the previously submitted Single Transaction Statement by Consignee and Purchaser, the amendment request shall include the following certification:

I (We) certify that this request for amendment of export license number ------, if granted, will not exceed the total quantity covered by the Single Transaction Statement by Consignee and Purchaser against which this export license was issued.

(3) Where the export license is based on a Form FC–843, Multiple Transactions Statement by Consignee and Purchaser, an additional statement is not required from the consignee or purchaser to support a proposed license amendment for increase in quantity. In lieu thereof, the following certification shall be placed on the request for amendment:

I (We) certify that the license listed above is supported by a Multiple Transactions Statement.

PART 381—ENFORCEMENT PROVISIONS

Paragraph (e) of § 381.11 is revised to read as follows:

§ 381.11 Record keeping.

* * * * *

(e) *Period of retention.* Records required to be kept under this § 381.11 shall be kept for a period of three years [1a] from, whichever is later, the time of:

(1) The export from the United States; or

(2) Any known reexport, transshipment, or diversion; or

(3) Any other termination of the transaction, whether formally in writing or by any other means.

* * * * *

PART 385—EXPORTATIONS OF TECHNICAL DATA

Sections 385.2(c)(4)(iii) and (iv) is revised to read as follows:

§ 385.2 General licenses.

* * * * *

(c) *General License GTDU; unpublished technical data.* * * *

(4) *Requirement of written assurance for certain data, services, and materials.* * * *

(iii) Technical data relating to the following materials and equipment:

(*a*) Steel line pipe of a size greater than 19 inches o.d. and having a yield strength greater than 40,000 p.s.i. as determined by API test (Export Control Commodity No. 67860);

(*b*) Forged steel pipe fittings having a pipe size connection greater than 19 inches o.d. and having a yield strength greater than 40,000 p.s.i. as determined by API test (Export Control Commodity No. 67850);

(*c*) Centrifugal pumps designed for an internal pump-case working pressure of over 300 p.s.i. and a power input greater than 1,000 hp., and specially designed parts and accessories (Export Control Commodity No. 71921);

(*d*) Air and gas compressors, reciprocating, centrifugal, axial flow and mixed flow types, capable of receiving a power input greater than 2,000 hp. and designed for a discharge greater than 300 p.s.i., and specially designed parts and accessories (Export Control Commodity No. 71922);

(*e*) Steel valves, with an inlet or outlet dimension 17 inches or greater and designed for a working pressure of over 300 p.s.i., and specially designed parts and accessories (Export Control Commodity No. 71992);

(*f*) Other presses specially designed for the manufacture of steel pipe of a size greater than 19 inches o.d., as follows: (*1*) O-ing presses, (2) U-ing presses and (3) straightener-expander presses (Export Control Commodity No. 71510);

(*g*) Parts and accessories (Export Control Commodity No. 71954) for presses listed above under Export Control Commodity No. 71510;

(*h*) Portable pneumatic and hydraulic drilling machines capable of tapping steel line pipe of a size greater than 19 inches o.d. without interruption of flow (Export Control Commodity No. 71953);

(*i*) Meters with inlet or outlet diameter 10 inches or larger specially designed to measure flow in petroleum and/or natural gas pipeline (Export Control Commodity No. 86197);

(*j*) Valves specially designed for temporarily stopping off or plugging a section of steel linepipe of a size greater than 19 inches o.d. (Export Control Commodity No. 71992);

(*k*) Automatic pipe welding machines capable of welding the joints of steel line pipe of a size greater than 19 inches o.d., and specially designed parts and accessories (Export Control Commodity No. 72992);

(*l*) Pipe mills specially designed for the manufacturer of steel pipe of a size greater than 19 inches o.d., and specially designed parts and accessories (Export Control Commodity No. 71522);

(*m*) Molecular sieves (for example, crystalline calcium alumino-silicate; crystalline sodium alumino-silicate; crystalline alkali metal alumino-silicates, etc.) (Export Control Commodity Nos. 51460, 51470, and 59999);

(*n*) Pyrolytic graphite (i.e., graphite and doped graphites produced by vapor deposition) in any form (Export Control Commodity No. 66363); semifinished or finished materials or products containing pyrolytic graphite as a standing body, a coating, a lining, or a substrate (Export Control Commodity Nos. 59972, 66363, and 72996);

(*o*) Electric industrial melting and refining furnaces and metal heat-treating furnaces specially designed for the production or processing of vapor deposited (pyrolytic) graphite or doped graphites whether as standing bodies, coatings, linings or substrates (Export Control Commodity No. 72992);

(*p*) Cementing equipment; sidewall coring equipment; blowout preventers; fishing tools incorporating integral moving parts, casing cutters, and casing pullers; drilling control and surveying instruments; safety joints, jars, back-off tools, slip or telescopic joints; pipe and casing tongs, power type; percussion or vibratory attachments for rotary drilling; and drawworks and rotary tables designed for an input of 150 hp. and over (Export Control Commodity No. 71842);

(*q*) Rotary drill rigs incorporating rotary tables and with drawworks designed for an input of 150 hp. and over (Export Control Commodity No. 71842);

(*r*) Rotary rock drill bits (cone or roller types), and specially designed parts and accessories, n.e.c. (Export Control Commodity Nos. 69524 and 71842);

(*s*) Gravity meters and specially designed parts and accessories (gravimeters) (Export Control Commodity No. 86191);

(*t*) Casing head and Christmas-tree assemblies, 2,000 P.S.I. and over, chokes and components; perforating equipment; formation and production testers, and packers; gas lift equipment and bottom hole pumps; and work-over rigs (Export Control Commodity No. 71931);

(*u*) Well logging instruments and equipment and seismograph equipment except observatory type (Export Control Commodity No. 72952);

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[1] § 380.2 contains other provisions applicable to amendments of licenses covered by a consignee/purchaser statement.

[1a] Persons subject to this regulation may find it advisable to retain their records longer than the mandatory 3-year retention period because the statute of limitations (Title 18, U.S.C. sec. 3282) permits criminal actions to be brought under the Export Control Act within 5 years and administrative compliance proceedings may be brought more than 3 years after alleged violations.

(v) Acetal resins (Export Control Commodity No. 58110);

(w) Alpha trioxymethylene (trioxane) (Export Control Commodity No. 51208);

(x) Ion exchange resins (Export Control Commodity Nos. 58110 and 58120), as follows: (1) Copolymers of styrene and divinyl benzene in which the predominant functional groups are either quaternary ammonium derivatives (basic type), or the sulfonic radical (acidic type), (2) mixed bed formulations consisting principally of resins specified in subdivision (i) of this subparagraph, (3) ion exchange membranes (all types), and (4) ion exchange liquids;

(y) Rhenium in all forms: Concentrates, oxides and compounds, metal and alloys, and metal powders (Export Control Commodity Nos. 28398, 51369, 51470, 68950, and 69899);

(z) Filament winding machines designed for or modified for the manufacture of rigid structural forms by precisely controlled tensioning and positioning of filament yarns, tapes, or rovings; and specially designed parts, controls, and accessories, n.e.c. (Export Control Commodity No. 71980);

(aa) Alumina, all types, 99 percent purity and over (Export Control Commodity No. 51365);

(bb) Silicon carbide, all types, 99 percent purity and over (Export Control Commodity No. 51470);

(cc) Phosphor compounds specially prepared for lasers, including but not limited to: Neodymium-doped calcium tungstate, dysprosium-doped calcium fluoride, eu-trifluoroethenoyl acetonate praseodymium-doped lanthanum trifluoride (Export Control Commodity No. 53310;

(dd) Voltmeters, with full scale sensitivity of 10 nanovolts or less (Export Control Commodity No. 72952);

(ee) Hot or cold isostatic presses; and specially designed parts and accessories (Export Control Commodity No. 71980);

(ff) Trimellitic acid and anhydrides; and pryromellitic acid and its dianhydrides (Export Control Commodity No. 51202);

(gg) Polyimide-polyamide resins and products made therefrom (Export Control Commodity Nos. 53332, 58120, 59958, 66311, and 89300).

(hh) Bonded, brazed or welded structural sandwich constructions, including cores, face sheets, and attachment materials, manufactured in whole or in part from precipitation hardened stainless steel, beryllium, molybdenum, niobium (columbium), tantalum, titanium, tungsten, and their alloys, or any combination of such materials (Export Control Commodity Nos. 69110 and 69899); and

(ii) Silica, quartz, carbon, or graphite fibers in all forms (for example, chopped or macerated; filaments, yarns, rovings, and unwoven tapes for winding or weaving purposes; woven fabrics and tapes; nonwoven mats and felts); and compounds or compositions (composites) thereof with laminating resins in crude and semifabricated forms, including molding compositions and molded shapes (Export Control Commodity Nos. 58110, 58120, 59972, 65180, 65380, 65543, 66363, 66494, 72996, and 89300).

(jj) Nonflexible fused fiber optic plates or bundles in which the fiber pitch (center to center spacing) is less than 30 microns, and devices containing such plates or bundles (Export Control Commodity Nos. 66420, 66492, 66494, 72930, 86111, 86112, and 89300).

(iv) The limitations set forth in this paragraph (c)(4) do not apply to the export of:

(a) Technical data included in an application for the foreign filing of a patent provided such foreign filing of a patent application is in accordance with the regulations of the U.S. Patent Office; and

(b) Technical data supporting a price quotation as described in subparagraph (2)(ii) of this paragraph.

* * * * *

PART 399—COMMODITY CONTROL LIST AND RELATED MATTERS

In § 399.2 *Commodity interpretations.* Commodity Interpretations 11 and 17 are hereby established to read;

INTERPRETATION 11: VACUUM PUMPS AND SYSTEMS (UNIT)

Vacuum systems (unit) that are assemblies of various pumps and instruments designed solely to produce a vacuum condition are listed under Export Control Commodity No. 71922. The appropriate entry on the Commodity Control List is determined by the type pump in the system which has the highest level of control.

However, if the vacuum system (unit) includes accessories which make it specially designed for a process such as vacuum metallizing or thin film coating, they are listed under Export Control Commodity No. 71980. The appropriate entry on the Commodity Control List is determined by the end-use to which the vacuum system and its accessories are applied.

INTERPRETATION 17: ENVIRONMENTAL CHAMBERS OR CABINETS

Environmental chambers or cabinets are listed on the Commodity Control List in accordance with the function for which they are designed.

(a) Chambers or cabinets which have only a refrigeration capability for use in testing or production of a product are listed under Export Control Commodity No. 71915.

(b) Chambers or cabinets which are used in treating of a material by a process involving a change in temperature, either heating or cooling are listed under Export Control Commodity No. 71919.

(c) Chambers or cabinets having a capability of simulating environments other than temperature alone (for example: humidity, pressure, altitude, radiation, or all of these), are listed under Export Control Commodity No. 71980.

Instrumentation specially designed for the above chambers or cabinets are listed under Export Control Commodity No. 72952, if electric or electronic, and under Export Control Commodity No. 86197, if mechanical.

The appropriate entry on the Commodity Control List for any of the above commodities is determined in accordance with the specifications of the equipment proposed for export.

(Sec. 3, 63 Stat. 7; 50 U.S.C. App. 2023; E.O. 10945, 26 F.R. 4487, 3 CFR 1959–63 Comp.; E.O. 11038, 27 F.R. 7003, 3 CFR 1959–63 Comp.)

Effective date: April 1, 1968.

RAUER H. MEYER,
Director, Office of Export Control.

[F.R. Doc. 68-4125; Filed, Apr. 8, 1968; 8:45 a.m.]

Title 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[Docket No. 8713 o.]

PART 13—PROHIBITED TRADE PRACTICES

General Transmissions Corporation of Washington et al.

Subpart—Misrepresenting oneself and goods—Business status, advantages or connections: § 13.1553 *Services.* Misrepresenting oneself and goods—Goods: § 13.1625 *Free goods or services.* Misrepresenting oneself and goods—Prices: § 13.1778 *Additional costs unmentioned.* Misrepresenting oneself and goods—Services: § 13.1843 *Terms and conditions.* Subpart—Neglecting, unfairly or deceptively, to make material disclosure: § 13.1882 *Prices.* Subpart—Offering unfair, improper and deceptive inducements to purchase or deal: § 13.1960 *Free service;* § 13.2013 *Offers deceptively made and evaded;* § 13.2030 Repair or replacement guarantee.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interprets or applies sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45) [Cease and desist order, General Transmissions Corporation of Washington et al., Washington, D.C., Docket 8713, Feb. 23, 1968.]

In the Matter of General Transmissions Corporation of Washington, a Corporation, and Walter Dlutz, Individually and as an Officer of Said Corporation, and William J. Greene, Jr., Individually and as an Agent of Said Corporation

Order requiring a Washington, D.C., automatic transmission repair garage to cease misrepresenting the nature and cost of its services, deceptively quoting prices before all facts are known, neglecting to disclose that an "overhaul" does not include reassembly, claiming that its transmissions are factory-rebuilt, making false guaranties, misusing the terms "free," "no money down", and "easy credit", and systematically defrauding its customers.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

It is ordered, That respondents, General Transmissions Corporation of Washington, a corporation, and its officers, and Walter Dlutz, individually and as an officer of said corporation, and William J. Green, Jr., individually and as an agent of said corporation, and their

agents, representatives, and employees, directly or through any corporate or other device, in connection with the advertising, repair, overhauling, rebuilding, offering for sale, sale, or distribution of any transmission, motor, or other automotive component, or any other product or service in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Misrepresenting, in any manner, the nature, extent, or quality of any mechanical adjustment, replacement of parts or components, or any other repairs performed on any automobile transmission, other automotive component, or any other product;

2. Misrepresenting, in any manner, the nature, cost, or extent of any services rendered or parts used in repairing any automobile transmission, other automotive component, or any other product, or charging for any services not in fact performed or parts not in fact used;

3. Representing, in any manner, that removal, dismantling, inspection, or any similar service will be performed on an automobile transmission, other automotive component, or any other product or component thereof, when the estimate quoted or price advertised for such service does not include reassembly and replacement of the component in the car, or other product, in its former condition;

4. Quoting or estimating a price for repairing an automobile transmission, other automotive component, or any other product, before determining by inspection, or by some other reasonable method, the nature and extent of the repairs needed so that the quoted or estimated price accurately reflects the actual price of the needed repairs;

5. Advertising the price of particular services such as an overhaul, inspection, or reseal job, unless in conjunction therewith disclosure is made, in a prominent place and in a type size that is easily legible, that there are many possible defects in an automobile transmission, other automotive component, or other product, for which the advertised services are ineffective and which require additional parts and labor to repair and that such repairs will cost substantially more than the advertised price;

6. Representing, directly or by implication, that any merchandise or service is offered for sale when such offer is not a bona fide offer to sell said merchandise or service;

7. Representing, directly or by implication, that any merchandise or service is offered for sale when the purpose of the representation is to sell the offered merchandise or service only in connection with the sale of other merchandise or services;

8. Using, in any manner, a sales plan, scheme, or device wherein false, misleading, or deceptive representations are made in order to obtain leads or prospects for the sale of merchandise or services or to induce sales of any merchandise or services;

9. Obtaining any agreement or authorization from any customer to repair or otherwise service any automobile or other product without:

(a) Specifically listing in such agreement or authorization the extent, nature, and actual cost of the repairs to be performed;

(b) Promptly disclosing to the customer the precise extent, nature, and cost of such repairs prior to performance thereof, if, despite respondents' best efforts accurately to estimate the cost of repairs in advance, the extent, nature, or cost of the needed repairs differs in any degree from what was set out in such agreement or authorization;

(c) Performing according to such agreement or authorization or returning said vehicle in its original condition at a specific price agreed to in advance and fully set out in said authorization;

10. Failing to provide all customers, at the time they are billed, with an itemized list of parts and labor included in the repair, overhaul, reseal, rebuilding, or other service performed on an automobile transmission, other automotive component, or other product, repaired or serviced by respondents or any one of them;

11. Falsely representing, in any manner, that transmissions rebuilt by the respondents are factory rebuilt; that transmissions rebuilt other than in a factory generally engaged in such rebuilding are factory rebuilt; that the respondents offer for sale factory rebuilt transmissions;

12. Using the term "overhaul" to refer to any transmission service which does not include the removal, disassembly, and replacement of all worn parts, hard or soft, and reassembly and reinstallation of the transmission in the vehicle, unless in conjunction with the use of the term "overhaul", in a prominent place and in type that is easily legible, disclosure is made of:

(a) The parts that will be replaced in connection with the "overhaul" and are included in the overhaul price, as well as their price if purchased separately, and

(b) The parts that will not be replaced as part of the overhaul and their price, and/or

(c) The fact that in many cases substantial additional costs will be incurred if parts other than those regularly included in the overhaul must be replaced in order to repair the transmissions;

13. Representing that any article of merchandise or service is guaranteed, unless all of the terms and conditions of the guarantee, the identity of the guarantor, and the manner in which the guarantor will in good faith perform thereunder are clearly and conspicuously disclosed, and, further, unless all such guarantees are in fact fully honored and all the terms thereof fulfilled;

14. Using the word "free" or any other word or words of similar import, as descriptive of an article of merchandise or service: *Provided, however,* That it shall be a defense in any enforcement proceeding thereunder for respondents to establish that in fact no charge of any kind, directly or indirectly, is made for such article of merchandise or service;

15. Using the terms "no money down," "E–Z Credit," or "easy credit," or any word or words of similar import, in connection with respondents' offer to sell any merchandise or services.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form of their compliance with this order.

By the Commission, with Commissioner Nicholson not participating for the reason oral argument was heard prior to his appointment to the Commission.

Issued: February 23, 1968.

[SEAL] JOSEPH W. SHEA, *Secretary.*

[F.R. Doc. 68–4176; Filed, Apr. 8, 1968; 8:45 a.m.]

PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

Marking Requirements for Apparel of U.S. Components Assembled Abroad

§ 15.206 Marking requirements for apparel of U.S. components assembled abroad.

(a) The Commission advised an apparel manufacturer that section 4(b)(4) of the Textile Fiber Products Identification Act would require an affirmative disclosure of the particulars of foreign origin under the following facts:

(b) The fabric of which the apparel will be made is entirely of domestic origin. This fabric will be cut into shapes and forms. The cut fabric, together with buttons, trimmings, threads, labels, in short all findings, also of domestic origin, will be shipped abroad to be assembled and sewn into the product. The assembled product will be returned to the United States where it will be finished, pressed, folded, and packaged.

(c) The Commission advised the requesting party that a label or other mark denoting the particulars of foreign origin would be required in the following terms: "Assembled and sewn in [name of foreign country where assembled and sewn] of American-made materials."

(38 Stat. 717, as amended; 15 U.S.C. 41–58; 72 Stat. 1717; 15 U.S.C. 70)

Issued: April 4, 1968.

By direction of the Commission.

[SEAL] JOSEPH W. SHEA, *Secretary.*

[F.R. Doc. 68–4200; Filed, Apr. 8, 1968; 8:47 a.m.]

PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

"Made in U.S.A." Label on Answering Machine Composed of Domestic and Foreign Made Components

§ 15.207 "Made in U.S.A." label on answering machine composed of domestic and foreign made components.

(a) The Commission rendered an advisory opinion in response to a question concerning the origin of a telephone answering machine which was composed of both domestic and foreign made components.

(b) The basic machine is manufactured in a foreign country, but modifications to be performed in the United States, including both labor and parts, will represent approximately 70 percent of the total cost of the finished product. Numerically, approximately half of the components are domestic and the remaining half are imported.

(c) Concluding that such a product should not be unqualifiedly marked as "Made in U.S.A.", the Commission said: "* * * a 'Made in U.S.A.' mark would constitute an affirmative representation that the finished product was made in its entirety in the United States. Since the end product would in fact contain foreign made components of a substantial nature, it would be improper to describe the finished product as 'Made in U.S.A.' without a clear and conspicuous disclosure of the identity and foreign country of origin of the imported components."

(38 Stat. 717, as amended; 15 U.S.C. 41–58)

Issued: April 4, 1968.

By direction of the Commission.

[SEAL] JOSEPH W. SHEA, *Secretary.*

[F.R. Doc. 68–4201; Filed, Apr. 8, 1968; 8:47 a.m.]

PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

Disclosure of Origin of Golf Clubs Made in This Country From Imported Parts

§ 15.208 Disclosure of origin of golf clubs made in this country from imported parts.

(a) The Commission was requested to render an advisory opinion concerning the proper labeling as to origin of golf clubs made in this country using imported component parts. The cost of materials and labor in this country with respect to the four clubs in question will range from a low of 63 percent to a high of 92 percent.

(b) The opinion advised that in the absence of any affirmative representation that the products are made in the United States, or any other representation that might mislead the public as to the country of origin, and in the absence of any other facts indicating actual deception, the Commission was of the opinion that, under the facts as presented, the failure to mark the origin of these golf clubs will not be regarded by the Commission as deceptive. Accordingly, no marking is required on these clubs with reference to the country of origin.

(38 Stat. 717, as amended; 15 U.S.C. 41–58)

Issued: April 4, 1968.

By direction of the Commission.

[SEAL] JOSEPH W. SHEA, *Secretary.*

[F.R. Doc. 68–4202; Filed, Apr. 8, 1968; 8:47 a.m.]

PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

Disclosure of Foreign Origin of Component Used in Drawer Slide Assembly

§ 15.209 Disclosure of foreign origin of component used in drawer slide assembly.

(a) The Commission was asked to render an advisory opinion as to the labeling requirements applicable to a slide assembly for cabinet and desk drawers which will be made in this country using an imported rail member. The importer component will make up less than half the cost of the completed assembly.

(b) The opinion advised that in the absence of any affirmative representation that the product is made in the United States, or any other representation that might mislead customers as to the country of origin, the Commission was of the opinion that, under the facts as presented, the failure to mark the origin of the product would not be regarded as deceptive.

(c) However, the Commission was also of the opinion that it would not be proper to describe the completed slide assembly as "Made in U.S.A." since that would constitute an affirmative representation that the entire assembly was made in this country, which is not the fact, unless, of course, the fact is also disclosed in a clear and conspicuous manner that the rail member is imported.

(38 Stat. 717, as amended; 15 U.S.C. 41–58)

Issued: April 4, 1968.

By direction of the Commission.

[SEAL] JOSEPH W. SHEA, *Secretary.*

[F.R. Doc. 68–4203; Filed, Apr. 8, 1968; 8:47 a.m.]

PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

Disclosure of Foreign Origin of Imported Mechanical Pencil Action

§ 15.210 Disclosure of foreign origin of imported mechanical pencil action.

(a) The Commission rendered an advisory opinion in regard to the question of whether it is necessary to disclose the origin of imported mechanical pencil actions which are to be assembled with an American made barrel and clip.

(b) In the absence of any affirmative representation that the product is made in the United States, or any other representation that might mislead the public as to the country of origin, and in the absence of other facts indicating actual deception, the Commission expressed the opinion that, under the facts as presented, the failure to mark the origin of these goods will not be regarded by the Commission as deceptive.

(38 Stat. 717, as amended; 15 U.S.C. 41–58)

Issued: April 4, 1968.

By direction of the Commission.

[SEAL] JOSEPH W. SHEA, *Secretary.*

[F.R. Doc. 68–4204; Filed, Apr. 8, 1968; 8:47 a.m.]

PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

Disclosure of Country of Origin of Imported FM Tuners

§ 15.211 Disclosure of country of origin of imported FM tuners.

(a) The Commission was requested to render an advisory opinion concerning the proper marking of small FM tuners imported from a foreign country. The tuners are disassembled in this country and a number of domestic components are installed to replace their foreign counterparts to change the tuning frequency and narrow the bandpass.

(b) With regard to the proposal to omit any statement on the label concerning the origin of the product, and instead to include a brochure with each unit that would accurately explain its origin, the Commission believes that such proposal would not violate any of the laws administered by it.

(38 Stat. 717, as amended; 15 U.S.C. 41–58)

Issued: April 4, 1968.

By direction of the Commission.

[SEAL] JOSEPH W. SHEA, *Secretary.*

[F.R. Doc. 68–4205; Filed, Apr. 8, 1968; 8:47 a.m.]

Title 18—CONSERVATION OF POWER AND WATER RESOURCES

Chapter I—Federal Power Commission

[Docket No. R–340; Order 362]

PART 154—RATE SCHEDULES AND TARIFFS

Changing Method of Computing Interest To Be Paid on Refunds Under Natural Gas Act

APRIL 2, 1968.

The Commission has before it for consideration the amendment of Part 154, regulations under the Natural Gas Act,

by the prescription of a new § 154.67 and the addition of a new paragraph (g) to § 154.102, to provide that the amount of interest payable on amounts refunded pursuant to section 4(e) of the Natural Gas Act shall be computed at the prescribed rate of interest compounded monthly.

The Commission has determined that the purpose of requiring interest on excess revenues ordered to be refunded will be better served if compound rather than simple interest is paid. When simple interest is imposed, the company receives an interest-free loan of the accumulated interest on all funds which are advanced by its customers and later ordered to be returned to them. The value of this interest-free loan mounts with the duration of the period in which the increased rates are in effect subject to refund. The Commission believes that this benefit should be eliminated and that customers should be reimbursed for the full period of the company's use of the interest on their advances as well as for its use of the principal. The amendment herein adopted will accomplish this purpose by requiring the interest to be compounded on a monthly basis. We select monthly compounding because the industry bills monthly. This change will be effected with respect to any natural gas company which collects increased rates hereafter permitted to become effective subject to refund.

The Commission finds:

(1) Although the amendments herein prescribed may be interpreted as substantive amendments under section 553 of Title 5 of the United States Code, prior notice therefore is unnecessary since they impose no burden upon the persons affected thereby that may not now be imposed upon them by ad hoc orders in every case initiated pursuant to section 4(e) of the Natural Gas Act whereby a suspended rate becomes effective subject to refund at the expiration of the period of suspension.

(2) The amendments herein adopted are necessary and appropriate to carry out the provisions of the Natural Gas Act.

The Commission, acting pursuant to the authority granted by the Natural Gas Act, particularly sections 4 and 16 thereof (52 Stat. 822, 830; 15 U.S.C. 717c, 717o), orders:

(A) Part 154, Subchapter E, Regulations Under the Natural Gas Act, Chapter I of Title 18 of the Code of Federal Regulations, is amended by adding a new § 154.67 and a new paragraph (g) to § 154.102 to read as follows:

§ 154.67 Interest on refunds.

With respect to any rate suspension proceeding initiated under section 4(e) of the Natural Gas Act, wherein a change in rate, charge, classification, or service is made effective on or after April 30, 1968, the amount of interest required to be paid on any refund shall be computed at the annual rate of interest prescribed in the Commission order allowing the suspended rate to become effective, compounded monthly.

§ 154.102 Suspended changes in rate schedules; motions to make effective at end of period of suspension; procedure.

* * * * *

(g) With respect to any change in rate, charge, classification, or service made effective on or after April 30, 1968, the amount of interest required to be paid on any refund shall be computed at the annual rate of interest prescribed in paragraph (c) of this section, compounded monthly.

(Secs. 4, 16, 52 Stat. 822, 830; 15 U.S.C. 717c, 717o)

(B) Since, because of their nature and the facts set out in the finding paragraph (1) above, these amendments are within the exception of section 553 of Title 5 of the United States Code, they shall be effective on the issuance of this order.

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

By the Commission.

[SEAL] GORDON M. GRANT, *Secretary.*

[F.R. Doc. 68-4174; Filed, Apr. 8, 1968; 8:45 a.m.]

Title 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs, Department of the Treasury

[T.D. 68-100]

PART 4—VESSELS IN FOREIGN AND DOMESTIC TRADES

Special Tonnage Tax and Light Money; Democratic Republic of the Congo

Foreign discriminating duties of tonnage and impost with respect to vessels of and certain imports from the Democratic Republic of the Congo suspended and discontinued; § 4.22, Customs Regulations, amended.

The Secretary of State advised the Secretary of the Treasury on March 14, 1968, that the Department of State has obtained satisfactory proof from the Government of the Democratic Republic of the Congo that as of February 21, 1968, no discriminating duties of tonnage or imposts are imposed or levied in ports of the Democratic Republic of the Congo upon vessels wholly belonging to citizens of the United States, or upon the produce, manufactures, or merchandise imported into the Democratic Republic of the Congo in such vessels from the United States or from any foreign country.

Therefore, by virtue of the authority vested in the President by section 4228 of the Revised Statutes, as amended (46 U.S.C. 141), which was delegated to the Secretary of the Treasury by the President by Executive Order No. 10289, September 17, 1951, as amended by Executive Order No. 10882, July 18, 1960 (3 CFR Ch. II), and pursuant to the authorization given to me by Treasury Department Order No. 190, Rev. 4, December 15, 1965 (30 F.R. 15769), I declare that the foreign discriminating duties of tonnage and impost within the United States are suspended and discontinued, so far as respects the vessels of the Democratic Republic of the Congo, and the produce, manufactures, or merchandise imported into the United States in such vessels from the Democratic Republic of the Congo or from any other foreign country. This suspension and discontinuance shall take effect from February 21, 1968, and shall continue for so long as the reciprocal exemption of vessels wholly belonging to citizens of the United States and their cargoes shall be continued and no longer.

In accordance with this declaration, § 4.22, Customs Regulations, is amended by the insertion of the "Democratic Republic of the Congo" in the appropriate alphabetical sequence in the list of nations whose vessels are exempted from the payment of any higher tonnage duties than are applicable to vessels of the United States and from the payment of light money.

(80 Stat. 379. R.S. 4219, as amended, 4225, as amended, 4228, as amended, sec. 3, 23 Stat. 119, as amended; 5 U.S.C. 301, 46 U.S.C. 3, 121, 128, 141)

[SEAL] JOSEPH M. BOWMAN, *Assistant Secretary of the Treasury.*

APRIL 3, 1968.

[F.R. Doc. 68-4206; Filed, Apr. 8, 1968; 8:47 a.m.]

Title 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER A—INCOME TAX

[T.D. 6949]

PART 1—INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1953

Liquidation of Personal Holding Companies and Certain Other Related Matters

On September 16, 1965, notice of proposed rule making with respect to the amendment of the Income Tax Regulations (26 CFR Part 1) under sections 316, 331, 333, 381(c)(15), 545, 562, and 6043 of the Internal Revenue Code of 1954 to conform the regulations to changes made by section 225 (f)(1), (f)(2), (f)(3), (g), and (i) of the Revenue Act of 1964 (78 Stat. 87) was published in the FEDERAL REGISTER (30 F.R. 11862). After consideration of all such relevant matter as was presented by interested persons regarding the rules proposed, the regulations as so published are hereby adopted, subject to the changes set forth below:

PARAGRAPH 1. Section 1.316-1, as set forth in paragraph 2 of the notice of proposed rule making, is changed by revising paragraph (b) and by adding a new example (6) to paragraph (d).

PAR. 2. Paragraph (g) of § 1.333–5, as set forth in paragraph 8 of the notice of proposed rule making, is revised.

PAR. 3. Section 1.381(c)(15)–1, as set forth in paragraph 10 of the notice of proposed rule making, is changed by adding a new paragraph (c).

PAR. 5. Section 1.545–3, as set forth in paragraph 11 of the notice of proposed rule making, is changed by adding new paragraphs (10) and (11) to section 545(b) and by revising the historical note.

PAR. 5. Section 1.545–3, as set forth in paragraph 14 of the notice of proposed rule making, is changed by revising paragraph (b), subparagraphs (1)(ii), (4)(i), and (6) of paragraph (d), example (2) of paragraph (d)(7), and so much of paragraph (e)(2) as precedes subdivision (i) thereof.

PAR. 6. Section 1.562–1, as set forth in paragraph 16 of the notice of proposed rule making, is changed by revising paragraphs (a) and (b)(2)(ii).

(This Treasury decision is issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805))

[SEAL] SHELDON S. COHEN,
Commissioner of Internal Revenue.

Approved: April 1, 1968.

STANLEY S. SURREY,
Assistant Secretary of the Treasury.

In order to conform the Income Tax Regulations (26 CFR Part 1) under sections 316, 331, 333, 381(c)(15), 545, 562, and 6043 of the Internal Revenue Code of 1954 to section 225 (f)(1), (f)(2), (f)(3), (g), and (i) of the Revenue Act of 1964 (78 Stat. 87), such regulations are amended as follows:

PARAGRAPH 1. Section 1.316 is amended by revising subsection (b)(2) of section 316 and by revising the historical note. These revised provisions read as follows:

§ 1.316 Statutory provisions; dividend defined.

Sec. 316. *Dividend defined.* * * *
(b) *Special rules.* * * *
(2) *Distributions by personal holding companies.* (A) In the case of a corporation which—

(i) Under the law applicable to the taxable year in which the distribution is made, is a personal holding company (as defined in section 542), or

(ii) For the taxable year in respect of which the distribution is made under section 563(b) (relating to dividends paid after the close of the taxable year), or section 547 (relating to deficiency dividends), or the corresponding provisions of prior law, is a personal holding company under the law applicable to such taxable year,

the term "dividend" also means any distribution of property (whether or not a dividend as defined in subsection (a)) made by the corporation to its shareholders, to the extent of its undistributed personal holding company income (determined under section 545 without regard to distributions under this paragraph) for such year.

(B) For purposes of subparagraph (A), the term "distribution of property" includes a distribution in complete liquidation occurring within 24 months after the adoption of a plan of liquidation, but—

(i) Only to the extent of the amounts distributed to distributees other than corporate shareholders, and

(ii) Only to the extent that the corporation designates such amounts as a dividend distribution and duly notifies such distributees of such designation, under regulations prescribed by the Secretary or his delegate, but

(iii) Not in excess of the sum of such distributees' allocable share of the undistributed personal holding company income for such year, computed without regard to this subparagraph or section 562(b).

(Sec. 316 as amended by sec. 5 (1), Life Insurance Company Tax Act 1955 (70 Stat. 49); sec. 225(f)(1), Rev. Act 1964 (78 Stat. 87))

PAR. 2. Section 1.316–1 is amended by revising paragraph (b) and by adding a new example (5) to paragraph (d). These revised and added provisions read as follows:

§ 1.316–1 Dividends.

* * * * *

(b) (1) In the case of a corporation which, under the law applicable to the taxable year in which a distribution is made, is a personal holding company or which, for the taxable year in respect of which a distribution is made under section 563 (relating to dividends paid within 2½ months after the close of the taxable year), or section 547 (relating to deficiency dividends), or corresponding provisions of a prior income tax law, was under the applicable law a personal holding company, the term "dividend", in addition to the meaning set forth in the first sentence of section 316, also means a distribution to its shareholders as follows: A distribution within a taxable year of the corporation, or of a shareholder, is a dividend to the extent of the corporation's undistributed personal holding company income (determined under section 545 without regard to distributions under section 316(b)(2)) for the taxable year in which, or, in the case of a distribution under section 563 or section 547, the taxable year in respect of which, the distribution was made. This subparagraph does not apply to distributions in partial or complete liquidation of a personal holding company. In the case of certain complete liquidations of a personal holding company see subparagraph (2) of this paragraph.

(2) In the case of a corporation which, under the law applicable to the taxable year in which a distribution is made, is a personal holding company or which, for the taxable year in respect of which a distribution is made under section 563, or section 547, or corresponding provisions of a prior income tax law, was under the applicable law a personal holding company, the term "dividend", in addition to the meaning set forth in the first sentence of section 316, also means, in the case of a complete liquidation occuring within 24 months after the adoption of a plan of liquidation, a distribution of property to its shareholders within such period, but—

(i) Only to the extent of the amounts distributed to distributees other than corporate shareholders, and

(ii) Only to the extent that the corporation designates such amounts as a dividend distribution and duly notifies such distributees in accordance with subparagraph (5) of this paragraph, but

(iii) Not in excess of the sum of such distributees' allocable share of the undistributed personal holding company income for such year (determined under section 545 without regard to sections 562(b) and 316(b)(2)(B)).

Section 316(b)(2)(B) and this subparagraph apply only to distributions made in any taxable year of the distributing corporation beginning after December 31, 1963. The amount designated with respect to a noncorporate distributee may not exceed the amount actually distributed to such distributee. For purposes of determining a noncorporate distributee's gain or loss on liquidation, amounts distributed in complete liquidation to such distributee during a taxable year are reduced by the amounts designated as a dividend with respect to such distributee for such year. For purposes of section 333(e)(1), a shareholder's ratable share of the earnings and profits of the corporation accumulated after February 28, 1913, shall be reduced by the amounts designated as a dividend with respect to such shareholder (even though such designated amounts are distributed during the 1-month period referred to in section 333).

(3) For purposes of subparagraph (2)(iii) of this paragraph—

(i) Except as provided in subdivision (ii) of this subparagraph, the sum of the noncorporate distributees' allocable share of undistributed personal holding company income for the taxable year in which, or in respect of which, the distribution was made (computed without regard to sections 562(b) and 316(b)(2)(B)) shall be determined by multiplying such undistributed personal holding company income by the ratio which the aggregate value of the stock held by all noncorporate shareholders immediately before the record date of the last liquidating distribution in such year bears to the total value of all stock outstanding on such date. For rules applicable in a case where the distributing corpororation has more than one class of stock, see subdivision (iii) of this subparagraph.

(ii) If more than one liquidating distribution was made during the year, and if, after the record date of the first distribution but before the record date of the last distribution, there was a change in the relative shareholdings as between noncorporate shareholders and corporate shareholders, then the sum of the noncorporate distributees' allocable share of undistributed personal holding company income for the taxable year in which, or in respect of which, the distributions were made (computed without regard to sections 562(b) and

316(b)(2)(B)) shall be determined as follows:

(*a*) First, allocate the corporation's undistributed personal holding company income among the distributions made during the taxable year by reference to the ratio which the aggregate amount of each distribution bears to the total amount of all distributions during such year;

(*b*) Second, determine the noncorporate distributees' allocable share of the corporation's undistributed personal holding company income for each distribution by multiplying the amount determined under (*a*) of this subdivision (ii) for each distribution by the ratio which the aggregate value of the stock held by all noncorporate shareholders immediately before the record date of such distribution bears to the total value of all stock outstanding on such date; and

(*c*) Last, determine the sum of the noncorporate distributees' allocable share of the corporation's undistributed personal holding company income for all such distributions.

For rules applicable in a case where the distributing corporation has more than one class of stock, see subdivision (iii) of this subparagraph.

(iii) Where the distributing corporation has more than one class of stock—

(*a*) The undistributed personal holding company income for the taxable year in which, or in respect of which the distribution was made shall be treated as a fund from which dividends may properly be paid and shall be allocated between or among the classes of stock in a manner consistent with the dividend rights of such classes under local law and the pertinent governing instruments, such as, for example, the distributing corporation's articles or certificate of incorporation and bylaws;

(*b*) The noncorporate distributees' allocable share of the undistributed personal holding company income for each class of stock shall be determined separately in accordance with the rules set forth in subdivisions (i) or (ii) of this subparagraph, as if each class of stock were the only class of stock outstanding; and

(*c*) The sum of the noncorporate distributees' allocable share of the undistributed personal holding company income for the taxable year in which, or in respect of which, the distribution was made shall be the sum of the noncorporate distributees' allocable share of the undistributed personal holding company income for all classes of stock.

(iv) For purposes of this subparagraph, in any case where the record date of a liquidating distribution cannot be ascertained, the record date of the distribution shall be the date on which the liquidating distribution was actually made.

(4) The amount designated as a dividend to a noncorporate distributee for any taxable year of the distributing corporation may not exceed an amount equal to the sum of the noncorporate distributees' allocable share of undistributed personal holding company income (as determined under subparagraph (3) of this paragraph) for such year multiplied by the ratio which the aggregate value of the stock held by such distributee immediately before the record date of the liquidating distribution or, if the record date cannot be ascertained, immediately before the date on which the liquidating distribution was actually made, bears to the aggregate value of stock outstanding held by all noncorporate distributees on such date. In any case where more than one liquidating distribution is made during the taxable year, the aggregate amount which may be designated as a dividend to a noncorporate distributee for such year may not exceed the aggregate of the amounts determined by applying the principle of the preceding sentence to the amounts determined under subparagraph (3)(ii) (*a*) and (*b*) of this paragraph for each distribution. Where the distributing corporation has more than one class of stock, the limitation on the amount which may be designated as a dividend to a noncorporate distributee for any taxable year shall be determined by applying the rules of this subparagraph separately with respect to the noncorporate distributees' allocable share of the undistributed personal holding company income for each class of stock (as determined under subparagraph (3)(iii) (*a*) and (*b*) of this paragraph).

(5) A corporation may designate as a dividend to a shareholder all or part of a distribution in complete liquidation described in section 316(b)(2)(B) of this paragraph by:

(i) Claiming a dividends paid deduction for such amount in its return for the year in which, or in respect of which, the distribution is made,

(ii) Including such amount as a dividend in Form 1099 filed in respect of such shareholder pursuant to section 6042(a) and the regulations thereunder and in a written statement of dividend payments furnished to such shareholder pursuant to section 6042(c) and § 1.6042–4, and

(iii) Indicating on the written statement of dividend payments furnished to such shareholder the amount included in such statement which is designated as a dividend under section 316(b)(2)(B) and this paragraph.

If a corporation complies with the procedure prescribed in the preceding sentence, it satisfies both the designation and notification requirements of section 316(b)(2)(B)(ii) and paragraph (b)(2)(ii) of this section. An amount designated as a dividend shall not be included as a distribution in liquidation on Form 1099L filed pursuant to § 1.6043–2 (relating to returns of information respecting distributions in liquidation). If a corporation designates a dividend in accordance with this subparagraph, it shall attach to the return in which it claims a deduction for such designated dividend a schedule indicating all facts necessary to determine the sum of the noncorporate distributees' allocable share of undistributed personal holding company income (determined in accordance with subparagraph (3) of this paragraph) for the year in which, or in respect of which, the distribution is made.

* * * * *

(d) * * *

Example (*5*). Corporation O, a calendar year taxpayer, is completely liquidated on December 31, 1964, pursuant to a plan of liquidation adopted July 1, 1964. No distributions in liquidation were made pursuant to the plan of liquidation adopted July 1, 1964, until the distribution in complete liquidation on December 31, 1964. Corporation O has undistributed personal holding company income of $300,000 for the year 1964 (computed without regard to section 562(b) or section 316(b)(2)(B)). On December 31, 1964, immediately before the record date of the distribution in complete liquidation, individual A owns 200 shares of corporation O's outstanding stock and corporation P owns the remaining 100 shares of outstanding stock. All shares are equal in value. The noncorporate distributees' allocable share of undistributed personal holding company income for 1964 is $200,000 $\left(\frac{200 \text{ shares}}{300 \text{ shares}} \times \$300{,}000\right)$. If at least $200,000 is distributed to A in the liquidation, then corporation O may designate $200,000 to A as a dividend in accordance with paragraph (b)(5) of this section, and, if such amount is designated, then A must treat $200,000 as a dividend to which section 301 applies. For an example of the treatment of the distribution to corporation P see paragraph (b)(2)(iii) of § 1.562–1.

Example (*6*). Corporation Q, a calendar year taxpayer, is completely liquidated on December 31, 1964, pursuant to a plan of liquidation adopted July 1, 1964. No distributions in liquidation were made pursuant to the plan of liquidation adopted July 1, 1964, until the distribution in complete liquidation on December 31, 1964. Corporation Q has undistributed personal holding company income of $40,000 for the year 1964 (computed without regard to section 562(b) or section 316(b)(2)(B)). On December 31, 1964, immediately before the record date of the distribution in complete liquidation, corporation Q has outstanding 300 shares of common stock and 100 shares of noncumulative preferred stock. Corporation Q's articles of incorporation provide that the preferred stock is entitled to dividends of $10 per share per year. Of corporation Q's stock, individual B owns 200 shares of the common stock and 50 shares of the preferred stock, and corporation R owns all remaining shares. All of the common shares are equal in value, and all of the preferred shares are equal in value. No dividends had been paid on the preferred stock during the year 1964. Of the $40,000 of undistributed personal holding company income, $1,000 must be allocated to the preferred stock because of the rights of the holders of such stock, under Q's articles of incorporation, to receive that amount in dividends for the year 1964. The noncorporate distributees' allocable share of undistributed personal holding company income for 1964 is $26,500.

$$\left(\frac{50 \text{ preferred shares}}{100 \text{ preferred shares}} \times \$1{,}000 + \frac{200 \text{ common shares}}{300 \text{ common shares}} \times \$39{,}000\right)$$

If at least $26,500 is distributed to B in the liquidation, then corporation Q may designate $26,500 to B as a dividend in accordance with paragraph (b)(5) of this section, and, if such amount is designated, then B must treat $26,500 as a dividend to which section 301 applies.

PAR. 3. Section 1.331 is amended by revising subsection (b) of section 331 and by adding a historical note. These revised and added provisions read as follows:

§ 1.331 Statutory provisions; gain or loss to shareholders in corporate liquidations.

Sec. 331. *Gain or loss to shareholders in corporate liquidations.* * * *

(b) *Nonapplication of section 301.* Section 301 (relating to effects on shareholder of distributions of property) shall not apply to any distribution of property (other than a distribution referred to in paragraph (2)(B) of section 316(b)) in partial or complete liquidation.

* * * * *

[Sec. 331 as amended by sec. 225(f)(2), Rev. Act 1964 (78 Stat. 88)]

PAR. 4. Section 1.331–1 is amended by revising paragraph (a) to read as follows:

§ 1.331–1 Corporate liquidations.

(a) Section 331 contains rules governing the extent to which gain or loss is recognized to a shareholder receiving a distribution in complete or partial liquidation of a corporation. Under section 331(a)(1), it is provided that amounts distributed in complete liquidation of a corporation shall be treated as in full payment in exchange for the stock. Under section 331(a)(2), it is provided that amounts distributed in partial liquidation of a corporation shall be treated as in full or part payment in exchange for the stock. For this purpose, the term "partial liquidation" shall have the meaning ascribed in section 346. If section 331 is applicable to the distribution of property by a corporation, section 301 (relating to the effects on a shareholder of distributions of property) has no application other than to a distribution in complete liquidation to which section 316(b)(2)(B) applies. See paragraph (b)(2) of § 1.316–1.

* * * * *

PAR. 5. Section 1.333 is amended by adding a new subsection (g) to section 333 and by adding a historical note. These added provisions read as follows:

§ 1.333 Statutory provisions; election as to recognition of gain in certain liquidations.

Sec. 333. *Election as to recognition of gain in certain liquidations.* * * *

(g) *Special rule*—(1) *Liquidations before January 1, 1967.* In the case of a liquidation occurring before January 1, 1967, of a corporation referred to in paragraph (3)—

(A) The date "December 31, 1953" referred to in subsections (e)(2) and (f)(1) shall be treated as if such date were "December 31, 1962", and

(B) In the case of stock in such corporation held for more than 6 months, the term "a dividend" as used in subsection (e)(1) shall be treated as if such term were "long-term capital gain".

Subparagraph (B) shall not apply to any earnings and profits to which the corporation succeeds after December 31, 1963, pursuant to any corporate reorganization or pursuant to any liquidation to which section 332 applies, except earnings and profits which on December 31, 1963, constituted earnings and profits of a corporation referred to in paragraph (3), and except earnings and profits which were earned after such date by a corporation referred to in paragraph (3).

(2) *Liquidations after December 31, 1966*—(A) *In general.* In the case of a liquidation occurring after December 31, 1966, of a corporation to which this subparagraph applies—

(i) The date "December 31, 1953" referred to in subsections (e)(2) and (f)(1) shall be treated as if such date were "December 31, 1962", and

(ii) So much of the gain recognized under subsection (e)(1) as is attributable to the earnings and profits accumulated after February 28, 1913, and before January 1, 1967, shall, in the case of stock in such cooperation held for more than 6 months, be treated as long-term capital gain, and only the remainder of such gain shall be treated as a dividend.

Clause (ii) shall not apply to any earnings and profits to which the corporation succeeds after December 31, 1963, pursuant to any corporate reorganization or pursuant to any liquidation to which section 332 applies, except earnings and profits which on December 31, 1963, constituted earnings and profits of a corporation referred to in paragraph (3), and except earnings and profits which were earned after such date by a corporation referred to in paragraph (3).

(B) *Corporations to which applicable.* Subparagraph (A) shall apply only with respect to a corporation which is referred to in paragraph (3) and which—

(i) On January 1, 1964, owes qualified indebtedness (as defined in section 545(c)),

(ii) Before January 1, 1968, notifies the Secretary or his delegate that it may wish to have subparagraph (A) apply to it and submits such information as may be required by regulations prescribed by the Secretary or his delegate, and

(iii) Liquidates before the close of the taxable year in which such corporation ceases to owe such qualified indebtedness or (if earlier) the taxable year referred to in subparagraph (C).

(C) *Adjusted post-1963 earnings and profits exceed qualified indebtedness.* In the case of any corporation, the taxable year referred to in this subparagraph is the first taxable year at the close of which its adjusted post-1963 earnings and profits equal or exceed the amount of such corporation's qualified indebtedness on January 1, 1964. For purposes of the preceding sentence, the term "adjusted post-1963 earnings and profits" means the sum of—

(i) The earnings and profits of such corporation for taxable years beginning after December 31, 1963, without diminution by reason of any distributions made out of such earnings and profits, and

(ii) The deductions allowed for taxable years beginning after December 31, 1963, for exhaustion, wear and tear, obsolescence, amortization, or depletion.

(3) *Corporations referred to.* For purposes of paragraphs (1) and (2), a corporation referred to in this paragraph is a corporation which for at least one of the two most recent taxable years ending before the date of the enactment of this subsection was not a personal holding company under section 542, but would have been a personal holding company under section 542 for such taxable year if the law applicable for the first taxable year beginning after December 31, 1963, had been applicable to such taxable year.

(4) *Mistake as to applicability of subsection.* An election made under this section by a qualified electing shareholder of a corporation in which such shareholder states that such election is made on the assumption that such corporation is a corporation referred to in paragraph (3) shall have no force or effect if it is determined that the corporation is not a corporation referred to in paragraph (3).

(Sec. 333 as amended by sec. 225 (g), Rev. Act 1964 (78 Stat. 89))

PAR. 6. Section 1.333–1 is amended by revising paragraph (a) to read as follows:

§ 1.333–1 Corporate liquidations in some one calendar month.

(a) *In general.* Section 333 provides a special rule, in the case of certain specifically described complete liquidations of domestic corporations occurring within some one calendar month, for the treatment of gain on the shares of stock owned by qualified electing shareholders at the time of the adoption of the plan of liquidation. The effect of such section is in general to postpone the recognition of that portion of a qualified electing shareholder's gain on the liquidation which would otherwise be recognized and which is attributable to appreciation in the value of certain corporate assets unrealized by the corporation at the time such assets are distributed in complete liquidation. Only qualified electing shareholders are entitled to the benefits of section 333. The determination of who is a qualified electing shareholder is to be made under section 333(c). Section 333(g) provides a rule for the treatment of gain in the case of liquidations which meet the requirements of section 333(g) in addition to the other requirements of section 333. (See § 1.333–5.) For the basis of property received on such liquidations, see section 334(c). Section 333 has no application to gain in respect of stock of a collapsible corporation to which section 341(a) applies.

* * * * *

PAR. 7. Section 1.333–2 is amended by revising paragraph (b)(1) to read as follows:

§ 1.333–2 Qualified electing shareholder.

* * * * *

(b) * * *

(1) His written election to be governed by the provisions of section 333, which cannot be withdrawn or revoked (except in the case of a conditional election made pursuant to section 333(g)(4) and paragraph (g) of § 1.333–5), has been made and filed as prescribed in § 1.333–3; and

* * * * *

PAR. 8. Section 1.333–5 is amended and redesignated as § 1.333–6 and a new § 1.333–5 is inserted immediately after § 1.333–4. These revised and added provisions read as follows:

§ 1.333–5 Special rule for treatment of gain.

(a) *In general.* In the case of—

(1) A liquidation occurring before January 1, 1967, of a corporation de-

scribed in paragraph (f)(1) of this section, and

(2) A liquidation occurring after December 31, 1966, of a corporation described in paragraph (f)(2) of this section,

notwithstanding the provisions of paragraph (b) and (c) of § 1.333–4, the amount of gain (determined by reference to paragraph (a) of § 1.333–4) on each share of stock owned by a qualified electing shareholder at the time of the adoption of the plan of liquidation which is recognized shall be determined under paragraph (b) of this section, and the treatment of such recognized gain shall be determined under paragraph (c) or (d) of this section. This section applies only with respect to distributions made in any taxable year of the distributing corporation beginning after December 31, 1963.

(b) *Recognition of gain.* In the case of a liquidation to which this section applies, the determination of the amount of recognized gain on each share of stock owned by a qualified electing shareholder at the time of the adoption of the plan of liquidation shall be made under paragraph (b) of § 1.333–4 except that the date "December 31, 1962" shall be substituted for the date "December 31, 1953" wherever such date appears in paragraph (b)(2) of § 1.333–4.

(c) *Treatment of recognized gain—Liquidations before January 1, 1967.* Where the liquidation of a corporation described in paragraph (f)(1) of this section occurs before January 1, 1967—

(1) In the case of a qualified electing shareholder other than a corporation, the recognized gain on a share of stock owned at the time of the adoption of the plan of liquidation and which has been held by such shareholder for more than six months is treated as a long-term capital gain.

(2) In the case of a qualified electing shareholder other than a corporation, that part of the recognized gain on a share of stock owned at the time of the adoption of the plan of liquidation and which has been held by such shareholder for not more than six months which is not in excess of his ratable share of the earnings and profits of the liquidating corporation accumulated after February 28, 1913, determined as provided in section 333(e)(1), is treated as a dividend and retains its character as such for all tax purposes. The remainder of the gain which is recognized is treated as a short-term capital gain.

(3) In the case of a qualified electing shareholder which is a corporation, the entire amount of the gain which is recognized is treated as a short-term or long-term capital gain, as the case may be.

(d) *Treatment of recognized gain—Liquidations after December 31, 1966.* Where the liquidation of a corporation described in paragraph (f)(2) of this section occurs after December 31, 1966—

(1) In the case of a qualified electing shareholder other than a corporation, the recognized gain on a share of stock owned at the time of the adoption of the plan of liquidation which has been held by such shareholder for more than six months is treated as follows:

(i) That part of the recognized gain which is not in excess of his ratable share of the earnings and profits of the liquidating corporation accumulated after February 28, 1913, and before January 1, 1967, is treated as a long-term capital gain;

(ii) That part of the recognized gain remaining after subtracting the part treated as a long-term capital gain under subdivision (i) of this subparagraph which is not in excess of his ratable share of earnings and profits of the liquidating corporation accumulated after December 31, 1966, computed as of the last day of the month of liquidation, without diminution by reason of distributions made during such month, and including in such computation all items of income and expense accrued up to the date on which the transfer of all property under the liquidation is completed, is treated as a dividend and retains its character as such for all tax purposes; and

(iii) The remainder of the gain which is recognized is treated as a long-term capital gain.

For purposes of subdivision (i) of this subparagraph, in the case of a liquidating corporation which, for its taxable year within which falls December 31, 1966, does not make its return on the basis of a calendar year, the ratable share of the earnings and profits of such corporation accumulated after February 28, 1913, and before January 1, 1967, shall be determined by treating the part of such year occurring before January 1, 1967, as a taxable year. For purposes of subdivision (ii) of this subparagraph, in the case of a liquidating corporation which, for its taxable year in which falls January 1, 1967, does not make its return on the basis of a calendar year, the ratable share of the earnings and profits of such corporation shall be determined by treating the part of such year occurring after December 31, 1966, as a taxable year.

(2) In the case of a qualified electing shareholder other than a corporation, that part of the recognized gain on a share of stock owned at the time of the adoption of the plan of liquidation and which has been held by such shareholder for not more than six months which is not in excess of his ratable share of the earnings and profits of the liquidating corporation accumulated after February 28, 1913, determined as provided in section 333(e)(1), is treated as a dividend and retains its character as such for all tax purposes. The remainder of the gain which is recognized is treated as a short-term capital gain.

(3) In the case of a qualified electing shareholder which is a corporation, the entire amount of the gain which is recognized is treated as a short-term or long-term capital gain, as the case may be.

(e) *Nonapplicability of paragraphs (c) and (d).* (1) The rules for treatment of recognized gain contained in paragraphs (c) and (d) of this section do not apply to that part of the recognized gain on a share of stock which is not in excess of the qualified electing shareholder's ratable share of earnings and profits to which the liquidating corporation has succeeded after December 31, 1963, pursuant to any corporate reorganization or pursuant to any liquidation to which section 332 applies, except earnings and profits which on December 31, 1963, constituted earnings and profits of a corporation referred to in paragraph (f)(1) of this section and earnings and profits which were earned after such date by a corporation referred to in paragraph (f)(1) of this section. However, the rule for recognition of gain contained in paragraph (b) of this section applies even though the rules for treatment of gain (paragraphs (c) and (d) of this section) do not apply by reason of this paragraph.

(2) The application of subparagraph (1) of this paragraph may be illustrated by the following example:

Example. M Corporation (a corporation referred to in paragraph (f)(1) of this section) succeeds to the earnings and profits of N Corporation (a corporation not referred to in paragraph (f)(1) of this section) under section 381 in a transaction occurring before January 1, 1964. In addition, M Corporation succeeds to the earnings and profits of O Corporation (a corporation not referred to in paragraph (f)(1) of this section) under section 381 in a transaction occurring after December 31, 1963. On December 31, 1965, M Corporation liquidates in accordance with section 333 and distributes all of its assets to its sole shareholder A, an individual. A is a qualified electing shareholder who owned his stock at the time of the adoption of the plan of liquidation and for more than 6 months. A's recognized gain is determined under paragraph (b) of this section. That part of the recognized gain which is not in excess of the earnings and profits of O Corporation (to which M succeeded) is treated as a dividend under paragraph (c) of § 1.333–4. The remainder of the gain which is recognized is treated as a long-term capital gain.

(f) *Corporations referred to.* (1)(i) For purposes of this section, a corporation described in this paragraph is a corporation which for at least 1 of its 2 most recent taxable years ending before February 26, 1964, was not a personal holding company under section 542, but which would have been a personal holding company under section 542 for such taxable year if the law applicable for the first taxable year beginning after December 31, 1963, had been applicable to such taxable year. The law applicable for the first taxable year beginning after December 31, 1963, for purposes of this section means part II (section 541 and following), subchapter G, chapter 1 of the Code as applicable to such year, but does not include amendments to other parts of the Code first applicable with respect to such year.

(ii) The application of subdivision (i) of this subparagraph may be illustrated by the following example:

Example. In 1962, 80 percent of the gross income of the P Corporation, a calendar year taxpayer more than 50 percent of the stock of which is owned by four individuals, was personal holding company income as defined in section 542, prior to the amendment of such section by section 225 of the

Revenue Act of 1964. In 1963 additional operating income was added, with the result that only 70 percent of its gross income (and adjusted ordinary gross income as defined in section 543(b)(2) for taxable years beginning after December 31, 1963) for the year was personal holding company income. P Corporation's 2 most recent taxable years ending before February 26, 1964, are calendar years 1962 and 1963. The P Corporation was a personal holding company for 1962, but was not a personal holding company for 1963 since it did not meet the 80-percent income test of the existing section 542(a)(1) for that year. However, P Corporation would have been a personal holding company for 1963 if the provisions of sections 542(a)(1) and 543, as amended by section 225 of the Revenue Act of 1964, and as applicable to taxable years beginning after December 31, 1963, were applicable to 1963. Therefore, P is a corporation described in this subparagraph. It is immaterial whether P Corporation is or is not a personal holding company for its taxable years beginning after December 31, 1963. If P had been organized on January 1, 1963, it would still be a corporation referred to in this subparagraph.

(2)(i) For purposes of this section, a corporation described in paragraph (d) of this section is one described in subparagraph (1) of this paragraph which:

(*a*) On January 1, 1964, owes qualified indebtedness (as defined in section 545(c)(3) and paragraph (d) of § 1.545–3);

(*b*) Before January 1, 1968, notifies the district director in accordance with paragraph (h) of this section that it may wish to have section 333(g)(2)(A) and paragraph (d) of this section apply to it; and

(*c*) Liquidates before the close of the first taxable year in which it ceases to owe qualified indebtedness, or, if earlier, the first taxable year at the close of which its adjusted post-1963 earnings and profits equal or exceed the amount of such corporation's qualified indebtedness on January 1, 1964.

(ii) For purposes of this section, the term "adjusted post-1963 earnings and profits" means the sum of—

(*a*) The earnings and profits of the distributing corporation for taxable years beginning after December 31, 1963, without diminution by reason of any distributions made out of such earnings and profits; and

(*b*) The deductions allowed to such corporation for taxable years beginning after December 31, 1963, for exhaustion, wear and tear, obsolescence, amortization, or depletion.

(g) *Mistake as to qualification.* If a shareholder makes a valid election to be governed by section 333 by filing Form 964 (revised) and states, in accordance with instructions printed thereon, that such election is made under the assumption that the liquidating corporation is a corporation described in paragraph (f)(1) of this section, then such election shall have no force or effect for any purpose if it is later determined that the liquidating corporation is not a corporation described in paragraph (f)(1) of this section. Thus, if the statement of assumption described in the preceding sentence is made, and it is later determined that the liquidating corporation is not a corporation described in paragraph (f)(1) of this section, then the entire election under section 333 is void even though the electing shareholder desires section 333 (without regard to section 333(g)) to apply to him. If, however, the statement of assumption is not made, then, assuming an otherwise valid election, the treatment of gain shall be determined under § 1.333–4 or this section, whichever is applicable. The conditional election referred to in this paragraph is the only exception to the rule of paragraph (b)(1) of § 1.333–2 that an election to be governed by the provisions of section 333 once filed cannot be withdrawn or revoked.

(h) *Notification in case of liquidation after December 31, 1966.* (1) If a corporation referred to in paragraph (f)(1) of this section determines that it may liquidate after December 31, 1966, under the provisions of section 333(g)(2)(A) and paragraph (d) of this section, then it must notify the district director for the district in which it files its income tax return for the taxable year within which falls the date of notification. Such notification shall be made by a statement filed with such district director before January 1, 1968, containing the following:

(i) The name, address, and employer identification number of the liquidating corporation;

(ii) A statement that the corporation may liquidate after December 31, 1966, and that it may wish section 333(g)(2)(A) to apply to it;

(iii) A computation indicating that the corporation was not a personal holding company under section 542 for at least one of its two most recent taxable years ending before February 26, 1964, but would have been a personal holding company under section 542 for such taxable year if the law applicable for the first taxable year beginning after December 31, 1963, had been applicable to such taxable year; and

(iv) All information necessary to determine whether, and in what amount, the corporation owed qualified indebtedness (as defined in section 545(c)(3) and paragraph (d) of § 1.545–3) on January 1, 1964, to what extent the corporation owes qualified indebtedness on the date of notification, and the adjusted post-1963 earnings and profits of the corporation at the close of taxable years ending before the date of notification, including the following:

(*a*) A summary of the terms upon which the qualified indebtedness was owed on January 1, 1964, and a summary of any changes occurring in such terms after such date;

(*b*) A schedule indicating the qualified indebtedness owed by the corporation at the close of each taxable year ending after December 31, 1963, if any such year has ended before notification occurs, and the qualified indebtedness owed on the date when notification is made under this paragraph;

(*c*) A schedule indicating the amount of earnings and profits of the corporation for each taxable year beginning after December 31, 1963, and ending before the date of notification, if any such years have ended before notification occurs, without diminution by reason of any distribution made out of such earnings and profits; and a schedule indicating the deductions allowed to the corporation for each taxable year beginning after December 31, 1963, and ending before the date of notification, for exhaustion, wear and tear, obsolescence, amortization, or depletion.

(2)(i) If a corporation referred to in paragraph (f)(1) of this section actually liquidates after giving notification in accordance with subparagraph (1) of this paragraph and any shareholder claims the benefit of section 333(g)(2)(A), then such corporation shall file, with the district director for the district in which the corporation's Form 966 was filed, a statement containing the information referred to in subdivision (ii) of this subparagraph. The statement must be filed on or before February 28 of the year following the calendar year in which the complete liquidation occurs.

(ii) The information referred to in this subdivision is the following:

(*a*) The name, address, and employer identification number of the corporation;

(*b*) The date on which the corporation ceased to owe qualified indebtedness (as defined in section 545(c));

(*c*) The amount of earnings and profits of the corporation for each taxable year beginning after December 31, 1963, without diminution by reason of any distribution made out of such earnings and profits; and the deductions allowed to the corporation for each taxable year beginning after December 31, 1963, for exhaustion, wear, and tear, obsolescence, amortization, or depletion.

(3) If a corporation actually liquidates during the calendar year 1967 without having notified the district director in accordance with subparagraph (1) of this paragraph and any shareholder claims the benefit of section 333(g)(2)(A) and paragraph (d) of this section, then it shall be deemed to have satisfied the notification and information requirements of section 333(g)(2)(B)(ii) if it files with the district director for the district in which such corporation's Form 966 was filed a statement containing all information necessary to determine whether, and in what amount, such corporation owed qualified indebtedness on January 1, 1964, and all information referred to in subparagraph (2)(ii) of this paragraph. The statement must be filed on or before February 28, 1968.

(i) *Examples.* The application of this section may be illustrated by the following examples:

Example (1). On January 2, 1964, Q Corporation which is a corporation described in paragraph (f)(1) of this section, adopts a plan of complete liquidation conforming to the requirements of section 333. Its assets on such date consist of the following items:

	Fair market value
Stock in R Corporation (acquired 1956)	$3,000,000
Stock in S Corporation (acquired 1963)	550,000
Real property	200,000
	3,750,000

On January 1, 1964, Q Corporation's earnings and profits accumulated after February 28, 1913, are $250,000. Q Corporation distributes all of its assets in complete liquidation, as provided in section 333, before January 31, 1964, to individual A, its sole shareholder. A acquired all of his stock in 1956, and his adjusted basis in such stock is $2 million. A's total gain realized on the liquidation is $1,750,000 ($3,750,000 minus $2 million). A is a "qualified electing shareholder". Under paragraph (b) of this section, A recognizes gain in the amount of $550,000 (the fair market value of the stock of S Corporation), since such amount is greater than $250,000 (his ratable share of the earnings and profits). The remainder of A's gain is not recognized at the time of liquidation of Q Corporation. Under paragraph (c)(1) of this section, the $550,000 recognized gain is treated as a long-term capital gain since A has held his stock for more than 6 months.

Example (2). The facts are the same as in example (1) except that A acquired all of his stock in Q Corporation on September 30, 1963. Since A held his stock for not more than 6 months, $250,000 (his ratable share of earnings and profits) of his recognized gain is treated as a dividend, and $300,000 ($550,000 minus $250,000, the remainder of the recognized gain) is treated as a short-term capital gain.

Example (3). On January 1, 1964, T Corporation, a calendar year taxpayer, which is a corporation described in paragraph (f)(1) of this section, owes qualified indebtedness (as defined in section 545(c)(3)) in the amount of $200,000. No amounts are used or set aside after December 31, 1963, to retire the qualified indebtedness. T Corporation has earnings and profits accumulated after February 28, 1913, and before January 1, 1964, of $500,000. On June 30, 1966, in accordance with paragraph (h) of this section, T Corporation notifies the appropriate district director that it may wish to liquidate after December 31, 1966. T Corporation has earnings and profits of $50,000 for each of its taxable years 1964, 1965, and 1966, all of which are distributed to its shareholders in each such year. It has earnings and profits of $40,000 for its short taxable year beginning January 1, 1967, and ending June 30, 1967, the date of complete liquidation. No distributions are made during the taxable year beginning January 1, 1967, and ending June 30, 1967, other than distributions made in liquidation. For the years 1964, 1965, and 1966, and for the short taxable year beginning January 1, 1967, T Corporation is allowed deductions for depreciation in the total amount of $35,000. On January 8, 1967, T Corporation, in accordance with section 333, adopts a plan of complete liquidation and distributes on June 30, 1967, all of its assets, consisting of the following items:

Stock in X Corporation (acquired 1958)	$2,000,000
Stock in V Corporation (acquired 1964)	1,000,000
Real property	750,000
Tangible personal property	250,000
Total	4,000,000

Each of the assets are distributed equally to individual B and W Corporation, its two equal shareholders. B acquired all of his stock in 1958 and his adjusted basis in such stock is $1 million. W Corporation acquired all of its T Corporation stock in 1964, and has an adjusted basis for such stock of $1,500,000. B realizes gain on the liquidation of $1 million ($2 million minus $1 million) and W Corporation, $500,000 ($2 million minus $1,500,000). B is a "qualified electing shareholder". Under paragraph (b) of this section, B recognizes gain in the amount of $500,000 (the fair market value of his share of the stock of V Corporation) since such amount is greater than $270,000 (his ratable share of the earnings and profits). The $500,000 remainder of B's gain is not recognized at the time of liquidation of T Corporation. Such recognized gain of $500,000 is treated as follows:

Explanation	Amount	Treatment
B's ratable share of earnings and profits accumulated after Feb. 28, 1913, and before Jan. 1, 1967.	$250,000	Long-term capital gain.
B's ratable share of earnings and profits accumulated after Dec. 31, 1966.	20,000	Dividend.
Remainder	230,000	Long-term capital gain.

W Corporation's gain of $500,000 is recognized in full since it is excluded by section 333(b) from the application of section 333.

Example (4). The facts are the same as in example (3) except that on December 31, 1965, the sum of T Corporation's earnings and profits and depreciation deductions for its taxable years 1964 and 1965 was $185,000. At the close of 1966, the sum of T Corporation's earnings and profits and depreciation deductions for 1964, 1965, and 1966 was $250,000. T Corporation is not a corporation to which section 333(g)(2)(A) is applicable since it did not liquidate before December 31, 1966 (the close of the taxable year in which its adjusted post-1963 earnings and profits exceeded its qualified indebtedness). Thus, B is subject to the treatment prescribed by section 333 without regard to subsection (g) of such section.

§ 1.333–6 Records to be kept and information to be filed with return.

(a) Permanent records in substantial form shall be kept by every qualified electing shareholder receiving distributions in complete liquidation of a domestic corporation. Such shareholder must file with his income tax return for his taxable year in which the liquidation occurs a statement of all facts pertinent to the recognition and treatment of the gain realized by him upon the shares of stock owned by him at the time of the adoption of the plan of liquidation including:

(1) A statement of his stock ownership in the liquidating corporation as of the record date of the distribution, showing the number of shares of each class owned on such date, the cost or other basis of each such share, and the date of acquisition of each such share;

(2) A list of all the property, including money, received upon the distribution, showing the fair market value of each item of such property other than money on the date distributed and stating what items, if any, consist of stock or securities acquired by the liquidating corporation after December 31, 1953, or after December 31, 1962, whichever date is applicable;

(3) A statement of his ratable share of the earnings and profits of the liquidating corporation accumulated after February 28, 1913, computed without diminution by reason of distributions made during the month of liquidation (other than designated dividends under section 316(b)(2)(B));

(4) In the case of a liquidation to which section 333(g)(2) applies, a statement of his ratable share of earnings and profits of the liquidating corporation accumulated after February 28, 1913, and before January 1, 1967; and

(5) A copy of such shareholder's written election to be governed by the provisions of section 333. See § 1.333–3.

(b) For information to be filed by the liquidating corporation, see section 6043.

PAR. 9. Section 1.381(c)(15) is amended by revising subsection (c)(15) of section 381 and by adding a historical note. These amended and added provisions read as follows:

§ 1.381(c)(15) Statutory provisions; carryovers in certain corporate acquisitions; items of the distributor or transferor corporation; indebtedness of certain personal holding companies.

Sec. 381. *Carryovers in certain corporate acquisitions.* * * *

(c) *Items of the distributor or transferor corporation.* The items referred to in subsection (a) are:

* * * * *

(15) *Indebtedness of certain personal holding companies.* The acquiring corporation shall be considered to be the distributor or transferor corporation for the purpose of determining the applicability of subsections (b)(7) and (c) of section 545, relating to deduction with respect to payment of certain indebtedness.

[Sec. 381(c)(15) as amended by sec. 225(1)(3), Rev. Act 1964 (78 Stat. 92)]

PAR. 10. Section 1.381(c)(15)–1 is amended to read as follows:

§ 1.381(c)(15)–1 Indebtedness of certain personal holding companies.

(a) *Qualified indebtedness*—(1) *Carryover requirement.* If, in a transaction to which section 381(a) applies, the acquiring corporation assumes liability for any indebtedness which was qualified indebtedness (as defined in section 545(c) and § 1.545–3) in the hands of the distributor or transferor corporation immediately before the assumption of such indebtedness, then, under section 381(c)(15), in computing its undistributed personal holding company income for any taxable year beginning after December 31, 1963, and ending after the date of distribution or transfer, the acquiring corporation shall be considered the distributor or transferor corporation for purposes of computing the deduction under section 545(c) and § 1.545–3. Such deduction shall be allowed to the acquiring corporation in accordance with section 545(c) and § 1.545–3.

(2) *Successive transactions to which section 381(a) applies.* If in a transaction to which section 381(a) applies, an acquiring corporation assumes liability for qualified indebtedness, such acquiring corporation shall be deemed to have incurred such qualified indebtedness for the purpose of applying section 381(c)

(15) to any subsequent transaction in which such acquiring corporation is the distributor or transfer corporation.

(b) *Pre-1934 indebtedness*—(1) *Carryover requirement.* If, in a transaction to which section 381(a) applies, the acquiring corporation assumes liability for any indebtedness incurred, or assumed, before January 1, 1934, by a distributor or transferor corporation, then under section 381(c)(15) the acquiring corporation shall be allowed, in computing its undistributed personal holding company income for any taxable year ending after the date of distribution or transfer, a deduction under section 545(b)(7) for amounts used or irrevocably set aside to pay or to retire such indebtedness. Such deduction shall be allowed to the acquiring corporation in accordance with section 545(b)(7) and paragraph (g) of § 1.545–2 as though the indebtedness had been incurred, or assumed, by the acquiring corporation before January 1, 1934.

(2) *Successive transactions to which section 381(a) applies.* If, in a transaction to which section 381(a) applies, an acquiring corporation assumes liability for indebtedness described in subparagraph (1) of this paragraph, such acquiring corporation shall be deemed to have incurred the indebtedness before January 1, 1934, for the purpose of applying section 381(c)(15) to any subsequent transaction in which such acquiring corporation is the distributor or transferor corporation.

(c) *Special rule.* For purposes of this section, if, in a transaction otherwise described in this section, an acquiring corporation acquires real estate—(1) of which the distributor or transferor corporation is the legal or equitable owner immediately before the acquisition, and (2) which is subject to indebtedness that, with respect to the distributor or transferor corporation, is indebtedness described in this section immediately before the acquisition, then the acquiring corporation will be treated as having assumed such indebtedness, provided it shows to the satisfaction of the Commissioner that under all the facts and circumstances it bears the burden of discharging such indebtedness.

PAR. 11. Section 1.545 is amended by revising subsection (a) of section 545, by adding a new subsection (c) to section 545, and by revising the historical note. These amended and added provisions read as follows:

§ 1.545 Statutory provisions; undistributed personal holding company income.

Sec. 545. *Undistributed personal holding company income*—(a) *Definition.* For purposes of this part, the term "undistributed personal holding company income" means the taxable income of a personal holding company adjusted in the manner provided in subsections (b) and (c), minus the dividends paid deduction as defined in section 561.

(b) *Adjustments to taxable income.* * * *

(10) *Distributions of divested stock.* There shall be allowed as a deduction the amount of any income attributable to the receipt of a distribution of divested stock (as defined in subsection (e) of section 1111), minus the taxes imposed by this subtitle attributable to such receipt, but only if the stock with respect to which the distribution is made was owned by the distributee on September 6, 1961, or was owned by the distributee for at least 2 years prior to the date on which the antitrust order (as defined in subsection (d) of section 1111) was entered.

(11) *Special adjustment on disposition of antitrust stock received as a dividend.* If—

(A) A corporation received antitrust stock (as defined in section 301(f)) in a distribution to which section 301 applied,

(B) The amount of the distribution determined under section 301(f)(2) exceeded the basis of the stock determined under section 301(f)(3), and

(C) Paragraph (10) did not apply in respect of such distribution,

then proper adjustment shall be made, under regulations prescribed by the Secretary or his delegate, if such stock (or other property the basis of which is determined by reference to the basis of such stock) is sold or exchanged.

(c) *Special adjustment to taxable income*—(1) *In general.* Except as otherwise provided in this subsection, for purposes of subsection (a) there shall be allowed as a deduction amounts used, or amounts irrevocably set aside (to the extent reasonable with reference to the size and terms of the indebtedness), to pay or retire qualified indebtedness.

(2) *Corporations to which applicable.* This subsection shall apply only with respect to a corporation—

(A) Which for at least one of the two most recent taxable years ending before the date of the enactment of this subsection was not a personal holding company under section 542, but would have been a personal holding company under section 542 for such taxable year if the law applicable for the first taxable year beginning after December 31, 1963, had been applicable to such taxable year, or

(B) To the extent that it succeeds to the deduction referred to in paragraph (1) by reason of section 381(c)(15).

(3) *Qualified indebtedness*—(A) *In general.* Except as otherwise provided in this paragraph, for purposes of this subsection the term "qualified indebtedness" means—

(i) The outstanding indebtedness incurred by the taxpayer after December 31, 1933, and before January 1, 1964, and

(ii) The outstanding indebtedness incurred after December 31, 1963, for the purpose of making a payment or set-aside referred to in paragraph (1) in the same taxable year, but, in the case of such a payment or set-aside which is made on or after the first day of the first taxable year beginning after December 31, 1963, only to the extent the deduction otherwise allowed in paragraph (1) with respect to such payment or set-aside is treated as nondeductible by reason of the election provided in paragraph (4).

(B) *Exception.* For purposes of subparagraph (A), qualified indebtedness does not include any amounts which were, at any time after December 31, 1963, and before the payment or set-aside, owed to a person who at such time owned (or was considered as owning within the meaning of section 318(a)) more than 10 percent in value of the taxpayer's outstanding stock.

(C) *Reduction for amounts irrevocably set aside.* For purposes of subparagraph (A), the qualified indebtedness with respect to a contract shall be reduced by amounts irrevocably set aside before the taxable year to pay or retire such indebtedness; and no deduction shall be allowed under paragraph (1) for payments out of amounts so set aside.

(4) *Election not to deduct.* A taxpayer may elect, under regulations prescribed by the Secretary or his delegate, to treat as nondeductible an amount otherwise deductible under paragraph (1); but only if the taxpayer files such election on or before the 15th day of the third month following the close of the taxable year with respect to which such election applies, designating therein the amounts which are to be treated as nondeductible and specifying the indebtedness (referred to in paragraph (3)(A)(ii)) incurred for the purpose of making the payment or set-aside.

(5) *Limitations.* The deduction otherwise allowed by this subsection for the taxable year shall be reduced by the sum of—

(A) The amount, if any, by which—

(i) The deductions allowed for the taxable year and all preceding taxable years beginning after December 31, 1963, for exhaustion, wear and tear, obsolescence, amortization, or depletion (other than such deductions which are disallowed in computing undistributed personal holding company income under subsection (b)(8)), exceed

(ii) Any reduction, by reason of this subparagraph, of the deductions otherwise allowed by this subsection for such preceding taxable years, and

(B) The amount, if any, by which—

(i) The deductions allowed under subsection (b)(5) in computing undistributed personal holding company income for the taxable year and all preceding taxable years beginning after December 31, 1963, exceed

(ii) Any reduction, by reason of this subparagraph, of the deductions otherwise allowed by this subsection for such preceding taxable years.

(6) *Pro-rata reduction in certain cases.* For purposes of paragraph (3)(A), if property (of a character which is subject to an allowance for exhaustion, wear and tear, obsolescence, amortization, or depletion) is disposed of after December 31, 1963, the total amounts of qualified indebtedness of the taxpayer shall be reduced pro-rata in the taxable year of such disposition by the amount, if any, by which—

(A) The adjusted basis of such property at the time of such disposition, exceeds

(B) The amount of qualified indebtedness which ceased to be qualified indebtedness with respect to the taxpayer by reason of the assumption of the indebtedness by the transferee.

[Sec. 545 as amended by sec. 32, Technical Amendments Act 1958 (72 Stat. 1631); sec. 3(d), Act of Feb. 2, 1962 (Public Law 87–403, 76 Stat. 7); sec. 9(d)(2), Rev. Act 1962 (76 Stat. 1001); secs. 207(b)(5), 209(c)(2), and 225(i)(1) and (2), Rev. Act 1964 (78 Stat. 42, 46, 90)]

PAR. 12. Section 1.545–1 is amended to read as follows:

§ 1.545–1 Definition.

(a) Undistributed personal holding company income is the amount which is subject to the personal holding company tax imposed under section 541. Undistributed personal holding company income is the taxable income of the corporation adjusted in the manner described in section 545(b) and § 1.545–2, and section 545(c) and § 1.545–3, less the deduction for dividends paid. See part IV (section 561 and following), subchapter G, chapter 1 of the Code, and the regulations thereunder, relating to the dividends paid deduction.

(b) For purposes of the imposition of the personal holding company tax on a foreign corporation, resident or nonresident, which files or causes to be filed a return, the undistributed personal

holding company income shall be computed on the basis of the taxable income from sources within the United States, and such income shall be adjusted in accordance with the principles of section 545(b) and § 1.545–2, and section 545(c) and § 1.545–3. For purposes of the imposition of such tax on a foreign corporation, resident or nonresident, which files no return, the undistributed personal holding company income shall be computed on the basis of the gross income from sources within the United States without allowance of any deductions. For purposes of this paragraph, a nonresident foreign corporation will be considered to have filed a return for any taxable year ending before September 9, 1958, if the return for any such taxable year is filed on or before February 5, 1960.

PAR. 13. Paragraph (g)(1) of § 1.545–2 is amended to read as follows:

§ 1.545–2 Adjustments to taxable income.

* * * * *

(g) *Payment of indebtedness incurred prior to January 1, 1934*—(1) *General rule.* In computing undistributed personal holding company income, section 545(b)(7) provides that there shall be allowed as a deduction amounts used or irrevocably set aside to pay or to retire indebtedness of any kind incurred before January 1, 1934, if such amounts are reasonable with reference to the size and terms of such indebtedness. See § 1.545–3 for the deduction in computing undistributed personal holding company income of amounts used or irrevocably set aside to pay or retire qualified indebtedness (as defined in paragraph (d) of § 1.545–3).

* * * * *

PAR. 14. There is inserted immediately after § 1.545–2 the following new section:

§ 1.545–3 Special adjustment to taxable income.

(a) *In general.* In computing undistributed personal holding company income for any taxable year beginning after December 31, 1963, section 545(c)(1) provides that, except as otherwise provided in section 545(c), there shall be allowed as a deduction amounts used or amounts irrevocably set aside (to the extent reasonable with reference to the size and terms of the indebtedness) during such year to pay or retire qualified indebtedness (as defined in section 545(c)(3) and paragraph (d) of this section). The reasonableness of amounts irrevocably set aside shall be determined under the rules of paragraph (g)(4) of § 1.545–2.

(b) *Amounts used or irrevocably set aside*—(1) *In general.* The deduction is allowable, in any taxable year, only for amounts used or irrevocably set aside in that year to extinguish or discharge qualified indebtedness. If amounts are set aside in 1 year, no deduction is allowable for a later year in which such amounts are actually paid. As long as all other conditions are satisfied, the aggregate amount allowable as a deduction for any taxable year includes all amounts (from whatever source) used and all amounts (from whatever source) irrevocably set aside, irrespective of whether in cash or other medium. The same item shall not be deducted more than once.

(2) *Refunding, etc., of qualified indebtedness.* (i) A refunding, renewal, or mere change in the form of a qualified indebtedness which does not involve a substantial change in the economic terms of the indebtedness will not result in an allowable deduction whether or not funds are obtained from such refunding, renewal, or change in form, and whether or not such funds are applied on the prior obligation, and will not constitute a reduction in the amount of such qualified indebtedness. For purposes of this section, if, in connection with a refunding, renewal, or other change in the form of an indebtedness, the rate of interest or principal amount of such debt, or the date when payment is due with respect to such debt or significantly changed, or if, after the refunding, renewal, or other change in the form of such debt, the creditor to whom such debt is owed is neither the creditor to whom such debt was owed before such refunding, renewal, or other change, nor a person standing in a relationship to such creditor described in section 267(b), then a substantial change in the economic terms of such indebtedness will normally have occurred.

(ii) The application of this subparagraph may be illustrated by the following examples:

Example (1). On December 31, 1963, M owes $10,000 to X represented by a 6-percent, 90-day note payable on January 31, 1964. On January 31, 1964, M renews the debt, giving X a new 6-percent, 90-day note (payable on Apr. 30, 1964) and paying the accrued interest on the old note. Since the date when payment is due has been significantly changed, a substantial change in the economic terms of the indebtedness has occurred.

Example (2). On December 31, 1963, S owes $5,000 to T represented by a 6-percent note payable on January 1, 1965. On December 23, 1964, S liquidates the note, giving T a new note for $5,000 due on January 2, 1965, and bearing interest at 6 percent. Since the transaction does not involve a substantial change in the economic terms of the indebtedness, the transaction will not result in an allowable deduction, and the amount of the qualified indebtedness will not be reduced.

Example (3). (i) On December 31, 1963, Q owes $45,000 to R represented by a demand note. On July 1, 1964, Q renews $30,000 of the indebtedness by issuing a new demand note to R and liquidates $15,000 of the debt. Since the principal amount of the debt has been significantly changed, there has been a substantial change in the economic terms of the indebtedness.

(ii) If Q had issued renewal notes for $44,000 and had paid only $1,000 of the total indebtedness, then a significant change in the principal amount of the debt would not have occurred and Q would have been entitled to only a $1,000 deduction (the amount actually paid during the taxable year). In addition, the amount of qualified indebtedness would have been reduced to $44,000.

(c) *Corporations to which applicable.* Section 545(c)(2) describes the corporations to which section 545(c) applies. In order to qualify under section 545(c)(2), the corporation must be one:

(1) Which for at least one of its two most recent taxable years ending before February 26, 1964, was not a personal holding company under section 542, but which would have been a personal holding company under section 542 for such taxable year if the law applicable for the first taxable year beginning after December 31, 1963, had been applicable to such taxable year; or

(2) Which is an acquiring corporation treated as a corporation described in subparagraph (1) of this paragraph by reason of section 381(c)(15) (relating to the carryover of certain indebtedness in corporate acquisitions), but only to the extent of the qualified indebtedness to which it has succeeded under section 381(c)(15) and the indebtedness referred to in paragraph (d)(1)(ii) of this section incurred to replace qualified indebtedness to which it has succeeded under section 381(c)(15).

The law applicable for the first taxable year beginning after December 31, 1963, for purposes of this paragraph means part II (section 541 and following), subchapter G, chapter 1 of the Code as applicable to such year but does not include amendments to other parts of the Code first applicable with respect to such year. For an example of a corporation described in subparagraph (1) of this paragraph see paragraph (f)(1) of § 1.333–5.

(d) *Qualified indebtedness*—(1) *General definition.* Except as provided in subparagraphs (2), (3), and (4) of this paragraph the term "qualified indebtedness" means:

(i) The outstanding indebtedness (as defined in subparagraph (6) of this paragraph) incurred after December 31, 1933, and before January 1, 1964, by the taxpayer (or to which the taxpayer succeeded in a transaction to which section 381(c)(15) applies), and

(ii) The outstanding indebtedness (as defined in subparagraph (6) of this paragraph) incurred after December 31, 1963, by the taxpayer (or to which the taxpayer succeeded in a transaction to which section 381(c)(15) applies) for the purpose of making a payment or set-aside referred to in paragraph (a) of this section in the same taxable year of the debtor in which such indebtedness was incurred. An indebtedness shall be deemed not to have been incurred for the purpose of making a payment or set-aside referred to in paragraph (a) of this section when such indebtedness is a consequence of a refunding, renewal, or mere change in the form of a qualified indebtedness which does not involve a substantial change in the economic terms of the qualified indebtedness. (See paragraph (b)(2) of this section for the meaning of "substantial change in the economic terms of the indebtedness".) In the case of such a payment or set-aside which is made on or after the first day of the first taxable year beginning after December 31, 1963, such indebtedness incurred after December 31, 1963, is treated as qualified indebtedness only to the extent that the deduction from

taxable income otherwise allowed by section 545(c)(1) with respect to such payment or set-aside is treated as nondeductible by reason of the election referred to in paragraph (e) of this section.

(2) *Exception for indebtedness owed to certain shareholders.* For purposes of subparagraph (1) of this paragraph, qualified indebtedness does not include any amounts which were, at any time after December 31, 1963, and before the payment or set-aside to which this section applies, owed directly or indirectly to a person who at such time owned more than 10 percent in value of the taxpayer's outstanding stock. The rules of section 318(a) and the regulations thereunder apply for the purpose of determining ownership under this subparagraph. Amounts which cease to be qualified indebtedness by reason of this subparagraph may not subsequently become qualified indebtedness as a result of any change in the facts (for example, a subsequent sale of stock by the person to whom the amounts are directly or indirectly owed).

(3) *Reduction for amounts irrevocably set aside.* For purposes of subparagraph (1) of this paragraph, qualified indebtedness with respect to a particular contract is reduced when and to the extent that amounts are irrevocably set aside to pay or retire such indebtedness. An amount is not considered to be irrevocably set aside if any person could use such amount for any purpose other than the retirement of the qualified indebtedness with respect to which it was set aside. No deduction is allowed under section 545(c)(1) and this section for payments out of amounts previously set aside. Thus, for example, if a corporation, which is a June 30 fiscal year taxpayer, incurs indebtedness of $1 million on February 1, 1962, and, in accordance with its contract of indebtedness, irrevocably sets aside $50,000 in a sinking fund on February 1, of each of the years 1963, 1964, and 1965, then its qualified indebtedness on January 1, 1964, is $950,000 ($1 million less one set-aside of $50,000 in 1963). The corporation is not allowed a deduction under section 545(c)(1) for the set-aside of $50,000 made during its taxable year ending on June 30, 1964, since section 545(c) is applicable only to taxable years beginning after December 31, 1963, but the qualified indebtedness is nevertheless reduced by such amount. The corporation is allowed a deduction of $50,000 for its taxable year ending June 30, 1965, as a result of the set-aside made during such taxable year, and qualified indebtedness on July 1, 1965, is $850,000. No deduction is allowed to the corporation for a payment in any subsequent taxable year from the amounts so set aside.

(4) *Reduction on disposition of certain property.* (i) Section 545(c)(6) provides that the total amount of the taxpayer's qualified indebtedness (as determined under subdivision (ii) of this subparagraph) shall be reduced if property of a character subject to the allowance for exhaustion, wear and tear, obsolescence, amortization, or depletion is disposed of after December 31, 1963. The reduction is made pro rata (in accordance with subdivision (iii) of this subparagraph) for the taxable year of such disposition and is equal in total amount to the excess, if any, of:

(*a*) The adjusted basis of the property disposed of (determined under section 1011 and the regulations thereunder) immediately before such disposition; over

(*b*) The amount of qualified indebtedness which ceased to be qualified indebtedness with respect to the taxpayer by reason of the assumption of indebtedness by the transferee of the property disposed of (whether or not such indebtedness was incurred by the taxpayer in connection with the property disposed of).

For purposes of (*b*) of this subdivision, the transferee will be treated as having assumed qualified indebtedness if such transferee acquires real estate of which the taxpayer is the legal or equitable owner immediately before the transfer and which is subject to indebtedness that, with respect to the taxpayer, is qualified indebtedness immediately before the transfer, provided the taxpayer shows to the satisfaction of the Commissioner that under all the facts and circumstances it no longer bears the burden of discharging such indebtedness.

(ii) The indebtedness reduced under the rule of this subparagraph is the qualified indebtedness which is outstanding with respect to the taxpayer immediately after the disposition referred to in subdivision (i) of this subparagraph.

(iii) The reduction with respect to any particular contract of indebtedness under the rules of this subparagraph shall be determined by multiplying the total reduction (determined under subdivision (i) of this subparagraph) by the ratio which the amount of the qualified indebtedness owed with respect to such contract by the taxpayer on the date referred to in subdivision (ii) of this subparagraph bears to the aggregate qualified indebtedness owed by the taxpayer with respect to all contracts on such date.

(5) *Total debt consisting of both qualified and nonqualified indebtedness.* In any case where, with respect to a particular contract of indebtedness, a part of the total indebtedness owed with respect to such contract is qualified indebtedness and the other part is indebtedness which is not qualified indebtedness, then, any amount paid or irrevocably set aside with respect to such contract shall be allocated between both such parts pro rata unless the taxpayer clearly indicates in its return the part of the payment or set-aside which shall be allocated to the qualified indebtedness.

(6) *Outstanding indebtedness.* For purposes of determining qualified indebtedness, the term "indebtedness" has the same meaning that it has under section 545(b)(7) and paragraph (g)(2) of § 1.545–2. Indebtedness ceases to be outstanding when the taxpayer no longer has an obligation absolute and not contingent with respect to the payment of such debt. An indebtedness evidenced by bonds, notes, or other obligations issued by a corporation is ordinarily incurred as of the date such obligations are issued, and the amount of such indebtedness is the amount represented by the face value of the obligations. However, a refunding, renewal, or mere change in the form of an indebtedness which does not involve a substantial change in the economic terms of the indebtedness will not have the effect of changing the date the indebtedness was incurred. (See paragraph (b)(2) of this section for the meaning of "substantial change in the economic terms of the indebtedness".) For purposes of this section, the outstanding indebtedness of a taxpayer includes a mortgage or other security interest on real estate of which such taxpayer is the legal or equitable owner (even though the taxpayer is not directly liable on the underlying evidence of indebtedness secured by such mortgage or security interest) provided such taxpayer shows to the satisfaction of the Commissioner that under all of the facts and circumstances it bears the burden of discharging such indebtedness. Thus, for example, if X acquires from Y property which is subject to a mortgage (X not assuming the indebtedness underlying such mortgage) and if X actually bears the burden of discharging the indebtedness, then, after the date of acquisition, such underlying indebtedness is outstanding indebtedness with respect to X, and, since Y's obligation to pay is in fact contingent upon X failing to discharge the indebtedness, such indebtedness is not outstanding indebtedness with respect to Y.

(7) *Examples.* The application of this paragraph may be illustrated by the following examples:

Example (1). M Corporation, a calendar year taxpayer has $600,000 of indebtedness outstanding on December 31, 1963 (which was incurred after 1933), represented by three demand notes. Individuals A and B (who are not shareholders) each hold one of M Corporation's notes in the amount of $150,000 and N Corporation (which is not a shareholder) holds M Corporation's note in the amount of $300,000. The note held by N Corporation is secured by a mortgage on certain depreciable real estate owned by M Corporation which has an adjusted basis to it on July 1, 1964, of $500,000. On July 1, 1964, M Corporation sells the depreciable real estate to O Corporation in consideration for $200,000 in cash and the assumption by O Corporation of the indebtedness on the note held by N Corporation. M Corporation borrows $200,000 on September 30, 1964, of which amount $150,000 is simultaneously applied to liquidate the note held by B. M Corporation's qualified indebtedness is reduced on July 1, 1964, by $300,000, the qualified indebtedness which ceased to be outstanding by reason of the transfer. In addition, the reduction (computed under section 545(c)(6) and subparagraph (4) of this paragraph) of M Corporation's qualified indebtedness by reason of the disposition of depreciable property on July 1, 1964, is as follows:

Outstanding qualified indebtedness after reduction of qualified indebtedness which ceased to be outstanding by reason of the transfer but before the sec. 545(c)(6) reduction	$300,000

Reduced by—	
The excess of the adjusted basis of depreciable real estate disposed of on July 1, 1964 ($500,000), over the amount of qualified indebtedness assumed by O Corporation ($300,000)	200,000
Qualified indebtedness after reductions from transfer and assumption of indebtedness	100,000

The pro-rata share of the reduction with respect to each debt is computed as follows:

Note held by A:	
Qualified indebtedness owed by taxpayer on the note held by A before the disposition of depreciable property	$150,000
Less the pro-rata share of the total reduction computed under subparagraph (4) of this paragraph allocable to such note $200,000 × $150,000/$300,000	100,000
Qualified indebtedness owed on the note held by A after the transfer	50,000
Note held by B:	
Qualified indebtedness owed by taxpayer on the note held by B before the transfer of depreciable property	150,000
Less the pro-rata share of the total reduction computed under subparagraph (4) of this paragraph allocable to such note $200,000 × $150,000/$300,000	100,000
Qualified indebtedness owed on the note held by B after the transfer	50,000

Of the $150,000 paid by M Corporation on September 30, 1964, to retire the note held by B only $50,000 qualified as a use of an amount to pay or retire qualified indebtedness and, thus, only $50,000 is allowable as a deduction for purposes of computing undistributed personal holding company income for 1964.

Example (2). The facts are the same as in example (1) except that M Corporation elects in accordance with paragraph (e) of this section not to deduct $25,000 of the $50,000 amount otherwise deductible. Then $25,000 of the $200,000 of new indebtedness incurred by M Corporation is qualified indebtedness. If the payment on the note held by B had not been made until January 1, 1965, then the new indebtedness would not be qualified indebtedness since the payment was not made in the taxable year in which the new indebtedness was incurred. If M Corporation pays $40,000 on April 1 and July 1, 1965, on the indebtedness incurred September 30, 1964, then (unless M indicates otherwise in its return for 1965 in accordance with subparagraph (5) of this paragraph) the payments made on such dates must be allocated between qualified and nonqualified indebtedness in the following manner:

	Qualified	Nonqualified
April 1 payment		
$40,000 × $25,000 (qualified) / $200,000 (total indebtedness)	= $5,000	
$40,000 × $175,000 (nonqualified) / $200,000 (total indebtedness)	=	$35,000
July 1 payment		
$40,000 × $20,000 (qualified) / $160,000 (total indebtedness)	= 5,000	
$40,000 × $140,000 (nonqualified) / $160,000 (total indebtedness)	=	35,000
Total	10,000	70,000

Thus, a total of $10,000 of the two payments would be considered used to pay or retire qualified indebtedness. The results in examples (1) and (2) would be the same if O Corporation purchased the real estate subject to the indebtedness (not assuming the indebtedness) on the note held by N Corporation, provided M Corporation does not bear the burden of discharging such indebtedness after July 1, 1968.

Example (3). C owns all of the 1000 shares of outstanding capital stock of P Corporation. On December 31, 1963, P Corporation, a calendar year taxpayer, owes $200,000 of outstanding indebtedness to D and $500,000 of outstanding indebtedness to E. These debts were incurred after 1933. On January 15, 1964, P Corporation pays $100,000 in partial liquidation of the $500,000 indebtedness. On March 15, 1964, P Corporation pays $50,000 into a sinking fund with respect to the $200,000 indebtedness owed to D. On April 15, 1964, D purchases one-half of the shares owned by C, constituting 50 percent in value of P Corporation's outstanding stock. P Corporation, on June 15, 1964, pays $50,000 into a sinking fund with respect to the indebtedness owed to D. For purposes of the March 15, 1964, set-aside, the indebtedness owed to D ($200,000) is qualified indebtedness. However, the indebtedness owed to D is not qualified indebtedness for purposes of the June set-aside with respect to such indebtedness since D is a person who after December 31, 1963, and before the June set-aside, owned more than 10 percent in value of P Corporation's outstanding stock. Moreover, any subsequent set-asides made with respect to the indebtedness owed to D will not be made with respect to qualified indebtedness even if the shares owned by D are subsequently sold. Assuming no payments or set-asides are made by P Corporation after June 15, 1964, the P Corporation is entitled to a deduction of $150,000 under section 545(c)(1) for the calendar year 1964 for amounts paid and for amounts irrevocably set aside to pay or retire qualified indebtedness, and the total qualified indebtedness at the end of 1964 is $400,000. No additional deduction is allowed in subsequent taxable years for amounts paid out of the amounts set aside in 1964.

(e) *Election not to deduct*—(1) *In general.* Section 545(c)(4) provides that a taxpayer may elect to treat as nondeductible amounts otherwise deductible under section 545(c)(1) for the taxable year. The election shall be in the form of a statement of election filed on or before the 15th day of the third month following the close of the taxable year with respect to which the election applies. The election shall be irrevocable after such date.

(2) *Statement of election.* The statement of election referred to in subparagraph (1) of this paragraph shall be attached to the taxpayer's Schedule PH (Form 1120) for the year with respect to which such election applies, if such schedule is filed on or before the date referred to in subparagraph (1) of this paragraph. If the taxpayer's Schedule PH (Form 1120) is not filed on or before such date, then the statement of election shall clearly set forth the taxpayer's name, address, and employer identification number, shall be signed by an officer of the taxpayer who is authorized to sign a return of the taxpayer with respect to income, and shall be filed with the district director for the internal revenue district in which the taxpayer's income tax return (for the year with respect to which the election is applicable) would be filed. The following information shall be included in the statement of election:

(i) A statement that the taxpayer wishes to elect in accordance with section 545(c)(4);

(ii) The amounts paid or set aside which are to be treated as nondeductible under section 545(c)(4) and this section;

(iii) All information necessary to identify the qualified indebtedness with respect to which such amounts were paid or set aside;

(iv) The date on which such payments or set-asides were made; and

(v) All information necessary to identify the indebtedness (referred to in section 545(c)(3)(A)(ii) and paragraph (d)(1)(ii) of this section) incurred for the purpose of making the payments or set-asides which the taxpayer elects to treat as nondeductible, including:

(*a*) The date on which such indebtedness was incurred;

(*b*) The amount of such indebtedness;

(*c*) The person or persons to whom such indebtedness is owed; and

(*d*) A statement that such person or persons do not own more than 10 percent in value of the taxpayer's outstanding stock.

(f) *Limitation on deduction*—(1) *In general.* Section 545(c)(5) provides certain limitation on the deduction otherwise allowed by section 545(c)(1). Such deduction is reduced by the sum of the following amounts:

(i) The amount, if any, by which—

(*a*) The deductions allowed for the taxable year and all preceding taxable years beginning after December 31, 1963, for exhaustion, wear and tear, obsolescence, amortization, or depletion (other than such deductions which are disallowed in computing undistributed personal holding company income under the rule of paragraph (h) of § 1.545–2), exceed

(*b*) Any reduction, by reason of section 545(c)(5)(A) and this subdivision (i), of the deductions otherwise allowed by section 545(c)(1) for such preceding years; and

(ii) The amount, if any, by which—

(*a*) The deductions allowed under section 545(b)(5) (relating to long-term capital gain deduction) in computing undistributed personal holding company income for the taxable year and all preceding taxable years beginning after December 31, 1963, exceed

(*b*) Any reduction, by reason of section 545(c)(5)(B) and this subdivision (ii), of the deductions otherwise allowed by section 545(c)(1) for such preceding years.

(2) *Allocation of reduction.* If the total reduction required by subparagraph (1) of this paragraph is greater than the amount of the payment or set-aside made in respect of qualified indebtedness in a taxable year, then the portion of the reduction which is attributable to either section 545(c)(5)(A) or section 545(c)(5)(B), as the case may be, is that portion which bears the same ratio to the

total reduction as the total reduction available under either section 545(c)(5)(A) or section 545(c)(5)(B), respectively, bears to the total reduction available under both such sections.

(3) *Example.* The provisions of this paragraph may be illustrated by the following example:

Example. (i) Q Corporation, a calendar year taxpayer, has qualified indebtedness of $400,000 on January 1, 1964, with respect to which payments of $50,000 are made on April 15, 1964, and 1965, and $300,000 on April 15, 1966. In the years 1964 and 1966, Q Corporation is allowed a deduction under section 545(b)(5) of $50,000 for the excess of its net long-term capital gain over its net short-deduction for payment of qualified indebtedness of $100,000 computed as follows:
term capital loss, minus the taxes attributable to such excess. Q Corporation is allowed a depreciation deduction of $50,000 for each of its taxable years 1964 through 1966. Q Corporation is a personal holding company with taxable income of $200,000 in each of the years 1964 and 1966.

(ii) For 1964, in computing undistributed personal holding company income, Q Corporation's taxable income is reduced by $50,000 by reason of the deduction under section 545(b)(5). No part of the depreciation deduction is disallowed under the rule of paragraph (h) of § 1.545–2. Q Corporation's deduction for payment of qualified indebtedness otherwise allowable under section 545(c)(1) and this section is reduced to zero by reason of the depreciation deduction and the capital gains deduction. The reduction by reason of section 545(c)(5)(A) and subparagraph (1)(i) of this paragraph (depreciation) is $\$25{,}000\left(\frac{\$50{,}000}{\$100{,}000}\times\$50{,}000\right)$, and the reduction by reason of section 545(c)(5)(B) and subparagraph (1)(ii) of this paragraph (capital gain) is

$$\$25{,}000\left(\frac{\$50{,}000}{\$100{,}000}\times\$50{,}000\right).$$

(iii) For 1966, Q Corporation is allowed a

Amount paid in 1966 to retire qualified indebtedness			$300,000
Less the sum of:			
(a) Depreciation deductions allowed for 1964 through 1966 (3×$50,000)	$150,000		
Reduction of deductions in preceding taxable years (1964)	25,000		
		$125,000	
(b) Deduction allowed under section 545(b)(5) (relating to long-term capital gains) for 1964 through 1966	100,000		
Reduction of deductions in preceding taxable years (1964)	25,000		
		75,000	
			200,000
Deduction after reduction			100,000

(iv) If, in the year 1966, Q Corporation's depreciation deduction had been limited for purposes of computing undistributed personal holding company income to $25,000 by reason of section 545(b)(8), then Q Corporation's deduction for payment of qualified indebtedness would be $125,000, computed as follows:

Amounts paid in 1966 to retire qualified indebtedness			$300,000
Less the sum of:			
(a) Depreciation deductions allowed for 1964 through 1966	$125,000		
Reduction of deductions in preceding taxable year (1964)	25,000		
		$100,000	
(b) Deduction allowed under section 545(b)(5) (relating to long-term capital gains) for 1964 through 1966	100,000		
Reduction of deductions in preceding taxable years (1964)	25,000		
		75,000	
			175,000
Deduction after reduction			125,000

(g) *Burden of proof.* The burden of proof rests upon the taxpayer to sustain the deduction claimed under this section. In addition to any information required by this section, the taxpayer must furnish the information required by the return, and such other information as the district director may require in substantiation of the deduction claimed.

(h) *Application of section 381(c)(15).* Under section 381(c)(15), if an acquiring corporation assumes liability for qualified indebtedness in a transaction to which section 381(a) applies, then the acquiring corporation is considered to be the distributor or transferor corporation for purposes of section 545(c). Paragraph (c)(2) of this section reflects the application of section 381(c)(15) by including an acquiring corporation within the definition of corporation to which this section applies. Thus, the acquiring corporation is not required to meet the requirements of paragraph (c)(1) or paragraph (d)(1) of this section with respect to such acquired qualified indebtedness to which section 381(c)(15) is applicable. All the other provisions of this section apply in full to the acquiring corporation with respect to such acquired indebtedness.

PAR. 15. Section 1.562 is amended by revising subsection (b) of section 562 and by adding a historical note. These amended and added provisions read as follows:

§ 1.562 Statutory provisions; rules applicable in determining dividends eligible for dividends paid deduction.

Sec. 562. *Rules applicable in determining dividends eligible for dividends paid deduction.* * * *

(b) *Distributions in liquidation.* (1) Except in the case of a personal holding company described in section 542 or a foreign personal holding company described in section 552—

(A) In the case of amounts distributed in liquidation, the part of such distribution which is properly chargeable to earnings and profits accumulated after February 28, 1913, shall be treated as a dividend for purposes of computing the dividends paid deduction, and

(B) In the case of a complete liquidation occurring within 24 months after the adoption of a plan of liquidation, any distribution within such period pursuant to such plan shall, to the extent of the earnings and profits (computed without regard to capital losses) of the corporation for the taxable year in which such distribution is made, be treated as a dividend for purposes of computing the dividends paid deduction.

(2) In the case of a complete liquidation of a personal holding company, occurring within 24 months after the adoption of a plan of liquidation, the amount of any distribution within such period pursuant to such plan shall be treated as a dividend for purposes of computing the dividends paid deduction, to the extent that such amount is distributed to corporate distributees and represents such corporate distributees' allocable share of the undistributed personal holding company income for the taxable year of such distribution computed without regard to this paragraph and without regard to subparagraph (B) of section 316(b)(2).

[Sec. 562 as amended by sec. 225(f)(3), Rev. Act 1964 (78 Stat. 88)]

PAR. 16. Section 1.562–1 is amended to read as follows:

§ 1.562–1 Dividends for which the dividends paid deduction is allowable.

(a) *General rule.* Except as otherwise provided in section 562 (b) and (d), the term "dividend", for purposes of determining dividends eligible for the dividends paid deduction, refers only to a dividend described in section 316 (relating to definition of dividends for purposes of corporate distributions). No distribution, however, which is preferential within the meaning of section 562(c) and § 1.562–2 shall be eligible for the dividends paid deduction. Moreover, when computing the dividends paid deduction with respect to a U.S. person (as defined in section 957(d)), no distribution which is excluded from the gross income of a foreign corporation under section 959(b) with respect to such person or from gross income of such person under section 959(a) shall be eligible for such deduction. Further, for purposes of the dividends paid deduction, the term "dividend" does not include a distribution in liquidation unless the distribution is treated as a dividend under section 316(b)(2) and paragraph (b)(2) of § 1.316–1, or under section 333(e)(1) and paragraph (c) of § 1.333–4 or paragraph (c)(2), (d)(1)(ii), or (d)(2) of § 1.333–5, or qualifies under section 562(b) and paragraph

(b) of this section. If a dividend is paid in property (other than money) the amount of the dividends paid deduction with respect to such property shall be the adjusted basis of the property in the hands of the distributing corporation at the time of the distribution. See paragraph (b)(2) of this section for special rules with respect to liquidating distributions by personal holding companies occurring during a taxable year of the distributing corporation beginning after December 31, 1963. Also see section 563 for special rules with respect to dividends paid after the close of the taxable year.

(b) *Distributions in liquidation*—(1) *General rule*—(i) *In general.* In the case of amounts distributed in liquidation by any corporation during a taxable year of such corporation beginning before January 1, 1964, or by a corporation other than a personal holding company (as defined in section 542) or a foreign personal holding company (as defined in section 552) during a taxable year of such a corporation beginning after December 31, 1963, section 562(b) makes an exception to the general rule that a deduction for dividends paid is permitted only with respect to dividends described in section 316. In order to qualify under that exception, the distribution must be one either in complete or partial liquidation of a corporation pursuant to sections 331, 332, or 333. See subparagraph (2) of this paragraph for rules relating to the treatment of distributions in complete liquidation made by a corporation which is a personal holding company to corporate shareholders during a taxable year of such distributing corporation beginning after December 31, 1963. As provided by section 346(a), for the purpose of section 562(b), a partial liquidation includes a redemption of stock to which section 302 applies. Amounts distributed in liquidation in a transaction which is preceded, or followed, by a transfer to another corporation of all or part of the assets of the liquidating corporation, may not be eligible for the dividends paid deduction.

(ii) *Amount of dividends paid deduction allowable—(a) General rule.* In the case of distributions in liquidation with respect to which a deduction for dividends paid is permissible under subdivision (i) of this subparagraph, the amount of the deduction is equal to the part of such distribution which is properly chargeable to the earnings and profits accumulated after February 28, 1913. To determine the amount properly chargeable to the earnings and profits accumulated after February 28, 1913, there must be deducted from the amount of the distribution that part allocable to capital account. The capital account, for the purposes of this subdivision, includes not only amounts representing the par or stated value of the stock with respect to which the liquidation distribution is made, but also that stock's proper share of the paid-in surplus, and such other corporate items, if any, which, for purposes of income taxation, are treated like capital in that they are not taxable dividends when distributed but are applied against and reduce the basis of the stock. The remainder of the distribution in liquidation is, ordinarily, properly chargeable to the earnings and profits accumulated after February 28, 1913. Thus, if there is a deficit in earnings and profits on the first day of a taxable year, and the earnings and profits for such taxable year do not exceed such deficit, no dividends paid deduction would be allowed for such taxable year with respect to a distribution in liquidation; if the earnings and profits for such taxable year exceed the deficit in earnings and profits which existed on the first day of such taxable year, then a dividends paid deduction would be allowed to the extent of such excess.

(*b*) *Special rule.* Section 562(b)(1)(B) provides that in the case of a complete liquidation occurring within 24 months after the adoption of a plan of liquidation the amount of the deduction is equal to the earnings and profits for each taxable year in which distributions are made. Thus, if there is a distribution in liquidation pursuant to section 333, or a distribution in complete liquidation pursuant to section 331(a)(1) or 332 which occurs within a 24-month period after the adoption of a plan of liquidation, a dividends paid deduction will be allowable to the extent of the current earnings and profits for the taxable year or years even though there was a deficit in earnings and profits on the first day of such taxable year or years. In computing the earnings and profits for the taxable year in which the distributions are made, computation shall be made with the inclusion of capital gains and without any deduction for capital losses.

(*c*) *Examples.* The application of this subparagraph may be illustrated by the following examples:

Example (1). The Y Corporation, which makes its income tax returns on the calendar year basis, was organized on January 1, 1910, with an authorized and outstanding capital stock of 2,000 shares of common stock of a par value of $100 each and 1,000 shares of participating preferred stock of a par value of $100 each. The preferred stock was to receive annual dividends of $7 per share and $100 per share on complete liquidation of the corporation in priority to any payments on common stock, and was to participate equally with the common stock in either instance after the common stock had received a similar amount. However, the preferred stock was redeemable in whole or in part at the option of the board of directors at any time at $106 per share plus its proportion of the earnings of the company at the time of such redemption. In 1910 the preferred stock was issued at $106 per share, for a total of $106,000 and the common stock was issued, at $100 per share, for a total of $200,000. On July 15, 1954, the company had a paid-in surplus of $6,000, consisting of the premium received on the preferred stock; earnings and profits of $30,000 accumulated prior to March 1, 1913; and earnings and profits accumulated since February 28, 1913, of $75,000. On July 15, 1954, the option with respect to the preferred stock was exercised and the entire amount of such stock was redeemed at $141 per share or a total of $141,000 in a transaction upon which gain or loss to the distributees resulting from the exchange was determined and recognized under section 302(a). The amount of the distribution allocable to capital account was $116,000 ($100,000 attributable to par value, $6,000 attributable to paid-in surplus, and $10,000 attributable to earnings and profits accumulated prior to March 1, 1913). The remainder, $25,000 ($141,000, the amount of the distribution, less $116,000, the amount allocable to capital account) is properly chargeable to the earnings and profits accumulated since February 28, 1913, and is deductible as dividends paid.

Example (2). The M Corporation, a calendar year taxpayer, is completely liquidated on November 1, 1955, pursuant to a plan of liquidation adopted April 1, 1955. On January 1, 1955, the M Corporation has a deficit in earnings and profits of $100,000. During the period January 1, 1955, to the date of liquidation, November 1, 1955, it has earnings and profits of $10,000. The M Corporation is entitled to a dividends paid deduction in the amount of $10,000 as a result of its distribution in complete liquidation on November 1, 1955.

Example (3). The N Corporation, a calendar year taxpayer, is completely liquidated on July 1, 1958, pursuant to a plan of liquidation adopted February 1, 1955. No distributions in liquidation were made pursuant to the plan of liquidation adopted February 1, 1955, until the distribution in complete liquidation on July 1, 1958. On January 1, 1958, N Corporation had a deficit in earnings and profits of $30,000. During the period January 1, 1958, to the date of liquidation, July 1, 1958, the N Corporation has earnings and profits of $5,000. The N Corporation is not entitled to any deduction for dividends paid as a result of the distribution in complete liquidation on July 1, 1958. If the earnings and profits for the period January 1, 1958, to July 1, 1958, had been $32,000, the N Corporation would have been entitled to a deduction for dividends paid in the amount of $2,000.

(2) *Special rule*—(i) *Distributions to corporate shareholders.* In the case of amounts distributed in complete liquidation of a personal holding company (as defined in section 542) within 24 months after the adoption of a plan of liquidation, section 562(b)(2) makes a further exception to the general rule that a deduction for dividends paid is permitted only with respect to dividends described in section 316. The exception referred to in the preceding sentence applies only to distributions made in any taxable year of the distributing corporation beginning after December 31, 1963. Under the exception, the amount of any distribution within the 24-month period pursuant to the plan shall be treated as a dividend for purposes of computing the dividends paid deduction, but:

(*a*) Only to the extent that such amount is distributed to corporate distributees, and

(*b*) Only to the extent that such amount represents such corporate distributees' allocable share of undistributed personal holding company income for the taxable year of such distribution (computed without regard to section 316(b)(2)(B) and section 562(b)(2)).

Amounts distributed in liquidation in a transaction which is preceded, or followed, by a transfer to another corporation of all or part of the assets of the liquidating corporation, may not be eligible for the dividends paid deduction.

(ii) *Corporate distributees' allocable share.* For purposes of subdivision (i) (*b*) of this subparagraph—

(*a*) Except as provided in (*b*) of this subdivision, the corporate distributees' allocable share of undistributed personal holding company income for the taxable year of the distribution (computed without regard to sections 316(b)(2)(B) and 562(b)(2)) shall be determined by multiplying such undistributed personal holding company income by the ratio which the aggregate value of the stock held by all corporate shareholders immediately before the record date of the last liquidating distribution in such year bears to the total value of all stock outstanding on such date. For rules applicable in a case where the distributing corporation has more than one class of stock, see (*c*) of this subdivision (ii).

(*b*) If more than one liquidating distribution was made during the year, and if, after the record date of the first distribution but before the record date of the last distribution, there was a change in the relative shareholdings as between corporate shareholders and noncorporate shareholders, then the corporate distributees' allocable share of undistributed personal holding company income for the taxable year of the distributions (computed without regard to sections 316(b)(2)(B) and 562(b)(2)) shall be determined as follows:

(*1*) First, allocate the corporation's undistributed personal holding company income for the taxable year among the distributions made during such year by reference to the ratio which the aggregate amount of each distribution bears to the total amount of all distributions during such year;

(*2*) Second, determine the corporate distributees' allocable share of the corporation's undistributed personal holding company income for each distribution by multiplying the amount determined under (*1*) of this subdivision (*b*) for each distribution by the ratio which the aggregate value of the stock held by all corporate shareholders immediately before the record date of such distribution bears to the total value of all stock outstanding on such date; and

(*3*) Last, determine the sum of the corporate distributees' allocable share of the corporation's undistributed personal holding company income for all such distributions.

For rules applicable in a case where the distributing corporation has more than one class of stock, see (*c*) of this subdivision (ii).

(*c*) Where the distributing corporation has more than one class of stock—

(*1*) The undistributed personal holding company income for the taxable year in which, or in respect of which, the distribution was made shall be treated as a fund from which dividends may properly be paid and shall be allocated between or among the classes of stock in a manner consistent with the dividend rights of such classes under local law and the pertinent governing instruments, such as, for example, the distributing corporation's articles or certificate of incorporation and bylaws;

(*2*) The corporate distributees' allocable share of the undistributed personal holding company income for each class of stock shall be determined separately in accordance with the rules set forth in (*a*) and (*b*) of this subdivision (ii) as if each class of stock were the only class of stock outstanding; and

(*3*) The sum of the corporate distributees' allocable share of the undistributed personal holding company income for the taxable year in which, or in respect of which, the distribution was made shall be the sum of the corporate distributees' allocable share of the undistributed personal holding company income for all classes of stock.

(*d*) For purposes of this subdivision (ii), in any case where the record date of a liquidating distribution cannot be ascertained, the record date of the distribution shall be the date on which the liquidating distribution was actually made.

(iii) *Example.* The application of this subparagraph may be illustrated by the following example:

Example. O Corporation, a calendar year taxpayer is completely liquidated on December 31, 1964, pursuant to a plan of liquidation adopted July 1, 1964. No distributions in liquidation were made pursuant to the plan of liquidation adopted July 1, 1964, until the distribution in complete liquidation on December 31, 1964. O Corporation has undistributed personal holding company income of $300,000 for the year 1964 (computed without regard to section 316(b)(2)(B) and section 562(b)(2)). On December 31, 1964, immediately before the record date of the distribution in complete liquidation, P Corporation owns 100 shares of O Corporation's outstanding stock and individual A owns the remaining 200 shares. All shares are equal in value. The amount which represents P Corporation's allocable share of undistributed personal holding company income is $\$100{,}000\left(\frac{100 \text{ shares}}{300 \text{ shares}} \times \$300{,}000\right)$, and for purposes of computing the dividends paid deduction, such amount is treated as a dividend under section 562(b)(2) provided that the liquidating distribution to P Corporation equals or exceeds $100,000. P Corporation does not treat the $100,000 distributed to it as a dividend to which section 301 applies. For an example of the treatment of the distribution to individual A see example (5) of paragraph (d) of § 1.316–1.

(iv) *Distributions to noncorporate shareholders.* For the rules for determining the extent to which distributions in complete liquidation made to noncorporate shareholders by a personal holding company are dividends within the meaning of section 562(a), see section 316(b)(2)(B) and paragraph (b)(2) of § 1.316–1.

(c) *Special definition of dividend for nonliquidating distributions by personal holding companies.* Section 316(b)(2)(A) provides that in the case of a corporation which, under the law applicable to the taxable year in which or in respect of which a distribution is made, is a personal holding company, the term "dividend" (in addition to the general meaning set forth in section 316(a)) also means a nonliquidating distribution to its shareholders to the extent of the corporation's undistributed personal holding company income (determined under section 545 without regard to such distributions) for the taxable year in which or in respect of which the distribution is made. See paragraph (b)(1) of § 1.316–1.

PAR. 17. Section 1.6043–1 is amended by revising subparagraph (2) of paragraph (b) to read as follows:

§ 1.6043–1 Return regarding corporate dissolution or liquidation.

* * * * *

(b) *Contents of return.* * * *

(2) *Liquidation within one calendar month.* If the corporation is a domestic corporation, and the plan of liquidation provides for a distribution in complete cancellation or redemption of all the capital stock of the corporation, and for the transfer of all the property of the corporation under the liquidation entirely within some one calendar month pursuant to section 333, and any shareholder claims the benefit of such section, such return shall, in addition to the information required by subparagraph (1) of this paragraph, contain the following:

(i) A statement showing the number of shares of each class of stock outstanding at the time of the adoption of the plan of liquidation, together with a description of the voting power of each such class;

(ii) A list of all the shareholders owning stock at the time of the adoption of the plan of liquidation, together with the number of shares of each class of stock owned by each shareholder, the certificate numbers thereof, and the total number of votes to which entitled on the adoption of the plan of liquidation;

(iii) A list of all corporate shareholders as of January 1, 1954, together with the number of shares of each class of stock owned by each such shareholder, the certificate numbers thereof, the total number of votes to which entitled on the adoption of the plan of liquidation, and a statement of all changes in ownership of stock by corporate shareholders between January 1, 1954, and the date of the adoption of the plan of liquidation, both dates inclusive; and

(iv) If the liquidation is pursuant to section 333(g), a computation indicating that the corporation was not a personal holding company for at least one of its two most recent taxable years ending before February 26, 1964, but that it would have been a personal holding company under section 542 if the law applicable for the first taxable year beginning after December 31, 1963, had been applicable to such year.

* * * * *

PAR. 18. Section 1.6043–2 is amended by revising paragraph (b) to read as follows:

§ 1.6043–2 Return of information respecting distributions in liquidation.

* * * * *

(b) If the distribution is in complete liquidation of a domestic corporation pursuant to a plan of liquidation in accordance with which all the capital stock of the corporation is cancelled or re-

deemed, and the transfer of all property under the liquidation occurs within some one calendar month pursuant to section 333, and any shareholder claims the benefit of such section, the return on Form 1096 shall show:

(1) The amount of earnings and profits of the corporation accumulated after February 28, 1913, determined as of the close of such calendar month, without diminution by reason of distributions made during such calendar month, but including in such computation all items of income and expense accrued up to the date on which the transfer of all the property under the liquidation is completed;

(2) The ratable share of such earnings and profits of each share of stock canceled or redeemed in the liquidation;

(3) The date and circumstances of the acquistion by the corporation of any stock or securities distributed to shareholders in the liquidation;

(4) If the liquidation is pursuant to section 333(g), a schedule showing the amount of earnings and profits to which the corporation has succeeded after December 31, 1963, pursuant to any corporate reorganization or pursuant to a liquidation to which section 332 applies, except earnings and profits which on December 31, 1963, constituted earnings and profits of a corporation referred to in section 333(g)(3), and except earnings and profits which were earned after such date by a corporation referred to in section 333(g)(3); and

(5) If the liquidation occurs after December 31, 1966, and is pursuant to section 333(g)(2), the amount of earnings and profits of the corporation accumulated after February 28, 1913, and before January 1, 1967, and the ratable share of such earnings and profits of each share of stock canceled or redeemed in the liquidation.

[F.R. Doc. 68-4069; Filed, Apr. 8, 1968; 8:45 a.m.]

Title 7—AGRICULTURE

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

SUBCHAPTER B—FARM MARKETING QUOTAS AND ACREAGE ALLOTMENTS

[Amdt. 2]

PART 722—COTTON

Subpart—Acreage Allotments for 1968 and Succeeding Crops of Upland Cotton

Basis and purpose. This amendment is issued pursuant to the Agricultural Adjustment Act of 1938, as amended (52 Stat. 31, as amended; 7 U.S.C. 1281 et seq.). The purpose of this amendment is to change the closing dates for release, request for reapportionment, and for reapportionment of released acreage for all counties in Louisiana, Oklahoma, South Carolina, and Tennessee.

Since planting of cotton is imminent in some areas, affected farmers need benefit of this amendment immediately. It is hereby determined and found that compliance with the notice, public procedure and 30-day effective date requirements of 5 U.S.C. 553 is impracticable and contrary to the public interest. Accordingly, this amendment shall be effective upon filing with the Director, Office of the Federal Register.

The table in § 722.412(b)(7)(iv) is amended by changing the closing dates for Louisiana, Oklahoma, South Carolina, and Tennessee to read as follows:

§ 722.412 Release and reapportionment of cotton allotments.

* * * * *

(7) *Closing dates.*

* * * * *

(iv) * * *

State	Closing date for release	Closing date for requests for reapportionment	Final date for reapportionment
Louisiana	Mar. 22	Mar. 29	Apr. 12.
Oklahoma	Mar. 15	Apr. 5	Apr. 19.
South Carolina	Mar. 4	Mar. 4	Later of 6 days after closing date for filing intention to participate in the upland cotton program or 2 weeks after closing date for release.
Tennessee	Mar. 15	Mar. 15	Apr. 15.

(Secs. 344, 375 63 Stat. 670, as amended, 52 Stat. 66 as amended, 7 U.S.C. 1344, 1375)

Effective date: Date of filing with the Director, Office of the Federal Register.

Signed at Washington, D.C., on April 3, 1968.

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

[F.R. Doc. 68-4229; Filed, Apr. 8, 1968; 8:49 a.m.]

SUBCHAPTER C—SPECIAL PROGRAMS

[Amdt. 7]

PART 777—PROCESSOR WHEAT MARKETING CERTIFICATE REGULATIONS

Miscellaneous Amendments

The following amendment is issued pursuant to the Agricultural Adjustment Act of 1938, as amended (see section 379a to 379j, 52 Stat. 31, as amended, 7 U.S.C. 1379a to 1379j) to provide a change to the Republication of the Processor Wheat Marketing Certificate Regulations (31 F.R. 13502), as amended.

The amendment permits a processor to mix together flour second clears with nonqualifying clears without causing the resultant product thereby to become ineligible for refund, if the clears in the mixture were produced by him from the same class of wheat and in the same plant as where the mixing occurred and the resultant product meets the definition of flour second clears as provided in § 777.3(u). Under the current regulations and an interpretation published in the FEDERAL REGISTER April 19, 1967 (32 F.R. 6127) the mixing together of flour second clears with nonqualifying clears in these circumstances would result in the entire lot becoming ineligible for refund if one or more of such products mixed had been binned or packaged prior to the mixing operations.

This amendment is issued in order to permit production of flour second clears in a manner consistent with normal processing operations and permit more effective administration of the program. The amendment modifies the interpretation of § 777.18(b) published in the FEDERAL REGISTER of April 19, 1967, to the extent that the interpretation is inconsistent with this amendment.

This amendment also provides that Industrial Users may, with the approval of the Director, submit consolidated corrected claims for refunds.

Since these provisions must be acted on immediately and are needed immediately in the administration of the regulations, and since they relieve restrictions, it is hereby found and determined that compliance with the notice, public procedure, and 30-day effective date requirements of section 4 of the Administrative Procedure Act (60 Stat. 238, 5 U.S.C. 553) is unnecessary and contrary to the public interest and that this amendment shall be effective as provided below.

The Republication of the Processor Wheat Marketing Certificate Regulations is amended as follows:

Section 777.18 is amended by adding the following to paragraph (b):

§ 777.18 Food processors manufacturing flour second clears.

* * * * *

(b) *Blending by the processor.* * * * Notwithstanding the foregoing, blending is not considered to have occurred under the regulations if a processor mixes together quantities of flour second clears with nonqualifying clears, provided the products mixed together are processed from the same class of wheat and were produced in the same plant as where the mixing occurs. In such case, the resultant product shall qualify as flour second clears if it meets the requirements of § 777.3(u), regardless of whether all of the clears which constituted the blend conformed to § 777.3(u) prior to

the time the combining occurred. The ash analysis which supports such clears must be based on a composite of samples which are representative of the clears shipped and not on samples of the production runs comprising the shipments.

* * * * *

Section 777.19(j) is amended by changing the first two sentences to read as follows:

§ 777.19 Industrial users of flour second clears.

* * * * *

(j) *Corrected claims for refund.* If an incorrect Form CCC–161 has been submitted to the Commodity Office, the industrial users shall promptly prepare and submit a corrected Form CCC–161. If two or more consecutive reporting periods are involved, a consolidated corrected report may, with the approval of the Director, be submitted to cover more than one reporting period. All corrected reports shall be identified by the original report number(s) and transmitted with a letter of explanation. * * *

Effective date: The amendment shall be effective with the first reporting period beginning on or after the date this amendment is published in the FEDERAL REGISTER.

Signed at Washington, D.C., on April 3, 1968.

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

[F.R. Doc. 68-4230; Filed, Apr. 8, 1968; 8:49 a.m.]

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

[Lemon Reg. 314, Amdt. 1]

PART 910—LEMONS GROWN IN CALIFORNIA AND ARIZONA

Limitation of Handling

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 910, as amended (7 CFR Part 910), regulating the handling of lemons grown in California and Arizona, 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 Lemon 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 lemons, as hereinafter provided, will tend 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 amendment 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 amendment is based became available and the time when this amendment must become effective in order to effectuate the declared policy of the act is insufficient, and this amendment relieves restriction on the handling of lemons grown in California and Arizona.

(b) *Order, as amended.* The provisions in paragraph (b)(1)(ii) of § 910.614 (Lemon Reg. 314, 33 F.R. 5197) are hereby amended to read as follows:

§ 910.614 Lemon Regulation 314.

* * * * *

(b) *Order.* * * * (1)

(ii) District 2: 232,500 cartons.

* * * * *

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

Dated: April 4, 1968.

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

[F.R. Doc. 68-4192; Filed, Apr. 8, 1968; 8:46 a.m.]

Chapter XIV—Commodity Credit Corporation, Department of Agriculture

SUBCHAPTER B—LOANS, PURCHASES, AND OTHER OPERATIONS

[CCC Grain Price Support Reseal Loan Regs., 1965 and Subsequent Storage Periods (1968–69 Supp.)]

PART 1421—GRAINS AND SIMILARLY HANDLED COMMODITIES

Subpart—Farm Storage Reseal Loan Program (1968–69 Storage Period Supplement)

The regulations issued by CCC and published in 33 F.R. 5201 and any amendments and supplements thereto, are hereby supplemented for the 1968–69 storage period as follows:

Sec.
1421.3526 Reseal loan programs authorized.
1421.3527 Area of availability.
1421.3528 Storage payment rates.
1421.3529 Additional storage and quality requirements.
1421.3530 Authorized storage period.
1421.3531 Warehouse receipt requirements.
1421.3532 Settlement.

AUTHORITY: The provisions of this subpart issued under sec. 4, 62 Stat. 1070 as amended; 15 U.S.C. 714b. Interpret or apply sec. 5, 62 Stat. 1072, secs. 105, 401, 63 Stat. 1051 as amended; 15 U.S.C. 714c, 7 U.S.C. 1421, 1441.

§ 1421.3526 Reseal loan programs authorized.

A reseal loan program is authorized for the following crops of specific commodities held in farm storage:

1964, 1965, 1966, and 1967 crop corn.
1964, 1965, 1966, and 1967 crop wheat.
1965, 1966, and 1967 crop barley.
1964, 1965, 1966, and 1967 crop grain sorghum.
1965, 1966, and 1967 crop oats.
1966 and 1967 crop soybeans.

§ 1421.3527 Area of availability.

Area and scope. The reseal loan program for the specified crops of the designated commodities will be available to producers in the areas in which price support was made available with respect to the designated crops of the commodities as the ASC State Committees, after considering the generally prevailing weather, the general condition of the crop, and other factors affecting safe storage throughout the area, determine that the commodity can be safely stored on farms therein for the 1968–69 storage period and that such reseal loans will, therefore, be advantageous to producers and CCC; except that in any area designated by the ASC State Committee as an angoumois moth area, a producer may obtain a reseal loan with respect to eligible corn only if the ASC State committee determines that (a) the producer's corn is shelled and (b) the producer has satisfactory storage facilities and equipment to care properly for the corn while under reseal. Producers having commodities under loan will be timely notified of the ASC committee's determination.

§ 1421.3528 Storage payment rates.

(a) *1968–69 storage period.* Storage payments for the 1968–69 storage period will be computed as provided in § 1421.3488 using the following rates:

Crop	Unit	Rate per month	Rate per year
1967 corn, wheat, barley, and soybeans (bushel)	100	$1.095	$13.14
1967 grain sorghum (hundredweight)	100	1.96	23.52
1967 oats (bushel)	100	.821	9.855
1966, 1965, and 1964 corn and wheat, 1966 and 1965 barley (bushel)	100	1.004	12.045
1966 soybeans (bushel)	100	1.004	12.045
1966 and 1965 oats (bushel)	100	.73	8.76
1966, 1965 and 1964 grain sorghum (hundredweight)	100	1.797	21.56

(b) *1967–68 Storage Period.* Storage rates for adjustments under § 1421.3488 for the 1967–68 storage period are:

Crop	Unit	Rate per year
1966 corn, wheat, barley, and soybeans (bushel)	100	$13.14
1966 grain sorghum (hundredweight)	100	23.52
1966 oats (bushel)	100	9.855
1965, 1964 corn and wheat and 1965 barley (bushel)	100	12.045
1965 oats (bushel)	100	8.76
1965 and 1964 grain sorghum (hundredweight)	100	21.56

(c) *1966–67 Storage Period.* Storage rates for adjustments under § 1421.3488 for the 1966–67 storage period are:

Crop	Unit	Rate per year
1965 corn, wheat, and barley (bushel)	100	$13.14
1965 grain sorghum (hundredweight)	100	23.52
1965 oats (bushel)	100	9.855
1964 corn and wheat (bushel)	100	12.045
1964 grain sorghum (hundredweight)	100	21.56

(d) *1965–66 Storage Period.* Storage rates for adjustments under § 1421.3488 for the 1965–66 storage period are:

Crop	Unit	Rate per year
1964 corn and wheat (bushel)	100	$13.14
1964 grain sorghum (hundredweight)	100	23.52

§ 1421.3529 Additional storage and quality requirements.

The commodity must be merchantable, must not contain substances poisonous to man or animal and must meet the requirements of § 1421.3486. In addition to the requirements for approved storage of § 1421.3487, 1964 crop hard wheat on which a sedimentation or protein premium or discount has been applied must be stored identity-preserved.

§ 1421.3530 Authorized storage period.

The 1968–69 reseal storage period shall begin on the date following the 1968 maturity date for the loan on a 1967 crop commodity and on the date following the 1968 anniversary date of the original loan maturity date on 1966 and prior crops and shall end on the anniversary of such dates during the 1969 calendar year.

§ 1421.3531 Warehouse receipt requirements.

The following sections of the price support regulations pertaining to warehouse receipt requirements on deliveries of commodities to CCC shall apply subject to the footnotes at the end of this section:

1964 crop corn, § 1421.2327 (29 F.R. 12004).
1964 crop wheat, § 1421.2128 (29 F.R. 8049).[1]
1964 crop grain sorghum, § 1421.2527 (29 F.R. 7591).
1965 crop corn, § 1421.2347 (30 F.R. 10836).
1965 crop wheat, § 1421.2148 (30 F.R. 7475).[2]
1965 crop grain sorghum, § 1421.2547 (30 F.R. 7991).
1965 crop barley, § 1421.2247 (30 F.R. 7811).
1965 crop oats, § 1421.2645 (30 F.R. 3195).
1967 and 1966 crop corn, § 1421.2367 (31 F.R. 10464).
1967 and 1966 crop wheat, § 1421.2167 (31 F.R. 9414).[2]
1967 and 1966 crop grain sorghum, § 1421.2567 (31 F.R. 8000).
1967 and 1966 crop barley, § 1421.2267 (31 F.R. 7964).
1967 and 1966 crop oats, § 1421.2656 (31 F.R. 4581).
1967 and 1966 crop soybeans, § 1421.2956 (31 F.R. 6013).

§ 1421.3532 Settlement.

(a) *Support rate.* (1) Settlement for commodities delivered to CCC in satisfaction of a reseal loan shall be on the basis of the support rates, premiums and discounts in effect for the program year in which the original loan was made. The following sections, as amended, of the commodity regulations shall apply:

(i) *For corn.* 1964 crop, § 1421.2332 (29 F.R. 12004). 1965 crop, § 1421.2352 (30 F.R. 14361). 1966 crop, § 1421.2381 (31 F.R. 14307). 1967 crop, § 1421.2391 (32 F.R. 13046).

(ii) *For wheat.* 1964 crop, § 1421.2133 (29 F.R. 8049). 1965 crop, § 1421.2153 (30 F.R. 7475, 11207, and 12118). 1966 crop, § 1421.2179 (31 F.R. 9594). 1967 crop, § 1421.2185 (32 F.R. 8283).

(iii) *For grain sorghum.* 1964 crop, § 1421.2531 (30 F.R. 7591). 1965 crop, § 1421.2551 (30 F.R. 10940). 1966 crop, § 1421.2579 (31 F.R. 9847). 1967 crop, § 1421.2585 (32 F.R. 9824).

(iv) *For barley.* 1965 crop, § 1421.2251 (30 F.R. 10936). 1966 crop, § 1421.2279 (31 F.R. 9842). 1967 crop, § 1421.2284 (32 F.R. 10052).

(v) *For oats.* 1965 crop, § 1421.2649 (30 F.R. 3195), 1966 crop, § 1421.2665 (31 F.R. 9337). 1967 crop, § 1421.2670 (32 F.R. 6615).

(vi) *For soybeans.* 1966 crop, § 1421.2968 (31 F.R. 12051). 1967 crop, § 1421.2974 (32 F.R. 12046).

(2) When a commodity delivered is of a grade and quality for which no discount has been established in the applicable commodity regulations, the discounts established for such grades and qualities shall be based on the market discounts for such factors at the time the commodity is delivered to CCC, as determined by CCC. Producers may obtain schedules of such factors and discounts at the ASCS county office approximately one month prior to the beginning of the delivery period.

(b) *Shelling requirement for corn.* Corn delivered to CCC in satisfaction of a reseal loan must be shelled and the cost of shelling shall be for the account of the producer.

(c) *Special provisions for wheat.* During the 1968–69 storage period, official grade and protein determinations will not be required on wheat delivered to country warehouses in settlement of a loan nor on 1967-crop wheat delivered to a country warehouse for the purpose of obtaining an extended warehouse-storage loan. Producers may request and obtain official grade or protein determinations, but the cost of such tests shall not be for the account of CCC. The following additional provisions shall apply to 1964-crop hard wheat:

(1) In the case of 1964-crop hard wheat delivered to CCC on which official sedimentation and protein determinations were made at the time of the loan, the same sedimentation value and protein content used in making the loan shall be applied in settlement provided the identical wheat so tested and mortgaged is delivered to CCC. If other eligible 1964-crop hard wheat is delivered to CCC in satisfaction of such loan, settlement shall be as provided in subparagraph (3) of this paragraph (c).

(2) If a producer has inadvertently commingled 1964-crop wheat on which official sedimentation and protein determinations were used in making the loan with wheat of the same or other crop years, settlement will be based on grade and protein content of such wheat determined upon delivery to CCC. If the commingled wheat delivered to CCC is from 1964 and other crops having different price support rates, premiums or discounts, the quantity delivered shall be prorated to each loan on the basis of the ratio of the quantity under each loan bears to the total quantity under all the loans involved in the commingled delivery.

(3) In the case of 1964-crop hard wheat delivered to CCC on which official sedimentation and protein determinations were not made at the time of the loan, settlement shall be based on the grade and protein content determined upon delivery of the wheat to CCC.

Effective date: Upon publication in the FEDERAL REGISTER.

Signed at Washington, D.C., on April 3, 1968.

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

[F.R. Doc. 68-4231; Filed, Apr. 8, 1968; 8:50 a.m.]

[1] No sedimentation value shall be entered on warehouse receipt or supplemental certificate. Official sedimentation and protein certificates not required. (See paragraph (c) of § 1421.3532.)

[2] Official protein certificates not required on deliveries to country warehouses. (See paragraph (c) of § 1421.3532.)

[3] Official grade and protein certificates not required on deliveries to country warehouses. (See paragraph (c) of § 1421.3532.)

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Administration, Department of Transportation

[Docket No. 67-EA-150, Amdt. 39-576]

PART 39—AIRWORTHINESS DIRECTIVES

Piper Aircraft

On page 2639 of the FEDERAL REGISTER for February 7, 1968, the Federal Aviation Administration published a proposed rule which requires repetitive inspection for cracks and replacement when necessary of engine mounts on Piper Airplanes Type PA 23-250.

Interested parties were given 30 days after publication in which to submit written data or views. No objections to the proposed regulations have been received.

In view of the foregoing and pursuant to the authority delegated to me by the Administrator, 14 CFR 11.89, 31 F.R. 13697, § 39.13 of Part 39 of the Federal Aviation Regulations is hereby amended by adopting the rule as proposed.

This amendment is effective April 11, 1968.

(Secs. 313(a), 601, 603, Federal Aviation Act of 1958; 49 U.S.C. 1354(a), 1421, 1423)

Issued in Jamaica, N.Y., on March 28, 1968.

GEORGE M. GARY,
Director, Eastern Region.

Amend § 39.13 of Part 39 of the Federal Aviation Regulations so as to add a new airworthiness directive applicable to Piper Aircraft as follows:

PIPER. Applies to Type PA-23-250 airplanes Serial Nos. 27-2505 and up having engine mounts date-stamped prior to May 26, 1965.

Compliance is required within the next 50 hours' time in service after the effective date of this AD unless already accomplished within the last 50 hours' time in service and thereafter at intervals not to exceed 100 hours' time in service from the last inspection.

To detect cracks prior to possible failure of the engine mount accomplish the following:

(a) Visually inspect the engine mount for cracks in the following areas:

(1) The lower forward lateral tube;

(2) The three-tube horizontal diagonal truss, in and around the three welded junctures with the lower forward lateral tube and the lower left horizontal fore-and-aft tube, and

(3) The lower left horizontal fore-and-aft tube.

(b) If cracks are found, replace the engine mount prior to further flight with a new engine mount or one which has been inspected for and in which no cracks have been found or repair the engine mount in accordance with FAR Part 43. Conduct a magnetic particle, or equivalent method, inspection of the entire engine mount for cracks prior to approval of a repaired engine mount.

NOTE: A pictorial description of the affected areas can be found in Piper Service Letter No. 462. The engine mount is date-stamped on either of the two diamond-shaped gusset plates located near the upper firewall attachment points.

(Secs. 313(a), 601, 603, Federal Aviation Act of 1958; 49 U.S.C. 1354(a), 1421, 1423)

[F.R. Doc. 68-4207; Filed, Apr. 8, 1968; 8:47 a.m.]

[Airspace Docket No. 67-AL-24]

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

Designation of Additional Control Area

On December 23, 1967, a notice of proposed rule making was published in the FEDERAL REGISTER (32 F.R. 20780) stating that the Federal Aviation Administration was considering an amendment to Part 71 of the Federal Aviation Regulations that would designate an additional control area from Bettles, Alaska, direct to Point Barrow, Alaska.

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

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended effective, 0901 g.m.t., June 20, 1968, as hereinafter set forth.

Section 71.163 (33 F.R. 2051) is amended by adding the following:

BETTLES, ALASKA

That airspace within 5 nautical miles each side of a direct line extending from the Bettles, Alaska, RBN to the Point Barrow, Alaska, RBN (PBA) including the additional airspace between lines diverging at 5° angles from the centerline extending northwest from the Bettles RBN and southeast from the Point Barrow RBN (PBA) and which terminate at the intersecting points midway between Bettles and Point Barrow, excluding the airspace within the continental control area, and the airspace above FL-450 north of lat. 68°00'00" N., and excluding the airspace below 3,000 feet MSL from Bettles to 48 nautical miles northwest of Bettles; and below 9,500 feet MSL from 48 nautical miles northwest of Bettles to 176 nautical miles northwest of Bettles, and below 1,500 feet MSL from 176 nautical miles northwest of Bettles to Point Barrow. This additional control area is effective during the specific dates and times established in advance by a Notice to Airmen and continuously published in the Alaska Airman's Guide and Chart Supplement.

(Sec. 307(a), Federal Aviation Act of 1958; 49 U.S.C. 1348)

Issued in Washington, D.C., on April 1, 1968.

H. B. HELSTROM,
Chief, Airspace and Air Traffic Rules Division.

[F.R. Doc. 68-4208; Filed, Apr. 8, 1968; 8:48 a.m.]

Chapter V—National Aeronautics and Space Administration

PART 1209—BOARDS AND COMMITTEES

Subpart 1—Board of Contract Appeals

1. Subpart 1 revised in its entirety as follows:

Sec.
1209.100 Scope.
1209.101 Establishment of board.
1209.102 Functions of board.
1209.103 Reporting of board activities.
1209.104 NASA representation.

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

§ 1209.100 Scope.

This subpart reconstitutes and continues the Board of Contract Appeals established to adjudicate appeals by NASA contractors arising from the findings of fact and final decisions of NASA contracting officers or their authorized representatives made under the color of the "Disputes" clause of a NASA contract.

§ 1209.101 Establishment of board.

(a) A Board of Contract Appeals for the National Aeronautics and Space Administration was established pursuant to NASA Management Manual Instruction 2-4-1, effective June 25, 1959, with offices located at NASA Headquarters, Washington, D.C. 20546.

(b) (1) The Board of Contract Appeals (hereinafter referred to as the Board) shall hereafter consist of not more than seven regular members designated by the Administrator, one of whom shall be designated as Chairman, and one as Vice Chairman. The Vice Chairman is empowered to exercise all the powers of the Chairman, as authorized by the Chairman, or in his absence.

(2) Additional members may be designated by the Administrator to serve on the Board on an ad hoc basis for the adjudication of particular appeals.

(3) Membership on the Board shall be limited to persons admitted to the practice of law before the highest court in the jurisdiction in which they are members of the bar.

(c) In the discretion of the Chairman, an appeal may be adjudicated by the full membership of the Board or by a panel of three members, including ad hoc members. Two members of a panel shall constitute a majority of the Board for the appeal involved.

(d) Within his discretion, the Chairman may authorize any member of the Board to conduct prehearing conferences, hold hearings, examine witnesses, receive evidence and argument, and report the evidence and argument to the designated panel, or to the full Board, for consideration and determination of the appeal.

§ 1209.102 Functions of board.

(a) The Board is authorized to act for and exercise the full authority of the Administrator in all cases in which, by the terms of a contract, the contractor may appeal to the Administrator or his representative from the findings of fact and final decision of the contracting officer or his authorized representative. No member of the Board shall consider an appeal if he has participated in the awarding or administration of the contract in dispute.

(b) The Board shall have all powers necessary for the proper performance of its duties. This includes but is not limited to authority to issue rules of procedure, conduct hearings, dismiss proceedings, order the production of documents and other evidence, take official notice of facts within general knowledge, and decide all questions of fact and law raised by the appeal. There shall be no administrative appeal from decisions of the Board.

§ 1209.103 Reporting of board activities.

The Chairman of the Board shall, from time to time, but not less often than annually, report to the Administrator on the status of the Board's activities.

§ 1209.104 NASA representation.

The General Counsel of the National Aeronautics and Space Administration shall designate counsel to represent the interests of the Government in proceedings before the Board.

Effective date: The provisions of §§ 1209.100–1209.104 are effective April 1, 1968.

JAMES E. WEBB,
Administrator.

[F.R. Doc. 68-4188; Filed, Apr. 8, 1968; 8:46 a.m.]

Title 41—PUBLIC CONTRACTS AND PROPERTY MANAGEMENT

Chapter 9—Atomic Energy Commission

PART 9–4—SPECIAL TYPES AND METHODS OF PROCUREMENT

Subpart 9–4.51—Research Agreements and Contracts With Educational Institutions

PART 9–16—PROCUREMENT FORMS

Subpart 9–16.50—Contract Outlines

MISCELLANEOUS AMENDMENTS

The change in § 9–4.5100 is to clarify that these policies and procedures are to be used to the extent applicable for field office contracts with educational institutions as well as for Washington-designated contracts. The change in § 9–4.5101 makes the policies and procedures for Washington-designated contracts applicable to contracts with educational institutions authorized by any AEC Headquarters Division or Office.

The revisions to § 9–4.5107(c–1) and to Article I, Article III, Article A–I and Article A–II, Article B–II, Article B–XXI, and to Appendix C of § 9–16.5002–8 are to reflect the recent Commission decisions that the exclusion of contractor contributions of the principal investigator from the costs to be proportionately shared need not be on an "exceptional" basis, and that the SRSA will no longer require a contractual commitment by the university as to the amount of time or effort to be devoted by the principal investigator. The agreement will indicate the amount of effort that the principal investigator expects to devote to the project and will require the principal investigator to indicate in his annual progress report to the AEC the approximate percentage of effort which he has devoted to the project.

When the university wishes to contribute the effort of the principal investigator without cost to the AEC, the agreement would permit the university to exclude the cost of the principal investigator from proportionate cost-sharing. When the principal investigator is excluded from proportionate cost-sharing, the university would not be required to maintain effort records on the principal investigator and they would not be required to certify at the end of the contract term regarding the amount of effort provided by the principal investigator.

When the university requests the AEC to reimburse the university for part or all of the cost of the principal investigator, the university would still be required to maintain effort records on the investigator in accordance with BoB Circular A–21, and to include in the annual financial statement a certification as to the amount of effort provided by the investigator, for purposes of reimbursement.

The addition to § 9–4.5107–2(d) provides that the special research support agreement need not be used for contracts with educational institutions in foreign countries; a lump-sum, level-of-effort contract may be used if provision is made for disposition of unused AEC funds at the direction of AEC.

The revisions to § 9–4.5112–3(a) and to Article B–XI of § 9–16.5002–8 are to provide that up to 100 percent of the expected AEC consideration under the contract for the expiring period may be paid at the time of renewing the contract for another period, rather than withholding 10 percent until after receipt of the certified statement of costs. When the contract is not renewed, the 10 percent will be withheld until after receipt of the certified statement and the final report.

Section 9–4.5112–5(a) and Article B–XXVIII of § 9–16.5002–8 are revised to delete the requirements for approval of the transfer of funds from the junior investigator category to the equipment category and for the transfer of funds from the equipment category to the travel category. The revision to § 9–4.5112–5(a)(1) and to Article B–XXVIII(a)(4) of § 9–16.5002–8 deletes the requirement to obtain AEC approval if the time or effort to be devoted by the principal investigator is reduced significantly. The agreement would require the university to notify the AEC if the principal investigator leaves the project; and the principal investigator would be required to consult with the appropriate AEC program representative in Headquarters if, during the term of the contract, he plans to or becomes aware that he will devote substantially less effort to the work than anticipated in the agreement.

Article IV of § 9–16.5002–9 is revised to be consistent with the standard obligation of funds article of AECPR 9–7.5006–14.

The remaining amendments are minor or editorial.

1. The title of Subpart 9–4.51, Washington-Designated Research Agreements and Contracts with Educational Institutions, is revised to read as set forth above.

2. Section 9–4.5100, *Scope of subpart,* is revised to read as follows:

§ 9–4.5100 Scope of subpart.

This subpart sets forth policies and procedures applicable to the negotiation and administration of Washington-designated special research support agreements and cost-type contracts for off-site basic research with educational institutions. To the extent applicable, these policies and procedures should also be followed for Washington-designated contracts for off-site applied research with educational institutions, for Field Office contracts for off-site research with educational institutions, for basic or applied research with other "not-for-profit" institutions, and for educational and training activities with educational or other "not-for-profit" institutions. The policy of AEC reimbursing only AEC's share of actual costs up to a ceiling should be reflected in all AEC contracts with educational institutions.

3. In § 9–4.5101, *Definitions,* paragraph (a) is revised to read as follows:

§ 9–4.5101 Definitions.

(a) The term "Washington-designated contract" as used hereafter in this subpart means a special research support agreement or a cost-type contract which results from an authorization to an AEC Field Office from an AEC Headquarters Division or Office to enter into or continue such a contract on the basis of an approved research proposal.

* * * * *

4. Section 9–4.5106–4, *Notice of selection or rejection,* is revised to read as follows:

§ 9–4.5106–4 Notice of selection or rejection.

The proposer shall be notified by the AEC Headquarters Program Division of the decision to support or reject the proposal. In the event of approval, this notification shall advise: (a) that the proposal has been selected for support subject to completion of a satisfactory contract, (b) which AEC Field Office will negotiate and execute the contract, and (c) that the AEC assumes no obligations until a contract has been executed. A copy of the notice of approval or rejection shall be sent to the AEC Field Office concerned.

5. In § 9–4.5107–2, *Special research support* agreements, paragraphs (c–1) and (d) are revised to read as follows:

§ 9–4.5107–2 Special research support agreements.

* * * * *

(c–1) It is generally expected that the costs of performing the research work under the support agreement will be included in the costs subject to proportionate sharing. Items subject to proportionate sharing will be listed under Article A–II(a) of Appendix A of the contract (AECPR 9–16.5002–8). However, particular items may be contributed by the contractor or the Government and excluded from Article A–II(a); such items would be included in Article A–II(b) of Appendix A, except as hereinafter stated. If the contractor proposes to contribute the cost of the principal investigators(s) on the project and requests that the contribution be excluded from Article A–II(a) and A–II(b), the contributed time or effort should be shown in A–II(c). In any event, Article A–I should include a statement regarding the approximate percentage of time or effort that the principal investigator(s) expects to devote to the contract work. If such exclusion from Article A–II(a) and A–II(b) is made, the contractor would not be required to maintain records regarding the amount of effort contributed by the principal investigator, and the Contractor would not be required to certify in accordance with Appendix C of the contract regarding the amount of effort contributed by the principal investigator. If the Contractor requests, the principal investigator may be included in Article A–II(a) for purposes of obtaining AEC reimbursement of his costs during the summer months, and excluded from Article A–II(a) for the

academic year if the Contractor proposes to contribute the costs for that period. The contract does not require the Contractor's commitment that any particular amount of time or effort by the principal investigator(s) will be devoted to the work under the contract. All Contractor proposals to exclude items other than the principal investigator(s) from proportionate sharing of costs are to be reviewed by the cognizant AEC Headquarters Division to determine whether such exclusion is appropriate. In the event a proposed Contractor contribution is included in Article A–II(b), the contract should reflect the nature and extent of the contractor's commitment to contribute the item, and the Contractor shall maintain records adequate to permit the AEC to determine the extent of the contribution. The Contractor shall certify, in accordance with Appendix C of the contract, the extent to which the item or items under Article A–II(b) have been contributed. Government-owned property to be furnished under Article V or Article B–IX of the contract may also be excluded from proportionate cost-sharing and listed under Article A–II(b).

(d) If the special research support agreement outlined in AECPR 9–16.-5002–8 is to be used for not-for-profit organizations other than educational institutions, Article B–XXVII, Determination of Total Costs, should be revised to provide that the AEC's commercial cost principles (AECPR 9–15.50) will be used in determining actual cost, or the contract provisions may be revised at the direction of the cognizant AEC Headquarters Division or Office to provide for a lump-sum payment to the contractor in consideration for its performance of particular research at a specified level of effort. The special research support agreement outlined in AECPR 9–16.-5002–8 may also be used for supporting research at educational institutions in foreign countries; however, at the discretion of the cognizant AEC Headquarters Division or Field Office, the outline of AECPR 9–16.5002–8 may be revised to provide for a lump-sum payment to the foreign institution in consideration for its performance of particular research at a specified level of effort, and to limit approval requirements to those considered consistent with the nature of the support to the foreign institution. All such agreements with foreign institutions should provide that any unused AEC funds available to the foreign institution at the end of the contract term shall be used in a renewal period of the contract, returned to the AEC, or otherwise disposed of, in accordance with AEC instructions.

6. In § 9–4.5112–3, *Payments under special research support agreements,* paragraph (a) is revised to read as follows:

§ 9–4.5112–3 Payments under special research support agreements.

(a) Payments will be made to contractors during the term of a special research support agreement in accordance with the contract provisions (see Article B–XI of AECPR 9–16.5002–8). The letter of credit procedure, as provided for by Treasury Department Circular No. 1075, Revised, of February 13, 1967, will generally be used when the total of AEC contracts with advance financing at an institution provide for a continuing annual level of support of $250,000 or more. When the total AEC contracts with advance financing provide for an annual level of AEC support of less than $250,-000, AEC will generally make advance payments covering the first 90 percent of the amount of the AEC consideration prescribed in Article III of the contract.

* * * * *

7. In § 9–4.5112–5, *AEC approval of deviations in performance and other specified actions,* paragraph (a)(4) is deleted and reserved; paragraph (a)(1) and paragraph (e) are revised to read as follows:

§ 9–4.5112–5 AEC approval of deviations in performance and other specified actions.

(a) * * *

(1) A change of the principal investigator, or continuation of the research work without direction by an approved principal investigator. The principal investigator may increase or decrease the amount of effort which he devotes to the project without obtaining Commission approval; however, the principal investigator shall consult with the appropriate AEC Headquarters program representative if he plans to, or becomes aware that he will, devote substantially less effort to the work than anticipated in Article A–I. The purpose of such consultation will be to determine what effect, if any, the anticipated change will have on the research work;

* * * * *

(4) [Reserved]

* * * * *

(e) The above approval requirements and procedures shall apply to all special research support agreements for basic research with educational institutions. The Program Division or the Field Office may include these specific approval requirements in cost-type contracts with educational institutions (AECPR 9–16.-5002–9) to the extent necessary and appropriate. In all cases, the requirements for approval of purchases under cost-type contracts should be consistent with paragraphs (a)(2)(i) and (3) of this section. These approval requirements and procedures may also be included in contracts for applied research with educational institutions and for research with other not-for-profit organizations to the extent deemed appropriate by the cognizant AEC Headquarters Division and the AEC Field Office. In contracts for applied research, paragraph (b) of this section will generally be revised to require AEC prior approval of any change in the specific objectives of the research work.

8. In § 9–4.5112–6, *Auditing,* paragraph (d) is revised to read as follows:

§ 9–4.5112–6 Auditing.

* * * * *

(d) While audit is not a prerequisite to AEC's making payments under a contract, audit is necessary prior to making final payment under cost-type contracts and under any special research support agreement when the contracting officer specifically requests an audit to determine whether the changes to the contract are proper or when other conditions indicate that such an audit is warranted. If any such audits result in findings which may be of value to Headquarters Divisions in their determinations regarding selection and renewal of research projects, such findings should be made available to the cognizant Headquarters Division.

§ 9–16.5002–8 [Amended]

9. In § 9–16.5002–8, *Outline of special research support agreement with educational institutions,* Article I—The Research to be Performed, is revised.

10. In § 9–16.5002–8, *Outline of special research support agreement with educational institutions,* the footnote to paragraph (b) of Article III—Consideration, is revised.

11. In § 9–16.5002–8, *Outline of special research support agreement with educational institutions,* Appendix A is revised.

12. In § 9–16.5002–8, *Outline of special research support agreement with educational institutions,* Article B–II—Inspection, Reports, Records and Accounts, is revised.

13. In § 9–16.5002–8, *Outline of special research support agreement with educational institutions,* Article B–XI, Payments, is revised by substituting subparagraphs (a)(3) and (4) for current subparagraph (a)(3).

14. In § 9–16.5002–8, *Outline of special research support agreement with educational institutions,* under Article B–XXI—Reports and Renewal Proposals, Progress Report is revised.

15. In § 9–16.5002–8, *Outline of special research support agreement with educational institutions,* Article B–XXVIII, Additional Approvals, is revised by deleting and reserving subparagraph (a)(3) and revising subparagraph (a)(4).

16. In § 9–16.5002–8, *Outline of special research support agreement with educational institutions,* Appendix C, Statement of Annual Costs, paragraphs 5, 5.a., and 7 are revised.

The affected portions of § 9–16.5002–8 read as follows:

* * * * *

ARTICLE I—THE RESEARCH TO BE PERFORMED

(a) The Contractor shall, to the best of its ability, furnish personnel, facilities, equipment, materials, supplies, and services, except such as are furnished by the Government, necessary for the performance of the research provided for in Appendix A hereto, and shall perform the research and report thereon pursuant to the provisions of this contract. It is understood that Appendix A, a guide to the performance of this contract, may be deviated from by the Contractor subject to the specific requirements of this contract.

* * * * *

ARTICLE III—CONSIDERATION

* * * * *

(b) * * * [1a]

* * * * *

APPENDIX A

* * * * *

A–I. *Research to be performed by Contractor.* (Insert description of research activity and state the approximate percentage of time or effort which the principal investigator(s) expects to devote to the work).

A–II. *Ways and means of performance:*

(a) Items included in total cost: (Do not include in this paragraph (a) any items which are to be excluded from proportionate cost-sharing; see AECPR 9–4.5107–2(c–1))

* * * * *

(b) Items, if any, significant to the performance of this contract, but excluded from computation of total cost and from consideration in proportioning costs: (see AECPR 9–4.5107–2(c–1); in accordance with Article B–II(c), if a proposed contractor contribution is included in this paragraph (b), the contractor shall maintain records adequate to permit the Commission to determine the extent of the contribution. If the time or effort of the principal investigator(s) is to be contributed by the contractor and excluded from A–II(a) and A–II(b) the contributed time or effort should be listed under A–II(c)).

(c) Time or effort of principal investigator(s) contributed by contractor. (Where covered under A–II(a) or A–II(b) above, state: "None under this paragraph." See AECPR 9–4.5107–2(c–1)).

* * * * *

APPENDIX B

* * * * *

ARTICLE B–II—INSPECTION, REPORTS, RECORDS, AND ACCOUNTS

* * * * *

(c) The contractor agrees to keep records and books of account, in accordance with generally accepted accounting principles and practices, covering its costs and expenditures for items included under Article A–II(a) of Appendix A and which are in furtherance of the research work under this contract. In the event a contractor contribution is listed in Article A–II(b), the contractor shall maintain records adequate to permit the Commission to determine the extent of the contribution.

* * * * *

ARTICLE B–XI—PAYMENTS

(a) * * *

(3) If, following submission of an annual progress report, the contract is to be extended for an additional period of performance, an additional payment may be made at the time of execution of the extension which, when added to the payments already made under (1) and (2) above for the expiring period, will not exceed the AEC support ceiling or AEC's share of currently estimated total project costs for the expiring period, whichever is less; a concluding payment for the pertinent period, if appropriate, will be made following submission of a certified statement showing the total expenditures and evidencing the contractor's performance under the contract.

(4) If the contract is not to be extended, the final payment of the consideration provided for in Article III of this contract shall be made following submission by the Contractor of a final report required by Article B–XXI, in form and content satisfactory to the Commission, and submission of a certified statement showing the total expenditures and evidencing the Contractor's performance under the contract.

* * * * *

ARTICLE B–XXI—REPORTS AND RENEWAL PROPOSALS

* * * * *

PROGRESS REPORT

The progress report shall briefly describe the scope of investigations undertaken and the significant results obtained. It shall also indicate compliance with the contract requirements and any failures to comply. The report shall indicate the approximate percentage of time or effort which the principal investigator(s) has devoted to the project since the beginning of the current term of the agreement and indicate the amount of effort which is expected to be devoted during the remainder of the current term. Technical reports and articles prepared for publication shall be listed with bibliographic references. Reprints or preprints of all such material shall be appended and material contained therein need not be duplicated in the report. Progress reports shall be submitted approximately three months in advance of the expiration of the current contract term and shall give the Contractor's best estimate of the probable events and occurrences in regard to the remainder of the current contract term. Except as the Commission may otherwise request, no further progress report will be required for any contract year unless there has been a significant change in scientific results or contract compliance between the latest progress report by the Contractor and its actual experience; this shall be reported promptly.

* * * * *

ARTICLE B–XXVIII—ADDITIONAL APPROVALS

(a) * * *

(3) Reserved.

(4) A change of the principal investigator, or continuation of the research work without direction by an approved principal investigator. The principal investigator may increase or decrease the amount of effort which he devotes to the project without obtaining Commission approval; however, the principal investigator shall consult with the appropriate AEC Headquarters program representative if he plans to, or becomes aware that he will, devote substantially less effort to the work than anticipated in Article A–I. The purpose of such consultation will be to determine what effect, if any, the anticipated change will have on the research work.

* * * * *

APPENDIX C [1a]

* * * * *

5. Costs incurred during the pertinent contract period (List only those costs which are to be reimbursed by the AEC or proportionately shared by the parties in accordance with Article A–II(a)):

Cost categories	*Amount*
a. *Salaries and wages* (List principal investigator and other personnel in same detail as shown in Article A–II(a) of Appendix A.)	$----------

* * * * *

7. Provide information regarding contributions by the Contractor of items listed in Article A–II(b) of Appendix A. State the extent of the Contractor's actual contribution; the measure of such contributions should be in the same terms as the Contractor's commitment under Article A–II(b), e.g., time, dollars, etc.

* * * * *

17. In § 9–16.5002–9, *Outline of cost-type contract for research and development with educational institutions,* Article IV—Estimated Cost and Obligation of Funds, is revised to read as follows:

§ 9–16.5002–9 Outline of cost-type contract for research and development with educational institutions.

* * * * *

ARTICLE IV—OBLIGATION OF FUNDS, ESTIMATES OF COST

Insert AECPR 9–7.5006–14, appropriately revised to reflect the no-fee position of educational institutions.

* * * * *

(Sec. 161 of the Atomic Energy Act of 1954, as amended, 68 Stat. 948, 42 U.S.C. 2201; sec. 205 of the Federal Property and Administrative Services Act of 1949, as amended, 63 Stat. 390, 40 U.S.C. 486)

Effective date: These amendments are effective upon publication in the FEDERAL REGISTER, but may be observed earlier.

For the U.S. Atomic Energy Commission.

Dated at Germantown, Md., this 2d day of April 1968.

JOSEPH L. SMITH,
Director, Division of Contracts.

[F.R. Doc. 68–4171; Filed, Apr. 8, 1968; 8:45 a.m.]

Title 50—WILDLIFE AND FISHERIES

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

PART 33—SPORT FISHING

Sand Lake National Wildlife Refuge, S. Dak.

The following special regulation is issued and is effective on date of publication in the FEDERAL REGISTER.

§ 33.5 Special regulations; sport fishing; for individual wildlife refuge areas.

SOUTH DAKOTA

SAND LAKE NATIONAL WILDLIFE REFUGE

Sport fishing on the Sand Lake National Wildlife Refuge, S. Dak., is permitted only on the areas designated by signs as open to fishing. These open

[1a] It is generally expected that the costs of the research work will be included in the costs subject to proportionate sharing; however, particular items may be contributed by the Contractor or the Government and excluded from any proportioning of costs. All items to be subject to cost-sharing will be listed under Article A–II(a) of Appendix A of this contract. Items to be contributed either by the Contractor or the Government and which the parties agree are to be excluded from paragraph (a) of Article A–II of Appendix A will be listed under paragraph (b) or paragraph (c) of that Article A–II in accordance with AECPR 9–4.5107–2(c–1). Items which may be listed in Article A–II(b) or A–II(c) will be determined in accordance with AECPR 9–4.5107–2(c–1).

areas, comprising 150 acres or 5 percent of the total water area of the refuge, are delineated on a map available at the refuge headquarters and from the office of the Regional Director, Bureau of Sport Fisheries and Wildlife, 1006 West Lake Street, Minneapolis 8, Minn. Sport fishing is subject to the following conditions:

(a) Species permitted to be taken: Bullheads, northern pike and other minor species permitted by State regulations.

(b) Open season: May 1, 1968, through December 31, 1968; daylight hours only.

(c) Daily creel limits: Bullheads—50; Northern pike—8. Creel limits for other minor species are as prescribed by State regulations.

(d) Methods of fishing:

(1) Anglers may use a maximum of 2 lines, and a maximum of 3 hooks on each line.

(2) The use of boats is not permitted.

(3) See State regulations for additional details.

(e) Other provisions:

(1) The provisions of this special regulation supplement the regulations which govern fishing on wildlife refuge areas generally which are set forth in Title 50, Code of Federal Regulations, Part 33.

(2) A Federal permit is not required to enter the public fishing area.

(3) The provisions of this special regulation are effective to December 31, 1968.

LYLE J. SCHOONOVER,
Refuge Manager, Sand Lake National Wildlife Refuge.

MARCH 29, 1968.

[F.R. Doc. 68-4177; Filed, Apr. 8, 1968; 8:45 a.m.]

Title 29—LABOR

Chapter V—Wage and Hour Division, Department of Labor

PART 545—HOMEWORKERS IN THE FABRIC AND LEATHER GLOVE INDUSTRY; THE HANDKERCHIEF, SCARF, AND ART LINEN INDUSTRY; THE CHILDREN'S DRESS AND RELATED PRODUCTS INDUSTRY; THE WOMEN'S AND CHILDREN'S UNDERWEAR AND WOMEN'S BLOUSE INDUSTRY; THE NEEDLEWORK AND FABRICATED TEXTILE PRODUCTS INDUSTRY; AND THE SWEATER AND KNIT SWIMWEAR INDUSTRY IN PUERTO RICO

Piece Rate Increase

Pursuant to authority in section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206), Reorganization Plan No. 6 of 1950 (3 CFR 1949–53 Comp., p. 1004), and Order No. 19–67 of the Secretary of Labor (32 F.R. 12980), 29 CFR 545.13 is amended to read as set forth below.

This amendment merely articulates proportional increases in the minimum piece rates which § 545.9 requires to be paid by reason of increases in hourly rates under section 6(c)(2) of the Fair Labor Standards Amendments of 1966 (80 Stat. 839) which are effective April 2, 1968. For this reason, it is hereby found that notice and public procedure thereon are unnecessary. In addition, and for the same reason, good cause is found to curtail the customary delay in the effective date. This amendment shall be effective April 2, 1968.

As amended, 29 CFR 545.13 reads as follows:

§ 545.13 Piece rates established in accordance with § 545.9.

SCHEDULE A—PIECE RATE SCHEDULE FOR THE WOMEN'S AND CHILDREN'S UNDERWEAR AND WOMEN'S BLOUSE INDUSTRY AND THE CHILDREN'S DRESS AND RELATED PRODUCTS INDUSTRY IN PUERTO RICO [1]

No.	Operation	Women's and children's underwear and women's blouse industry		Children's dress and related products industry	Unit of payment
		Blouses and neckwear and silk and synthetic underwear and nightwear	Cotton underwear and nightwear		
		(1)	(2)	(3)	
		Cents	*Cents*	*Cents*	
1	Arenilla (seed stitch), close, ½" squares	130.80	117.72	123.00	Per dozen squares.
2	Arenilla (seed stitch), scattered, ½" squares	65.40	58.86	61.50	Do.
3	Arrows, filled in, ¼"	32.70	29.43	30.75	Per dozen.
4	Basting bias with cord	35.97	32.39	33.82	Per yard.
5	Basting for fagoting	9.83	8.87	9.25	Do.
6	Basting hems, 1" to 6" wide	[2] 21.80	[2] 19.62	27.82	Do.
7	Basting lace	18.84	16.96	17.72	Do.
8	Basting waist lines, plackets, and facings, 2 to 3 stitches per inch.	[2] 13.64	[2] 12.28	17.42	Do.
9	Bias piping, joined, double, over 10 stitches per inch.	43.60	39.24	41.00	Do.
10	Bias piping, joined, single, over 10 stitches per inch.	54.50	49.05	51.25	Do.
11	Buttons sewed on with double thread, 2 to 3 stitches.	[2] 14.24	[2] 12.81	18.11	Per dozen.
12	Buttonhole, stamped, ⅝" long	[2] 47.02	[2] 42.32	59.94	Do.
13	Buttonhole, stamped, ½" long	[2] 62.49	[2] 56.24	79.83	Do.
14	Buttonhole stitch, close	98.10	88.29	92.25	Per yard.
15	Cord, twisted, over basting	10.90	9.81	10.25	Per dozen inches.
16	Cutting material applied over lace with hand-embroidered solid cord stitch.	14.95	13.44	14.06	Per yard.
17	Hand cutting material over lace applique or other material and at edges of garment following machine embroidered cord, large outline, around scallops measuring 1" or more	2.61			Do.
18	Hand cutting material over lace applique or other material and at edges of garment following machine embroidered cord, small outline around scallops measuring less than 1"	5.87			Do.
19	Cutting material under lace or at seams, straight outline, following hand-sewing operation	6.13	5.52	5.76	Do.
20	Cutting material under lace or at seams, straight outline, following machine operations	7.20	7.20	7.30	Do.
21	Hand cutting material underneath straight or nearly straight outline	1.99			Do.
22	Hand cutting material underneath irregular outline	2.98			Do.
23	Dots, baby, not finished off, 2 to 3 stitches	9.08	8.19	8.54	Per dozen.
24	Dots, medium, not filled in, finished off, 8 to 9 stitches.	14.39	12.96	13.52	Do.
25	Eyelets, up to ⅛" diameter	24.29	21.87	22.84	Do.
26	Eyelets, 3/16" diameter	43.60	39.24	41.00	Do.
27	Fagoting, straight lines	151.82	136.64	142.77	Per yard.
28	Fagoting, twisted lines	72.67	65.40	68.33	Do.
29	Feather stitch, 12 stitches per inch	72.67	65.40	68.33	Do.
30	Feather stitch cord	38.25	34.42	35.97	Do.
31	Flat roll	[2] 33.06	[2] 29.74	39.36	Do.
32	French knots, not finished off	4.55	4.09	3.99	Per dozen.
33	French seams, first seam by machine, 9 to 12 stitches per inch.	[2] 18.00	[2] 16.20	21.48	Per yard.
34	Furunecos, with tape	163.50	147.15	153.75	Do.
35	Guariquenas	10.90	9.81	10.25	Per dozen.
36	Half roll (with colored or emb. thread)	35.75	32.17	33.63	Per yard.
37	Hemming stitch for felling, 2 to 3 stitches per inch.	[2] 19.06	[2] 17.15	22.72	Do.
38	Hemming stitch for felling, cuffs, collars, plackets, and waist bands, 8 to 10 stitches per inch.	[2] 48.76	[2] 43.89	58.16	Do.
39	Hemstitch, single, 4 threads in a bundle, thread drawing not included.	70.95	63.85	66.72	Do.
40	Lace, sewed on with hemming stitch or round roll	54.50	49.05	51.25	Do.
41	Leaves, open, ¼" long	43.60	39.24	41.00	Per dozen.
42	Leaves, open, ⅜" to ½" long	65.40	58.86	61.50	Do.
43	Leaves, simple	4.55	3.65	3.83	Do.
44	Leaves, solid, not finished off, ⅛" long	11.97	10.78	11.25	Do.
45	Leaves, solid, not finished off, ¼" long	14.53	13.08	13.67	Do.
46	Leaves, solid, not finished off, ⅜" to ½" long	21.80	19.62	20.50	Do.
47	Leaves, solid, finished off, ⅝" to ¾" long	43.60	39.24	41.00	Do.
48	Loops, knitted, ¼"	13.64	12.28	12.84	Do.
49	Loops, knitted, 1" to 1½"	22.91	20.64	21.55	Do.
50	Loops, made with buttonhole stitch	32.70	29.43	30.75	Do.
51	Overcasting seams	[2] 23.18	[2] 20.86	29.60	Per yard.
52	Pasadas, short, 1" to 8"		10.17		Per dozen pasadas.
53	Patches, sewed on with single point de turc	217.13	195.42	204.17	Per yard.
54	Patches, rectangular, sewed on with blind stitch, up to 1½".	13.71	12.33	12.89	Per dozen inches.
55	Patches, sewed on with solid cord, cutting and basting included.	213.64	192.28	200.90	Per yard.
56	Point de turc plain, with embroidery thread	63.58	57.21	59.79	Do.
57	Randa, bundles twisted but not tied, thread drawing not included.	27.25	24.51	25.62	Do.

See footnotes at end of table.

SCHEDULE A—PIECE RATE SCHEDULE FOR THE WOMEN'S AND CHILDREN'S UNDERWEAR AND WOMEN'S BLOUSE INDUSTRY AND THE CHILDREN'S DRESS AND RELATED PRODUCTS INDUSTRY IN PUERTO RICO [1]—Continued

No.	Operation	Women's and children's underwear and women's blouse industry		Children's dress and related products industry	Unit of payment
		Blouses and neckwear and silk and synthetic underwear and nightwear	Cotton underwear and nightwear		
		(1)	(2)	(3)	
		Cents	*Cents*	*Cents*	
58	Randa, Don Gonzales, thread drawing not included.	114.45	102.99	107.62	Do.
59	Randa, Mexican, tied at center only, thread drawing not included.	32.70	29.43	30.75	Do.
60	Ribbons, setting ends of	14.95	13.44	14.06	Per dozen.
61	Rose buds, worm stitch 4 worms, 1 or 2 colors or tones.	32.39	29.14	30.46	Do.
62	Running stitch on hems up to 1" wide, 12 stitches per inch.	[2] 29.28	[2] 26.35	37.44	Per yard.
63	Running stitch on lace	28.92	26.04	27.21	Do.
64	Running stitch for plain sewing	[2] 19.69	[2] 17.73	23.51	Do.
65	Scallops, plain, cutting included	109.73	98.75	103.18	Do.
66	Shadow stitch, up to 3/8" wide	210.73	189.66	198.17	Do.
67	Shell, 4 to 5 stitches per inch	37.37	33.64	35.14	Do.
68	Shirring, material to be measured before shirring	21.95	19.74	20.65	Do.
69	Shirring and basting lace edging, material to be measured after shirring.	26.38	23.74	24.80	Do.
70	Shirring and setting lace edging with hemming stitch on straight outline, material to be measured after shirring.	47.40	42.66	44.56	Do.
71	Size tickets set with hemming stitch, cutting tickets included.	[2] 21.80	[2] 19.62	27.82	Per dozen inches.
72	Smocking	.90	.80	.85	Per dozen stitches.
73	Snaps, sewing on both sides	[2] 21.80	[2] 19.62	27.82	Per dozen.
74	Solid cord stitch on gores and embroidery	102.46	92.21	96.35	Per yard.
75	Spiders, 4 legs	21.80	19.62	20.50	Per dozen.
76	Spiders, 8 legs	42.61	38.34	40.07	Do.
77	Tacks, set for fagoting	10.90	9.81	10.25	Do.
78	Tucks, stamped, 1/16" to 1/4" wide, up to 6" long	34.10	30.69	32.07	Do.

[1] See current wage orders for these two industries for definitions of the industries and of the classifications of "hand-sewing", "hand-embroidery", and "other operations", and for applicable minimum hourly wage rates.
[2] Piece rate not applicable when operation is performed on articles which are wholly machine-sewn or machine-knit.

SCHEDULE B. PIECE RATE SCHEDULE FOR THE HANDKERCHIEF, SCARF, AND ART LINEN INDUSTRY IN PUERTO RICO [1]

No.	Operation	Cents	Unit of payment
79	Arenillas (seed stitch), close, 1/2" squares	50.40	Per dozen squares.
80	Arenillas (seed stitch), scattered, 1/2" squares	25.20	Do.
81	Arrows, filled in, 1/4" long	12.60	Per dozen.
82	Basting lace	2.41	Per dozen inches.
83	Basting stitch for trimming, forming crosses, etc., 4 stitches per inch	2.10	Do.
84	Basting and folding hem on edges up to 1 1/2" hem	.84 [2]	Do.
85	Blind hemstitch	8.40	Do.
86	Buttonhole stitch, 16 stitches per inch	8.40	Do.
87	Buttonhole stitch, 24 to 30 stitches per inch	12.60	Do.
88	Chain stitch, 4 stitches per inch	2.10	Do.
89	Chain stitch, 8 stitches per inch	4.20	Do.
90	Cord, solid, on stem	13.15	Do.
91	Cord, twisted, over basting	4.20	Do.
92	Cord or embroidery, solid, without filling, up to 1/8" thick [3]	12.60	Do.
93	Couching or flat cord, 4 stitches per inch	2.10	Do.
94	Cross stitch, 6 crosses per inch	8.95	Do.
95	Cut work with buttonhole stitch, 24 to 30 stitches per inch	16.80	Do.

SCHEDULE B. PIECE RATE SCHEDULE FOR THE HANDKERCHIEF, SCARF, AND ART LINEN INDUSTRY IN PUERTO RICO [1]—Continued

No.	Operation	Cents	Unit of payment
96	Daisies, 12 to 15 stitches, with double embroidery thread	12.60	Per dozen.
97	Diamonds, filled in, 1/4" to 3/8" wide	12.60	Do.
98	Dots, baby, not finished off, 2 to 3 stitches	3.49	Do.
99	Dots, large, not filled in, finished off, 12 stitches	6.30	Do.
100	Dots, large, filled in, finished off, over 12 stitches	12.60	Do.
101	Dots, large, not filled in, finished off, over 12 stitches	8.40	Do.
102	Dots, medium, not filled in, finished off, 8 to 9 stitches	5.54	Do.
103	Dots, medium, in groups, not finished off, 5 stitches, with double embroidery thread.	3.58	Do.
104	Dots, medium, finished off, 5 stitches, with double embroidery thread	4.75	Do.
105	Embroidery, solid, 3/16" to 3/4" thick, averages 28 stitches per inch [3]	16.80	Per dozen inches.
106	Embroidery, solid, straight or diagonal, same as image stitch, filled in, loose	16.80	Do.
107	Embroidery, solid, straight or diagonal, same as image stitch, not filled in, loose.	12.60	Per dozen inches.
108	Eyelets, 1/8" diameter	9.37	Per dozen.
109	Feather stitch, 12 stitches per inch	9.34	Per dozen inches.
110	Feather stitch cord	4.93	Do.
111	Flat hems without pasada	[2] 4.36	Do.
112	French knots, not finished off	1.76	Per dozen.
113	French knots, finished off, with double embroidery thread	3.36	Do.
114	Guariquenas	4.20	Do.
115	Hand or French rolling, 10 stitches or less per inch:		
	(a) Square scarves	11.87	Per 48 inches.
	(b) Oblong scarves	27.84	Do.
116	Hand or French rolling, 11 stitches or more per inch	14.26	Do.
117	Hand-rolling one side of a corner. The piece rate shall apply under the following conditions:		
	(a) The machine-stitching runs to the end on one side of each corner; and on the other side, the space left open for hand-rolling at the corner is not less than 1/4" nor more than 1"; and		
	(b) Only one side of each corner is hand-rolled; and the hand-rolling is not longer than 1".	28.01	Per dozen handkerchiefs.
118	Hand-rolling both sides of a corner. The piece rate shall apply under the following conditions:		
	(a) The machine-stitching does not run to the end of either side of any corner; and the space left open for hand-rolling at each side of the corners is not less than 1/4" nor more than 1"; and		
	(b) Both sides of the corners are hand-rolled; but the hand-rolling is not longer than 1" on either side of any corner.	55.99	Do.
119	Hand-rolling both sides of a corner. The piece rate shall apply under the following conditions:		
	(a) The machine-stitching runs to the end on one side of each corner; and on the other side, the space left open for hand-rolling at the corner is not less than 1/4" nor more than 1"; and		
	(b) Both sides of the corners are hand-rolled; but the hand-rolling is not longer than 2" on any corner.	70.01	Do.
120	Hemstitch, single, 4 threads in a bundle, thread drawing not included	9.13	Per dozen inches.
121	Initials, simple, with hoops	42.00	Do.
122	Initials, simple, without hoops	26.04	Do.
123	Lace, joined at corners with hemming stitch	12.60	Do.
124	Leaves, simple	1.57	Per dozen.
125	Leaves, solid, not finished off, 1/4" long	5.59	Do.
126	Leaves, solid, not finished off, 3/8" to 1/2" long	8.40	Do.
127	Leaves, solid, not finished off, 5/8" to 3/4" long	16.80	Do.
128	Loops, made with worm stitch, 1/4"	2.81	Do.
129	Pasadas, 11" x 11" to 14" x 14", linen up to 1600 count, inclusive	8.40	Per dozen pasadas.
130	Pasadas, 11" x 11" to 14" x 14", linen 1700 count and over	11.76	Do.
131	Pasadas, 15" x 15", linen up to 1600 count, inclusive	14.28	Do.
132	Pasadas, 15" x 15", linen 1700 count and over	17.64	Do.
133	Pasadas, 16" x 16" to 20" x 20" linen up to 1400 count inclusive	20.16	Do.
134	Pasadas, short, 1" to 7", linen up to 1600 count inclusive [4]	4.36	Do.
	Pasadas, short:		
135	Cambric, 1" to 10"	8.40	Do.
136	Crash, 1" to 10"	6.30	Do.
137	Cambric, 10 1/2" to 18"	16.80	Do.
138	Crash, 10 1/2" to 18"	12.60	Do.
139	Patches, circular, sewed on with hemming stitch, cutting included	9.19	Per dozen inches.
140	Patches, irregular outline, sewed on with hemming stitch, cutting included	16.01	Do.
141	Patches, irregular outline, sewed on with blind stitch, up to 4"	11.76	Do.
142	Patches, irregular outline sewed on with blind stitch, over 4"	5.98	Do.
143	Patches, rectangular, sewed on with hemming stitch, cutting included	7.54	Do.
144	Randa, Don Diego, thread drawing not included	18.90	Do.
145	Randa, Mexican, tied at center only, thread drawing not included	4.20	Do.
146	Randa, simple, not stitched at either side, thread drawing not included	3.18	Do.

SCHEDULE B. PIECE RATE SCHEDULE FOR THE HANDKERCHIEF, SCARF, AND ART LINEN INDUSTRY IN PUERTO RICO [1]—Continued

No.	Operation	Cents	Unit of payment
147	Rose buds, worm stitch, 4 worms, 2 colors or tones	12.47	Per dozen.
148	Scallops, plain, cutting included	14.10	Per dozen inches.
149	Shadow stitch, up to 5/8" wide	27.06	Do.
150	Spiders, 4 legs	8.40	Per dozen.
151	Spiders, 8 legs	16.43	Do.

No.	Operation	Cambric (1)	Crash (2)	Unit of payment
	Thread drawing			
	Art linens, first thread, not coming out at edge:	(*Cents*)	(*Cents*)	
152	Stamped 1" to 10"	3.00	----------	Per dozen threads.
153	Not stamped 1" to 10"	3.75	2.23	Do.
	Art linens, unstamped, first thread, all-around, not coming out at edge:			
154	Doilies 12" x 18"	16.78	13.67	Per dozen pieces.
	Napkins:			
155	12" x 12"	13.42	11.37	Do.
156	15" x 15"	16.78	13.67	Do.
157	18" x 18"	20.14	15.78	Do.
	Scarves:			
158	17" x 36"	29.64	21.24	Do.
159	17" x 45"	34.68	23.96	Do.
160	17" x 54"	39.72	26.59	Do.
	Squares:			
161	36" x 36"	40.30	26.86	Do.
162	45" x 45"	50.35	31.94	Do.
163	54" x 54"	60.43	37.32	Do.
	Art linens, unstamped, first thread at one end, coming out at both edges:			
	Towels:			
164	9" x 15"		2.12	Do.
165	15" x 24"		3.07	Do.
166	18" x 30"		3.52	Do.
167	Art linens, after first thread		(3)	

No.	Operation	Cents	Unit of payment
	Thread drawing		
	Ladies handkerchiefs:		
168	First thread around edge, cotton or linen, up to 1600 count inclusive	4.20	Per dozen threads.
169	First thread, inside, cotton or linen, up to 1600 count inclusive	5.27	Do.
170	After first thread (for example, for hemstitching)	(3)	
171	First thread around edge, linen up to 1500 count inclusive, 16" x 16" to 20" x 20".	6.30	Do.
172	First thread around edge, linen 1600 count and over, 16" x 16" to 20" x 20"	7.37	Do.
173	First thread, inside, linen up to 1500 count inclusive, 16" x 16" to 20" x 20"	7.37	Do.
174	First thread, inside, linen 1600 count and over, 16" x 16" to 20" x 20"	8.40	Do.
175	After first thread (for example, for hemstitching)	(3)	

See footnotes at end of table.

	Operation		
	No. 176	No. 177	No. 178
	Half roll, cambric and crash, at 4.59 cents per dozen inches	Hand or French rolling, 10 stitches or less per inch, cambric, and crash, at 2.97 cents per dozen inches	Hemming stitch over pasada, measuring all around edge: Cambric at 2.81 cents per dozen inches [2]
		(*Payment per dozen*)	
Doilies:			
8" x 16"	$2.20	$1.42	$1.34
10" x 14"	2.20	1.42	1.34
12" x 18"	2.75	1.78	1.68
Napkins:			
12" x 12"	2.20	1.42	1.34
15" x 15"	2.75	1.78	1.68
18" x 18"	3.30	2.13	2.02
Table scarves:			
17" x 36"	4.86	3.15	2.97
17" x 45"	5.69	3.68	3.47
17" x 54"	6.51	4.22	3.97
Squares:			
36" x 36"	6.61	4.28	4.04
45" x 45"	8.25	5.35	5.04
54" x 54"	9.90	6.43	6.06
Table cloths:			
54" x 72"	11.55	7.50	7.05
72" x 72"	13.21	8.56	8.08
72" x 90"	14.86	9.63	9.08

	Operation		
	No. 179	No. 180	No. 181
	Hemming stitch over pasada, measuring all around edge: Crash at 2.63 cents per dozen inches [2]	Second seams, for separate borders, measuring all around edge: Cambric, at 2.81 cents per dozen inches [2]	Second seams, for separate borders, measuring all around edge: Crash, at 2.63 cents per dozen inches [2]
		(*Payment per dozen*)	
Doilies:			
8" x 16"	$1.26	$1.34	$1.26
10" x 14"	1.26	1.34	1.26
12" x 18"	1.58	1.68	1.58
Napkins:			
12" x 12"	1.26	1.34	1.26
15" x 15"	1.58	1.68	1.58
18" x 18"	1.89	2.02	1.89
Table scarves:			
17" x 36"	2.79	2.97	2.79
17" x 45"	3.26	3.47	3.26
17" x 54"	3.73	3.97	3.73
Squares:			
36" x 36"	3.80	4.04	3.80
45" x 45"	4.73	5.04	4.73
54" x 54"	5.69	6.06	5.69
Table cloths:			
54" x 72"	6.64	7.05	6.64
72" x 72"	7.58	8.08	7.58
72" x 90"	8.53	9.08	8.53

	Operation	
	No. 182	No. 183
	Second seams, for separate borders, with French corners, measuring all around edge: Cambric, at 3.15 cents per dozen inches [2]	Second seams, for separate borders, with French corners, measuring all around edge: Crash, at 2.81 cents per dozen inches [2]
	(Payment per dozen)	
Doilies:		
8" x 16"	$1.52	$1.34
10" x 14"	1.52	1.34
12" x 18"	1.89	1.68
Napkins:		
12" x 12"	1.52	1.34
15" x 15"	1.89	1.68
18" x 18"	2.28	2.02
Table scarves:		
17" x 36"	3.34	2.97
17" x 45"	3.90	3.47
17" x 54"	4.47	3.97
Squares:		
36" x 36"	4.54	4.04
45" x 45"	5.67	5.04
54" x 54"	6.82	6.06
Table cloths:		
54" x 72"	7.95	7.05
72" x 72"	9.08	8.08
72" x 90"	10.23	9.08

No.	Operation	Cents	Unit of payment
	Scallop cutting		
	Hand-cutting machine-embroidered, shallow, curved scallops on handkerchiefs or square scarves:		
184	Small, measuring from 5/16" up to but not including 5/8" along outside edge	34.94	Per dozen scallops.
185	Medium, measuring from 5/8" up to but not including 7/8" along outside edge.	44.00	Do.
186	Large, measuring from 7/8" to and inclusive of 1 1/4" along outside edge	66.00	Do.
	Needlepoint operations [6] [7]		
187	Compact florals, figures, and landscapes	43.68	Per 1,000 stitches.
188	Scattered florals	47.04	Do.
189	Scattered florals consisting of borders or garlands only	50.40	Do.
190	Combinations of compact center and scattered borders in which the compact portion totals 45 percent or more of the total design.	47.04	Do.
191	Combinations of compact center and scattered borders in which the compact portion totals less than 45 percent of the entire design.	50.40	Do.
192	3.36 cents must be added to the above piece rates to cover thumb-tack mounting on frame for each piece of canvas. Employers using other methods must set individual rates for mounting and removing canvas in accordance with section 545.10.		

[1] See current wage order for this industry for definition of the industry and for the classification of "hand-sewing" and "other operations", and for applicable minimum hourly wage rates.

[2] Piece rate not applicable when operation is performed on articles which are otherwise wholly machine-sewn.

[3] These piece rates have been set on the basis of O.N.T. thread No. 5, corded, which averages 28 stitches per inch of solid cord. If corded threads are used which are not so thick, the rate should be increased in proportion to the increase in the number of stitches per inch. If corded thread No. 11 is used, 15 percent must be added to the piece rates established for thread No. 5.

[4] For each additional count of 100, add 1.68 cents.

[5] For second and third threads, 20 percent of rate for first thread; for additional threads, 15 percent of rate for first thread.

[6] *Exceptions.* These piece rates do not apply to the following types of needlepoint. For these and all other varieties of needlepoint not covered by the schedule and definitions, piece rates must be set by employers in accordance with Regulation 545.10.

a. Florals having more than 10,000 stitches.
b. Florals having more than 36 color tones.
c. Figures and landscapes having more than 3,000 stitches.
d. Figures and landscapes having more than 25 color tones.
e. Petit Point.
f. Stamped grospoint.

[7] *Definitions.* (1) A scattered design is one in which 50 percent or more of the component parts, when finished, are separated by spaces of unsewn canvas. (2) A compact design is one in which 50 percent or more of the finished piece contains no spaces of unsewn canvas.

SCHEDULE C. PIECE RATE SCHEDULE FOR THE FABRIC AND LEATHER GLOVE INDUSTRY IN PUERTO RICO [1]

No.	Operation	Ladies' woven or knitted fabric gloves	Leather gloves [2]		Unit of payment
			Ladies'	Men's	
		(1)	(2)	(3)	
		Cents	*Cents*	*Cents*	
193	Buttons, slip stitches with tape, 1 button per glove			99.750	Per dozen pairs:
194	Buttonholes, stitched in and outside, 1 buttonhole per glove.			133.000	Do.
195	Crede stitch, 5 to 6 stitches per inch	0.502			Per inch:
196	Egyptian stitch, 5 to 6 stitches per inch		0.913		Do.
197	Feather stitch, 5 to 6 stitches per inch	.602	1.147		Do.
198	Large stitch (husky), 5 to 6 stitches per inch			.820	Do.
199	Regular stitch, 5 to 6 stitches, per inch	.395	.860	.820	Do.
200	Slip stitch, hem only, 5 to 6 stitches per inch	.255	.588	.588	Do.
201	Slip stitch, reinforcement on slit, 5 to 6 stitches per inch, when sewing has been faced on by machine.		.588	.588	Do.
202	Swagger stitch, 5 to 6 stitches per inch	.395	.860	.820	Do.
203	Whip stitch, 5 to 6 stitches per inch	.395	.860	.820	Do.

NOTE: Operations in this schedule were formerly numbered from 188 to 198.

[1] Piece rates apply only to hand-sewing operations. For description of operations included under "hand-sewing" see definitions in applicable section of the wage order.

[2] The hourly minimum wage rates applicable to leather gloves are also applicable to combination leather and fabric gloves. However, piece rates for combination leather and fabric gloves must be set by employers in accordance with section 545.10.

(Sec. 6, 52 Stat. 1062, as amended; 29 U.S.C. 206)

Signed at Washington, D.C., this 1st day of April 1968.

CLARENCE T. LUNDQUIST,
Administrator, Wage and Hour and Public Contracts Divisions.

[F.R. Doc. 68-4122; Filed, Apr. 8, 1968; 8:45 a.m.]

PART 608—HANDKERCHIEF, SCARF, AND ART LINEN INDUSTRY IN PUERTO RICO

Wage Rates

Pursuant to sections 5, 6, and 8 of the Fair Labor Standards Act of 1938 (52 Stat. 1062, 1064, as amended; 29 U.S.C. 205, 206, 208), and by means of Administrative Order No. 601 (33 F.R. 3382), the Secretary of Labor appointed and convened Review Committee No. 12, referred to it the question of the minimum wage rate or rates to be paid under section 6(c)(2)(C) of the Act, in lieu of those provided by section 6(c)(2)(B) of the Act, to employees in the handkerchief, scarf, and art linen industry in Puerto Rico, and gave notice of a hearing to be held by the Committee.

Subsequent to an investigation and a hearing conducted pursuant to the notice, the Committee filed with the Administrator of the Wage and Hour and Public Contracts Divisions of the Department of Labor a report containing its findings of fact and recommendations with respect to the matters referred to it.

Accordingly, as authorized and required by section 6(c)(2)(C) and section 8 of the Act, as amended, Reorganization Plan No. 6 of 1950 (3 CFR 1949–53 Comp., p. 1004), and Order No. 19–67 of the Secretary of Labor (32 F.R. 12980), the recommendations of Review Committee No. 12 are hereby published in this order. Subparagraph 608.2(a)(3); Subdivisions 608.2(a)(1)(i), 608.2(a)(2)(i), 608.2(a)(3)(i), 608.2(a)(4)(i); and subparagraph 608.2(b)(1) of 29 CFR Part 608 are amended as set forth below. As provided in section 6(c)(2)(B) and (C) of the Act these amendments will be effective April 2, 1968.

§ 608.2 Wage rates.

* * * * *

(a) *Previously covered classification.*

* * *

(1) *Hand-sewing on oblong scarves classification.* (i) The minimum wage for this classification is 98.5 cents an hour.

* * * * *

(2) *Other operations on oblong scarves classification.* (i) The minimum wage for this classification is $1.19 an hour.

* * * * *

(3) *Hand-sewing on products other than oblong scarves classification.* (i) The minimum wage for this classification is 42 cents an hour.

* * * * *

(4) *Other operations classification.* (i) The minimum wage for this classification is 66 cents an hour.

* * * * *

(b) *1961 enterprise coverage classification.* (1) The minimum wage for this classification is $1.19 an hour.

* * * * *

(Secs. 6, 8, 52 Stat. 1062, 1064, as amended; 29 U.S.C. 206, 208)

Signed at Washington, D.C., this 2d day of April 1968.

CLARENCE T. LUNDQUIST,
Administrator.

[F.R. Doc. 68-4197; Filed, Apr. 8, 1968; 8:47 a.m.]

PART 681—HOMEWORKERS IN CERTAIN INDUSTRIES IN PUERTO RICO

Minimum Piece Rate Increases

Pursuant to authority in section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206), Reorganization Plan No. 6 of 1950 (3 CFR 1949-53 Comp., p. 1004), and Order No. 19-67 of the Secretary of Labor (32 F.R. 12980), 29 CFR 681.9 (b) and (c) is amended as set out below.

This amendment merely articulates proportional increases in the minimum piece rates which § 681.9 requires to be paid by reason of increases in hourly rates under section 6(c)(2) of the Fair Labor Standards Amendments of 1966 (80 Stat. 839) which are effective April 2, 1968. For this reason, it is hereby found that notice and public procedure thereon are unnecessary. In addition, and for the same reason, good cause is found to curtail the customary delay in the effective date. This amendment shall be effective April 2, 1968.

As amended, 29 CFR 681.9 (b) and (c) reads as follows:

§ 681.9 Minimum piece rates prescribed by the Administrator.

* * * * *

(b) *Piece rate for hand-braiding leather buttons.* A minimum piece rate of 59 cents a gross shall be paid to homeworkers in Puerto Rico engaged in the hand-braiding of leather buttons, 24 to 30 ligne by the following method: Tying a braided knot around the tip of a finger, bringing the knot into a rounded button shape by pulling the ends of the strip, forming the button shank for the prepared shank end of the strip, and trimming the loose end by cutting off the excess leather; all operations to be performed upon undegreased leather strips, each of which has been cut in advance to suitable dimensions so that one end may be formed into the button shank and the remainder braided to become the rounded button.

(c) *Piece rates for the hand-lacing of leather wallets, leather wallet covers, and plastic wallets.* A minimum piece rate of 1.38 cents per dozen stitches shall be paid to homeworkers in Puerto Rico engaged in the hand-lacing, single stitch, with plastic lacing material, of leather wallets and leather wallet covers; a minimum piece rate of 3.38 cents per dozen stitches shall be paid to homeworkers in Puerto Rico engaged in the hand-lacing, double stitch, with plastic lacing material, of leather wallets and leather wallet covers; and a minimum piece rate of 4.20 cents per dozen stitches shall be paid to homeworkers in Puerto Rico engaged in hand-lacing, double stitch, with plastic lacing material, of plastic wallets.

(29 U.S.C. 206)

Signed at Washington, D.C. this 2d day of April 1968.

CLARENCE T. LUNDQUIST,
Administrator, Wage and Hour and Public Contracts Divisions.

[F.R. Doc. 68-4198; Filed, April 8, 1968; 8:47 a.m.]

Proposed Rule Making

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

[25 CFR Part 88]

INDIAN FISHING IN ALASKA

Annette Island Reserve

Basis and purpose. Notice is hereby given that pursuant to the authority contained in the Acts of March 3, 1891 (26 Stat. 1101), May 1, 1936 (49 Stat. 1250), and June 25, 1959 (73 Stat. 141), and Presidential Proclamation of April 28, 1916 (39 Stat. 1777), it is proposed to amend subsections (c) and (e) of section 88.3 of the Code of Federal Regulations, Title 25—Indians, dealing with the salmon trap fishing season and fishing area within the Annette Island Reserve by the Metlakatla Indian Community, Alaska. The purpose of this amendment is to permit the Metlakatla Indians and those people known as Metlakatlans an equal opportunity to catch their fair share of the total annual salmon run by the assurance of fishing time compatible with that allowed by the State of Alaska in adjacent districts.

It is the policy of the Department of the Interior, whenever practicable, to afford the public an opportunity to participate in the rule-making process. Accordingly, interested persons may submit written comments, suggestions, or objections with respect to the proposed amendment to the Commissioner, Bureau of Indian Affairs, 1951 Constitution Avenue NW., Washington, D.C., within 30 days from the date of publication of this notice in the FEDERAL REGISTER.

Paragraphs (c) and (e) of § 88.3 are amended to read as follows:

§ 88.3 Commercial fishing, Annette Islands Reserve.

* * * * *

(c) *Trap fishing season.* Fishing for salmon with traps operated by the Metlakatla Indian Community is permitted only at such times as commercial salmon fishing with purse seines is permitted by order or regulation of the Alaska Board of Fish and Game for Commercial Fishing in any part of the following area: from the point at which meridian 132°17'30" intersects the United States-Canadian boundary due north along said meridian to latitude 55°33'00", thence due east along said parallel to longitude 130°49'15", thence due south along said meridian to the point at which it intersects with the United States-Canadian boundary, thence due west along said boundary to the point of beginning.

* * * * *

(e) *Other forms of commercial fishing.* All commercial fishing, other than salmon fishing with traps, shall be in accordance with the season and gear restrictions established by rule or regulation for Fishing District No. 1F by the Alaska Board of Fish and Game for Commercial Fishing except that the season for purse seine fishing for salmon shall be same as provided in paragraph (c) of this section.

HARRY R. ANDERSON,
Assistant Secretary of the Interior.

APRIL 2, 1968.

[F.R. Doc. 68-4178; Filed, Apr. 8, 1968; 8:46 a.m.]

DEPARTMENT OF AGRICULTURE

Consumer and Marketing Service

[7 CFR Part 51]

GRADES OF CANTALOUPS [1]

Proposed Standards

Notice is hereby given that the U.S. Department of Agriculture is considering the amendment of U.S. Standards for Grades of Cantaloups (7 CFR, §§ 51.475–51.494C) pursuant to the Agricultural Marketing Act of 1946 (60 Stat. 1087, as amended; 7 U.S.C. 1621–1627).

All persons who desire to submit written data, views, or arguments for consideration in connection with the proposal should file the same in duplicate, not later than May 15, 1968, with the Hearing Clerk, U.S. Department of Agriculture, Room 112, Administration Building, Washington, D.C. 20250, where they will be available for public inspection during official hours of business (paragraph (b) of § 1.27, as amended at 29 F.R. 7311).

Statement of considerations leading to the proposed amendment of the grade standards. The U.S. Standards for Grades of Cantaloups were last revised effective April 15, 1961. At that time the grade standards were reworked to bring them in line with the current marketing practices. Due to the perishable nature of the product and to the length of the transit period between Western producing areas and Midwest and Eastern markets, it was recognized that certain types of defects could develop or change during transit or storage. Hence, destination tolerances for each of the grades were incorporated in the standards to allow for increases in condition factors associated with higher maturity being shipped in recent years.

These standards have now been in effect for almost 7 years. During this period they have proven to be very satisfactory to industry members as a useful tool in marketing cantaloups. However, recently it has been called to the Department's attention that an inconsistency exists in the tolerances for the U.S. Commercial grade.

The U.S. Commercial grade provides a tolerance of 16 percent for all types of defects at shipping point. At destination this tolerance is increased to 24 percent, but the percentage of permanent defects is limited to 16 percent, and the percentage of condition defects to 12 percent. Thus, a shipment of U.S. Commercial cantaloups with 15 percent defects (within the tolerance) at shipping point could not possibly grade U.S. Commercial in the market if these defects happened to be condition defects, even though there had been no change in transit.

The proposed amendment would establish a restricted tolerance of 12 percent for condition defects in the U.S. Commercial grade at shipping point. Limiting the percentage of condition defects at shipping point to what is now allowed at destination would correct the present inequity in the tolerances. Other tolerances in this grade would remain the same.

As proposed to be amended, subparagraph (1) of § 51.477(a) of the U.S. Standards for Grades of Cantaloups is changed to read as follows:

§ 51.477 U.S. Commercial.

* * * * *

(a) * * *

(a) *At shipping point.* 16 percent for cantaloups in any lot which fail to meet the requirements of this grade: *Provided,* That included in this amount not more than the following percentages shall be allowed for defects listed:

(i) 12 percent for cantaloups which fail to meet the requirements of this grade because of condition defects;

(ii) 4 percent for cantaloups which are seriously damaged, including therein not more than one-half of 1 percent for cantaloups affected by decay or mold.

* * * * *

(Secs. 203, 205, 60 Stat. 1087, as amended, 1090 as amended; 7 U.S.C. 1622, 1624)

Dated: April 3, 1968.

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

[F.R. Doc. 68-4194; Filed, Apr. 8, 1968; 8:46 a.m.]

[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.

[7 CFR Parts 1062, 1967]

[Docket Nos. AO 10–A37, AO 10–A39, AO 222–A23]

MILK IN ST. LOUIS, MO., AND OZARKS MARKETING AREAS

Notice of Extension of Time for Filing Exceptions to Recommended Decision on Proposed Amendments to Tentative Marketing Agreements and to Orders

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given that the time for filing exceptions to the recommended decision with respect to the proposed amendments to the tentative marketing agreements and to the orders regulating the handling of milk in the St. Louis, Mo., and Ozarks marketing areas, which was issued March 18, 1968 (33 F.R. 4808), is hereby extended to April 25, 1968.

Signed at Washington, D.C., on April 3, 1968.

JOHN C. BLUM,
Deputy Administrator,
Regulatory Programs.

[F.R. Doc. 68–4195; Filed, Apr. 8, 1968; 8:46 a.m.]

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

[14 CFR Part 71]

[Airspace Docket No. 68–SO–5]

AIRWAY AND TRANSITION AREA

Proposed Revocation and Alteration

The Federal Aviation Administration is considering amendments to Part 71 of the Federal Aviation Regulations which would revoke VOR Federal airway No. 20N between Mobile, Ala., and Monroeville, Ala.; and would enlarge the Mobile, Ala., transition area.

Interested persons may participate in the proposed rule making by submitting such written data, views, or arguments as they may desire. Communications should identify the airspace docket number and be submitted in triplicate to the Director, Southern Region, Attention: Chief, Air Traffic Division, Federal Aviation Administration, Post Office Box 20636, Atlanta, Ga. 30320. 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. The proposals contained in this notice may be changed in the light of comments received.

An official docket will be available for examination by interested persons at the Federal Aviation Administration, Office of the General Counsel, Attention: Rules Docket, 800 Independence Avenue SW., Washington, D.C. 20590. An informal docket will also be available for examination at the office of the Regional Air Traffic Division Chief.

At the present time, V–20N is designated in part from Mobile via the INT of the Mobile 033° T (028° M) and the Monroeville 250° T (246° M) radials to Monroeville. The portion of this airway segment between the INT of the Mobile 033° T (028° M) and the Monroeville 250° T (246° M) radials and Monroeville is coincident with V–70. Radials 028° T (023° M) through 038° T (033° M) of the Mobile VOR are unusable due to severe scalloping. Realignment of this airway segment via usable radials of the Mobile VOR is not feasible. It is therefore proposed to revoke V–20N between Mobile and Monroeville.

The revocation of V–20N as proposed herein would leave a small area of uncontrolled airspace northeast of Mobile between V–20 and V–70. This area is used by Houston Center for radar vectoring aircraft operating to and from Mobile, and aircraft operating between New Orleans, La., and Atlanta, Ga. It is therefore proposed to enlarge the Mobile transition area to retain the presently designated controlled airspace.

These amendments are proposed under the authority of section 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348).

Issued in Washington, D.C., on April 1, 1968.

H. B. HELSTROM,
Chief, Airspace and Air
Traffic Rules Division.

[F.R. Doc. 68–4209; Filed, Apr. 8, 1968; 8:48 a.m.]

[14 CFR Part 71]

[Airspace Docket No. 68–WE–15]

FEDERAL AIRWAY

Proposed Extension

The Federal Aviation Administration is considering an amendment to Part 71 of the Federal Aviation Regulations that would extend VOR Federal airway No. 330 from Jackson, Wyo., with a 1,200-foot AGL floor direct to Riverton, Wyo. This proposed airway extension would provide a direct route with controlled airspace for instrument flight rule air traffic operating between these terminals.

Interested persons may participate in the proposed rule making by submitting such written data, views, or arguments as they may desire. Communications should identify the airspace docket number and be submitted in triplicate to the Director, Western Region, Attention: Chief, Air Traffic Division, Federal Aviation Administration, 5651 West Manchester Avenue, Post Office Box 90007, Airport Station, Los Angeles, Calif. 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 amendment. The proposal contained in this notice may be changed in the light of comments received.

An official docket will be available for examination by interested persons at the Federal Aviation Administration, Office of the General Counsel, Attention: Rules Docket, 800 Independence Avenue SW., Washington, D.C. 20590. An informal docket also will be available for examination at the office of the Regional Air Traffic Division Chief.

This amendment is proposed under the authority of section 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348).

Issued in Washington, D.C., on April 1, 1968.

H. B. HELSTROM,
Chief, Airspace and Air
Traffic Rules Division.

[F.R. Doc. 68–4210; Filed, Apr. 8, 1968; 8:48 a.m.]

[14 CFR Part 71]

[Airspace Docket No. 68–WA–5]

TRANSITION AREA

Proposed Alteration

The Federal Aviation Administration is considering an amendment to Part 71 of the Federal Aviation Regulations that would alter the Santa Barbara, Calif., transition area.

As parts of these proposals relate to the navigable airspace outside the United States, this notice is submitted in consonance with the ICAO International Standards and Recommended Practices.

Applicability of International Standards and Recommended Practices, by the Air Traffic Service, FAA, in areas outside domestic airspace of the United States is governed by Article 12 and Annex 11 to the Convention on International Civil Aviation (ICAO), which pertains to the establishment of air navigation facilities and services necessary to promoting the safe, orderly and expeditious flow of civil air traffic. Its purpose is to insure that civil flying on international air routes is carried out under uniform conditions designed to improve the safety and efficiency of air operations.

The International Standards and Recommended Practices in Annex 11 apply in those parts of the airspace under the jurisdiction of a contracting state, derived from ICAO, wherein air traffic services are provided and also whenever a contracting state accepts the responsibilty of providing air traffic services over high seas or in airspace of undertemined sovereignty. A contracting state accepting such responsibility may apply the International Standards and Recommended Practices to civil aircraft in a manner consistent with that adopted for airspace under its domestic jurisdiction.

In accordance with Article 3 of the Convention on International Civil Aviation, Chicago, 1944, state aircraft are exempt from the provisions of Annex 11 and its Standards and Recommended Practices. As a contracting state, the United States agreed by Article 3(d) that

its state aircraft will be operated in international airspace with due regard for the safety of civil aircraft.

Since this action involves, in part, the designation of navigable airspace outside the United States, the Administrator has consulted with the Secretary of State and the Secretary of Defense in accordance with the provisions of Executive Order 10854.

Interested persons may participate in the proposed rule making by submitting such written data, views, or arguments as they may desire. Communications should identify the airspace docket number and be submitted in triplicate to the Director, Western Region, Attention: Chief, Air Traffic Division, Federal Aviation Administration, 5651 West Manchester Avenue, Post Office Box 90007, Los Angeles, Calif. 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. The proposals contained in this notice may be changed in the light of comments received.

An official docket will be available for examination by interested persons at the Federal Aviation Administration, Office of the General Counsel, Attention: Rules Docket, 800 Independence Avenue SW., Washington, D.C. 20590. An informal docket also will be available for examination at the office of the Regional Air Traffic Division Chief.

The proposal contained in this docket would alter the 700-foot floor portion of the Santa Barbara transition area as follows:

That airspace extending upward from 700 feet above the surface within 2 miles each side of the Santa Barbara ILS localizer west course, extending from the OM to 2 miles west of the OM; between the arcs of a 5-mile radius circle and an 8.5-mile radius circle centered on the Santa Barbara Municipal Airport (lat. 34°25'35" N., long. 119°50'20" W.), extending clockwise from a line 2 miles north of the 089° True bearing from the Santa Barbara LMM to a line 2.5 miles south of the 115° True bearing from the LMM; and within 2 miles east and 7 miles west of the Santa Barbara VORTAC 196° radial, extending from a 5-mile radius circle centered on the Santa Barbara Municipal Airport to 15.5 miles south of the VORTAC.

The proposed amendment to the Santa Barbara transition area is necessary to provide controlled airspace for aircraft executing prescribed instrument departure procedures from Santa Barbara.

This amendment is proposed under the authority of sections 307(a) and 1110 of the Federal Aviation Act of 1958 (49 U.S.C. 1348 and 1510) and Executive Order 10854 (24 F.R. 9565).

Issued in Washington, D.C., on April 1, 1968.

H. B. HELSTROM,
Chief, Airspace and Air Traffic Rules Division.

[F.R. Doc. 68-4211; Filed, Apr. 8, 1968; 8:48 a.m.]

Notices

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[Supplement to Bureau of Land Management Manual 1510]

CHIEF, BRANCH OF ADMINISTRATIVE SERVICES ET AL.

Delegation of Authority Regarding Contracts and Leases

MARCH 27, 1968.

A. Pursuant to delegation of authority contained in Bureau Manual 1510–03B2c and 1510–03C, the following are hereby redelegated the authorities contained in Bureau Manual 1510–03B2c in the amounts shown:

1. Chief, Branch of Administrative Services:

(a) May enter into contracts after formal advertising regardless of amount.

(b) May enter into leases of space in real estate: *Provided*, That the conditions set forth in FPMR 101–18.106 are met.

(c) May enter into negotiated contracts without advertising pursuant to section 1 through 15 of the FPAS Act, as amended, with the following limitations:

1. Negotiation under section 302(c) (1) is restricted to contracts not exceeding $25,000.

2. Negotiation under section 302(c) (1) must be preceded by a determination and findings by the Director if the proposed contract does not exceed $25,000. If the contract exceeds $25,000, a determination and findings of the Secretary is required.

3. Negotiation under section 302(c) (12) and (13) requires a determination and findings by a Secretarial officer.

(d) May procure necessary supplies and services up to $2,500, and from established sources (GSA, FSS, etc.) in any amount.

2. Chief, Procurement Section:

(a) May enter into contracts after formal advertising regardless of amount.

(b) May enter into negotiated contracts without advertising pursuant to sections 1 through 15 of the FPAS Act, as amended, with the following limitations:

1. Negotiations under section 302(c) (1) is restricted to contracts not exceeding $25,000.

2. Negotiation under section 302(c) (1) must be preceded by a determination and findings by the Director if the proposed contract does not exceed $25,000. If the contract exceeds $25,000, a determination and findings of the Secretary is required.

3. Negotiated under section 302(c) (12) and (13) requires a determination and findings by a Secretarial officer.

(c) May procure necessary supplies and services up to $2,500, and from established sources (GSA, FSS, etc.) in any amount.

3. Chief, Property Management Section:

(a) May enter into leases of space in real estate, provided that the conditions set forth in FPMR 101–18.106 are met.

(b) May sign Government Bills of Lading which obligate funds for transportation charges.

(c) May sign Government Printing Office orders which obligate funds for printing and duplicating charges.

4. Procurement Agents, Contracting Unit:

(a) May enter into contracts after formal advertising not exceeding $10,000.

(b) May enter into negotiated contracts without advertising pursuant to section 302(c) (5) of the FPAS Act, as amended.

5. Procurement Agent, Supply Procurement Unit:

(a) May procure necessary supplies and services up to $2,500, and from established sources (GSA, FSS, etc.) in any amount.

6. Supervisor Property Management Specialist (BLM Forms Center):

(a) May sign Government Bills of Lading which obligate funds for transportation charges.

(b) May sign Government Printing Office orders which obligate funds for printing and duplicating charges.

B. The authorities contained herein may not be redelegated.

C. This Delegation of Authority is effective February 14, 1968.

GARTH H. RUDD,
Director,
Denver Service Center.

[F.R. Doc. 68–4179; Filed, Apr. 8, 1968; 8:45 a.m.]

[N–294, N–519]

NEVADA

Notice of Termination of Proposed Withdrawal and Reservation of Lands

APRIL 2, 1968.

Notices of Federal Aviation Agency's applications, N–294 and N–519, for withdrawal and reservation of lands for operation of the existing Mount Wilson VORTAC site and construction and operation of a TACAN site, respectively, were published as FEDERAL REGISTER Document No. 66–12471, on page 14657 of the issue for November 17, 1966, N–294, and No. 66–13448, on page 15816 of the issue for December 15, 1966, N–519. The applicant agency has canceled its applications involving the lands described in the FEDERAL REGISTER publications referred to above. Therefore, pursuant to the regulations contained in 43 CFR Part 2311, such lands at 10 a.m., on May 2, 1968, will be relieved of the segregative effect of the above-mentioned applications.

ROLLA E. CHANDLER,
Land Office Manager.

[F.R. Doc. 68–4180; Filed, Apr. 8, 1968; 8:45 a.m.]

[Kanab District Supplement to Bureau of Land Management Manual 1510]

CHIEF, DIVISION OF ADMINISTRATION

Delegation of Authority Regarding Contracts and Leases

A. Pursuant to delegation of authority contained in USO Manual Supplement 1–20 to Bureau Manual 1510–03B2d, the Chief, Division of Administration is authorized:

1. To enter into contracts with established sources for supplies and services, excluding capitalized equipment, regardless of amount, and

2. To enter into contracts on the open market for supplies and materials, excluding capitalized equipment, not to exceed $500 per transaction provided that the requirement is not available from established sources.

DONALD G. GIPE,
District Manager.

[F.R. Doc. 68–4181; Filed, Apr. 8, 1968; 8:45 a.m.]

[OR 1898]

OREGON

Notice of Classification of Public Lands for Multiple-Use Management

APRIL 1, 1968.

1. Pursuant to the Act of September 19, 1964 (43 U.S.C. 1411–18) and to the regulations in 43 CFR Parts 2410 and 2411, the public lands within the areas described in paragraph 3, together with any lands therein that may become public lands in the future, are hereby classified for multiple-use management. Publication of this notice has the effect of segregating the lands described in paragraph 3 from appropriation only under the agricultural land laws (43 U.S.C., Chs. 7 and 9; 25 U.S.C. sec. 334) and from sales under section 2455 of the Revised Statutes (43 U.S.C. 1171) and the lands shall remain open to all other applicable forms of appropriation including the mining and mineral leasing laws. As used herein, "public lands" means any lands withdrawn or reserved by Executive Order No. 6910 of November 26, 1934, as amended, or within a grazing district established pursuant to the Act of June 28, 1934 (48 Stat. 1269), as amended, which are not otherwise withdrawn or reserved for a Federal use or purpose.

2. Comments were received following publication of the notice of proposed classification (32 F.R. 15494) and at the public hearing held on November 30, 1967. All comments concerning the proposed classification were carefully evaluated. No change in the proposed classification, as a result of the comments, is believed to be warranted. The record showing comments received and other information is on file and can be examined at the Burns District Office.

3. As provided in paragraph 1 above, the public lands affected by this classification are located within the following described area and are shown on a map designated "Oregon 1898, 2411.2, 36–020, May 1967" on file in the Burns District Office, Bureau of Land Management, Burns, Oreg., and the Land Office, Bureau of Land Management, 729 Northeast Oregon Street, Portland, Oreg.

WILLAMETTE MERIDIAN

HARNEY COUNTY

T. 18 S., R. 33½ E.,
Secs. 22 to 27, inclusive, and secs. 32 to 35, inclusive.
T. 18 S., R. 34 E.,
Sec. 16, secs. 20 to 29, inclusive, and secs. 32 to 36, inclusive.
T. 18 S., R. 35 E.,
Secs. 19 to 35, inclusive.
T. 18 S., R. 36 E.,
Secs. 1 to 15, inclusive, and secs. 18 to 35, inclusive.
T. 19 S., R. 25 E.,
Secs. 8, 15, 28, and 32.
T. 19 S., R. 31 E.,
Secs. 2, secs. 11 to 14, inclusive, secs. 24, 25, and 36.
T. 19 S., R. 32 E.,
Sec. 3, W½, secs. 4 to 7, inclusive, secs. 17 to 22, inclusive, secs. 27 to 29, inclusive, and secs. 31 to 34, inclusive.
T. 19 S., R. 33½ E.,
Secs. 2, 3, 11, 12, 13, 14, secs. 16 to 20, inclusive, and secs. 24 to 36, inclusive.
T. 19 S., R. 34 E.,
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T. 19 S., R. 35 E.,
Secs. 1 to 21, inclusive, secs. 23, 24, 26 to 34, inclusive, and sec. 36.
T. 19 S., R. 36 E.,
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T. 20 S., R. 28 E.,
Secs. 33, 34, and 35.
T. 20 S., R. 29 E.,
Secs. 11 to 16, inclusive, secs. 20 to 28, inclusive, and secs. 31 to 35, inclusive.
T. 20 S., R. 30 E.,
Sec. 5, N½ and SW¼, secs. 6 to 8 inclusive, secs. 17 to 23, inclusive, secs. 27 to 34, inclusive, and sec. 36.
T. 20 S., R. 32 E.,
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T. 20 S., R. 33½ E.,
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T. 20 S., R. 34 E.,
Secs. 1 to 36, inclusive.
T. 20 S., R. 35 E.,
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T. 20 S., R. 36 E.,
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T. 21 S., R. 25 E.,
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T. 21 S., R. 26 E.,
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Secs. 7 and 10, inclusive, secs. 17 to 22, inclusive;
Sec. 28, W½;
Secs. 29 and 30;
Sec. 31, N½;
Sec. 32, N½.
T. 21 S., R. 28 E.,
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T. 21 S., R. 29 E.,
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T. 21 S., R. 30 E.,
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T. 21 S., R. 31 E.,
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T. 21 S., R. 32 E.,
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T. 21 S., R. 32½ E.,
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T. 21 S., R. 33 E.,
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T. 21 S., R. 35 E.,
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T. 21 S., R. 36 E.,
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T. 22 S., R. 24 E.,
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T. 22 S., R. 25 E.,
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T. 22 S., R. 26 E.,
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T. 22 S., R. 27 E.,
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T. 22 S., R. 28 E.,
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T. 22 S., R. 29 E.,
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T. 22 S., R. 31 E.,
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T. 22 S., R. 32½ E.,
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T. 22 S., R. 33 E.,
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T. 22 S., R. 34 E.,
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T. 22 S., R. 35 E.,
Secs. 1 to 11, inclusive, secs. 13, 15 to 20, inclusive, secs. 22 to 27, inclusive, sec. 30, and secs. 32 to 36, inclusive.
T. 22 S., R. 36 E.,
Secs. 1 to 36 inclusive.
T. 23 S., R. 24 E.,
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T. 23 S., R. 25 E.,
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T. 23 S., R. 26 E.,
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T. 23 S., R. 27 E.,
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T. 23 S., R. 30 E.,
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T. 23 S., R. 33 E.,
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T. 23 S., R. 35 E.,
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T. 23 S., R. 36 E.,
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T. 24 S., R. 24 E.,
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T. 24 S., R. 27 E.,
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T. 24 S., R. 28 E.,
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T. 24 S., R. 29 E.,
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T. 24 S., R. 34 E.,
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T. 24 S., R. 35 E.,
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T. 24 S., R. 36 E.,
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T. 25 S., R. 24 E.,
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T. 25 S., R. 25 E.,
Secs. 1 to 36, inclusive
T. 25 S., R. 26 E.,
Secs. 1 to 36, inclusive.
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T. 25 S., R. 28 E.,
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T. 25 S., R. 29 E.,
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T. 25 S., R. 30 E.,
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T. 25 S., R. 34 E.,
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T. 25 S., R. 35 E.,
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T. 26 S., R. 24 E.,
Secs. 1 to 7, inclusive, secs. 9 to 16, inclusive, secs. 19 to 25, inclusive, and secs. 27 to 36, inclusive.
T. 26 S., R. 25 E.,
Secs. 1 to 36, inclusive.
T. 26 S., R. 26 E.,
Secs. 1 to 36, inclusive.
T. 26 S., R. 27 E.,
Secs. 1 to 36, inclusive.

T. 26 S., R. 28 E.,
Secs. 5 to 8, inclusive, secs. 17 to 22, inclusive, and secs. 27 to 34, inclusive.
T. 26 S., R. 29 E.,
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T. 26 S., R. 30 E.,
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T. 26 S., R. 32 E., South of Malheur Lake,
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T. 26 S., R. 33 E.,
Sec. 3 and secs. 10 to 34, inclusive.
T. 26 S., R. 34 E.,
Secs. 1 to 5, inclusive, secs. 7, 8, 10 to 15, inclusive, secs. 17, 18, 20 to 29, inclusive, and secs. 31 to 35, inclusive.
T. 26 S., R. 35 E.,
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T. 27 S., R. 24 E.,
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T. 27 S., R. 25 E.,
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T. 27 S., R. 29 E.,
Secs. 5 to 9, inclusive, secs. 16 to 23, inclusive, and secs. 25 to 36, inclusive.
T. 27 S., R. 29½ E.,
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T. 27 S., R. 30 E.,
Sec. 16 and secs. 19 to 36, inclusive.
T. 27 S., R. 31 E.,
Secs. 1, 2, 11 to 14, inclusive, 23 to 26, inclusive, and sec. 35.
T. 27 S., R. 32 E.,
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T. 27 S., R. 33 E.,
Secs. 1, 2, and secs. 4 to 36, inclusive.
T. 27 S., R. 34 E.,
Secs. 1 to 10, inclusive, secs. 17 to 21, inclusive, secs. 23, 26 to 34, inclusive, and sec. 36.
T. 27 S., R. 35 E.,
Secs. 1 to 15, inclusive, secs. 17, 18, and secs. 20 to 36, inclusive.
T. 27 S., R. 36 E.,
Secs. 1 to 5, inclusive, and secs. 7 to 35, inclusive.
T. 28 S., R. 24 E.,
Secs. 1 to 36, inclusive.
T. 28 S., R. 25 E.,
Secs. 1 to 36, inclusive.
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T. 28 S., R. 29½ E.,
Secs. 1 to 11, inclusive, and secs. 13 to 36, inclusive.
T. 28 S., R. 29¾ E.,
Secs. 1 to 3, inclusive, secs. 11 to 14, inclusive, secs. 22 to 27, inclusive, secs. 34, 35, and 36.
T. 28 S., R. 30 E.,
Secs. 1 to 36, inclusive.
T. 28 S., R. 31 E.,
Secs. 1, 2, 3, 6, 7, secs. 10 to 15, inclusive, secs. 18, 19, 22 to 25, inclusive, secs. 29 to 32, inclusive, and sec. 36.
T. 28 S., R. 32 E.,
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T. 28 S., R. 33 E.,
Secs. 1 to 20, inclusive, secs. 22 to 24, inclusive, secs. 26, 27, and secs. 29 to 35, inclusive.
T. 28 S., R. 34 E.,
Secs. 1 to 6, inclusive, secs. 10 to 16, inclusive, secs. 19 to 30, inclusive, and secs. 32 to 35, inclusive.
T. 28 S., R. 35 E.,
Secs. 1 to 19, inclusive, and secs. 21 to 36, inclusive.
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Secs. 1 to 36, inclusive.
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Secs. 1 to 3, inclusive, secs. 10 to 15, inclusive, secs. 22 to 27, inclusive, and secs. 34 to 36, inclusive.
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T. 29 S., R. 33 E.,
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T. 32 S., R. 32½ E.,
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T. 32 S., R. 32¾ E.,
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T. 32 S., R. 33 E.,
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Secs. 4, 9, 10, 15, 19, 20, 22, and 27.
T. 34 S., R. 32 E.,
Secs. 1 to 5, inclusive, secs. 8 to 16, inclusive, secs. 21 to 27, inclusive, and secs. 34 to 36, inclusive.
T. 34 S., R. 32½ E.,
Secs. 1 to 36, inclusive.
T. 34 S., R. 32¾ E.,
Secs. 2 to 26, inclusive, and secs. 28 to 35, inclusive.
T. 34 S., R. 33 E.,
Secs. 1 to 5, inclusive, secs. 8 to 15, inclusive, secs. 17, 21 to 29, inclusive, and secs. 32 to 36, inclusive.
T. 34 S., R. 34 E.,
Secs. 4 to 9, inclusive, secs. 17 to 20, inclusive, and secs. 22 to 36, inclusive.
T. 34 S., R. 35 E.,
Secs. 1 to 5, inclusive, secs. 8 to 17, inclusive, and secs. 19 to 36, inclusive.
T. 34 S., R. 36 E.,
Secs. 1 to 36, inclusive.
T. 35 S., R. 29 E.,
Secs. 1 to 36, inclusive.
T. 35 S., R. 30 E.,
Secs. 1 to 32, inclusive, and secs. 34 and 36.
T. 35 S., R. 31 E.,
Sec. 1, secs. 3 to 15, inclusive, secs. 17 to 22, inclusive, secs. 25, 28, 30, 32, and 34.
T. 35 S., R. 32 E.,
Secs. 1, 2, 3, 6, 7, 8, 10 to 15, inclusive, 23, 24, 25, 30, and 31.
T. 35 S., R. 32½ E.,
Secs. 1 to 24, inclusive, secs. 26 to 30, inclusive, 32, and 34.
T. 35 S., R. 32¾ E.,
Secs. 1 to 13, inclusive, 16, 17, 18, 20 to 30, inclusive, and 36.
T. 35 S., R. 33 E.,
Secs. 1, 2, 4, 5, 8, 9, 10, 12, 16, 17, 22, 24, 28, 32, 34, and 36.
T. 35 S., R. 34 E.,
Secs. 1 to 14, inclusive, 16, 18, 20, 22, 24, 26, 28, 30, 32, 34, and 36.
T. 35 S., R. 35 E.,
Secs. 1 to 18, inclusive, secs. 20 to 28, inclusive, 30, and secs. 33 to 36, inclusive.
T. 35 S., R. 36 E.,
Secs. 1 to 36, inclusive.
T. 35½ S., R. 32 E.,
Secs. 30 and 33.
T. 35½ S., R. 32½ E.,
Secs. 20, 22, 28, 30, 32, and 34.
T. 35½ S., R. 32¾ E.,
Secs. 24, 26, and 36.
T. 36 S., R. 29 E.,
Secs. 2, 4, 5, 6, 8, 10, 12, 14, 16, 18, 20, 22, 24, 26, 28, 30, 32, 34, 35, and 36.
T. 36 S., R. 30 E.,
Secs. 2, 4, 6, 8, 10, 12, 14, 16, 17, 18, and secs. 22 to 36, inclusive.
T. 36 S., R. 31 E.,
Secs. 2, 4, 6, 8, 10, 12, 14, 18, 19, 20, 22, 24, 26, and secs. 28 to 35, inclusive.
T. 36 S., R. 32 E.,
Secs. 9, 10, 16, 20, 22, 25, secs. 27 to 29, inclusive, and secs. 32 to 36, inclusive.
T. 36 S., R. 32½ E.,
Secs. 2, 10, 14, 15, secs. 19 to 23, inclusive, and secs. 25 to 36, inclusive.
T. 36 S., R. 32¾ E.,
Secs. 2, 12 to 14, inclusive, 20, 23 to 28 inclusive, and 30 to 36, inclusive.
T. 36 S., R. 33 E.,
Secs. 3, 4, 6, 8, 13, secs. 16 to 26, inclusive, and secs. 28 to 35, inclusive.
T. 36 S., R. 34 E.,
Secs. 4, 6 to 10, inclusive, and 15 to 36, inclusive.
T. 36 S., R. 35 E.,
Secs. 1 to 4, inclusive, and secs. 8 to 36, inclusive.
T. 36 S., R. 36 E.,
Secs. 5, 6, 8, 18, 20, 30, and 32.
T. 37 S., R. 29 E.,
Secs. 1 to 36, inclusive.
T. 37 S., R. 30 E.,
Secs. 1 to 36, inclusive.
T. 37 S., R. 31 E.,
Secs. 1 to 36, inclusive.
T. 37 S., R. 32 E.,
Secs. 1 to 5, inclusive, secs. 8 to 17, inclusive, secs. 20 to 29, inclusive, and secs. 32 to 36, inclusive.
T. 37 S., R. 32½ E.,
Secs. 1 to 36, inclusive.
T. 37 S., R. 32¾ E.,
Secs. 1 to 36, inclusive.
T. 37 S., R. 33 E.,
Secs. 1 to 36, inclusive.
T. 37 S., R. 34 E.,
Secs. 1 to 36, inclusive.
T. 37 S., R. 35 E.,
Secs. 1 to 36, inclusive.
T. 37 S., R. 36 E.,
Secs. 6, 8, secs. 16 to 22, inclusive, and secs. 24 to 35, inclusive.
T. 38 S., R. 29 E.,
Secs. 1 to 36, inclusive.
T. 38 S., R. 30 E.,
Secs. 1 to 36, inclusive.
T. 38 S., R. 31 E.,
Secs. 1 to 36, inclusive.
T. 38 S., R. 32 E.,
Secs. 13 to 36, inclusive.
T. 38 S., R. 33 E.,
Secs. 13 to 36, inclusive.
T. 38 S., R. 34 E.,
Secs. 13 to 36, inclusive.
T. 38 S., R. 35 E.,
Secs. 13 to 36, inclusive.
T. 38 S., R. 36 E.,
Secs. 13 to 36, inclusive.
T. 38 S., R. 37 E.,
Secs. 13 to 36, inclusive.
T. 38 S., R. 38 E.,
Secs. 13 to 36, inclusive.
T. 39 S., R. 29 E.,
Secs. 1 to 36, inclusive.
T. 39 S., R. 30 E.,
Secs. 1 to 36, inclusive.
T. 39 S., R. 31 E.,
Secs. 1 to 36, inclusive.
T. 39 S., R. 32 E.,
Secs. 1 to 36, inclusive.
T. 39 S., R. 33 E.,
Secs. 1 to 36, inclusive.
T. 39 S., R. 34 E.,
Secs. 1 to 36, inclusive.
T. 39 S., R. 35 E.,
Secs. 1 to 13, inclusive, secs. 15 to 22, inclusive, and secs. 26 to 35, inclusive.
T. 39 S., R. 36 E.,
Secs. 1 to 30, inclusive, and secs. 32 to 36, inclusive.
T. 39 S., R. 37 E.,
Secs. 1 to 15, inclusive, and secs. 17 to 36, inclusive.
T. 39 S., R. 38 E.,
Secs. 1 to 36, inclusive.
T. 40 S., R. 29 E.,
Secs. 1 to 36, inclusive.
T. 40 S., R. 30 E.,
Secs. 1 to 36, inclusive.
T. 40 S., R. 31 E.,
Secs. 1 to 36, inclusive.
T. 40 S., R. 32 E.,
Secs. 1 to 36, inclusive.
T. 40 S., R. 33 E.,
Secs. 1 to 36, inclusive.
T. 40 S., R. 34 E.,
Secs. 1 to 36, inclusive.
T. 40 S., R. 35 E.,
Secs. 1 to 33, inclusive, 35, and 36.
T. 40 S., R. 36 E.,
Secs. 1 to 36, inclusive.
T. 40 S., R. 37 E.,
Secs. 1 to 36, inclusive.
T. 40 S., R. 38 E.,
Secs. 1 to 36, inclusive.
T. 41 S., R. 29 E.,
Secs. 1 to 24, inclusive.
T. 41 S., R. 30 E.,
Secs. 1 to 24, inclusive.
T. 41 S., R. 31 E.,
Secs. 1 to 24, inclusive.
T. 41 S., R. 32 E.,
Secs. 1 to 24, inclusive.
T. 41 S., R. 33 E.,
Secs. 1 to 24, inclusive.
T. 41 S., R. 34 E.,
Secs. 1 to 24, inclusive.
T. 41 S., R. 35 E.,
Secs. 1 to 15, inclusive, and secs. 17 to 24, inclusive.
T. 41 S., R. 36 E.,
Secs. 1 to 24, inclusive.
T. 41 S., R. 37 E.,
Secs. 1 to 17, inclusive, 20, 21, 22, and 24.
T. 41 S., R. 38 E.,
Secs. 1 to 6, inclusive, and secs. 8 to 24, inclusive.

The areas described aggregate approximately 4,135,000 acres of public land.

4. For a period of 30 days from the date of publication in the FEDERAL REGISTER, this classification shall be subject to the exercise of administrative review and modification by the Secretary of the Interior as provided for in 43 CFR 2411.2(d).

5. Interested parties may submit comments to the Secretary of the Interior, LLM 721, Washington, D.C. 20240.

IRVING W. ANDERSON,
Acting State Director.

[F.R. Doc. 68-4182; Filed, Apr. 8, 1968; 8:45 a.m.]

DEPARTMENT OF AGRICULTURE

Agricultural Stabilization and Conservation Service

PRICES FOR HAWAIIAN SUGARCANE AND DESIGNATION OF PRESIDING OFFICERS

Notice of Hearing

Pursuant to the authority contained in section 301(c)(2) of the Sugar Act of 1948, as amended (61 Stat. 929; 7 U.S.C. 1131), and in accordance with the rules of practice and procedure applicable to fair price proceedings (7 CFR 802.1 et seq.), notice is hereby given that a public hearing will be held in Hilo, on the Island of Hawaii, in the Auditorium of the Hilo Electric Light Co., Ltd., on May 10, 1968, beginning at 9 a.m.

The purpose of this hearing is to receive evidence likely to be of assistance to the Secretary of Agriculture in determining, pursuant to the provisions of section 301(c)(2) of said act, fair and reasonable prices or rates for the 1968 crop of Hawaiian sugarcane to be paid, under either purchase or toll agreements, by producers who process sugarcane grown by other producers and who apply for payments under the said act.

The hearing after being called to order at the time and place mentioned herein, may be continued from day to day within the discretion of the presiding officers, and may be adjourned to a later day or to a different place without notice other than the announcement thereof at the hearing by the presiding officers.

In the interest of obtaining the best possible information, all interested persons are requested to appear at the hearing to express their views and present appropriate data in regard to the foregoing matter. All written submissions made pursuant to this notice will be made available for public inspection at such times and places and in a manner convenient to the public business (7 CFR 1.27(b)).

C. M. Cox, A. A. Greenwood, D. E. McGarry, C. F. Denny, Ward S. Stevenson, and M. Katsuki, are hereby designated as presiding officers to conduct either jointly or severally the foregoing hearing.

Signed at Washington, D.C., on April 3, 1968.

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

[F.R. Doc. 68-4191; Filed, Apr. 8, 1968; 8:46 a.m.]

Federal Crop Insurance Corporation

[Notice 34]

CANNING AND FREEZING PEAS (CARIBOU AND FRANKLIN COUNTIES, IDAHO)

Extension of the Closing Date for Filing of Applications for the 1968 Crop Year

Pursuant to the authority contained in § 401.3 of Title 7 of the Code of Federal Regulations, and pursuant to paragraph 1 of the resolution adopted by the Board of Directors of the Federal Crop Insurance Corporation on March 19, 1954, the time for filing applications for canning and freezing pea crop insurance for the 1968 crop year in Caribou and Franklin Counties, Idaho, is hereby extended until the close of business on April 12, 1968. Such applications received during this period will be accepted only after it is determined that no adverse selectivity will result.

[SEAL] JOHN N. LUFT,
Manager, Federal Crop Insurance Corporation.

[F.R. Doc. 68-4196; Filed, Apr. 8, 1968; 8:47 a.m.]

DEPARTMENT OF COMMERCE

Business and Defense Services Administration

COLUMBIA UNIVERSITY

Notice of Decision on Application for Duty-Free Entry of Scientific Article

The following is a decision on an application for duty-free entry of a scientific article pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651; 80 Stat. 897) and the regulations issued thereunder (32 F.R. 2433 et seq.).

A copy of the record pertaining to this decision is available for public review during ordinary business hours of the Department of Commerce, at the Office of Scientific and Technical Equipment, Department of Commerce, Room 5123, Washington, D.C. 20230.

Docket No. 68-00207-00-61030. Applicant: Columbia University, Department of Civil Engineering and Engineering Mechanics, 120th Street and Amsterdam Avenue, New York, N.Y. 10028. Article: Electronic Dynamometer with measuring set control unit, automatic program controls and motor generator set. Manufacturer: Carl Schenck Maschinenfabrik, West Germany. Intended use of article: These are components that will be used to update the performance of the existing equipment used by the applicant to study fatigue of metals and metal structures. These parts will modify the performance characteristics of present testing apparatus to that of a new 60-ton horizontal fatigue testing constant amplitude pulsator manufactured by the Schenck Maschinenfabrik in West Germany. Comments: No comments have been received in respect to this application. Decision: Application approved. No instrument or apparatus of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used, is being manufactured in the United States. Reasons: The foreign article and the accompanying accessories are replacement components for a fatigue testing apparatus now in the possession of the applicant, which was also manufactured by Carl Schenck Maschinenfabrik. The foreign article and the accompanying accessories are to be used for modernizing the existing apparatus. The Department of Commerce knows of no similar article and accessories being manufactured in the United States, which are adaptable to the Schenck fatigue testing apparatus.

JAMES TREMANTE,
Acting Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration.

[F.R. Doc. 68-4172; Filed, Apr. 8, 1968; 8:45 a.m.]

RESEARCH FOUNDATION OF STATE UNIVERSITY OF NEW YORK ET AL.

Notice of Applications for Duty-Free Entry of Scientific Articles

The following are notices of the receipt of applications for duty-free entry of scientific articles pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651; 80 Stat. 897). Interested persons may present their views with respect to the question of whether an instrument or apparatus of equivalent scientific value for the purposes for which the article is intended to be used is being manufactured in the United States. Such comments must be filed in triplicate with the Director, Office of Scientific and Technical Equipment, Business and Defense Services Administration, Washington, D.C. 20230, within 20 calendar days after date on which this notice of application is published in the FEDERAL REGISTER.

Regulations issued under cited Act, published in the February 4, 1967, issue of the FEDERAL REGISTER, prescribe the requirements applicable to comments.

A copy of each application is on file, and may be examined during ordinary Commerce Department business hours at the Office of Scientific and Technical Equipment, Department of Commerce, Room 5123, Washington, D.C.

A copy of each comment filed with the Director of the Office of Scientific and Technical Equipment must also be mailed or delivered to the applicant, or its authorized agent, if any, to whose application the comment pertains; and the comment filed with the Director must certify that such copy has been mailed or delivered to the applicant.

Docket No. 68-00474-33-46500. Applicant: The Research Foundation of State University of New York, 3435 Main Street, Buffalo, N.Y. 14214. Article: LKB 8800A Ultrotome III ultramicrotome. Manufacturer: LKB Produkter AB, Sweden. Intended use of article: The article will be used for research programs designed to study the nature of amyloidosis and osmotic water flow across the proximal tubule of Necturus. Application received by Commissioner of Customs: March 22, 1968.

Docket No. 68-00475-01-77040. Applicant: University of Pennsylvania, Philadelphia, Pa. 19104. Article: Mass spectrometer, Model RMH-2. Manufacturer: Hitachi, Ltd., Japan. Intended use of article: The article will be used for advanced chemical research including analysis of complex organic compounds and study of fragmentation mechanisms of organic ions. Application received by Commissioner of Customs: March 25, 1968.

Docket No. 68-00476-75-77095. Applicant: Vanderbilt University, Nashville, Tenn. 37203. Article: Iron free double focusing spectrometer. Manufacturer: Professor Kai Seigbahn, Physics Institute of Uppsala, Sweden. Intended use of article: The article will be used for nonprofit research and education in nuclear

and atomic physics. Application received by Commissioner of Customs: March 25, 1968.

Docket No. 68-00477-91-46040. Applicant: University of Michigan, Ann Arbor, Mich. 48104. Article: Electron microscope, Model EM 300. Manufacturer: Philips Electronics, The Netherlands. Intended use of article: The article will be used for both teaching and research programs which will include examining a wide variety of biological materials using the techniques of thin sectioning, negative staining, replication, etc. Application received by Commissioner of Customs: March 25, 1968.

Docket No. 68-00478-98-26000. Applicant: Lane Community College, 200 North Monroe, Eugene, Oreg. 97102. Article: One each; EG ZA/ZT Dr. Clemenz standard construction device for the theory of electricity, Ba ring frame and Bb rectangular frame. Manufacturer: Dr. Clemenz, Dusseldorf, West Germany. Intended use of article: The article will be used for teaching the basic theory of electricity. Application received by Commissioner of Customs: March 26, 1968.

JAMES TREMANTE,
Acting Director, Office of Scientific, and Technical Equipment, Business and Defense Services Administration.

[F.R. Doc. 68-4173; Filed, Apr. 8, 1968; 8:45 a.m.]

CIVIL AERONAUTICS BOARD

[Docket No. 19737]

FLYING TIGER LINE, INC.

Notice of Prehearing Conference

Notice is hereby given that a prehearing conference in the above-entitled matter is assigned to be held on April 19, 1968, at 10 a.m., e.s.t., in Room 911, Universal Building, 1825 Connecticut Avenue NW., Washington, D.C., before Examiner Arthur S. Present.

In order to facilitate the conduct of the conference interested parties are instructed to submit to the examiner and other parties on or before April 16, 1968, (1) proposed statements of issues; (2) proposed stipulations; (3) requests for information; (4) statements of positions of parties; and (5) proposed procedural dates.

Dated at Washington, D.C., April 3, 1968.

[SEAL] THOMAS L. WRENN,
Chief Examiner.

[F.R. Doc. 68-4223; Filed, Apr. 8, 1968; 8:49 a.m.]

[Docket No. 18650; Order E-26603]

INTERNATIONAL AIR TRANSPORT ASSOCIATION

Order Regarding Specific Commodity Rates

APRIL 2, 1968.

Issued under delegated authority.

An agreement has been filed with the Board pursuant to section 412(a) of the Federal Aviation Act of 1958 (the Act) and Part 261 of the Board's economic regulations, between various air carriers, foreign air carriers, and other carriers, embodied in the resolutions of the Joint Conferences of the International Air Transport Association (IATA), and adopted pursuant to the provisions of Resolution 590 dealing with specific commodity rates.

The agreement, adopted pursuant to unprotested notices to the carriers and promulgated in an IATA letter dated March 27, 1968, names additional specific commodity rates, as set forth below, which reflect significant reductions from the general cargo rates.

R-5: Commodity Item 1201—Leather and Leather Manufactures, 134 cents per kg., minimum weight 45 kgs., 123 cents per kg., minimum weight 200 kgs., Sydney to West Coast.

R-6: Commodity Item 4400—Electrical Equipment—Excluding Machinery, 195 cents per kg., minimum weight 500 kgs., East Coast to Tokyo.

Pursuant to authority duly delegated by the Board in the Board's regulations, 14 CFR 385.14, it is not found that the subject agreement is adverse to the public interest or in violation of the Act, provided that approval thereof is conditioned as hereinafter ordered.

Accordingly, it is ordered, That:

Agreement CAB 20125, R-5 and R-6, be approved, provided approval shall not constitute approval of the specific commodity descriptions contained therein for purposes of tariff publication.

Persons entitled to petition the Board for review of this order, pursuant to the Board's regulations, 14 CFR 385.50 may fine such petitions within 10 days after date of service of this order.

This order shall be effective and become the action of the Civil Aeronautics Board upon expiration of the above period, unless within such period a petition for review thereof is filed, or the Board gives notice that it will review this order on its own motion.

This order will be published in the FEDERAL REGISTER.

[SEAL] HAROLD R. SANDERSON,
Secretary.

[F.R. Doc. 68-4224; Filed, Apr. 8, 1968; 8:49 a.m.]

[Docket No. 18734]

TRANSGLOBE AIRWAYS LTD.

Notice of Oral Argument

Notice is hereby given, pursuant to the provisions of the Federal Aviation Act of 1958, as amended, that oral argument in the above-entitled proceeding is assigned to be held on April 17, 1968, at 10 a.m., Room 1027, Universal Building, 1825 Connecticut Avenue NW., Washington, D.C., before the Board.

Dated at Washington, D.C., April 2, 1968.

[SEAL] THOMAS L. WRENN,
Chief Examiner.

[F.R. Doc. 68-4225; Filed, Apr. 8, 1968; 8:49 a.m.]

CIVIL SERVICE COMMISSION

MEDICAL TECHNOLOGIST, NEW ORLEANS, LA.

Notice of Adjustment of Minimum Rate and Rate Range

Under authority of 5 U.S.C. 5303 and Executive Order 11073, the Civil Service Commission has established special minimum salary rate and rate range as follows:

GS-644 Medical Technologist Series

Geographic Coverage: New Orleans, La.
Effective Date: First day of first pay period beginning on or after April 7, 1968.

PER ANNUM RATES

Grade	1[1]	2	3	4	5	6	7	8	9	10
GS-5	$6,309	$6,495	$6,681	$6,867	$7,053	$7,239	$7,425	$7,611	$7,797	$7,983

[1] Corresponding statutory rate: GS-5—fifth.

All new employees in the specified occupational level will be hired at the new minimum rate.

As of the effective date, all agencies will process a pay adjustment to increase the pay of employees on the rolls in the affected occupational level. An employee who immediately prior to the effective date was receiving basic compensation at one of the rates of the statutory rate range shall receive basic compensation at the corresponding numbered rate authorized by this letter on and after such date. The pay adjustment will not be considered an equivalent increase within the meaning of 5 U.S.C. 5335.

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[F.R. Doc. 68-4189; Filed, Apr. 8, 1968; 8:46 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[Docket Nos. 17939–17941; FCC 68R–137]

CENTEX RADIO CO. KEFC (FM) ET AL.

Memorandum Opinion and Orders Enlarging Issues

In re applications of Centex Radio Co. KEFC (FM), Waco, Tex., Docket No. 17939, File No. BPH–5774; KWTX Broadcasting Co., Waco, Tex., Docket No. 17940, File No. BPH–5842; Morbro, Inc., Waco, Tex., Docket No. 17941, File No. BPH–6003; for construction permits.

1. This proceeding involves the mutually exclusive applications of Centex Radio Co. KEFC (FM) (Centex), KWTX Broadcasting Co. (KWTX), and Morbro, Inc. (Morbro), each seeking an authorization to construct an FM broadcast station in Waco, Tex.[1] The Commission, by Order, FCC 68–10, released January 11, 1968, designated these applications for hearing under a standard comparative issue, and a financial qualifications issue directed to Morbro. Presently before the Review Board is a petition to enlarge the issues, filed January 31, 1968, by KWTX seeking the addition of a financial issue directed to Centex, and an issue to determine whether Centex has complied with Commission requirements in relation to an alleged transfer of stock ownership.[2]

The financial issue. 2. In support of the requested financial issue,[3] KWTX asserts that Centex's application shows that it will rely upon a $15,000 bank loan to meet a substantial portion of its projected construction and first-year's operating costs ($34,620), and that the bank's commitment is conditioned upon the personal endorsement of Mr. Joseph Smith, Jr. (and also one Cecil Palmer). KWTX alleges, however, that Mr. Smith is now deceased (see paragraph 4, infra) having died subsequent to the date of the bank's commitment, thereby raising the question of the present availability of the $15,000. The Broadcast Bureau, also supporting the addition of the requested issue, further states that a review of the Centex application reveals additional financial reliance upon Mr. Smith, and since it is not clear how Mr. Smith's estate has been distributed, the need for the requested financial issue is even clearer. The Board agrees that in light of the recently transpired events, a substantial question regarding the required financial capability of Centex is raised, and an appropriate issue will therefore be added.

The stock transfer issue. 3. Petitioner also requests an issue to determine whether Centex has complied with Commission rules with respect to changes in stock ownership.[4] In support of its request, petitioner points out that according to Centex's latest ownership report filed February 6, 1967, Joseph Smith, Jr., C. L. Watson, and Cecil Palmer were listed as the owners of the outstanding stock in the licensee corporation. However, petitioner alleges that a copy of the minutes of a Board of Directors meeting in the subject application reflects that on March 15, 1967, all of the outstanding stock in the corporation was canceled (including 255 shares held by C. L. Watson) and reissued to Joseph Smith, Jr., Cecil Palmer, and Ralph Payne, Jr. Petitioner contends that "[t]he extinction of shares held by Charles L. Watson has never been reported to the Commission." Furthermore, KWTX asserts, Centex, subsequent to the alleged cancellation, broadcast a public notice listing Watson as owner of 10 percent or more of the outstanding stock in the corporation. Petitioner again notes the fact of Mr. Smith's death and states that on December 14, 1967, the Commission granted an involuntary transfer of control (BTC–5491) to Smith's widow, who received all of her husband's shares as Executrix of his estate and therefore became the majority shareholder in the corporation. However, petitioner alleges, at this time Mrs. Smith is no longer a shareholder in Centex and is no longer connected with the station; and her interest in the station is now controlled by one Ross Segrest and one Gil Robson. This allegation is supported by an affidavit from KWTX's president, who states that on January 27, 1968, he called the office of KEFC, and the woman who answered told him that Mrs. Smith was no longer associated with the station and that the new owners are Segrest and Robson. The Broadcast Bureau concedes that there may be a procedural infirmity in petitioner's allegations (see par. 4, infra) but suggests that nevertheless it may be appropriate to add the requested issue in the public interest.

4. In Part III of the subject application, Centex refers back to and incorporates by reference its transfer application (BTC–5161), granted on October 13, 1966. This application reflects that Smith, Watson, and Palmer are the principals of the corporation. However, as previously indicated, as an attachment to its application Centex filed a copy of the minutes of a special meeting of the Centex Board of Directors which lists, in addition to persons set forth above, Ralph Payne, as a principal in the corporation. While we do not agree with petitioner's contention that the minutes show that Watson is no longer a stockholder,[5] there is no explanation for the above inconsistency. In addition, it appears that after Smith's death, his stock was transferred to his wife as Executrix. This transfer was approved by the Commission's grant of an application for involuntary transfer (BTC–5491, granted Dec. 14, 1967). However, the instant application for change in facilities does not reflect this change in ownership; nor does the ownership report reflect Payne's ownership interest. Moreover, there is no indication in the subject application as to how Smith's estate is to be distributed or whether such distribution has already taken place. Under these circumstances, the Board is of the opinion that a substantial question exists as to who are the principals of Centex, and whether Centex has failed to keep its application current, as required by § 1.65 of the rules. An appropriate issue will therefore be added on the Board's own motion. Finally, since the request for an unauthorized transfer of control issue is supported only by a hearsay affidavit,[6] it will be denied. See Smackover Radio, Inc., FCC 62–81, 22 RR 865.

Upon motion by Mr. Beard, and unanimously approved, it was resolved that all of the outstanding shares of the corporation be canceled and reissued with the exception of 255 shares held by Charles Watson, Jr., that new share certificates be issued in their behalf; that there be 1,545 shares issued to Joe H. Smith, Jr.; that 400 shares be issued to Cecil Palmer; that 200 shares be issued to Ralph Payne, Jr., that all of the said shares have been paid for in full by services rendered or monies paid.

A careful reading of this passage indicates that all shares, except those held by Watson, would be canceled, and that there would be a reissuance of shares (in addition to Watson's) in the proportions agreed upon. Watson would retain his 255 shares. Such an interpretation accords with correct grammatical usage and would mean that an even number of shares would then be outstanding (2,400). Watson would be a stockholder holding more than 10 percent of the stock, and the announcement broadcast over the radio would be correct. Therefore, without any new allegation of fact (as required by § 1.229) indicating that the grammatical reading is not in fact the correct one, there is no substantial question raised as to Watson's ownership interest.

5. *Accordingly, it is ordered,* That the request for leave to file supplemental pleading and supplement to petition to enlarge issues, filed February 1, 1968, by KWTX Broadcasting Co., is granted; and

[1] KWTX and Morbro each seeks a new FM station to operate on 97.5 mc (Channel No. 248) in Waco. Centex requests approval to change the frequency upon which it is now operating Station KEFC (FM) from 95.5 mc (Channel No. 238) to 97.5 mc (Channel No. 248) also in Waco. It also requests approval for changes in power and antenna height.

[2] Also before the Review Board are the following related pleadings: (a) supplement to petition to enlarge, filed Feb. 1, 1968, by KWTX; and (b) the Broadcast Bureau's comments, filed Feb. 14, 1968. Petitioner has shown good cause for the filing of its supplement, and its request to accept this pleading will be granted.

[3] Specifically, petitioner's requested issue reads as follows: "To determine whether Centex Radio Co. is financially qualified to construct and operate the facilities requested."

[4] The requested issue reads as follows: "To determine whether Centex Radio Co. has complied with the requirements of the Commission with respect to changes in the stock ownership of the licensee corporation and whether it has sought, where required, permission of the Commission to make changes in stock ownership which affected control of the corporation."

[5] The minutes read, in pertinent part, as follows:

[6] We note that petitioner does not state why it did not or could not obtain an affidavit from someone with personal knowledge of the facts alleged in the petition.

6. *It is further ordered,* That the petition to enlarge issues, filed January 31, 1968, by KWTX Broadcasting Co. is granted to the extent indicated below and is denied in all other respects; and

7. *It is further ordered,* That the issues in this proceeding are enlarged by the addition of the following issues:

(a) To determine whether Centex Radio Co. has adequate funds to meet its estimated construction and first-year operating costs, and in light thereof, whether it is financially qualified;

(b) To determine who are the principals of Centex Radio Co., and whether Centex Radio Co. has kept its application current as required by section 1.65 of the Commission's rules;

(c) To determine the effect of the facts adduced pursuant to the foregoing issue (b) on this applicant's requisite and comparative qualifications to receive a grant of its application.

8. *It is further ordered,* That the burden of proceeding with the introduction of evidence and the burden of proof on the issues added herein will be on Centex Radio Co. (KEFC (EM)).

Adopted: April 1, 1968.

Released: April 14, 1968.

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

[F.R. Doc. 68-4217; Filed, Apr. 8, 1968; 8:48 a.m.]

[Docket Nos. 17995, 17996; FCC 68M-550]

FARM AND HOME BROADCASTING CO. AND TIOGA BROADCASTING CO.

Order Continuing Hearing

In re applications of Farm and Home Broadcasting Co., Wellsboro, Pa., Docket No. 17995, File No. BPH-5620; John J. Antonio, Donald J. Fryday, J. Robert Grossenbacher, John D. Lewis, and William K. Francis doing business as Tioga Broadcasting Co., Mansfield, Pa., Docket No. 17996, File No. BPH-5674; for construction permits.

To formalize the agreements and rulings made on the record at a prehearing conference held on March 26, 1968, in the above-entitled matter concerning the future conduct of this proceeding;

It is ordered, That:

Preliminary exchange of engineering exhibits is scheduled for April 25, 1968:

Final exchange of engineering and lay exhibits is scheduled for April 30, 1968;

Notification of witnesses is scheduled for May 7, 1968; and

Hearing presently scheduled for April 18, 1968 is continued to May 14, 1968.

Issued: April 3, 1968.

Released: April 4, 1968.

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

[F.R. Doc. 68-4218; Filed, Apr. 8, 1968; 8:48 a.m.]

[Docket Nos. 17932-17934; FCC 68M-542]

RUST CRAFT BROADCASTING CO. ET AL.

Order Regarding Procedural Dates

In re applications of Rust Craft Broadcasting Co., Utica, N.Y., Docket No. 17932, File No. BPCT-3924; P. H. Inc., Utica, N.Y., Docket No. 17933, File No. BPCT-3952; Roy H. Park Broadcasting Inc., Utica, N.Y., Docket No. 17934, File No. BPCT-3977; for construction permit for new television broadcast station (Channel 20).

On motion for continuance by Rust Craft on March 20, 1968, and with the concurrence of all other parties, the following changes will be made in the procedural schedule covering this case:

Date for preliminary exchange of lay exhibits extended from April 12 to May 10, 1968;

Freeze date for lay exhibits extended from April 15 to May 14, 1968;

Date for notification of witnesses extended from April 23 to May 22, 1968;

Hearing on nonengineering portion of case continued from April 30 to June 3, 1968.

So ordered.

Issued: April 1, 1968.

Released: April 3, 1968.

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

[F.R. Doc. 68-4219; Filed, Apr. 8, 1968; 8:48 a.m.]

[Docket No. 18100; FCC 68M-545]

UPPER PENINSULA MICROWAVE, INC.

Order Scheduling Hearing

In re applications of Upper Peninsula Microwave, Inc., for construction permits to establish new stations in the Domestic Public Point-to-Point Microwave Radio Service to provide a television relay service between Green Bay and Rhinelander, Wis., with repeater points near Anston, Bonduel, and Langlade, Wis. Docket No. 18100, File Nos. 4999 through 5002-C1-P-67.

It is ordered, That Thomas H. Donahue shall serve as Presiding Officer in the above-entitled proceeding; that the hearings therein shall be convened on June 5, 1968, at 10 a.m.; and that a prehearing conference shall be held on May 17, 1968, commencing at 9 a.m., *And, it is further ordered,* That all proceedings shall take place in the offices of the Commission, Washington, D.C.

Issued: March 28, 1968.

Released: April 3, 1968.

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

[F.R. Doc. 68-4220; Filed, Apr. 8, 1968; 8:49 a.m.]

[Docket No. 17560; FCC 68M-546]

V.W.B., INC.

Order Continuing Hearing

In re application of V.W.B., Incorporated, Bridgeton, North Carolina, for Construction permit, Docket No. 17560, File No. BP-16766.

It is ordered, That the hearing in the above matter now scheduled for April 8, 1968, is rescheduled to commence at 10 a.m., April 9, 1968, at which session the parties may also, if they so desire, discuss hearing procedures concerning issues very recently added by the Review Board.

Issued: April 2, 1968.

Released: April 3, 1968.

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

[F.R. Doc. 68-4221; Filed, Apr. 8, 1968; 8:49 a.m.]

[Docket Nos. 18005, 18006; FCC 68R-134]

WMID, INC. AND ATLANTIC BROADCASTING CO.

Memorandum Opinion and Order Modifying Issues

In re applications of WMID, Inc., Pleasantville, N.J., Docket No. 18005, File No. BPH-5958; Leroy Bremmer and Dorothy Bremmer doing business as Atlantic City Broadcasting Co., Pleasantville, N.J., Docket No. 18006, File No. BPH-6060; for construction permits.

1. This proceeding involves the mutually exclusive applications of WMID, Inc. (WMID), and Atlantic City Broadcasting Co. (Atlantic), each seeking an authorization to construct a new FM broadcast station at Pleasantville, N.J. The applications were designated for hearing by Order, FCC 68-140, adopted on February 7, 1968. In the designation order, the Commission noted that no determination had been reached as to whether the antenna proposed by Atlantic would constitute a menace to air navigation, and an air hazard issue was therefore specified (Issue 1). In addition, the Commission stated that Atlantic's application reflects that it allots only $2,000 for operational costs; that this amount does not appear to be adequate, particularly in view of the proposed acquisition of three additional staff members; and that certain questions existed regarding the availability of the funds relied on by Atlantic. An issue inquiring into these matters was also specified (Issue 2). Now before the Review Board is a petition opposing designation order and motion to delete issues, filed on February 27, 1968, by Atlantic.[1]

[1] The following related pleadings are also before the Board: (a) Opposition, filed on Mar. 13, 1968, by WMID; (b) Broadcast Bureau's comments, filed on Mar. 13, 1968; and (c) reply to (b), filed on Mar. 20, 1968, by Atlantic.

2. In its petition, Atlantic requests, in essence, that the Review Board delete the air hazard issue, and that portion of the financial issue inquiring into its estimated costs of operation. In support of its request to delete the air hazard issue, petitioner alleges that on January 31, 1968, the Federal Aviation Administration approved the proposed antenna structure, and that the Commission was duly notified of this determination by the FAA. The Broadcast Bureau, in its comments, states that it does not object to deletion of this issue since Atlantic had obtained a clearance before its application was designated for hearing. The Board agrees that, under these circumstances, the issue should be deleted.[2] See D. H. Overmyer Communications Co., 2 FCC 2d 521, 7 RR 2d 199 (Rev. Bd. 1966).

3. In support of its request to modify the financial issue, Atlantic contends that the Commission erred when it stated in the designation order that the applicant proposes to employ three additional employees. Atlantic alleges that it proposes 100 percent duplication of Station WLBD, its existing standard broadcast station; and that the six employees listed in the application for the FM operation are the same as those who now operate the AM station. Nowhere in its application, Atlantic avers, did it indicate anything to the contrary. However, as pointed out by the Broadcast Bureau in its comments, there is no indication in the application that the six proposed employees, other than Leroy and Dorothy Bremmer, are the same as the present AM staff; exhibit 7 of the application states that "two outside part-time freelance reporters" will be available to cover news activities; and, in exhibit 8, the applicant states that if duplication of certain programs is not feasible, "some separate programing, either partial or total from time to time, will be offered." Thus, it is clear that Atlantic's application is not entirely free from ambiguity in this regard, and we cannot find that the disputed issue was specified as a consequence of a mistake of fact. Compare Integrated Communication Systems, Inc. of Massachusetts, FCC 64R–364, 3 RR 2d 557. Moreover, Atlantic has not furnished a breakdown of its $2,000 cost estimate, and the Commission did not indicate that the sole basis of specifying this inquiry was the increase in staff. Under these circumstances, the Board is of the opinion that the most appropriate means of resolving this question is through the hearing process, rather than on the basis of interlocutory pleadings. Cf. Theodore Granik, FCC 65R–450, 2 FCC 2d 252.

[2] WMID opposes the petition based, in part, on the contention that it combines in one pleading a request requiring action by the Commission and a request requiring action by the Board. See § 1.44 of the rules. While the subject pleading was improperly addressed to the Commission, it does not appear to contain any request for action other than deletion of issues. The petition will therefore not be dismissed.

4. *Accordingly, it is ordered,* That the petition opposing designation order and motion to delete certain issues, filed on February 27, 1968, by Atlantic City Broadcasting Co. is granted to the extent indicated below, and denied in all other respects; and

5. *It is further ordered,* That the designation order herein (FCC 68–140, released Feb. 15, 1968) is modified by the deletion of Issue 1.

Adopted: April 1, 1968.

Released: April 4, 1968.

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

[F.R. Doc. 68–4222; Filed, Apr. 8, 1968; 8:49 a.m.]

FEDERAL MARITIME COMMISSION

AMERICAN MAIL LINE, LTD., AND GREAT EASTERN SHIPPING CO., LTD.

Notice of Agreement Filed for Approval

Notice is hereby given that the following agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1321 H Street NW., Room 609; or may inspect agreements at the offices of the District Managers, New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments with reference to an agreement including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the comments should indicate that this has been done.

Notice of agreement filed for approval by:

Mr. W. R. Purnell, District Manager, American Mail Line, 601 California Street, Suite 610, San Francisco, Calif. 94108.

Agreement 9617–1 between American Mail Line, Ltd., and Great Eastern Shipping Co., Ltd. adds Alaska as an outbound port to the basic agreement covering the movement of general cargo from ports in Washington and Oregon to ports in India with transshipment at Hong Kong, Singapore, or ports in Japan or Malaysia in accordance with terms and conditions set forth in the agreement.

Dated: April 4, 1968.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 68–4227; Filed, Apr. 8, 1968; 8:49 a.m.]

CITY OF NEW YORK AND UNITED STATES LINES, INC.

Notice of Agreement Filed for Approval

Notice is hereby given that the following agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1321 H Street NW., Room 609; or may inspect agreements at the offices of the District Managers, New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments with reference to an agreement including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter), and the comments should indicate that this has been done.

Notice of agreement filed for approval by:

Mr. Roy H. Rudd, General Counsel, City of New York, Battery Maritime Building, New York, N.Y. 10004.

Agreement No. T–757–3 between the city of New York and United States Lines, Inc. (USL), modifies the basic lease which provides for the lease of certain piers on the North River, New York City. The purpose of the modification is to provide for full terminal operations including storage space and facilities and labor for stuffing and unstuffing containers. The modification also deletes from the agreement a provision for a division of revenue collected by USL from wharfage charges.

Dated: April 4, 1968.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 68–4228; Filed, Apr. 8, 1968; 8:49 a.m.]

FEDERAL POWER COMMISSION

[Docket No. CP68–258]

PANHANDLE EASTERN PIPE LINE CO.

Notice of Application

APRIL 2, 1968.

Take notice that on March 26, 1968, Panhandle Eastern Pipe Line Co. (Applicant), Post Office Box 1348, Kansas City, Mo. 64141, filed in Docket No. CP68–258 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 natural gas facilities for

the transportation of natural gas, all as more fully set forth in its application which is on file with the Commission and open to public inspection.

Specifically, Applicant seeks authorization to construct and operate approximately 76.2 miles of 30-inch pipeline together with a 4,000 horsepower engine-compressor unit at the existing Alva Compressor Station and a 3,400 horsepower unit at the existing Haven Compressor Station. The proposed pipeline is to loop a portion of Applicant's Western Oklahoma Supply Line (the Elk City Line).

The project is proposed in order to deliver an additional 200,000 Mcf per day through the Elk City Line.

The Applicant states that the Elk City Line is presently operating at capacity with the result that it has lost its flexibility. That this loss of flexibility has created a situation where any major outage or operating problem cannot be compensated for west of the Liberal Compressor Station.

The applicant further states that the increased capacity will be needed in order to handle rapidly increasing gas supplies in the area served by the Elk City Line.

Total cost is estimated to be $12,493,000 to be financed initially by short term bank loans and permanently through the issuance of debentures or other securities.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C. 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) and the Regulations under the Natural Gas Act (§ 157.10) on or before April 29, 1968.

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 protest or 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 protest or 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.

GORDON M. GRANT,
Secretary.

[F.R. Doc. 68-4175; Filed, Apr. 8, 1968; 8:45 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[70-4613]

ALABAMA POWER CO.

Notice of Issuance of Principal Amount of First Mortgage Bonds for Improvement Fund Purposes

APRIL 3, 1968.

Notice is hereby given that Alabama Power Co. ("Alabama"), 600 North 18th Street, Birmingham, Ala. 35203, a public utility subsidiary company of The Southern Co., a registered holding company, has filed a declaration with this Commission pursuant to the Public Utility Holding Company Act of 1935 ("Act"), designating sections 6(a) and 7 thereof as applicable to the proposed transaction. All interested persons are referred to said declaration, which is summarized below, for a complete statement of the proposed transaction.

Alabama proposes, on prior to June 1, 1968, to issue $4,461,000 principal amount of its first mortgage Bonds, 4⅝ percent Series due 1987, under the provisions of its indenture dated as of January 1, 1942, between Chemical Bank New York Trust Co., as trustees, as supplemented, and to surrender such bonds to the trustees in accordance with the improvement fund provisions. The bonds are to be identical with those authorized by the Commission on April 30, 1957 (Holding Company Act Release No. 13457), and are to be issued on the basis of property additions, thus making available for construction purposes cash which would otherwise be required to satisfy improvement fund provisions or to purchase bonds for such purpose.

It is stated that the issuance of the bonds has been expressly authorized by the Alabama Public Service Commission and that no other State or Federal commission, other than this Commission, has jurisdiction over the proposed transaction. The fees and expenses to be paid in connection with the proposed transaction are estimated at $1,750, including legal fees of $500.

Notice is further given that any interested person may, not later than April 26, 1968, request in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by said declaration which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request should be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon the declarant at the above-stated address, and proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. At any time after said date the declaration 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 (pursuant to delegated authority).

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F.R. Doc. 68-4184; Filed, Apr. 8, 1968; 8:46 a.m.]

[File No. 2-14698]

CORMAC CHEMICAL CORP.

Order Suspending Trading

APRIL 3, 1968.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock of Cormac Chemical Corp., New York, N.Y., being traded otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

It is ordered, Pursuant to section 15(c)(5) of the Securities Exchange Act of 1934, that trading in such securities otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period April 3, 1968, through April 12, 1968, both dates inclusive.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F.R. Doc. 68-4185; Filed, Apr. 8, 1968; 8:46 a.m.]

[812-2230]

LIBERTY INVESTORS BENEFIT INSURANCE CO. AND LIBERTY INVESTORS BENEFIT INSURANCE CO. SEPARATE ACCOUNT

Notice of Application for Exemption

APRIL 2, 1968.

Notice is hereby given that Liberty Investors Benefit Insurance Co. ("LIBCO") and Liberty Investors Benefit Insurance Co. Separate Account ("Separate Account"), Post Office Box 789, Wade Hampton Blvd., Greenville, S.C. (herein collectively called "Applicants") have filed an application pursuant to section 6(c) of the Investment Company Act of 1940, 15 U.S.C. sec. 80a-1 et seq. ("Act"),

for an order exempting Applicants from the provisions of sections 17(f), 22(d), 22(e), 27(a)(4), 27(c)(1), and 27(c)(2) of the Act, and Rule 17f–2 thereunder. Separate Account is an open-end diversified management investment company registered under the Act. All interested persons are referred to the application on file with the Commission for a statement of the representations therein which are summarized below.

LIBCO established Separate Account in order to hold assets set aside by LIBCO in relation to contributions or stipulated payments received by LIBCO in respect to group or individual variable annuity contracts, some of which are intended to qualify for Federal tax benefits under sections 401, 403, or 501 of the Internal Revenue Code of 1954, as amended.

Section 17(f) provides, in pertinent part, that a registered investment company may maintain its securities and other investments in its own custody in accordance with such rules, regulations, and orders as may be adopted by the Commission in the interest of investors. Rule 17f–2 requires, in pertinent part, that such assets be placed in a bank subject to the other requirements of the rule, one of which limits the persons who shall have access to only certain specified individuals. Applicants request an exemption to permit access to the securities of the Fund which will be held pursuant to a safekeeping agreement with the Bank of New York by duly authorized representatives of the Insurance Commissioner of South Carolina.

Section 22(d) provides, in pertinent part, that no registered investment company shall sell any redeemable security of which it is the issuer except at a current public offering price described in the prospectus. The contracts which will be issued by Applicants provide for a single deduction for sales and administrative expenses. The combined deduction is appropriate because of the impossibility of determining in advance of the sale of the contract the proportion of the total deduction which will be incurred by LIBCO for each type of expense. Such proportion will vary from case to case depending on the amount of assistance provided by the employer-purchaser of the contract in connection with the sale and administration of such contract. Since on the basis of actual experience the proportions of sales expenses and accordingly the current public offering price will vary from contract to contract for the reasons referred to above, Applicants request an exemption from the requirements of section 22(d).

Applicants request a further exemption to permit experience rating for the group variable annuity contract. The combined sales and administrative expenses applicable to each contract will be determined annually. If the actual expenses exceed the amount previously deducted for such expenses, no additional deduction will be made. On the other hand, if the actual expenses are less than the amount deducted, LIBCO, in its discretion, may allocate all, a portion, or none of such excess as an experience credit to the participants in Separate Account. Any excess so allocated will be applied in one of two ways: (a) By a reduction in the amount deducted from subsequent contributions for sales and administrative expenses or (b) by the crediting to participants under the group policy of a number of additional accumulation units or annuity units, as applicable, equal in value to the amount of the credit due less applicable premium taxes.

Sections 22(e) and 27(c)(1) provide, in pertinent part, respectively that (1) a registered investment company may not suspend the right of redemption or postpone the date of payment upon redemption of any redeemable security in accordance with its terms for more than 7 days after the tender of such security for redemption and (2) a registered investment company issuing periodic payment plan certificates may not sell such certificates unless such certificates are redeemable securities. Applicants state that prior to their maturity dates the contracts are redeemable and satisfy the redemption provisions of the Act. However, on their respective maturity dates, the then value of the contracts is determined and applied to provide for lifetime annuity payments of either fixed or variable amounts. Applicants state that because the amount of annuity payments under the variable option are calculated actuarially, based upon the life expectancies of the purchasers of the contracts, if a purchaser were permitted to redeem his contract after the maturity date, it would upset the actuarial computations made with respect to the remaining purchasers. Applicants requests exemption from sections 22(e) and 27(c)(1) to the extent that once a purchaser begins to receive annuity payments he cannot redeem the value credited to his contract. Such prohibitions shall only apply after annuity payments to the purchaser commence.

Section 27(a)(4) provides, in pertinent part, that the first payment on a periodic payment plan certificate be not less than $20. In order to minimize the administrative and accounting burdens involved, Applicants request an exemption to permit the first payment to be in an amount of not less than $10 in the case of its tax qualified contracts.

Section 27(c)(2) prohibits a registered investment company or a depositor or underwriter for such company from selling periodic payment plan certificates unless the proceeds of all payments, other than the sales load, are deposited with a bank as trustee or custodian and held under an indenture, or agreement containing, in substance, the provisions required by sections 26(a)(2) and (3) for a unit investment trust. Section 26(a)(2) requires that the trustee or custodian segregate and hold in trust all securities and cash of the trust and places certain restrictions on charges which may be made against the trust income and corpus and excludes from expenses which the trustee or custodian may charge against the trust any payments to the depositor or principal underwriter, other than a fee not exceeding such reasonable amount as the Commission may prescribe, for performing bookkeeping and other administrative services delegated to them by the trustee or custodian. Section 26(a)(3) governs the circumstances under which the trustee or custodian may resign.

Applicants state that LIBCO functions as a regulated insurance company and is subject to extensive and detailed supervision and inspection by the Insurance Commissioner of South Carolina in all of its dealings with the contract purchasers. LIBCO states that such control provides ample assurance against misfeasance. Accordingly, Applicants state that such control affords the essential protection which the trusteeship or custodianship under section 26(a)(2) is designed to provide. Moreover, in addition to the supervision and inspection by the Insurance Commissioner of South Carolina, under South Carolina law the contractual obligations of LIBCO to the participants cannot be abandoned until such obligations have been discharged. Under no condition can it legally abrogate such undertakings. Such supervision, inspection and undertakings will effectively prevent orphanage of Separate Account by LIBCO which the trusteeship under section 27(c)(2) is designed to protect against.

Applicants have consented to the requested exemption being subject to the condition that the charges under the contracts for administrative services shall not exceed such reasonable amounts as the Commission shall prescribe, and that the Commission shall reserve jurisdiction for such purpose.

Section 6(c) authorizes the Commission to exempt any person, security or transaction, or any class or classes of persons, securities, or transactions, from the provisions of the Act and rules promulgated thereunder if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

Notice is further given that any interested person may, not later than April 17, 1968, 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 (airmail if the person being served is located more than 500 miles from the point of mailing) upon Applicants at the address stated above. Proof of such service (by affidavit or in case of an attorney at law by certificate) shall be filed contemporaneously with the request. At any time after said 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 by the Commission 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, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission (pursuant to delegated authority).

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 68-4186; Filed, Apr. 8, 1968; 8:46 a.m.]

[70-4612]

MICHIGAN WISCONSIN PIPE LINE CO. AND AMERICAN NATURAL GAS CO.

Notice of Proposed Issue and Sale of Principal Amount of First Mortgage Bonds at Competitive Bidding and Increase in Authorized Shares of Common Stock and Sale Thereof to Holding Company

APRIL 3, 1968.

Notice is hereby given that American Natural Gas Co. ("American Natural"), 30 Rockefeller Plaza, Suite 4950, New York, N.Y. 10020, a registered holding company, and one of its subsidiary companies, Michigan Wisconsin Pipe Line Co. ("Michigan Wisconsin"), have filed an application-declaration with this Commission, pursuant to the Public Utility Holding Company Act of 1935 ("Act"), designating sections 6(b), 9, 10, and 12(f) of the Act and Rules 43 and 50 thereunder as applicable to the proposed transactions. All interested persons are referred to the application-declaration, which is summarized below, for a complete statement of the proposed transactions.

Michigan Wisconsin proposes to issue and sell, pursuant to the competitive bidding requirements of Rule 50 under the Act, $50 million principal amount of first mortgage pipe line bonds, __ percent series due 1988. The interest rate on the bonds (which shall be a multiple of one-eighth of 1 percent) and the price, exclusive of accrued interest (which shall be not less than 100 percent nor more than 102¾ percent of the principal amount thereof) are to be determined by the competitive bidding. The bonds are to be issued under Michigan Wisconsin's mortgage and deed of trust dated as of September 1, 1948, between Michigan Wisconsin and First National City Bank, trustee, as heretofore supplemented and as to be further supplemented by a 19th supplemental indenture to be dated as of May 1, 1968.

Michigan Wisconsin also proposes to increase its authorized shares of common stock, par value $100 per share (all of which are owned by American Natural), from 985,000 to 1,185,000 shares. Michigan Wisconsin further proposes to issue and sell, and American Natural proposes to acquire, the 200,000 additional shares of common stock of Michigan Wisconsin at a price of $100 per share, or for an aggregate price of $20 million.

Michigan Wisconsin presently has outstanding $68 million of notes payable to banks, maturing September 30, 1968. The net proceeds from the sale of the bonds and common stock will be applied to the retirement of the notes outstanding and will be used to finance, in part, Michigan Wisconsin's 1968 expansion program estimated to cost $88,500,000.

The fees and expenses to be paid in connection with the issue and sale of common stock are estimated to aggregate $4,500, including $500 for counsel fee. The estimated fees and expenses to be paid in connection with the issue and sale of the bonds aggregate $167,000, including $50,500 for counsel fees and $8,000 for accountants' fee. The fee of counsel for the underwriters, estimated at $16,000, is to be paid by the successful bidders.

Michigan Wisconsin has applied to the Michigan Public Service Commission for authority to issue and sell the proposed bonds and common stock. A copy of the order entered therein is to be supplied by amendment. It is represented that no other State commission and no Federal commission, other than this Commission, has jurisdiction over the proposed transactions.

Notice is further given that any interested person may, not later than April 26, 1968, request in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by said application-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 applicants-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 application-declaration, as filed or as it may be amended, may be granted and permitted to become effective as provided in Rule 23 of the general rules and regulations promulgated under the Act, or the Commission may grant exemption from such rules as provided in Rules 20(a) and 100 thereof or take such other action as it may deem appropriate. Persons who request a hearing or advice as to whether a hearing is ordered will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission (pursuant to delegated authority).

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 68-4187; Filed, Apr. 8, 1968; 8:46 a.m.]

DEPARTMENT OF LABOR

Wage and Hour Division

CERTIFICATES AUTHORIZING THE EMPLOYMENT OF FULL-TIME STUDENTS WORKING OUTSIDE OF SCHOOL HOURS AT SPECIAL MINIMUM WAGES IN RETAIL OR SERVICE ESTABLISHMENTS OR IN AGRICULTURE

Notice is hereby given that pursuant to section 14 of the Fair Labor Standards Act of 1938 (52 Stat. 1060, as amended, 20 U.S.C. 201 et seq.), the regulation on employment of full-time students (29 CFR Part 519), and Administrative Order No. 595 (31 F.R. 12981), the establishments listed in this notice have been issued special certificates authorizing the employment of full-time students working outside of school hours at hourly wage rates lower than the minimum wage rates otherwise applicable under section 6 of the act. The effective and expiration dates are as indicated below. The minimum certificate rates are not less than 85 percent of the applicable statutory minimum.

The following certificates provide for an allowance not to exceed the proportion of the total hours worked by full-time students at rates below $1 an hour to the total number of hours worked by all employees in the establishment during the base period in occupations of the same general classes in which the establishment employed full-time students at wages below $1 an hour in the base period.

Abourezk's Store, food store; Mission, S. Dak.; 2-1-68 to 1-31-69.

Allen's Market, Inc., food store; Sixth Street, North, Amory, Miss.; 2-1-68 to 1-31-69.

Annis Super Market, Inc., food store; 127 Converse, Oakley, Kans.; 2-9-68 to 2-8-69.

Apostolic Christian Home, nursing home; 511 Paramount Street, Sabetha, Kans.; 2-1-68 to 1-31-69.

B & B Super Service, food store; 103 Victoria Street, Kenedy, Tex.; 2-27-68 to 2-26-69.

Baldwin Super Market, food store; 224 West Palmer Street, Franklin, N.C.; 2-1-68 to 1-31-69.

Bayless Drug Store, drug store; 5830 West Camelback Road, Phoenix, Ariz.; 12-26-67 to 12-25-68.

A. J. Bayless Markets, Inc., food stores from 2-1-68 to 1-31-69; No. 29, Goodyear, Ariz.; No. 3, Mesa, Ariz.; Nos. 2, 4, 5, 7, 11, 12, 16, 17, 18, 19, 20, 21, 22, 23, 25, and 26, Phoenix, Ariz.; Nos. 31 and 38, Scottsdale, Ariz.; No. 28, Sierra Vista, Ariz.; No. 6, Tempe, Ariz.; Nos. 33, 34, and 35, Tucson, Ariz.; Nos. 14 and 24, Yuma, Ariz.

Best Food Store, food store; 4737 Marlboro Pike, Coral Hills, Md.; 2-10-68 to 2-9-69.

Bethel Lutheran Home for Aged, nursing home; Williston, N. Dak.; 2-26-68 to 2-25-69.

Big Dollar Super Market, food store; East Main Street, Franklin, N.C.; 2-1-68 to 1-31-69.

Biltmore Farms, agriculture; Biltmore, N.C.; 2-1-68 to 1-31-69.

Brannen's Super Valu, food store; 602 West Lowell, Shenandoah, Iowa; 3-7-68 to 3-6-69.

Cambridge Nursing Home, Inc., nursing home; 548 West First Street, Cambridge, Minn.; 3-1-68 to 2-28-69.

Carson Pirie Scott & Co., department store; 1520 Fifth Avenue, Moline, Ill.; 3–1–68 to 2–28–69.

Carter Brothers, agriculture; 709 North First Street, Rolling Fork, Miss.; 2–1–68 to 1–31–69.

Colorado Drumstick, Inc., restaurants from 2–26–68 to 2–25–69; 6301 East Colfax Avenue, Denver, Colo.; 6501 West Colfax Avenue, Denver, Colo.; 1490 South Colorado Boulevard, Denver, Colo.; 4095 South Santa Fe Drive, Englewood, Colo.; 7400 Federal Boulevard, Westminster, Colo.

Conant Hotel, hotel; 1913 Farnam Street, Omaha, Nebr.; 2–1–68 to 1–31–69.

Dixon's Master Market, food store; 210 Locust Street, Des Moines, Iowa; 2–10–68 to 2–9–69.

Drake-Mangrum Super Market, food store; Batesville, Miss.; 2–16–68 to 2–15–69.

Dutch's Shopping Mart, food store; No. 1, Ada, Okla.; 2–26–68 to 2–25–69.

J. B. Edwards, Inc., food store; Eden, N.C.; 2–26–68 to 2–25–69.

Family Department Store, variety store; No. 82, Yuma, Ariz.; 12–26–67 to 12–25–68.

Ferri Super Market, Inc., food store; Old William Penn Highway, Murrysville, Pa.; 2–9–68 to 2–8–69.

M. H. Fishman Co., department store; No. 8, St. Albans, Vt.; 1–2–68 to 12–7–68.

Gibson General Hospital, Inc., hospital; Trenton, Tenn.; 2–11–68 to 2–10–69.

Goldblatt Brothers, Inc., department store; 3149 North Lincoln Avenue, Chicago, Ill.; 2–26–68 to 2–25–69.

W. T. Grant Co., variety stores: No. 715, Glendale, Calif., 3–4–68 to 3–3–69; No. 265, Kansas City, Mo., 2–10–68 to 2–9–69; No. 381, Elizabeth, N.J.; 1–29–68 to 1–28–69.

John Gray & Son Big Star, food store; No. 8, Memphis, Tenn.; 2–15–68 to 2–14–69.

Haak Bros., Inc., department store; 737–751 Cumberland Street, Lebanon, Pa.; 2–1–68 to 1–31–69.

Handy-Andy, Inc., food stores from 2–14–68 to 2–13–69; Nos. 31 and 32, Austin, Tex.; Nos. 41, 42, and 43, Corpus Christi, Tex.; Nos. 1, 2, 4, 5, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, and 23, San Antonio, Tex.

Harold W. Hardy Super Market, Inc., food store; Shepherdsville, Ky.; 2–13–68 to 2–12–69.

Headspring Farm, agriculture; Newberry, S.C.; 2–1–68 to 1–31–69.

Highland Park Food Center, food store; 1403 Highland Avenue, Jackson, Tenn.; 2–1–68 to 1–31–69.

Howland-Hughes Co., department store; 120–140 Bank Street, Waterbury, Conn.; 3–1–68 to 2–28–69.

Jay's Super Markets, Inc., food stores from 2–26–68 to 2–25–69: 104 North Third Street, Gallup, N. Mex.; 1900 East 66 Avenue, Gallup, N. Mex.

Johnson Dept. Store, department store; Main Street, Jamestown, Tenn.; 2–13–68 to 2–12–69.

Johnson's Super Market, food store; Mountain Home, Ark.; 2–12–68 to 2–11–69.

Kay Baum, Inc., apparel store; 166 West Maple, Birmingham, Mich.; 2–13–68 to 2–12–69.

Kewanee Public Hospital, hospital; 719 Elliott Street, Kewanee, Ill.; 3–1–68 to 2–28–69.

S. S. Kresge Co., variety stores; No. 707, Metairie, La. (1–26–68 to 1–25–69); No. 4605, St. Cloud, Minn. (12–8–67 to 12–7–68); No. 604, Columbus, Ohio (1–23–68 to 1–22–69); No. 588, Youngstown, Ohio (2–15–68 to 2–14–69); No. 126, Philadelphia, Pa. (1–27–68 to 1–26–69).

La Four Minimax, food store; No. 1, Liberty, Tex.; 3–1–68 to 2–28–69.

Lee County Hospital, hospital; 2000 Pepperell Parkway, Opelika, Ala.; 2–1–68 to 1–31–69.

Liberty Cash Grocery, food store; No. 17, Memphis, Tenn.; 2–1–68 to 1–31–69.

Mac's Store, food store; Chickamauga, Ga.; 2–1–68 to 1–31–69.

S. P. McRae Co., Inc., department stores from 2–6–68 to 2–5–69: 200 West Capitol Street, Jackson, Miss.; 353 Meadow Brook Road, Jackson, Miss.; 905 Ellis Avenue, Jackson, Miss.

Miller's Supermarket, Inc., food store; 702 South Main, Moab, Utah; 2–13–68 to 2–12–69.

Mission Minimax, food store; 1137 East Ninth Street, Mission, Tex.; 3–1–68 to 2–28–69.

Morey's Clothes Shop, apparel store; 620 Fourth Street, Sioux City, Iowa; 2–2–68 to 2–1–69.

Morgan & Lindsey, Inc., variety store; No. 3029, Jennings, La.; 1–17–68 to 1–16–69.

G. C. Murphy Co., variety stores from 2–13–68 to 2–12–69: No. 216, McConnellsburg, Pa.; No. 217, Mercersburg, Pa.

Myatt Brothers Food Store, food store; Ohio Avenue at Bay Street, Purvis, Miss.; 2–1–68 to 1–31–69.

J. J. Newberry Co., variety store; Main and Davis Street, Culpeper, Va.; 2–1–68 to 1–31–69.

Newman Park Pharmacy, Inc., drug stores from 2–26–68 to 2–25–69: 401 East 103d Street, Chicago, Ill.; 11856 South Western Avenue, Chicago, Ill.

Bob Nolan's Super Market, Inc., food store; 1029 South Sixth Street, Paducah, Ky.; 2–16–68 to 2–15–69.

Pak-A-Sak Food Stores, Inc., food store; 1400 Arendell Street, Morehead City, N.C.; 2–1–68 to 1–31–69.

Park 'N Shop Food Mart, Inc., food stores: 301 Robeson Street, Fayetteville, N.C. (3–1–68 to 2–28–69); East Broad Street, St. Pauls, N.C. (2–24–68 to 2–23–69).

Pence Food Center, Inc., food store; Highway 59 North, Garnett, Kans.; 2–5–68 to 2–4–69.

Phelps Dodge Mercantile Co., food stores from 2–1–68 to 1–31–69: Ajo, Ariz.; Bisbee, Ariz.; Main Street, Clifton, Ariz.; 1012 G Avenue, Douglas, Ariz.; Plantsite, Morenci, Ariz.; Stargo, Morenci, Ariz.; 405 Arizona Street, Warren, Ariz.

Pic-Quik Rexall Drug Co., drug store; Town & Country Shopping Center, Milledgeville, Ga.; 2–19–68 to 2–18–69.

Piggly Wiggly, Inc., food store; Guntersville, Ala.; 2–16–68 to 2–15–69.

Powers Market, food store; 301 Hillsboro Highway, Manchester, Tenn.; 2–15–68 to 2–14–69.

Raymond's Clothes Shop, apparel store; 614 Fourth Street, Sioux City, Iowa; 2–2–68 to 2–1–69.

Red Bud Super Markets, food stores from 3–4–68 to 3–3–69: 2408 East 21st Street, Wichita, Kans.; 1524 West 29th Street, Wichita, Kans.; 5455 East Central, Wichita, Kans.; 4129 West Central, Wichita, Kans.; 506 South Edgemoor, Wichita, Kans.; 728 East Harry, Wichita, Kans.; 2517 East Kellogg, Wichita, Kans.; 2130 North Market, Wichita, Kans.

Regel Baker's IGA Food Store, food store; Highway 79, McKenzie, Tenn.; 2–20–68 to 2–19–69.

Richbourg's Shoppers Fair, Inc., food store; 1400 East River Street, Anderson, S.C.; 3–15–68 to 3–14–69.

Richland Homes, Inc., nursing home; Girard Route, Sidney, Mont.; 2–21–68 to 2–20–69.

Sacred Heart Hospital, hospital; 626 N Street, Loup City, Nebr.; 3–11–68 to 3–10–69.

St. John Hospital, hospital; Spalding, Nebr.; 2–1–68 to 1–31–69.

St. Louis Hospital, hospital; 324 School Street, Berlin, N.H.; 3–1–68 to 2–28–69.

Salem Lutheran Homes, nursing home; Elk Horn, Iowa; 2–1–68 to 1–31–69.

Shaver's Food Mart, food stores from 3–1–68 to 2–28–69: 7266 North 30th Street, Omaha, Nebr.; 2615 South 90, Omaha, Nebr.; 4222 Redman, Omaha, Nebr.

Shop Rite, Inc., food stores from 1–29–68 to 1–28–69: Fort Oglethorpe, Ga.; Ringgold, Ga.; Trenton, Ga.

Spurgeon's, department stores: East Side of Square, Canton, Ill. (2–26–68 to 2–25–69); 108 West Cook, Portage, Wis. (3–4–68 to 3–3–69).

The Stern & Mann Co., apparel store; 301 Tuscarawas Street, West, Canton, Ohio; 2–1–68 to 1–31–69.

Sunnyway Foods, Inc., food store; 212 North Antrim Way, Greencastle, Pa.; 2–1–68 to 1–31–69.

Super Drive Ins, food stores from 2–19–68 to 2–18–69: No. 3, Clarksville, Tenn.; No. 1, Nashville, Tenn.

Sutton Super Market, food store; Williamsburg, Ky.; 2–15–68 to 2–14–69.

T. G. & Y. Stores Co., variety store; No. 123, Wichita, Kans.; 1–22–68 to 1–21–69.

Trey's Dept. Store, department store; Main Street, Parkersburg, Iowa; 3–6–68 to 3–5–69.

T. A. Turner & Co., Inc., food store; Pink Hill, N.C.; 2–1–68 to 1–31–69.

The Union Grocery Co., Inc., food store; Gary, W. Va.; 2–13–68 to 2–12–69.

Wall Drug Store, Inc., drug store; Wall, S. Dak.; 2–1–68 to 1–31–69.

Warshaw's, Inc., apparel store; 216 Washington Street, Walterboro, S.C.; 2–7–68 to 2–6–69.

Webb's City, Inc., department store; 128 Ninth Street, South, St. Petersburg, Fla.; 2–1–68 to 1–31–69.

Whittaker Food Store, Inc., food store; 5720 Northwest 39th, Oklahoma City, Okla.; 1–19–68 to 1–18–69.

P. Wiest's Sons, department store; 14–20 West Market Street, York, Pa.; 2–10–68 to 2–9–69.

Wong's Foodland, food store; 520 Anderson Boulevard, Clarksdale, Miss.; 2–1–68 to 1–31–69.

F. W. Woolworth Co., variety stores; No. 43, Wilmington, Del. (2–5–68 to 2–4–69); No. 2583, Bloomington, Ind. (2–26–68 to 2–25–69); No. 2259, Indianapolis, Ind. (3–4–68 to 3–3–69); No. 2137, Battle Creek, Mich. (2–19–68 to 2–18–69); 52 Broad Street, Red Bank, N.J. (3–11–68 to 3–10–69); No. 1340, Trenton, N.J. (2–1–68 to 1–31–69); 219 West 17th Street, Cheyenne, Wyo. (3–8–68 to 3–7–69).

The following certificates were issued to retail or service establishments relying on the base-year employment experience of other establishments, either because they came into existence after the beginning of the applicable base year or because they did not have available base-year records. The certificates permit the employment of full-time students at rates of not less than 85 percent of the statutory minimum in the classes of occupations listed, and provide for the indicated monthly limitations on the percentage of full-time student hours of employment at rates below the applicable statutory minimum to total hours of employment of all employees.

Baenziger Model Market, food store; 580 Coreth Drive, New Braunfels, Tex.; stock clerk, package clerk, carry out; 10 percent; 2–1–68 to 1–31–69.

A. J. Bayless Markets, Inc., food stores from 2–1–68 to 1–31–69, package clerk, service clerk; 21.9 percent, except as otherwise indicated: No. 32, Apache Junction, Ariz. (23.5 percent); No. 53, Chandler, Ariz.; No. 37, Douglas, Ariz. (20.5 percent); No. 36, Flagstaff, Ariz.; No. 50, Mesa, Ariz.; No. 30, Phoenix, Ariz. (31.6 percent); No. 39, Phoenix, Ariz. (22 percent); No. 40, Phoenix, Ariz. (21.5 percent); No. 42, Phoenix, Ariz. (23.7 percent); No. 54, Phoenix, Ariz.; No. 51, Tempe, Ariz.; Nos. 43, 44, 45, 46, 47, 49, and 55, Tucson, Ariz.; No. 41, Youngstown, Ariz.

Beachway Minimax, food store; Highway No. 124, Winnie, Tex.; sacker, carry out, stock clerk; between 11.2 percent and 15.8 percent; 3–1–68 to 2–28–69.

Big Bee Market, food store; Marysville, Pa.; Bagger; between 5.6 percent and 8.2 percent; 2–10–68 to 2–9–69.

Big K Dept. Store, department store; Ft. Henry Boulevard, Kingsport, Tenn.; salesclerk, stock clerk, office clerk; between 4 percent and 15 percent; 2–5–68 to 2–4–69.

Carson Pirie Scott & Co., department store; 100 Lincoln Square, Urbana, Ill.; sales clerk; between 2 percent and 8 percent; 3–1–68 to 2–28–69.

Carter's Inc., apparel store; 114 West Illinois, Vinita, Okla.; stock clerk, maintenance; between 5 percent and 17 percent; 2–1–68 to 1–31–69.

Carter's Food Center, food store; 305 South McQuarrie, Wagoner, Okla.; sack clerk; between 7 percent and 15 percent; 2–1–68 to 1–31–69.

Commonwealth Foods, Inc., food stores from 2–1–68 to 1–31–69, bagger scale clerk, fountain clerk; between 4 percent and 15 percent; 9710 Jefferson Avenue, Newport News, Va.; 4717 Jefferson Davis Highway, Richmond, Va.

Craft's Drug Store, drug stores from 3–1–68 to 2–28–69, salesclerk; 8 percent; No. 10, Greer, S.C.; No. 9, Spartanburg, S.C.

Crest Stores Co., variety store; Salisbury, N.C.; salesclerk, stock clerk; between 10.2 percent and 45.3 percent; 11–15–67 to 11–14–68.

DeBroeck's Big Star, food stores from 3–1–68 to 2–28–69, cashier, office clerk, carryout, wrapper, maintenance; between 11 percent and 32 percent; 435 Clark Avenue, Jefferson City, Mo.; 416 Dix Road, Jefferson City, Mo.

Diamond Food Store, food store; 9th and Shawnee, Dewey, Okla.; sack clerk; between 7 percent and 15 percent; 2–1–68 to 1–31–69.

Dutch's Shopping Mart, food store, 330 East 14th Street, Ada, Okla.; stock clerk, package clerk, cleanup; between 11 percent and 22 percent; 2–26–68 to 2–25–69.

Epps Super Market, Inc., food store; No. 4, Houston, Tex.; carryout, produce helper, sacker, cleanup, stocker-checker; 10 percent; 2–1–68 to 1–31–69.

Family Foodland, food store; 401 South Beechtree Street, Grand Haven, Mich.; carryout, cleanup, stock clerk; between 21 percent and 35 percent; 3–11–68 to 3–10–69.

W. T. Grant Co., variety stores; No. 1091, Phillipsburg, N.J.; salesclerk, stock clerk, office clerk, cashier; between 5 percent and 19 percent; 2–9–68 to 2–8–69; No. 460, Burnham, Pa.; salesclerk, stock clerk; between 9 percent and 44 percent; 1–6–68 to 12–31–68.

H.E.B. Food Store, food stores from 3–11–68 to 3–10–69, package clerk, sacker, bottle clerk; 10 percent; No. 111, Austin, Tex.; No. 115, Sinton, Tex.

Haht's Enterprises, Inc., food store, 7629–35 West Bluemound Road, Milwaukee, Wis.; bagger, carryout, stock clerk, cleanup; between 17 percent and 23 percent; 3–4–68 to 3–3–69.

Handy-Andy, Inc., food stores from 2–14–68 to 2–13–69, bottle sorter, produce clerk, office cashier, bakery sales, porter, checker, packager, dairy box stocker, stocker; Nos. 33 and 34, Austin, Tex.; 26.9 percent; No. 44, Corpus Christi, Tex.; 27.4 percent; No. 3, San Antonio, Tex.; 27.4 percent; No. 24, San Antonio, Tex.; 26.5 percent; No. 25, San Antonio, Tex.; 31.3 percent; No. 26, San Antonio, Tex.; 26.5 percent; No. 27, San Antonio, Tex.; 26.9 percent.

Kay Baum, Inc., apparel stores from 2–13–68 to 2–22–69, stock clerk; between 3.5 percent and 20.8 percent; Liberty at Thompson, Ann Arbor, Mich.; 16822 Kercheval, Detroit, Mich.; 1550 Woodward Avenue, Detroit, Mich.

S. S. Kresge Co., variety stores; salesclerk, stock clerk, checker-cashier, office clerk except as otherwise indicated: No. 4088, Colorado Springs, Colo. (between 9 percent and 16 percent, 1–31–68 to 9–19–68, replacement); No. 4121, Denver, Colo. (between 28 percent and 59 percent, 1–31–68 to 8–31–68, replacement); No. 4018, Dubuque, Iowa (between 8 percent and 23 percent, 1–31–68 to 5–2–68, replacement); No. 39, Hyattsville, Md. (salesclerk, 10 percent, 1–29–68 to 1–28–69); No. 4020, Detroit, Mich. (salesclerk, 10 percent, 2–27–68 to 2–26–69); No. 4040, Flint, Mich. (salesclerk, 10 percent, 1–23–68 to 1–22–69), No. 246, Grand Rapids, Mich. (salesclerk, between 2 percent and 11 percent, 2–28–68 to 2–27–69); No. 49, Kansas City, Mo. (between 13 percent and 20 percent, 1–31–68 to 9–2–68, replacement); 400 East Six Forks Road, Raleigh, N.C. (salesclerk, between 11 percent and 22 percent, 2–1–68 to 1–31–69); No. 4175, Canton, Ohio (stock clerk, salesclerk, cashier, maintenance, bookkeeping, display clerk, customer service, between 6 percent and 17 percent, 2–24–68 to 2–23–69); No. 721, Anderson, S.C. (salesclerk, between 11 percent and 22 percent, 2–2–68 to 2–1–69); 6397 Camp Bowie Boulevard, Fort Worth, Tex. (salesclerk, between 7.1 percent and 27.2 percent, 1–15–68 to 1–14–69); No. 4084, Lynchburg, Va. (salesclerk, between 3 percent and 10 percent, 2–1–68 to 1–31–69); No. 4069, Casper, Wyo. (between 9 percent and 11 percent, 2–5–68 to 5–16–68, replacement).

Marsh's Inc., drugstore; 30 Seventh Avenue South, St. Cloud, Minn.; salesclerk, receiving clerk, office clerk; between 13 percent and 21 percent, 2–16–68 to 2–15–69.

Minyard Food Stores, Inc., food stores from 2–20–68 to 2–19–69, package clerk; between 11 percent and 16 percent: Nos. 12 and 20, Arlington, Tex.; Nos. 1, 2, 4, 5, 6, 8, 10, 11, 14, 15, 18, and 19, Dallas, Tex.; Nos. 3 and 17, Irving, Tex.; No. 9, Lancaster, Tex.; No. 16, Lewisville, Tex., No. 7, Mesquite, Tex.

Morgan & Lindsey, Inc., variety store; 1109 South Velasco, Angleton, Tex.; salesclerk, office clerk; between 3.2 percent and 19.8 percent; 2–1–68 to 1–31–69.

G. C. Murphy Co., variety store; No. 304, Atlanta, Ga.; salesclerk, office clerk, stock clerk, janitorial; between 5 percent and 13 percent; 2–1–68 to 1–31–69.

Newman Pharmacy, Inc., drugstore; 14201 Chicago Road, Dolton, Ill.; stock clerk, clerk-cashier, delivery clerk, records clerk; between 19 percent and 25 percent, 2–26–68 to 2–25–69.

Pence Food Center, food store; 1605 South Main Street, Ottawa, Kans.; stock clerk, carryout, janitorial, bagger, cashier; between 8 percent and 25 percent; 1–31–68 to 1–30–69.

Phelps Dodge Mercantile Co., food store; San Jose Estates, Bisbee, Ariz.; carryout, stock clerk, janitorial; 10 percent; 2–1–68 to 1–31–69.

Piggly Wiggly, Inc., food store; Siloam Springs, Ark.; package clerk, stock clerk, checker; between 18 percent and 25 percent; 1–19–68 to 1–18–69.

Pruett's Food Town, Inc., food store; 4852 Hixson Pike, Hixson, Tenn.; sacker; 10 percent; 2–26–68 to 2–25–69.

Randall's Food Market's Inc., food store; 4615 Mangum Road, Houston, Tex.; stock clerk, carryout; between 29.5 percent and 31.7 percent; 3–24–68 to 3–23–69.

Reeves Food Center, food store; No. 2, Bowling Green, Ky.; checker, stock clerk, package clerk; 15 percent; 2–1–68 to 1–31–69.

Shaver's Food Mart, food stores from 3–1–68 to 2–28–69, carryout, between 10 percent and 27 percent; 169 Bennett Street, Council Bluffs, Iowa; 133 West Broadway, Council Bluffs, Iowa; 3813 South 27th Street, Lincoln, Nebr.; 101 South Poplar, Millard, Nebr.; 139 South 40th Street, Omaha, Nebr.; 1937 South 42d Street, Omaha, Nebr.; 5739 North 60th Street, Omaha, Nebr.; 1420 South 60th Street, Omaha, Nebr.; 2425 Ames, Omaha, Nebr.; 8005 Blondo, Omaha, Nebr.; 7820 Dodge, Omaha, Nebr.; 4110 Grorien, Omaha, Nebr.; 4001 Harrison Street, Omaha, Nebr.; 7803 Military, Omaha, Nebr.; 7591 Main Street, Ralston, Nebr.

Shop Rite, Inc., food stores; bagger, stock clerk; 10 percent; Chatsworth, Ga.; 1–29–68 to 1–28–69; LaFayette, Ga.; 1–29–68 to 1–28–69; Summerville, Ga.; 3–1–68 to 2–28–69.

Spurgeon's, department store; 816 Fifth Avenue, Antigo, Wis.; salesclerk, stock clerk, janitorial, marker, receiving clerk; between 8 percent and 15 percent; 2–26–68 to 2–25–69.

The Stern & Mann Co., apparel store; 3040 Cromer NW., Canton, Ohio; delivery clerk, stock clerk, service desk, alteration, gift wrapper, teen board; between 1 percent and 8 percent; 2–1–68 to 1–31–69.

T.G. & Y. Stores Co., variety stores for the occupations of office clerk, salesclerk, stock clerk: No. 827, Clovis, N. Mex. (between 4 percent and 24 percent; 2–13–68 to 2–12–69); No. 427, Ardmore, Okla. (between 10 percent and 30 percent; 1–2–68 to 1–1–69); No. 1000, Miami, Okla. (between 23 percent and 30 percent; 2–15–68 to 2–14–69); No. 448, Tulsa, Okla. (between 24 percent and 30 percent; 2–5–68 to 2–4–69); Nos. 471, 472 and 473, Tulsa, Okla. (between 24 percent and 30 percent; 2–8–68 to 2–7–69); No. 1771, Taylors, S.C. (between 18.1 percent and 30 percent; 12–12–67 to 12–11–68); No. 813, Houston, Tex. (30 percent; 3–1–68 to 2–28–69); No. 739, Kilgore, Tex. (30 percent; 3–1–68 to 2–28–69); No. 762, Marshall, Tex. (30 percent; 3–1–68 to 2–28–69).

F. W. Woolworth Co., variety stores from 2–21–68 to 2–20–69 except as otherwise indicated: for the occupations of salesclerk, stock clerk except as otherwise indicated: No. 2418, Aurora, Colo. (salesclerk, stock clerk, clean up; between 5 percent and 15 percent; 2–16–68 to 2–15–69); No. 2176, Denver, Colo. (salesclerk, stock clerk, cleanup; between 5 percent and 15 percent; 2–16–68 to 2–15–69); No. 2679, Denver, Colo. (salesclerk, stock clerk, checkout, cleanup; between 3 percent and 6 percent; 3–1–68 to 2–28–69); No. 556, Englewood, Colo. (salesclerk, stock clerk, checkout, cleanup; between 3 percent and 6 percent; 3–1–68 to 2–28–69); Nos. 2499 and 2647, Anderson, Ind. (between 16 percent and 45 percent); No. 2659, Bedford, Ind. (between 6 percent and 18 percent); No. 2655, Greenwood, Ind. (between 16 percent and 45 percent); No. 2498, Marion, Ind. (salesclerk, stock clerk, cleanup; between 2 percent and 12 percent); No. 2668, Richmond, Ind. (between 16 percent and 45 percent); No. 1639, Chicago, Ill. (between 0 percent and 17 percent); 1400 MacArthur Drive, Alexandria, La. (salesclerk; between 2 percent and 21 percent; 3–7–68 to 3–6–69); Branch Avenue and St. Barnabas Road SE., Marlow Heights, Md. (salesclerk; 12 percent; 3–5–68 to 3–4–69); No. 2048, Petoskey, Mich. (between 1 percent and 30 percent); No. 599, Virginia, Minn. (salesclerk, stock clerk, cleanup, checker; between 3 percent and 12 percent; 2–19–68 to 2–18–69); No. 50, Paterson, N.J. (salesclerk; between 8 percent and 16 percent); Route 130, Willingboro, N.J. (between 8 percent and 27 percent; 3–6–68 to 3–5–69); No. 1171, Bismarck, N. Dak. (salesclerk, stock clerk, cleanup; between 8 percent and 10 percent; 2–12–68 to 2–11–69); No. 1271, McKeesport, Pa. (between 0.9 percent and 11 percent; 3–11–68 to 3–10–69).

Each certificate has been issued upon the representations of the employer which, among other things, were that employment of full-time students at special minimum rates is necessary to prevent curtailment of opportunities for employment, and the hiring of full-time students at special minimum rates will not create a substantial probability of

reducing the full-time employment opportunities of persons other than those employed under a certificate. The certificates may be annulled or withdrawn, as indicated therein, in the manner provided in Part 528 of Title 29 of the Code of Federal Regulations. Any person aggrieved by the issuance of any of these certificates may seek a review or reconsideration thereof within 30 days after publication of this notice in the FEDERAL REGISTER pursuant to the provisions of 29 CFR 519.9.

Signed at Washington, D.C., this 29th day of March 1968.

ROBERT G. GRONEWALD,
Authorized Representative of the Administrator.

[F.R. Doc. 68-4199; Filed, Apr. 8, 1968; 8:47 a.m.]

INTERSTATE COMMERCE COMMISSION

[No. 34970]

GENERAL INCREASE, MIDDLE ATLANTIC AND NEW ENGLAND TERRITORIES

Present: Laurence K. Walrath, Commissioner, to whom the matter which is the subject of this order has been referred for action thereon.

It appearing, that by order of the Commission dated March 29, 1968, in the above-entitled proceeding, an investigation was instituted into and concerning the lawfulness of the rates, charges, and regulations contained in the schedules described in said order;

And it further appearing, that in order that consideration be given to all factors which may bear upon a proper determination of the issues, including the question whether the resulting rates would be just and reasonable, it is deemed appropriate in the public interest that the information specified below be included in the record to be developed in this proceeding; and good cause appearing therefor:

It is ordered, That respondents be, and they are hereby, notified and required to submit information and supporting data which shall include, among other things, actual expense and revenue data (including anticipated expense and revenue data to show the effect of the proposed increase or decrease) and operating ratios specifically related to the traffic and carriers involved, overall operating ratios, detailed data to establish the representative nature of the carriers used, and in addition, all pertinent evidence and supporting data for the individual representative carriers as they relate to their overall operations, and specifically to the traffic and territories involved.

It is further ordered, That the Commission will take official notice of all the respondent carriers' financial statements on file with the Commission.

It is further ordered, That the traffic studies to be submitted shall represent the most current period possible, and that they shall be based upon actual operations conducted during identical periods of time for each carrier; that the traffic studies shall be shown to be representative of the traffic covered by the rate proposal; and that the traffic study be costed out and operating ratios determined by the individual weight brackets included within the rate proposal. If the two carrier groups described below under the development of costs are used, the traffic study shall be similarly separated. The revenues and costs for both groups shall also be totaled and operating ratios developed.

It is further ordered, That respondents shall produce evidence showing the total revenue earned for the services performed under the bureau's tariffs hereunder investigation for the most recent annual reporting period.

It is further ordered, That the cost study shall be based upon the most current annual reporting period adjusted to date. The costs may be developed for those carriers subject to the requirements for allocation of expenses between line haul and pickup and delivery in 49 CFR Part 182, Instructions 27 and 9002, whose total amount of revenue derived under the bureau's tariffs collectively is 75 percent or more of the total revenue derived by all carriers participating in those tariffs. If those instruction 27 carriers' revenue is less than 75 percent of the total, then all of the instruction 27 carriers should be used. These study carriers shall be selected from the participating carriers in descending order beginning with the carrier deriving the greatest dollar amount of revenue from those tariffs. Unit costs are to be developed separately for (1) those carriers who earn 50 percent or more of their revenues under the tariffs involved and (2) those carriers who earn less than 50 percent. If factors similar to those published in appendix A to Highway Form B for the above two groups of carriers are not available, the published factors for the applicable territory based on the latest study are acceptable in the development of the unit costs.

It is further ordered, That both the cost study and the traffic study be adequately supported by working papers to permit a complete check of the procedures followed and the results obtained.

It is further ordered, That respondents shall produce evidence of the sum of money, in addition to operating expenses, needed to attract debt and equity capital which they require to insure financial stability and the capacity to render service. This evidence should include, without limiting the evidence that may be presented particularized reference to the respondents' reasonable interest, dividend, and surplus requirements; and experienced, projected, and needed rate of return on depreciated investment in transportation.

It is further ordered, That all Class I and II motor carrier respondents shall submit detailed data regarding carrier-affiliate financial and operating relationships and transactions including, with respect to any and all individuals, partnerships, and corporations affiliated with respondents, when such transactions individually or in the aggregate amount to $2,500 or more during the year 1967, the following information:

1. Name of each affiliate from which respondent, during the year 1967, acquired, leased or purchased lands, buildings, equipment, materials, supplies, parts, tires, tubes, gasoline, oil, or other property or services used by respondent in its operations as a motor common carrier.

2. Kinds of property or service which each affiliate supplies to respondent.

3. Basis of charges for property or services supplied by affiliate to respondent including the base and rate for rental charges.

4. Total charges by each affiliate to respondent during the year 1967 for:

a. Lease of vehicles.
b. Lease of terminals.
c. Lease of other property.
d. Pickup and delivery of shipments.
e. Repair and servicing of vehicles.
f. Management, accounting, financial, legal, purchasing, or traffic solicitation services.
g. Property sold by affiliate to respondent.

5. If the affiliate derives revenue from the sale or lease of property or from services through transactions with persons other than respondent, indicate the percentage of the revenue of such business to the total revenue of the affiliate in the year 1967.

6. A copy of the income statement for each affiliate for the year 1967 and the latest period of 1968 for which an income statement is available.

7. A statement listing the amount of wages, salaries, bonuses, and other compensation paid by the affiliate in 1967 to any individual who is also a respondent, or an officer, director, or substantial stockholder of a respondent; or the wife or close relative of a respondent or officer, director or substantial stockholder of a respondent.

8. The term "affiliate" as used in this order means:

a. Any individual who is also a respondent; an officer, director, or substantial stockholder of a respondent; or the wife or close relative either of a respondent, or of an officer, director, or substantial stockholder of a respondent.

b. Any partnership in which one of the partners is a respondent; an officer, director, or substantial stockholder of a respondent; or the wife or close relative either of a respondent; or of an officer, director, or substantial stockholder of a respondent.

c. Any corporation whose stock is wholly or partly owned by a respondent; by an officer, director, or substantial stockholder of a respondent; or by the wife or close relative either of a respondent or of an officer, director, or substantial stockholder of a respondent.

d. Any corporation which exercises control over the operations or finances of respondent.

It is further ordered, That all of the required data specified in this order shall be based upon and reflect at least the 1967 annual reporting period.

It is further ordered, That the Department of Transportation and the General Services Administration be, and they are hereby, notified and requested to submit, as part of their presentation, evidence which will (1) adequately support the allegations contained in their protests before the Board of Suspension including data showing the productivity of respondents, any increase in such productivity for at least the calendar year 1967, and the labor costs per unit of productivity; (2) show what financial indicators should be considered by the Commission in making its decision in this proceeding; (3) show to what extent the Commission should consider operating ratios, return on invested capital, and rate of return on stockholders' equity, in determining the revenue needs of respondents recognizing the differences which exist among the individual carriers both as to their financial conditions and their methods of operation; and, (4) should the Commission adopt any of these as criteria, show what percentage or percentages should the motor carrier industry be allowed in order to maintain a healthy financial condition.

It is further ordered, That the detailed information called for by this order shall be in writing and shall be verified by a person or persons having knowledge thereof; that such verified material shall be served on all parties of record on or before May 6, 1968, and at the same time, respondents shall file an executed original and 16 copies with this Commission, together with certificates of service in accordance with § 1.22(a) of the general rules of practice. The information with respect to carrier affiliates may be served on the parties in summary form, if so desired.

It is further ordered, That all underlying data used in preparation of the material outlined above shall be made available in the office of the party serving such verified matter during usual office hours for inspection by any party of record desiring to do so; and that the underlying data shall be made available also at the hearing, but only if and to the extent specifically requested in writing and required by any party for the purpose of cross-examination.

It is further ordered, That anyone desiring to become a party of record to receive copies of the verified material of respondents to be filed in accordance with the procedure set forth above, must notify the Commission, in writing, on or before April 18, 1968. As soon as practicable after such date, a service list of all parties of record will be prepared and served by the Commission. Otherwise, any interested person desiring to participate in the proceeding may make his appearance at the hearing.

It is further ordered, That this proceeding be, and it is hereby, referred to Hearing Examiners Robert N. Burchmore and James E. Hopkins for hearing commencing June 3, 1968, at 9:30 a.m. District of Columbia daylight saving time at the offices of the Interstate Commerce Commission, Washington, D.C.

It is further ordered, That this proceeding will not be the subject of an examiner's recommended report and order because due and timely execution of our functions requires an expedited decision and in addition, if the increases involved herein are not approved in their entirety, the shippers will be paying higher rates without any recourse to this Commission for relief.

It is further ordered, That a copy of this order be delivered to the Director, Division of Federal Register, for publication in the FEDERAL REGISTER as notice to all interested persons.

And it is further ordered, That, to avoid future unnecessary service upon those respondents who, although participating carriers in the tariff schedules which are the subject of investigation herein, are not actively interested in the outcome of such investigation, subsequent service on respondents herein of notices and orders of the Commission will be limited to those respondents who:

(1) Specifically make written request to the Secretary of the Commission to be included on the service list, or

(2) Have appeared at a hearing.

Dated at Washington, D.C., this 3d day of April 1968.

By the Commission, Commissioner Walrath.

[SEAL] H. NEIL GARSON, *Secretary.*

[F.R. Doc. 68-4212; Filed, Apr. 8, 1968; 8:48 a.m.]

[Special Permission No. 68-4000; Amdt. 3]

[Ex Parte No. 259]

INCREASED FREIGHT RATES, 1968

At a session of the Interstate Commerce Commission, Division 2, held at its office in Washington, D.C., on the 2d day of April, 1968.

Upon further consideration of the matters and things involved in Special Permission No. 68-4000 entered by the Commission March 8, 1968, as amended March 12 and March 25, 1968, and upon consideration of a petition dated March 28, 1968, filed by Edward A. Kaier and other attorneys for and on behalf of petitioners in Ex Parte No. 259, for further modification of Special Permission No. 68-4000 so as to permit the filing of a supplement to Tariff of Increased Rates and Charges, X-259, for the purpose of revising the increases in Item 115 thereof upon less than the 75 days' notice required by Special Permission No. 68-4000 and good cause appearing therefor:

It is ordered, That Special Permission No. 68-4000, entered and amended as aforestated, be, and it is hereby, further modified and amended so as to provide for the filing of a supplement to the master tariff, revising the increases in Item 115 as proposed in the petition, to become effective on not less than 45 days' notice to the Commission and to the public, but not earlier than May 27, 1968.

It is further ordered, That, except as herein modified and amended, Special Permission No. 68-4000 shall be, and remain, in full force and effect.

By the Commission, Division 2.

[SEAL] H. NEIL GARSON, *Secretary.*

[F.R. Doc. 68-4213; Filed, Apr. 8, 1968; 8:48 a.m.]

[No. 34971]

INCREASED RATES AND CHARGES, FROM, TO, AND BETWEEN MIDDLEWEST TERRITORY

Present: Laurence K. Walrath, Commissioner, to whom the matter which is the subject of this order has been referred for action thereon.

It appearing, that by order of the Commission dated March 29, 1968, in the above-entitled proceeding, an investigation was instituted into and concerning the lawfulness of the rates, charges, and regulations contained in the schedules described in said order;

And it further appearing, that in order that consideration be given to all factors which may bear upon a proper determination of the issues, including the question whether the resulting rates would be just and reasonable, it is deemed appropriate in the public interest that the information specified below be included in the record to be developed in this proceeding; and good cause appearing therefor:

It is ordered, That respondents be, and they are hereby, notified and required to submit information and supporting data which shall include, among other things, actual expense and revenue data (including anticipated expense and revenue data to show the effect of the proposed increase or decrease) and operating ratios specifically related to the traffic and carriers involved, overall operating ratios, detailed data to establish the representative nature of the carriers used, and in addition, all pertinent evidence and supporting data for the individual representative carriers as they relate to their overall operations, and specifically to the traffic and territories involved.

It is further ordered, That the Commission will take official notice of all the respondent carriers' financial statements on file with the Commission.

It is further ordered, That the traffic studies to be submitted shall represent the most current period possible, and that they shall be based upon actual operations conducted during identical periods of time for each carrier; that the traffic studies shall be shown to be representative of the traffic covered by the rate proposal; and that the traffic study be costed out and operating ratios determined by the individual weight brackets included within the rate proposal. If the two carrier groups described below under the development of costs are used, the traffic study shall be similarly separated. The revenues and costs for

both groups shall also be totaled and operating ratios developed.

It is further ordered, That respondents shall produce evidence showing the total revenue earned for the services performed under the bureau's tariffs here under investigation for the most recent annual reporting period.

It is further ordered, That the cost study shall be based upon the most current annual reporting period adjusted to date. The costs may be developed for those carriers subject to the requirements for allocation of expenses between line haul and pickup and delivery in 49 CFR Part 182, Instructions 27 and 9002, whose total amount of revenue derived under the bureau's tariffs collectively is 75 percent or more of the total revenue derived by all carriers participating in those tariffs. If those instruction 27 carriers' revenue is less than 75 percent of the total, then all of the instruction 27 carriers should be used. These study carriers shall be selected from the participating carriers in descending order beginning with the carrier deriving the greatest dollar amount of revenue from those tariffs. Unit costs are to be developed separately for (1) those carriers who earn 50 percent or more of their revenues under the tariffs involved and (2) those carriers who earn less than 50 percent. If factors similar to those published in appendix A to Highway Form B for the above two groups of carriers are not available, the published factors for the applicable territory based on the latest study are acceptable in the development of the unit costs.

It is further ordered, That both the cost study and the traffic study be adequately supported by working papers to permit a complete check of the procedures followed and the results obtained.

It is further ordered, That respondents shall produce evidence of the sum of money, in addition to operating expenses, needed to attract debt and equity capital which they require to insure financial stability and the capacity to render service. This evidence should include, without limiting the evidence that may be presented, particularized reference to the respondents' reasonable interest, dividend, and surplus requirements; and experienced, projected, and needed rate of return on depreciated investment in transportation.

It is further ordered, That all Class I and II motor carrier respondents shall submit detailed data regarding carrier-affiliate financial and operating relationships and transactions including, with respect to any and all individuals, partnerships, and corporations affiliated with respondents, when such transactions individually or in the aggregate amount to $2,500 or more during the year 1967, the following information:

1. Name of each affiliate from which respondent, during the year 1967, acquired, leased or purchased lands, buildings, equipment, materials, supplies, parts, tires, tubes, gasoline, oil, or other property or services used by respondent in its operations as a motor common carrier.

2. Kinds of property or service which each affiliate supplies to respondent.

3. Basis of charges for property or services supplied by affiliate to respondent including the base and rate for rental charges.

4. Total charges by each affiliate to respondent during the year 1967 for:

a. Lease of vehicles.

b. Lease of terminals.

c. Lease of other property.

d. Pickup and delivery of shipments.

e. Repair and servicing of vehicles.

f. Management, accounting, financial, legal, purchasing, or traffic solicitation services.

g. Property sold by affiliate to respondent.

5. If the affiliate derives revenue from the sale or lease of property or from services through transactions with persons other than respondent, indicate the percentage of the revenue of such business to the total revenue of the affiliate in the year 1967.

6. A copy of the income statement for each affiliate for the year 1967 and the latest period of 1968 for which an income statement is available.

7. A statement listing the amount of wages, salaries, bonuses, and other compensation paid by the affiliate in 1967 to any individual who is also a respondent or an officer, director or substantial stockholder of a respondent; or the wife or close relative of a respondent or officer, director or substantial stockholder of a respondent.

8. The term "affiliate" as used in this order means:

a. Any individual who is also a respondent; an officer, director, or substantial stockholder of a respondent; or the wife or close relative either of a respondent, or of an officer, director, or substantial stockholder of a respondent.

b. Any partnership in which one of the partners is a respondent; an officer, director, or substantial stockholder of a respondent; or the wife or close relative either of a respondent; or of an officer, director, or substantial stockholder of a respondent.

c. Any corporation whose stock is wholly or partly owned by a respondent; by an officer, director, or substantial stockholder of a respondent; or by the wife or close relative either of a respondent or of an officer, director, or substantial stockholder of a respondent.

d. Any corporation which exercises control over the operations or finances of respondent.

It is further ordered, That all of the required data specified in this order shall be based upon and reflect at least the 1967 annual reporting period.

It is further ordered, That the Department of Transportation and the General Services Administration be, and they are hereby, notified and requested to submit, as part of their presentation, evidence which will (1) adequately support the allegations contained in their protests before the Board of Suspension including data showing the productivity of respondents, any increase in such productivity for at least the calendar year 1967, and the labor costs per unit of productivity; (2) show what financial indicators should be considered by the Commission in making its decision in this proceeding; (3) show to what extent the Commission should consider operating ratios, return on invested capital, and rate of return on stockholders' equity, in determining the revenue needs of respondents recognizing the differences which exist among the individual carriers both as to their financial conditions and their methods of operation; and, (4) should the Commission adopt any of these as criteria, show what percentage or percentages should the motor carrier industry be allowed in order to maintain a healthy financial condition.

It is further ordered, That the detailed information called for by this order shall be in writing and shall be verified by a person or persons having knowledge thereof; that such verified material shall be served on all parties of record on or before May 6, 1968, and at the same time, respondents shall file an executed original and 16 copies with this Commission, together with certificates of service in accordance with § 1.22(a) of the general rules of practice. The information with respect to carrier affiliates may be served on the parties in summary form, if so desired.

It is further ordered, That all underlying data used in preparation of the material outlined above shall be made available in the office of the party serving such verified matter during usual office hours for inspection by any party of record desiring to do so; and that the underlying data shall be made available also at the hearing, but only if and to the extent specifically requested in writing and required by any party for the purpose of cross-examination.

It is further ordered, That anyone desiring to become a party of record to receive copies of the verified material of respondents to be filed in accordance with the procedure set forth above, must notify the Commission, in writing, on or before April 18, 1968. As soon as practicable after such date, a service list of all parties of record will be prepared and served by the Commission. Otherwise, any interested person desiring to participate in this proceeding may make his appearance at the hearing.

It is further ordered, That this proceeding be, and it is hereby, referred to Hearing Examiners Robert N. Burchmore and Richard McG. Wilkins for hearing commencing on May 20, 1968, at 9:30 a.m., District of Columbia daylight saving time at the offices of the Interstate Commerce Commission, Washington, D.C.

It is further ordered, That this proceeding will not be the subject of an examiner's recommended report and order because due and timely execution of our functions requires an expedited decision and in addition, if the increases involved herein are not approved in their entirety, the shippers will be paying higher rates without any recourse to this Commission for relief.

It is further ordered, That a copy of this order be delivered to the Director,

Division of Federal Register, for publication in the FEDERAL REGISTER as notice to all interested persons.

And it is further ordered, That, to avoid future unnecessary service upon those respondents who, although participating carriers in the tariff schedules which are the subject of investigation herein, are not actively interested in the outcome of such investigation, subsequent service on respondents herein of notices and orders of the Commission will be limited to those respondents who:

(1) Specifically make written request to the Secretary of the Commission to be included on the service list, or

(2) Have appeared at a hearing.

Dated at Washington, D.C., this 3d day of April 1968.

By the Commission, Commissioner Walrath.

[SEAL] H. NEIL GARSON, *Secretary.*

[F.R. Doc. 68-4214, Filed, Apr. 8, 1968; 8:48 a.m.]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

[Notice 582]

APRIL 4, 1968.

The following are notices of filing of applications for temporary authority under section 210a(a) of the Interstate Commerce Act provided for under the new rules of Ex Parte No. MC 67 (49 CFR Part 340) published in the FEDERAL REGISTER, issue of April 27, 1965, effective July 1, 1965. These rules provide that protests to the granting of an application must be filed with the field official named in the FEDERAL REGISTER publication, within 15 calendar days after the date of notice of the filing of the application is published in the FEDERAL REGISTER. One copy of such protest must be served on the applicant, or its authorized representative, if any, and the protests must certify that such service has been made. The protests must be specific as to the service which such protestant can and will offer, and must consist of a signed original and six copies.

A copy of the application is on file, and can be examined at the Office of the Secretary, Interstate Commerce Commission, Washington, D.C., and also in the field office to which protests are to be transmitted.

MOTOR CARRIERS OF PROPERTY

No. MC 25443 (Sub-No. 3 TA), filed March 26, 1968. Applicant: V. J. MARRIAN TRUCKING CORPORATION, 60 Hudson Street, New York, N.Y. 10013. Applicant's representative: Charles J. Williams, 47 Lincoln Park, Newark, N.J. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Machinery, machines, instruments and parts, equipment, paraphernalia, cables, wires, pole line materials, office furniture, stationery, and other commodities* used in connection with the conduct of a telegraph company, for the account of The Western Union Telegraph Co. (1) between Allentown, Pa., Mahwah and Fairlawn, N.J., on the one hand, and, on the other, points in Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Maryland, Delaware, Virginia, West Virginia, and the District of Columbia; (2) between New York, N.Y., on the one hand, and, on the other, points in West Virginia and Virginia, for 150 days. Supporting shipper: The Western Union Telegraph Co., 60 Hudson Street, New York, N.Y. 10013. Send protests to: Paul W. Assenza, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 346 Broadway, New York, N.Y. 10013.

No. MC 28956 (Sub-No. 14 TA), filed March 28, 1968. Applicant: G. P. RYALS, doing business as RYALS TRUCK SERVICE, Post Office Box 634, Albany, Oreg. 97321. Applicant's representative: Lawrence V. Smart, Jr., 419 Northwest 23d Avenue, Portland, Oreg. 97210. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Fertilizer*, from Portland, Oreg., to points in Washington, for 180 days. Supporting shipper: B & O Warehouse Co., 107 Southeast Washington, Portland, Oreg. 97214. Send protests to: A. E. Odoms, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 450 Multnomah Building, Portland, Oreg.

No. MC 66562 (Sub-No. 2300 TA) (Clarification), filed March 20, 1968, published in the FEDERAL REGISTER, issue of March 30, 1968, and republished as clarified, this issue. Applicant: RAILWAY EXPRESS AGENCY, INCORPORATED, 219 East 42d Street, New York, N.Y. 10017. Applicant's representative: William H. Marx, Railway Express Agency, Inc., 219 East 42d Street, New York, N.Y. 10017. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* moving in express service, (1) between Doylestown, Pa., and Philadelphia, Pa., from Doylestown over U.S. Highway 611 to the junction with U.S. Highway 1, thence over U.S. Highway 1 to junction Interstate Highway 76, thence over Interstate Highway 76 to Philadelphia and return over the same route, serving no intermediate points, (2) between Norristown, Pa., and Philadelphia, Pa., from Norristown over U.S. Highway 202 to junction Interstate Highway 76, thence over Interstate Highway 76 to Philadelphia and return over the same route, serving no intermediate points, (3) between Hazleton, Pa., and Philadelphia, Pa., from Hazleton over U.S. Highway 309 to junction Interstate Highway 80, thence over Interstate Highway 80 to Stroudsburg, Pa., thence from Stroudsburg over Interstate Highway 80 to junction U.S. Highway 209, thence over U.S. Highway 209 to junction Pennsylvania Highway 115, thence over Pennsylvania Highway 115 to junction Pennsylvania Highway 512, thence over Pennsylvania Highway 512 to junction Interstate Highway 78, thence over Interstate Highway 78 to junction with the Pennsylvania Turnpike, Northeast Extension, at Interchange 33, thence over the Pennsylvania Turnpike to Interchange 24, to the junction with Interstate Highway 76, thence over Interstate Highway 76 to Philadelphia, and return over the same route, serving the intermediate point of Stroudsburg, Pa.

(4) Between Trenton, N.J., and Philadelphia, Pa., from Philadelphia, north on Interstate Highway 76 to junction U.S. Highway 1, thence over U.S. Highway 1 to Trenton, N.J., and return over the same route, also from Philadelphia, over Interstate 676 to and over the Walt Whitman Bridge, thence to junction Interstate Highway 295, thence over Interstate Highway 295 to junction New Jersey Highway 73, thence over New Jersey Highway 73 to junction New Jersey Turnpike at Interchange 4, thence over the New Jersey Turnpike to Interchange 7, to junction U.S. Highway 206, thence over U.S. Highway 206, to Trenton, N.J., and return over the same route, (5) between Philadelphia, Pa., and Asbury Park, N.J., from Philadelphia over Interstate Highway 676 to and over the Walt Whitman Bridge to junction Interstate Highway 295, thence over Interstate Highway 295 to junction New Jersey Highway 73, thence New Jersey Highway 73 to Turnpike, Interchange 4, thence over the New Jersey Turnpike to Interchange 8, to junction New Jersey Highway 33, thence over New Jersey Highway 33 to Asbury Park, and return over the same route; between Altoona, Pa., and Pittsburgh, Pa., from Altoona over U.S. Highway 220 to junction U.S. Highway 22, thence over U.S. Highway 22 to Pittsburgh, Pa. and return over the route, serving no intermediate points, for 180 days. NOTE: Applicant intends to tack the authority sought herein with its existing authority under MC 66562 and subs thereunder. The purpose of this republication is to more clearly set forth the territory proposed to be served. Supporting shippers: There are approximately 33 statements of support attached to the application, which may be examined here at the Interstate Commerce Commission in Washington, D.C., or copies thereof which may be examined at the field office named below. Send protests to: Anthony Chiusano, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 346 Broadway, New York, N.Y. 10013.

No. MC 66562 (Sub-No. 2302 TA), filed March 29, 1968. Applicant: RAILWAY EXPRESS AGENCY, INCORPORATED, 219 East 42d Street, New York, N.Y. 10017. Applicant's representative: Joseph A. Papa, 30th and Walnut Streets, Philadelphia, Pa. 19104. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* moving in express service, between Pittsburgh and Philadelphia, Pa., serving Carlisle, Chambersburg, Harrisburg, and York, Pa. as intermediate or off route points, from Pittsburgh over Interstate Highway 76 to Interchange 6 of Pennsylvania Turnpike, thence over Pennsylvania Turnpike to Interchange 24, thence over

Interstate Highway 76 to Philadelphia, Pa., and return over same route, serving the intermediate or off-route points of Carlisle, Chambersburg, Harrisburg, and York, Pa., from Interchange 16 of the Pennsylvania Turnpike to junction Interstate 81, thence over Interstate Highway 81 serving Carlisle and Chambersburg and return over same route, from Interchange 18 of the Pennsylvania Turnpike to junction Interstate Highway 83, thence over Interstate Highway 83 serving Harrisburg and York, Pa., and return over the same route, for 150 days. NOTE: Applicant intends to tack the authority sought herein with its existing authority under MC 66562 and subs thereunder. Supporting shippers: There are approximately 26 statements of support attached to the application, which may be examined here at the Interstate Commerce Commission in Washington, D.C., or copies thereof which may be examined at the field office named below. Send protests to: District Supervisor Anthony Chiusano, Interstate Commerce Commission, Bureau of Operations, 346 Broadway, New York, N.Y. 10013.

No. MC 106644 (Sub-No. 87 TA), filed March 26, 1968. Applicant: SUPERIOR TRUCKING CO., INC., 2770 Peyton Road, NW. (30318), (Post Office Box 17050, Chattahoochee Station) Atlanta, Ga. 30321. Applicant's representative: Otis E. Stovall (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Hardboard and particleboard*, from Adel, Ga., to points in Alabama, Arkansas, Connecticut, District of Columbia, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Oklahoma, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia, West Virginia, and Wisconsin, for 180 days. Supporting shipper: Weyerhaeuser Co., 100 South Wacker Drive, Chicago, Ill. 60606. Send protests to: William L. Scroggs, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 309, 1252 West Peachtree Street NW., Atlanta, Ga. 30309.

No. MC 114273 (Sub-No. 30 TA) (Correction), filed March 15, 1968, published FEDERAL REGISTER, issue of March 29, 1968, and republished as corrected this issue. Applicant: CEDAR RAPIDS STEEL TRANSPORTATION, INC., Post Office Box 68, 3930 16th Avenue SW., Cedar Rapids, Iowa 52406. Applicant's representative: Robert E. Konchar, Suite 315, Commerce Exchange Building. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Green salted hides*, from Des Moines, Iowa, and Clinton, Iowa, to Milwaukee, Wis., and Chicago, Ill., for 180 days. NOTE: The purpose of this republication is to show the correct Sub number assigned thereto, inadvertently omitted from the previous publication. Supporting shipper: National By-Products, Inc., 1020 Locust Street, Post Office Box 615, Des Moines, Iowa 50303. Send protests to: Chas. C. Biggers, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 332 Federal Office Building, Davenport, Iowa 52801.

No. MC 118572 (Sub-No. 2 TA), filed March 28, 1968. Applicant: D. J. KING, INCORPORATED, Svea Avenue, Branford, Conn. 06405. Applicant's representative: Thomas W. Murrett, 410 Asylum Street, Hartford, Conn. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Water-free commercial propane*, in bulk, in tank vehicles, from Selkirk, N.Y., to points in Connecticut, with no return for compensation, for 120 days. Supporting shipper: Northeast Utilities Service Co., Post Office Box 2010, Hartford, Conn. 06101. Send protests to: District Supervisor, David J. Kiernan, Bureau of Operations, Interstate Commerce Commission, 324 U.S. Post Office Building, 135 High Street, Hartford, Conn. 06101.

No. MC 119829 (Sub-No. 28 TA), filed March 28, 1968. Applicant: F. J. EGNER & SON, INC., 3969 Congrees Parkway, Post Office Box 216, West Richfield, Ohio 44286. Applicant's representative: R. L. Yates (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Anhydrous ammonia*, from Lima, Ohio, to points in Illinois, Indiana, and Michigan, for 180 days. Supporting shipper: Solar Nitrogen Chemicals, Inc., Midland Building, Cleveland, Ohio. Send protests to: District Supervisor G. J. Baccei, Interstate Commerce Commission, Bureau of Operations, 181 Federal Office Building, 1240 East Ninth Street, Cleveland, Ohio 44199.

No. MC 123588 (Sub-No. 2 TA), filed April 1, 1968. Applicant: BRITT BROS., TRUCKING, INC., 275 Water, Heppner, Oreg. 97836. Applicant's representative: Robert Anrams, Post Office Box 428, Heppner, Oreg. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Wood chips*, from points in Wheeler and Morrow Counties, Oreg., to Wallula, Wash., for 180 days. Supporting shippers: J. B. Malcom Co., Heppner Lumber Co., Heppner, Oreg. Send protests to: S. F. Martin, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 450 Multnomah Building, Portland, Oreg.

No. MC 125477 (Sub-No. 2 TA), filed March 28, 1968. Applicant: BRAKE TRUCKING INC., Rural Route No. 2, Springfield, Ill. 62707. Applicant's representative: Robert T. Lawley, 306–308 Reisch Building, Springfield, Ill. 62701. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Wooden kitchen cabinets, wooden bathroom cabinets, and related cases, and components thereof*, crated and uncrated, from New Salisbury, Ind., to points in Illinois, Missouri, and Kansas, for 180 days. Supporting shipper: R. W. Erickson & Associates, 5040 Flintwood Drive, Post Office Box 10668, St. Louis, Mo. 63129. Send protests to: Harold Jolliff, District Supervisor, Bureau of Operations, Interstate Commerce Commission, Room 476, 325 West Adams Street, Springfield, Ill. 62704.

No. MC 129791 TA, March 27, 1968. Applicant: JOSEPH A. KUHL, doing business as ANDREW'S DRIVE IT SERVICE COMPANY, 4049 North Broadway, St. Louis, Mo. 63147. Applicant's representative: Kero Spiroff, 706 Chestnut, St. Louis, Mo. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Automobiles, trucks and individuals* as a chauffering service, from St. Louis, Mo., to points in Iowa, Ohio, Texas, Florida, Arizona, New Mexico, Georgia, Kentucky, Tennessee, Illinois, Michigan, and Oklahoma, and return, for 180 days. Supporting shippers: Technical Marketing Associates, Inc., 2050 Woodson Road, St. Louis, Mo. 63107; Business Management Systems of St. Louis, 3700 Hampton Avenue, St. Louis, Mo. 63109; Topflite Commercial Housekeepers, 705 Olive Street, St. Louis Mo. 63101. Send protests to: J. P. Werthmann, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 3248–B, 1520 Market Street, St. Louis, Mo. 63103.

By the Commission.

[SEAL] H. NEIL GARSON, *Secretary.*

[F.R. Doc. 68–4215; Filed, Apr. 8, 1968; 8:48 a.m.]

[Notice 120]

MOTOR CARRIER TRANSFER PROCEEDINGS

APRIL 4, 1968.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 1132), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC–FC–69993. By order of March 29, 1968, the Transfer Board approved the transfer to James R. Waller, doing business as Waller Truck Co., Richmond, Mo., of the operating rights in certificate No. MC–126245, issued May 10, 1966, to Earl Brooks, doing business as Brooks Truck Line, Marshall, Mo., authorizing the transportation, over regular routes, of general commodities, with exceptions, between Kansas City, Mo., and specified points in Missouri. Lee Reeder, 1221 Baltimore Avenue, Kansas City, Mo. 64105, attorney for applicants.

No. MC–FC–70292. By order of March 28, 1968, the Transfer Board approved the transfer to Warren C. Sauers Co., Inc., Pittsburgh, Pa., of the operating

rights in certificate No. MC–128731 issued October 5, 1967, to Warren C. Sauers, Pittsburgh, Pa., authorizing the transportation of bottles, between points in New York, Pennsylvania, West Virginia, and Ohio. John A. Pillar, 2310 Grant Building, Pittsburgh, Pa. 15219, attorney for applicants.

No. MC–FC–70311. By order of March 29, 1968, the Transfer Board approved the transfer to Traveling Texans Tours, Inc., Dallas, Tex., of license No. MC–12809, issued December 27, 1962, to Levi Billman, doing business as "Traveling Texans", Dallas, Tex., authorizing the holder to engage in brokerage operations, at Dallas, Tex., in arranging for the transportation of passengers and their baggage, in special and charter operations, beginning and ending at points in Dallas County, Tex., and extending to points in the United States. Jack E. Brady, 3275 First National Bank Building, Dallas, Tex. 75202, attorney for applicants.

No. MC–FC–70335. By order of March 29, 1968, the Transfer Board approved the transfer to Joe Luna, Gainesville, Mo., of the operating rights in certificate No. MC–65300 issued June 7, 1941, to R. E. Luna, doing business as R. E. Luna Truck Line, Gainesville, Mo., authorizing the transportation of general commodities, with exceptions, between Springfield, Mo., and Gainesville, Mo., and livestock, from Gainesville, to East St. Louis, Ill. Clyde Rogers, Post Office Box 8, Gainesville, Mo. 65655, attorney for applicant.

No. MC–FC–70346. By order of March 29, 1968, the Transfer Board approved the transfer to R. W. Weaver, doing business as Weaver Truck Line, Osawatomie, Kans., of the operating rights in corrected certificate No. MC–38325 and certificate No. MC–38325 (Sub-No. 2), issued November 12, 1963, and August 9, 1966, respectively, to Albert E. Radley, doing business as Radley Truck Line, Osawatomie, Kans., authorizing the transportation, over regular routes, of livestock, furniture, and household goods, as defined, general commodities, excluding Classes A and B explosives, household goods, commodities in bulk, and other specified commodities, empty drums, barrels, petroleum products in containers, feed, and agricultural implements and parts, walnut logs, fertilizer, building material and fencing material, from, to, and between specified points in Kansas, and Missouri, varying with the commodities transported. Erle W. Francis, Suite 719, 700 Kansas Avenue, Topeka, Kans. 66603, attorney for applicants.

No. MC–FC–70351. By order of March 29, 1968, the Transfer Board approved the transfer to James A. Ferris, Leroy N. Hyatt, and Henry A. Morris, a partnership, doing business as Contractor Freight Service, Post Office Box 253, Miles City, Mont. 59301 of the operating rights in certificate No. MC–120763 (Sub-No. 2), issued July 10, 1961, to Powder River Lines, Inc., authorizing the transportation, over regular routes, of general commodities, excluding household goods, commodities, in bulk, and other specified commodities, between Miles City, Mont., and Jordan, Mont., and between Miles City, Mont., and Broadus, Mont.

[SEAL] H. NEIL GARSON, *Secretary.*

[F.R. Doc. 68–4216; Filed, Apr. 8, 1968; 8:48 a.m.]

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