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PART 53—LIVESTOCK, MEATS, PREPARED MEATS, AND MEAT PRODUCTS (GRADING, CERTIFICATION, AND STANDARDS)

Subpart B—Standards

OFFICIAL STANDARDS FOR GRADES OF CARCASS BEEF

Pursuant to authority of sections 203 and 205 of the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1622, 1624), and in accordance with section 4 of the Administrative Procedure Act (5 U.S.C. 1003), on September 18, 1963, a notice was published in the FEDERAL REGISTER (28 F.R. 10208) regarding a proposed change in the Official Grade Standards for Carcass Beef (7 CFR 53.-102 et seq.). Notice was given that written data, views, or arguments concerning the proposal could be submitted within 60 days after the notice appeared in the FEDERAL REGISTER. A subsequent notice, appearing in the FEDERAL REGISTER on October 18, 1963 (28 F.R. 11197) extended the time for filing comments to April 1, 1964. A press release issued on November 18, 1963, indicated the alternative ways which the proposed revision might be applied. One alternative would be to apply the yield designation to all federally graded beef. Under a second alternative, the yield designation would be applied to federally graded carcasses only if specifically requested by the users of the grading service.

On July 9, 1964, another notice was published in the FEDERAL REGISTER (29 F.R. 9392) proposing a change in the marbling-maturity relationships for the Prime, Choice, Good, and Standard grades of carcass beef. This proposal requires also that all carcasses be ribbed prior to grading and includes certain other minor changes to clarify the intent of the standards and simplify their application. The notice provided that written data, views, or arguments concerning the proposal should be submitted within 90 days after the notice appeared in the FEDERAL REGISTER. The comments submitted on both of these proposals as well as all other information available to the Department have been considered. In addition, informal hearings on the latter proposal were held with several interested industry groups. These discussions also were considered in arriving at a decision on this proposal.

STATEMENT OF CONSIDERATIONS

General statement. In June 1926, the Secretary of Agriculture promulgated the first grade standards for carcass beef and shortly thereafter agreed to provide a beef grading and stamping service. Since that time the Department has had the responsibility for providing meaningful and useful grade standards to facilitate the marketing of beef. This responsibility was reemphasized in the Agricultural Marketing Act of 1946.

This Act specifically authorizes and directs the Secretary of Agriculture "* * * to develop and improve standards of quality, condition, quantity, grade * * * and recommend and demonstrate such standards in order to encourage uniformity and consistency in commercial practices." The Act also directs and authorizes the Secretary to inspect and certify the class, quality, and condition of agricultural products so that they "* * * may be marketed to best advantage, that trading may be facilitated, and consumers may be able to obtain the quality product they desire, except that no person shall be required to use the service."

The aforementioned notices proposed changes in the official grade standards for carcass beef. The latest revision of these standards became effective in June 1956. The two proposals set forth changes which are considered necessary to provide more adequate grade standards for beef carcasses. These proposed revisions have been discussed with all segments of the livestock and meat industry.

Basis for proposals—(1) Quality proposal. The first major revision of the beef standards, in 1939, recognized two basic considerations with respect to the factors that affect the quality, or palatability, of the lean. These were (1) that advancing maturity of the animal had a deleterious effect on beef palatability and (2) that increases in marbling in beef had a beneficial effect on palatability. Therefore, in an effort to develop a means for assuring maintenance of a comparable degree of quality among carcasses of the same grade but which were produced from animals of differing degrees of maturity, the standards for each grade as developed at that time provided for an increase in marbling with an increase in maturity. The limited research available indicated that they had compensatory influences on overall palatability. This aspect of the standards has remained substantially unchanged to the present time. In recognition of the need for a more factual basis for the standards, the Department has continually encouraged and otherwise supported research designed to identify and evaluate the factors that contribute to palatability differences in beef. As a result, the Department and various State agricultural experiment stations have conducted a considerable amount of research of this type.

While a great deal of such research was conducted before 1960, practically none of this produced results that could be used by the Department to improve the standards. In the last 5 years, however, meats researchers have devoted considerable effort toward establishing basic facts regarding characteristics affecting the palatability of beef. This research has verified that marbling is positively associated with palatability. It likewise indicates that over the wide range in maturity within which cattle are marketed, increases in maturity do have a deleterious effect on palatability. However, recent research involving beef from cattle up to about 30 months in age indicates that the degree of increased marbling presently provided for in the standards for beef from animals within this range of maturity is greater than is necessary to insure a comparable degree of palatability within a grade. Such research results are considered sufficiently conclusive to warrant a change in the marbling-maturity relationships in the standards for beef of this maturity.

(2) *Cutability proposal.* In carrying out the Department's responsibility for developing meaningful grade standards, during the past 10 years particular attention has been directed to the problem of developing an improved means of identifying differences in beef carcasses with respect to the relative quantity of usable meat—or the amount of salable retail cuts—that the carcass would produce. Studies during this period indicated that wide differences in value exist among carcasses of the same grade because of differences in cutability and that an important deficiency in the present grade standards is their failure to identify this important quantity aspect of beef. These same studies also indicated that differences in muscling and fatness were largely responsible for these differences in cutability. They also provided data from which an accurate, objective system of identifying cutability differences in beef carcasses was developed.

In 1960, the Department began demonstrating the results of its studies on cutability to all segments of the livestock and meat industry. In these demonstrations and discussions, cutting tests were conducted to illustrate value differences among carcasses associated with differences in cutability. They also included live animal evaluations for cutability to illustrate how such appraisals could be made. In addition, results of the studies conducted by the Department were presented at several national meetings of animal and meat scientists. As a result of these discussions and demonstrations with industry groups, two of the largest national producer organizations requested the Department to provide a cutability grading service on a trial basis in order to permit the industry to evaluate the merits of cutability identification under commercial conditions. Therefore, on April 10, 1962, the Secretary announced that during a 1-year period beginning July 1, 1962, a proposed system of dual grading would be available to users of the Federal meat grading service. Under this system carcasses were identified separately for differences in

eating quality and for differences in cutability. The conventional grading system also was available.

Although some packers made little use of the proposed standards, the dual grading system was used sufficiently in several areas to demonstrate the value and usefulness of identifying carcasses for cutability. In areas where the standards were used rather extensively to grade all kinds of beef carcasses, price differentials of up to $4 per hundredweight developed to reflect differences in cutability. Differences also developed in the prices paid to producers for various kinds of live cattle with differences in cutability. Packers and retailers in these areas objected strenuously to the termination of the trial period of the dual grading system.

Many favorable comments on the proposed standards were received during the trial period. However, several segments of the industry raised objections because carcass conformation was eliminated as a direct factor in determining grade. Consequently, after long and careful study of the comments, coupled with the Department's experience during the trial period, the modified proposal was published on September 18, 1963. In this proposal, the conventional grading system to reflect differences in quality was not changed, but it provided for the addition of a designation to indicate carcass cutability. On November 18, 1963, the Department announced that it would consider making the cutability designation available on an optional basis—that is, providing this designation only when it was requested in addition to the request for the quality determination.

Findings and conclusions. Findings and conclusions based on the comments received and other information available to the Department on the two proposals are as follows:

Quality proposal. The principal issues involved are:

1. Whether the proposed change in marbling-maturity relationships would reduce present consumer satisfaction and confidence in grades of beef,

2. Whether required ribbing of all carcasses prior to grading is desirable in that it might cause increased shrinkage and additional financial loss to packers, and

3. Whether the proposed reduction in marbling requirements would encourage the feeding of older cattle which would be marketed at heavier weights.

The findings on these issues are:

1. *The proposed change in marbling-maturity relationships would not reduce the present consumer satisfaction and confidence in grades of beef.* The proposed change is based on the latest available research studies on the effects of marbling and maturity on the palatability of beef. These studies indicate that the present standards actually overemphasize the effects of maturity on the palatability of beef from animals up to about 30 months of age. The increase in marbling requirements with an increase in maturity provided in the present standards for such beef is greater than is necessary to maintain comparable palatability within a grade. Therefore, the proposed change in marbling-maturity relationships should provide greater uniformity of eating quality within a grade and thereby enhance consumer satisfaction and confidence in grades.

2. *Required ribbing of all carcasses prior to grading would increase the accuracy of grade determination and would not substantially affect loss because of shrinkage.* It is generally agreed that if all carcasses were ribbed prior to grading, the uniformity and accuracy of grading would be increased. It has been established that the characteristics of the lean which are appraised in grading ribbed carcasses are more closely related to the palatability of beef than are the characteristics which must be considered in grading carcasses prior to ribbing. Few carcasses would be affected by the proposed ribbing requirement, since it is estimated that more than 80 percent of all carcasses officially graded at the present time are ribbed prior to grading. Most beef carcasses are shipped within 24 to 48 hours after the cattle are slaughtered, which minimizes the shrinkage and resulting financial loss. Tests of shrinkage in carcasses held 48 to 60 hours reveal practically no difference in shrinkage between ribbed and unribbed sides, particularly if the ribeye is covered with one of the protective coverings now available and widely used. Furthermore, there is ample evidence that graders can grade more carcasses per hour if the carcasses are ribbed prior to grading, which would result in a savings to packers in grading charges.

3. *The proposed reduction in marbling requirements should encourage the marketing of cattle at lighter rather than heavier weights.* The proposed change in marbling-maturity relationships involves a greater reduction in marbling requirements for older cattle than for younger cattle. This fact has led some to conclude that the proposed change would encourage the feeding of older cattle which would be marketed at heavier weights. Such a conclusion might be reached if some pertinent factors are not considered important. However, the economics of cattle feeding would indicate an opposite effect, since it is well established that efficiency of gain is reduced considerably as cattle become older and heavier. This important consideration certainly would discourage the feeding of older cattle to heavier weights. Some have pointed out that the reduced marbling requirements under the proposed change would tend to reduce the time required to feed cattle to a given grade which would encourage the marketing of cattle at lighter weights.

Cutability proposal. The issues involved are:

1. Whether the yield of usable meat is an important factor affecting carcass value,

2. Whether cutability grades are accurate and practical, and

3. Whether Federal cutability grade standards would be in the best interest of the beef industry.

The findings are:

1. *The yield of usable meat is an important affecting carcass value.* During the past several years studies by the United States Department of Agriculture, colleges, universities, and others have indicated that there are very wide differences in the yields of trimmed retail cuts among carcasses of the same U.S. grade. For example, among carcasses of the same weight and quality grade, differences of up to 17 percent have been found in yields of closely trimmed, boneless retail cuts from the round, loin, rib, and chuck. These yield differences result in correspondingly wide value differences. In the Choice grade, value differences of more than $15 per hundredweight exist as a result of variations in yields of usable meat. Although such wide differences in cutability and value are not common, it is generally agreed that variations in value of more than $5 per hundredweight occur commonly within the present supply of Choice grade beef.

Most retailers recognize the importance of the yield of usable meat. The inability under the present Federal beef grade system to more precisely identify the yield of meat has forced many retailers to develop individual purchase specifications. Since each specification is slightly different, the full force of competition cannot be directed against the total beef supply. A system of Federal cutability grades would make it possible for each retailer to actually broaden his range of acceptance within a quality grade if the product were precisely identified and appropriate price differences applied. One organization that operates an extensive personal selection program for independent retailers expressed opposition to the proposed standards on the basis that the high-yielding, high-quality carcasses they are presently buying would cost them $5 per hundredweight more if they were identified for cutability and sold on the basis of their value. This, of course, is an excellent illustration of why such a system of cutability grades is needed in the industry. Such an identification would facilitate and encourage merit trading in carcasses and live cattle. This would give to producers guidelines now unavailable to them with which to better plan their production and marketing programs to produce the kinds of beef in greatest demand.

In many of the comments received during the rulemaking period, packers objected to identifying carcasses for differences in cutability on the basis that this would seriously limit their merchandising efforts. However, during the trial period under the dual grading standards, identifying carcasses for yield actually complemented some packer merchandising efforts and enabled packers to obtain substantially higher prices for high-cutability carcasses than previously had been possible. In this connection, it is considered quite significant that one major packer who expressed strong opposition to the proposed cutability grades did develop and use a similar system of identifying carcasses for cutability by means of private brands. His system uses most of the factors and essentially the same approach as that indicated in the proposed Federal standards. Some packers cited their opposition to all Federal grades as their reason for opposing this further refinement in the standards which would identify carcasses for differences in cutability. Such reasoning is not considered a valid basis

for objecting to the proposal since it is directly counter to the directive by Congress to the Secretary of Agriculture to develop and improve standards and to provide grading services.

2. *Cutability grades are accurate and practical.* The proposed system of cutability grades is based on more direct research than was any previous change in any standards for grades of livestock or meat. The yield grade proposal has received almost unanimous approval from college and university livestock and meat personnel. In their teaching, research, and related activities—carcass contests and breed improvement programs—they have been keenly aware of the need for more precise methods of carcass evaluation. They have commented that the Department's yield grade proposal is a step forward in reaching this goal.

In January 1964, at the request of the American National Cattlemen's Association, Dr. R. W. Bray and Dr. E. J. Briskey of the University of Wisconsin reported on a comprehensive study of the research relating to grade standards. In discussing the degree of accuracy that can be expected in grading and associated systems, they state that "* * * in most studies with meat animals, it should be pointed out that it is virtually impossible to account for over 70 to 80 percent of the variation, even when more than one factor is used in making the variation estimates." In this connection, in each of two detailed Department studies the factors used in the cutability standards accounted for over 80 percent of the variation in cutability.

The trial period under the proposed dual grading standards provided an opportunity to observe and to evaluate cutability grades under practical, commercial conditions. While only a limited number of packers elected to make any substantial use of the proposed standards, those who did so obtained very satisfactory results. Retailers, packers, and producers in those areas commented favorably on the results. Numerous retailers conducted actual cutting tests which confirmed the value of yield grades in estimating retail yields during the trial period.

The Department of Defense made cutting tests on several carloads of beef carcasses of yield grades 2 through 6 during this period to determine the usefulness of the yield grade system in purchasing carcass beef. The yield grade, determined by regular Federal meat graders at several locations throughout the country—and involving the full range of the grades involved—proved highly accurate in predicting boneless meat yields. The results of these tests are as follows:

Yield grade	Carcass weight	Usable meat [1]	Fat trim [1]
	Pounds		
2	35,027	70.2	11.0
3	56,532	67.6	13.9
4	29,665	65.7	16.0
5	27,399	61.9	20.7
6	15,588	59.4	23.1

[1] Percent of carcass weight.

Based on the research conducted by the Department of Agriculture and its own cutting tests, the Department of Defense adopted a policy of carcass beef procurement on a yield grade basis. After the trial period ended, yield grade characteristics were written into the military beef purchase specifications. This program has operated very satisfactorily since September 1963.

A significant feature of the cutability standards is the use of objective measurements as grade factors. While it is not necessary to measure each carcass in routine grading operations, it is obvious that these objective measurements are highly advantageous in determining the correct grade of carcasses whose characteristics place them close to the borderline between grades. Objective measurements also are equally advantageous in maintaining uniformity of grading on a nationwide basis and in settling disputes regarding the correct grade.

The time and cost of determining the cutability grade have been another frequently stated objection to these standards. However, the facts developed during the trial period do not support this objection. The cost of grading in plants making extensive use of the yield grade system during the trial period of dual grading was not significantly different from the cost under corresponding conditions using the regular grade standards. No significant change in the overall cost of grading is anticipated.

3. *Cutability standards would be in the best interest of the beef industry.* The best interests of the beef industry are served by producers clearly understanding the exact desires of consumers and producers receiving payment for their cattle in line with their actual value. Cutability standards—properly used—will make a distinct contribution to this end.

Cutability identification of carcasses would provide the basis for wholesale trading more nearly in line with actual carcass value. This should increase the precision with which consumer preferences are reflected through the marketing channel to producers, thereby stimulating the production of more desirable cattle. At present, while some token price differentials are paid to reflect cutability differences, most of the carcasses in cutability groups 2, 3, and 4, sell for the same price or in a very narrow price range. Thus, the producers of cattle with superior carcasses are subsidizing the producers of the less valuable ones.

The amount of waste fat on beef carcasses now being produced and marketed represents a tremendous economic loss. The amount of this waste fat is conservatively estimated at over 1.5 billion pounds annually. A conservative estimate would indicate that improved production practices could reduce this at least a third with an estimated annual savings to the industry of nearly $100 million. Cutability grades could have an important role in bringing about this much needed improvement.

Beef marketing costs also could be reduced through adequate cutability identification. Personal selection, as well as rejections at time of delivery, greatly increases the cost of marketing beef. These costs could be essentially eliminated by including proper identifications of cutability in Federal grades. Such savings would be reflected in higher prices to producers and lower prices to consumers.

Many who opposed the proposed standards stated that cutability grades would reduce the price of wasty (low-cutability) carcasses and that there would not be offsetting higher prices for carcasses with high cutability. Not only did this prove to be false during the trial period of dual grading, but it is contrary to economic logic. Even if all carcasses were graded for cutability, the average value and price of a given supply should be the same whether or not the carcasses were graded for cutability. The high-cutability carcasses should sell at a price above the average and the low-cutability carcasses should sell for less than the average. However, under a system of optional cutability standards, it is presumed that no carcasses will be identified for cutability unless this will enable them to be sold for a higher price than if they were not so identified.

Breed improvement and research efforts would be benefited by cutability grades, which provide a definite and objective measure of improvement and merit. Already, widespread use is being made of the cutability concept in breed improvement programs and carcass contests.

Summary. On the basis of all the information available to the Department at this time it is concluded that with the changes noted below, the adoption of the (1) quality grade standards proposed July 9, 1964, and (2) the cutability standards included as a part of the proposal of September 18, 1963, to be used on an optional basis either individually or as a combination of the two, is in the interest of the cattle and beef industry and the consuming public. Both proposals are based on sound research results and reflect the best information currently available. Both proposals would provide standards designed to reflect the present modern demand for high quality beef without excess fat.

Therefore, under the authority of sections 203 and 205 of the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1622, 1624), and in accordance with section 4 of the Administrative Procedure Act (5 U.S.C. 1003), the official United States grade standards for carcass beef appearing in 7 CFR 53.102 et seq. are revised as hereinafter set forth.

These revised standards include some changes from the published proposals on which comments were received. With respect to the revision of the quality grade standards, these standards describe grade requirements for carcasses at the borderline of each maturity group rather than for cacasses with typical maturity for each group as provided in the proposal. This change in the manner in which grade requirements are described does not involve any actual change in grade requirements from those proposed. This deviation from the notice was made in the interest of more precise indication of grade requirements and more uniform and accurate inter-

pretation of the standards. With respect to the cutability standards, a change from the original notice permits the application of cutability standards by Federal meat graders to carcasses and wholesale cuts that are not identified for quality grade. Since the cutability designation is being adopted for use on an optional basis, the use of the quality and cutability designations either individually or combined permits the greatest possible latitude in the use of these standards. Another change in these standards provides that the limits of each cutability group are reduced by about one-third of a cutability group, that is, the expected yield of retail cuts would be lowered by approximately one-third of a group as compared to the proposal. This change was accomplished by making an appropriate change in the mathematical equation for determining cutability group. Corresponding changes also were made in the descriptions of carcasses representative of each cutability group. This deviation from the notice was made to provide a more uniform distribution of carcasses in the various cutability groups. A further change from the original notice is that these standards contain provisions for determining the cutability designation for quarters and certain wholesale cuts as well as for carcasses. This deviation was made to extend the cutability group determination to quarters and certain wholesale cuts not provided for in the proposal.

These deviations from the notices represent refinements which have been developed during the rulemaking period and it does not appear that further notice and other public procedure would make additional factual information available to the Department. Therefore, under section 4 of the Administrative Procedure Act (5 U.S.C. 1003), it is found upon good cause that further public procedure with respect to the standards is unnecessary.

The revised provisions of the official U.S. standards for grades of carcass beef are as follows:

1. Section 53.102 is revised to read as follows:

§ 53.102 Application of standards for grades of carcass beef.

(a) The grade of a beef carcass is based on separate evaluations of two general considerations: (1) Palatability-indicating characteristics of the lean and conformation, herein referred to as "quality" and (2) the indicated percent of trimmed, boneless, major retail cuts to be derived from the carcass, herein referred to as "cutability." However, the grade of a beef carcass when applied by Federal meat graders may consist of an evaluation for the quality designation, the cutability designation, or a combination of both the quality and cutability designations. In previous grade standards for beef and in the standards for grades of other kinds of meat, the Department uses the term "quality" to refer only to the palatability-indicating characteristics of the lean without reference to conformation. Its use herein to include consideration of conformation is not intended to imply that variations in conformation are either directly or indirectly related to differences in palatability.

(b) The grade standards are written so that the quality and cutability standards are contained in separate sections. The quality section is divided further into three separate sections applicable to carcasses from (1) steers, heifers, and cows, (2) bulls, and (3) stags. There are five cutability groups applicable to all classes of beef, denoted by numbers 1 through 5, with cutability group 1 representing the highest degree of cutability. Eight quality designations—Prime, Choice, Good, Standard, Commercial, Utility, Cutter, and Canner—are applicable to steer, heifer and cow carcasses, except that cow carcasses are not eligible for Prime. The quality designations for bull and stag beef are Choice, Good, Commercial, Utility, Cutter, and Canner.

(c) The standards provide for the grading and stamping of beef from steers, heifers, and cows according to its characteristics as beef without sex identification. Such beef placed within each respective grade, therefore, shall possess the characteristics specified for that grade, irrespective of the sex of the animal from which it was derived. Beef produced from bulls and stags shall be graded according to its characteristics as bull beef or as stag beef in accordance with the standards. When graded and identified according to grade, such beef shall be identified also for class as "Bull" beef or "Stag" beef, as the case may be. The designated grades of bull beef or stag beef herein are not necessarily comparable in quality or cutability with a similarly designated grade of beef derived from steers, heifers, or cows. Neither is the quality or cutability in a designated grade of bull beef necessarily comparable with a similarly designated grade of stag beef.

(d) The Department uses photographs and other objective aids in the correct interpretation and application of the standards.

(e) To determine the quality or cutability of a carcass, it must be split down the back into two sides and one side must be partially separated into a hindquarter and forequarter by sawing and cutting it, insofar as practicable, as follows: A saw cut perpendicular to both the long axis and split surface of the vertebral column is made across the 12th thoracic vertebra at a point which leaves not more than one-half of this vertebra on the hindquarter. The knife cut across the ribeye muscle starts—or terminates—opposite the above-described saw cut. From that point it extends across the ribeye muscle perpendicular to the outside skin surface of the carcass at an angle toward the hindquarter which is slightly greater (more nearly horizontal) than the angle made by the 13th rib with the vertebral column of the hindquarter posterior to that point. As a result of this cut, the outer end of the cut surface of the ribeye muscle is closer to the 12th rib than is the end next to the chine bone. Beyond the ribeye, the knife cut shall continue between the 12th and 13th ribs to a point which will adequately expose the distribution of fat and lean in this area. The knife cut may be made prior to or following the saw cut but must be smooth and even, such as would result from a single stroke of a very sharp knife.

(f) Other methods of ribbing may prevent an accurate evaluation of grade determining characteristics. Therefore, carcasses ribbed by other methods will be eligible for grading only if an accurate grade determination is possible.

(g) Beveling of the fat over the ribeye, application of pressure, or any other influences which alter the area of the ribeye or the thickness of fat over the ribeye prevent an accurate cutability determination. Therefore, carcasses subjected to such influences may not be eligible for a cutability determination. Also carcasses with more than minor amounts of lean removed from the major sections of the round, loin, rib, or chuck will not be eligible for a cutability determination.

(h) The quality and cutability grade descriptions are defined primarily in terms of carcass beef. However, the quality standards also apply to the grading of hindquarters, forequarters, and individual primal cuts—rounds, loins, short loins, loin ends, ribs, and chucks. A portion of a primal cut as well as plates, flanks, shanks, and briskets likewise can be graded if attached by their natural attachments to a primal cut. Grade requirements for individual primal cuts or special cuts eligible for grading shall be based on the requirements specified in these standards and shall be consistent with the normal development of grade characteristics in various parts of a carcass of the quality level involved. The cutability standards also are applicable to the grading of hindquarters and forequarters, and to ribs, loins, short loins, and combinations of wholesale cuts which include either a rib or a short loin. Until such time as cutability standards are developed for rounds and chucks, their grade—when graded as a wholesale cut—will consist of the quality grade only. Other special major cuts or carcasses ribbed other than between the 12th and 13th ribs may be approved by the Consumer and Marketing Service for grading provided such deviations are necessary to meet either the demand of export trade or changing trade practices.

(i) Carcasses or wholesale cuts qualifying for any particular quality or cutability grade may vary with respect to their relative development of the various grade factors. There will be carcasses or wholesale cuts which qualify for a particular grade, some of whose characteristics may be more nearly typical of another grade. The following is an illustration of the foregoing. In comparison with the descriptions of maturity contained in the standards, a particular carcass might have a greater relative degree of ossification of the cartilages on the ends of its lumbar vertebrae than its other evidences of maturity. In such instances, the maturity of the carcass is not determined solely by the ossification of the lumbar vertebrae but neither is this ignored. All of the maturity-indicating factors are considered. In making any composite evaluation of two or more factors, it must be remembered that these frequently are developed to a dif-

ferent relative extent. Because it is impractical to describe the nearly limitless number of such recognizable combinations of characteristics, the standards for each quality and cutability grade describe only beef which has a relatively similar degree of development of the various factors affecting its quality and cutability. Also, the quality and cutability standards each describe beef which is representative of the lower limits of each quality and cutability group.

(j) The quality grade of a beef carcass is based on separate evaluations of two general considerations: (1) The quality or the palatability-indicating characteristics of the lean and (2) the conformation of the carcass.

(k) Conformation is the manner of formation of the carcass or primal cut. The conformation descriptions included in each of the grade specifications refer to the thickness of muscling and to an overall degree of thickness and fullness of the carcass and its various parts. Carcasses or primal cuts which meet the requirements for thickness of muscling specified for a grade will be considered to have conformation adequate for that grade despite the fact that, because of a lack of fatness, they may not have the overall degree of thickness and fullness described.

(l) Conformation is evaluated by averaging the conformation of the various parts of the carcass or primal cut, considering not only the proportion that each part is of the carcass or primal cut weight but also the general value of each part as compared with the other parts. Thus, although the chuck and round are nearly the same percentage of the carcass weight, the round is considered the more valuable cut. Therefore, in evaluating the overall conformation of a carcass, the development of the round is given more consideration than the development of the chuck. Similarly, since the loin is both a greater percentage of the carcass weight and also generally a more valuable cut than the rib, its conformation receives much more consideration than the conformation of the rib. Superior conformation implies a high proportion of meat to bone and a high proportion of the weight of the carcass or cut in the more valuable parts. It is reflected in carcasses and cuts which are very thickly muscled, very full and thick in relation to their length and which have a very plump, full, and well-rounded appearance. Inferior conformation implies a low proportion of meat to bone and a low proportion of the weight of the carcass or cut in the more valuable parts. It is reflected in carcasses and cuts which are very thinly muscled, very narrow and thin in relation to their length and which have a very angular, thin, sunken appearance.

(m) Quality of the lean is evaluated by considering its marbling and firmness as observed in a cut surface in relation to the apparent maturity of the animal from which the carcass was produced. The maturity of the carcass is determined by evaluating the size, shape, and ossification of the bones and cartilages—especially the split chine bones—and the color and texture of the lean flesh. In the split chine bones, ossification changes occur at an earlier stage of maturity in the posterior portion of the vertebral column (sacral vertebrae) and at progressively later stages of maturity in the lumbar and thoracic vertebrae. The ossification changes that occur in the cartilages on the ends of the split thoracic vertebrae are especially useful in evaluating maturity and these vertebrae are referred to frequently in the standards. Unless otherwise specified in the standards, whenever the ossification of cartilages on the thoracic vertebrae is referred to, this shall be construed to refer to the cartilages attached to the thoracic vertebrae at the posterior end of the forequarter. The size and shape of the rib bones also are important considerations in evaluating differences in maturity. In the very youngest carcasses considered as "beef," the cartilages on the ends of the chine bones show no ossification, cartilage is evident on all the vertebrae of the spinal column, and the sacral vertebrae show distinct separation. In addition, the split vertebrae usually are soft and porous and very red in color. In such carcasses the rib bones have only a slight tendency toward flatness. In progressively more mature carcasses, ossification changes become evident first in the bones and cartilages of the sacral vertebrae, then in the lumbar vertebrae, and still later in the thoracic vertebrae. In beef which is very advanced in maturity, all the split vertebrae will be devoid of red color, very hard and flinty, and the cartilages on the ends of all the vertebrae will be entirely ossified. Likewise, with advancing maturity, the rib bones will become progressively wider and flatter until in beef from very mature animals the ribs will be very wide and flat.

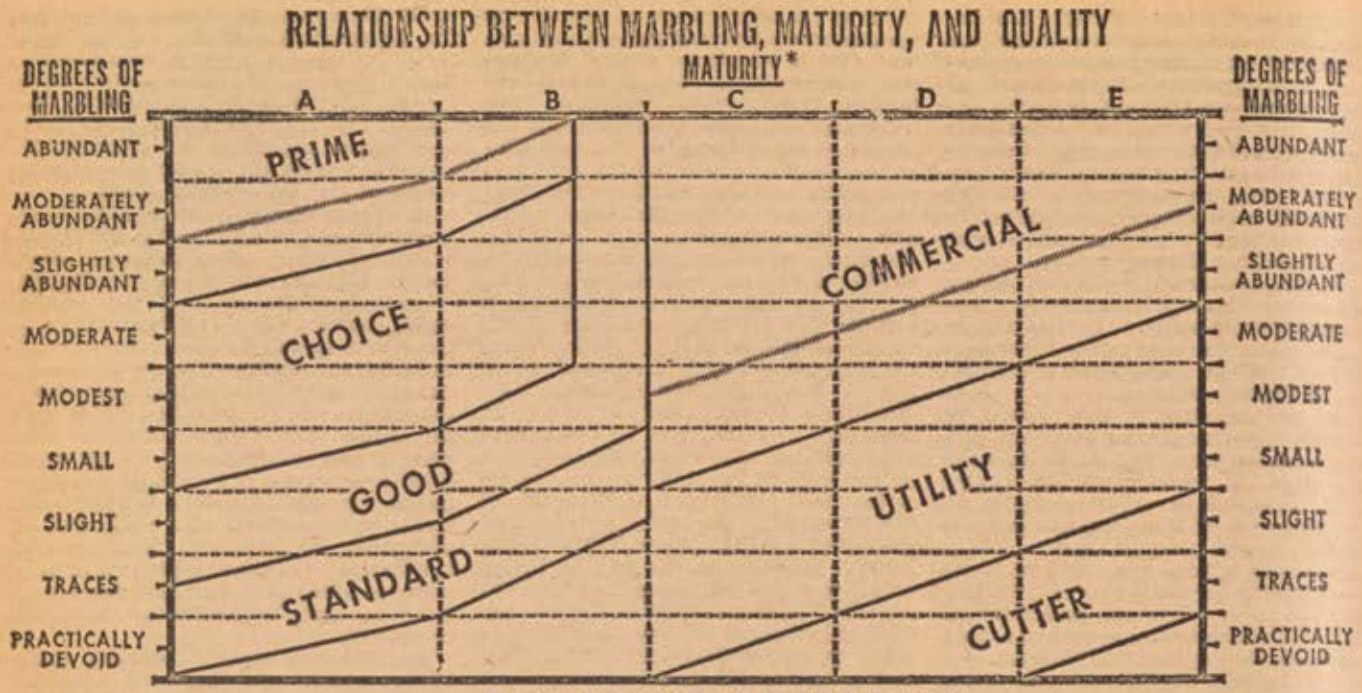
(n) The color and texture of the lean flesh also undergo progressive changes with advancing maturity. In the very youngest carcasses considered as "beef," the lean flesh will be very fine in texture and light grayish red in color. In progressively more mature carcasses, the texture of the lean will become progressively coarser and the color of the lean will become progressively darker red. In very mature beef the lean flesh will be very coarse in texture and very dark red in color. Since color of lean also is affected by variations in quality, references to color of lean in the standards for a given degree of maturity vary slightly with different levels of quality. In determining the maturity of a carcass or cut in which the skeletal evidences of maturity are different from those indicated by the color and texture of the lean, slightly more emphasis is placed on the characteristics of the bones and cartilages than on the characteristics of the lean. In no case can the overall maturity of the carcass or cut be considered more than one full maturity group different from that indicated by its bones and cartilages.

(o) In determining compliance with the maximum maturity limits for the Prime, Choice, Good, and Standard grades, color and texture of the lean are considered only when the maturity-indicating factors other than color and texture of the lean indicates only a slightly more advanced degree of maturity than that specified as maximum for the applicable grade, and provided further that the lean is considerably finer in texture and lighter in color than normal for the grade and maturity involved. The same principle, in reverse, is likewise applicable to determining compliance with the minimum maturity limits of the Commercial grade.

(p) These standards are applicable to the grading of beef within the full range of maturity within which cattle are marketed. However, the range of maturity permitted within each of the grades varies considerably. The Prime, Choice, Good, and Standard grades are restricted to beef from young cattle; the Commercial grade is restricted to beef from cattle too mature for Good or Standard; and the Utility, Cutter, and Canner grades include beef from animals of all ages. Within any specified grade, the requirements for marbling and firmness increase progressively with evidences of advancing maturity. To facilitate the application of this principle, the standards recognize nine different degrees of marbling and five different maturity groupings.

(q) The relationship between marbling, maturity, and quality (that part of the final grade that represents the palatability of the lean) is shown in Figure 1. From this figure it can be seen, for instance, that the minimum marbling requirement for Choice varies from a minimum small amount for the very youngest carcasses classified as beef to a maximum modest amount for carcasses having the maximum maturity permitted in Choice. Likewise, in the Commercial grade the minimum marbling requirement varies from a minimum small amount in beef from animals with the minimum maturity permitted to a maximum moderate amount in beef from very mature animals. Illustrations of the lower limits of eight of the nine degrees of marbling considered in grading beef are available from the Department of Agriculture. No consideration is given to marbling beyond that considered "maximum abundant." The marbling and other lean flesh characteristics specified for the various grades are based on their appearance in the ribeye muscle of properly chilled carcasses that are ribbed between the 12th and 13th ribs.

(r) The final quality grade of a carcass or primal cut is based on a composite evaluation of its conformation and quality. Since relatively few carcasses or cuts have an identical development of conformation and quality, it is obvious that each grade will include various combinations of development of these two characteristics. Examples of how conformation and quality are combined into the final quality grade are included in each of the grade descriptions. The principles governing these compensations are as follows: In each of the grades a superior development of quality is permitted to compensate for a deficient development of conformation, without limit, through the upper limit of quality. The rate of compensation in all grades is on an equal basis—a given degree of superior quality compensates for the same degree of deficient conformation. The



*Maturity increases from left to right (A through E)
——Represents midpoint of Prime and Commercial grades.

Figure 1

reverse type of compensation—a superior development of conformation for an inferior development of quality—is not permitted in the Prime, Choice, and Commercial grades. In all other grades this type of compensation is permitted but only to the extent of one-third of a grade of deficient quality. The rate of compensation is also on an equal basis—a given degree of superior conformation compensates for the same degree of deficient quality.

(s) References to color of lean in the standards involve only colors associated with changes in maturity. They are not intended to apply to colors of lean associated with so-called "dark cutting beef". Dark cutting beef is believed to be the result of a reduced sugar content of the lean at the time of slaughter. As a result, this condition does not have the same significance in grading as do the darker shades of red associated with advancing maturity. The dark color of the lean associated with "dark cutting beef" is present in varying degrees from that which is barely evident to so-called "black cutters" in which the lean is actually nearly black in color and usually has a "gummy" texture. Although there is little or no evidence which indicates that the "dark cutting" condition has any adverse effect on palatability, it is considered in grading because of its effect on acceptability and value. Dependent upon the degree to which this characteristic is developed, the final grade of carcasses which otherwise would qualify for the Prime, Choice, or Good grades may be reduced as much as one full grade. In beef otherwise eligible for the Standard or Commercial grade, the final grade may be reduced as much as one-half of a grade. In the Utility, Cutter, and Canner grades, this condition is not considered.

(t) The cutability group of a beef carcass is determined by considering four characteristics: (1) The amount of external fat, (2) the amount of kidney, pelvic, and heart fat, (3) the area of the ribeye muscle, and (4) the carcass weight.

(u) The amount of external fat on a carcass is evaluated in terms of the thickness of this fat over the ribeye muscle measured perpendicular to the outside surface at a point three-fourths of the length of the ribeye from its chine bone end. This measurement may be adjusted, as necessary, to reflect unusual amounts of fat on other parts of the carcass. In determining the amount of this adjustment, if any, particular attention is given to the amount of fat in such areas as the brisket, plate, flank, cod or udder, inside round, rump, and hips in relation to the actual thickness of fat over the ribeye. Thus, in a carcass which is fatter over other areas than is indicated by the fat measurement over the ribeye, the measurement is adjusted upward. Conversely, in a carcass which has less fat over the other areas than is indicated by the fat measurement over the ribeye, the measurement is adjusted downward. In many carcasses no such adjustment is necessary; however, an adjustment in the thickness of fat measurement of one-tenth or two-tenths of an inch is not uncommon. In some carcasses a greater adjustment may be necessary. As the amount of external fat increases, the percent of retail cuts decreases—each one-tenth inch change in adjusted fat thickness over the ribeye changes the cutability group by 25 percent of a cutability group.

(v) The amount of kidney, pelvic, and heart fat considered in determining the cutability group includes the kidney knob (kidney and surrounding fat), the lumbar and pelvic fat in the loin and round, and the heart fat in the chuck and brisket area which are removed in making closely trimmed retail cuts. The amount of these fats is evaluated subjectively and expressed as a percent of the carcass weight. As the amount of kidney, pelvic, and heart fat increases, the percent of retail cuts decreases—a change of 1 percent of the carcass weight in these fats changes the cutability group by 20 percent of a cutability group.

(w) The area of the ribeye is determined where this muscle is exposed by ribbing. This area usually is estimated subjectively; however, it may be measured. Area of ribeye measurements may be made by means of a grid calibrated in tenths of a square inch or by other devices designated by C&MS. An increase in the area of ribeye increases the percent of retail cuts—a change of 1 square inch in area or ribeye changes the cutability group by approximately 30 percent of a cutability group.

(x) Hot carcass weight (or chilled carcass weight x 102 percent) is used in determining the cutability group. As carcass weight increases, the percent of retail cuts decreases—a change of 100 pounds in hot carcass weight changes the cutability group by approximately 40 percent of a cutability group.

(y) The standards include a mathematical equation for determining cutability group. This group is expressed as a whole number; any fractional part of a designation is always dropped. For example, if the computation results in a designation of 3.9, the final cutability group is 3—it is not rounded to 4.

(z) The cutability standards for each of the first four cutability groups list characteristics of two carcasses of two different weights together with descriptions of the usual fat deposition pattern on various areas of the carcass. These descriptions are not specific requirements—they are included only as illustrations of carcasses which are near the borderlines between groups. For example, the characteristics listed for cutability group 1 represent carcasses which are near the borderline of cutability groups 1 and 2. These descriptions facilitate the subjective determination of the cutability group without making detailed measurements and computations. The cutability group for most beef carcasses can be determined accurately on the basis of a visual appraisal.

2. Section 53.103 in the present standards is deleted. A new § 53.103 is added reading as follows:

§ 53.103 Specifications for official United States standards for grades of carcass beef (cutability).

(a) The cutability group of a beef carcass is determined on the basis of the following equation: Cutability group—2.50+(2.50 x adjusted fat thickness, inches)+(0.20 x percent kidney, pelvic, and heart fat)+(0.0038 x hot carcass weight, pounds)—(0.32 x area ribeye, square inches).

(b)(1) The cutability group of a hindquarter, forequarter, or cut eligible for grading also is determined on the basis of the above equation in which the hot carcass weight is determined by multiplying the chilled weight of the cut by an appropriate factor as applicable to the cut and its style of preparation.

(2) The factors shown below shall be applicable to hindquarters and forequarters produced by ribbing as described herein, and to ribs, trimmed full loins, and trimmed short loins which are trimmed as described in Items 103, 172, and 173, respectively, of the Institutional Meat Purchase (IMP) Specifications for Fresh Beef—Series 100, as revised October 1961.

	Factor
Forequarter	3.90
Hindquarter	4.25
Rib	22.50
Loin, full, trimmed	12.75
Short Loin, trimmed	29.10

(3) A slightly larger factor, appropriate to reflect the weight of the cut as a percent of hot carcass weight, shall be used for ribs, full loins, or short loins which are more closely trimmed than described in the referenced IMP Specifications. Similarly, a smaller factor shall be used for determining the cutability group of these cuts when trimmed less closely than specified or when they include portions or all of adjacent cuts.

(4) In addition, for forequarters and forequarter cuts and for trimmed hindquarters and trimmed hindquarter cuts, the following standard percentages of kidney, pelvic, and heart fat, as applicable to the quality grade of the quarter or cut, also shall be used in the equation:

Grade:	*Kidney, pelvic, and heart fat percent*
Prime	4.5
Choice	3.5
Good	3.0
Standard	2.0
Commercial	4.0
Utility	2.0
Cutter and Canner	1.5

(5) For untrimmed hindquarters and for untrimmed hindquarter cuts, the quantity of kidney and pelvic fat is estimated as a percent of the hot side weight.

(c) The following descriptions provide a guide to the characteristics of carcasses in each cutability group to aid in determining cutability groups subjectively.

(1) *Cutability Group 1.* (i) A carcass in cutability group 1 usually has only a thin layer of external fat over the ribs, loins, rumps, and clods and slight deposits of fat in the flanks and cod or udder. There is usually a very thin layer of fat over the outside of the rounds and over the tops of the shoulders and necks. Muscles are usually visible through the fat in many areas of the carcass.

(ii) A 500-pound carcass of this group which is near the borderline of cutability groups 1 and 2 might have three-tenths inch of fat over the ribeye, 11.5 square inches of ribeye, and 2.5 percent of its weight in kidney, pelvic, and heart fat.

(iii) An 800-pound carcass of this group which is near the borderline of cutability groups 1 and 2 might have four-tenths inch of fat over the ribeye, 16.0 square inches of ribeye, and 2.5 percent of its weight in kidney, pelvic, and heart fat.

(2) *Cutability Group 2.* (i) A carcass in cutability group 2 usually is nearly completely covered with fat but the lean is plainly visible through the fat over the outside of the rounds, the tops of shoulders, and the necks. There usually is a slightly thin layer of fat over the loins, ribs, and inside rounds and the fat over the rumps, hips, and clods usually is slightly thick. There are usually small deposits of fat in the flanks and cod or udder.

(ii) A 500-pound carcass of this group which is near the borderline of cutability groups 2 and 3 might have five-tenths inch of fat over the ribeye, 10.5 square inches of ribeye, and 3.5 percent of its weight in kidney, pelvic, and heart fat.

(iii) An 800-pound carcass of this group which is near the borderline of cutability groups 2 and 3 might have six-tenths inch of fat over the ribeye, 15.0 square inches of ribeye, and 3.5 percent of its weight in kidney, pelvic, and heart fat.

(3) *Cutability Group 3.* (i) A carcass in cutability group 3 usually is completely covered with fat and the lean usually is visible through the fat only on the necks and the lower part of the outside of the rounds. There usually is a slightly thick layer of fat over the loins, ribs, and inside rounds and the fat over the rumps, hips, and clods usually is moderately thick. There usually are slightly large deposits of fat in the flanks and cod or udder.

(ii) A 500-pound carcass of this group which is near the borderline of cutability groups 3 and 4 might have seven-tenths inch of fat over the ribeye, 9.5 square inches of ribeye, and 4.0 percent of its weight in kidney, pelvic, and heart fat.

(iii) An 800-pound carcass of this group which is near the borderline of cutability groups 3 and 4 might have eight-tenths inch of fat over the ribeye, 14.0 square inches of ribeye, and 4.5 percent of its weight in kidney, pelvic, and heart fat.

(4) *Cutability Group 4.* (i) A carcass in cutability group 4 usually is completely covered with fat. The only muscles usually visible are those on the shanks and over the outside of the plates and flanks. There usually is a moderately thick layer of fat over the loins, ribs, and inside rounds and the fat over the rumps, hips, and clods usually is thick. There usually are large deposits of fat in the flanks and cod or udder.

(ii) A 500-pound carcass of this group which is near the borderline of cutability groups 4 and 5 might have one inch of fat over the ribeye, 9.0 square inches of ribeye, and 4.5 percent of its carcass weight in kidney, pelvic, and heart fat.

(iii) A 800-pound carcass of this group which is near the borderline of cutability groups 4 and 5 might have one and one-tenth inch of fat over the ribeye, 13.5 square inches of ribeye, and 5.0 percent of its weight in kidney, pelvic, and heart fat.

(5) *Cutability Group 5.* A carcass in cutability group 5 usually has more fat on all of the various parts, a smaller area of ribeye, and more kidney, pelvic, and heart fat than a carcass in cutability group 4.

3. Section 53.104 is revised to appear as follows:

§ 53.104 Specifications for official United States standards for grades of carcass beef (quality—steer, heifer, cow).

(a) *Prime.* (1) Carcasses and wholesale cuts with minimum Prime grade conformation are thickly muscled throughout and tend to be very wide and thick in relation to their length. Loins and ribs tend to be thick and full. Rounds tend to be plump and the plumpness carries well down to the hocks. The chucks tend to be thick and the necks and shanks tend to be short.

(2)(i) Minimum quality characteristics are described for two maturity groups which cover the entire range of maturity permitted in the Prime grade.

(ii) Carcasses in the younger group range from the youngest that are eligible for the beef class to those at the juncture of the two maturity groups, which have slightly red and slightly soft chine bones and cartilages on the ends of the thoracic vertebrae that have some evidence of ossification. In addition, the sacral ver-

tebrae are completely fused and the cartilages on the ends of the lumbar vertebrae are nearly completely ossified. The rib bones are slightly wide and slightly flat and the ribeye muscle is light red in color and is fine in texture. The minimum degree of marbling required increases with advancing maturity throughout this group from minimum slightly abundant to maximum slightly abundant (see Figure 1) and the ribeye muscle is moderately firm.

(iii) Carcasses in the older group range from those described above as representative of the juncture of the two groups to those at the maximum maturity permitted in the Prime grade, which have chine bones tinged with red and cartilages on the ends of the thoracic vertebrae that are partially ossified. In addition, the cut surface of the lean tends to be fine in texture and the carcasses are at least moderately symmetrical and uniform in contour. The minimum degree of marbling required increases with advancing maturity throughout this group from minimum moderately abundant to maximum moderately abundant (see Figure 1) and the ribeye muscle is firm.

(3) A development of quality superior to that specified as minimum for the Prime grade may compensate, without limit, for a development of conformation inferior to that specified as minimum for Prime at an equal rate as indicated in the following example: A carcass which has mid-point Prime quality may have conformation equal to the mid-point of the Choice grade and remain eligible for Prime. However, regardless of the extent to which the conformation of a carcass exceeds the minimum of the grade, a carcass must have minimum Prime quality to be eligible for Prime.

(4) Only beef produced from steers and heifers is eligible for the Prime grade.

(b) *Choice.* (1) Carcasses and wholesale cuts with minimum Choice grade conformation are moderately thick muscled throughout and tend to be moderately wide and thick in relation to their length. Loins and ribs tend to be moderately thick and full. Rounds tend to be moderately plump. The chucks tend to be moderately thick and the necks and shanks tend to be moderately short.

(2) (i) Minimum quality characteristics are described for two maturity groups which cover the entire range of maturity permitted in the Choice grade.

(ii) Carcasses in the younger group range from the youngest that are eligible for the beef class to those at the juncture of the two maturity groups, which have slightly red and slightly soft chine bones and cartilages on the ends of the thoracic vertebrae that have some evidence of ossification. In addition, the sacral vertebrae are completely fused and the cartilages on the ends of the lumbar vertebrae are nearly completely ossified. The rib bones are slightly wide and slightly flat and the ribeye muscle is moderately light red in color and is fine in texture. The minimum degree of marbling required increases with advancing maturity throughout this group from a minimum small amount to a maximum small amount (see Figure 1) and the ribeye muscle is slightly soft.

(iii) Carcasses in the older group range from those described above as representative of the juncture of the two groups to those at the maximum maturity permitted in the Choice grade, which have chine bones tinged with red and cartilages on the ends of the thoracic vertebrae that are partially ossified. In addition, the cut surface of the lean tends to be fine in texture and the carcasses are at least moderately symmetrical and uniform in contour. The minimum degree of marbling required increases with advancing maturity throughout this group from a minimum modest amount to a maximum modest amount (see Figure 1) and the ribeye muscle is slightly firm.

(3) A development of quality superior to that specified as minimum for the Choice grade may compensate, without limit, for a development of conformation inferior to that specified as minimum for Choice at an equal rate as indicated in the following example: A carcass which has mid-point Choice quality may have conformation equal to the mid-point of the Good grade and remain eligible for Choice. However, regardless of the extent to which the conformation of a carcass exceeds the minimum of the grade, a carcass must have minimum Choice quality to be eligible for Choice.

(c) *Good.* (1) Carcasses and wholesale cuts with minimum Good grade conformation are slightly thick muscled throughout and tend to be slightly wide and thick in relation to their length. Loins and ribs tend to be slightly thick and full. Rounds tend to be slightly plump, and necks and shanks tend to be slightly long and thin.

(2) (i) Minimum quality characteristics are described for two maturity groups which cover the entire range of maturity permitted in the Good grade.

(ii) Carcasses in the younger group range from the youngest that are eligible for the beef class to those at the juncture of the two maturity groups, which have slightly red and slightly soft chine bones and cartilages on the ends of the thoracic vertebrae that have some evidence of ossification. In addition, the sacral vertebrae are completely fused and the cartilages on the ends of the lumbar vertebrae are nearly completely ossified. The rib bones are slightly wide and slightly flat and the ribeye muscle is slightly light red in color and is fine in texture. The minimum degree of marbling required increases with advancing maturity throughout this group from typical traces to a typical slight amount (see Figure 1) and the ribeye muscle is moderately soft.

(iii) Carcasses in the older group range from those described above as representative of the juncture of the two groups to those at the maximum maturity permitted in the Good grade, which have chine bones tinged with red and cartilages on the ends of the thoracic vertebrae that are moderately ossified. In addition, the cut surface of the lean is moderately fine in texture and the carcasses are at least moderately symmetrical and uniform in contour. The minimum degree of marbling required increases with advancing maturity throughout this group from a typical slight amount to a maximum small amount (see Figure 1) and the ribeye muscle is slightly soft.

(3) A development of quality superior to that specified as minimum for the Good grade may compensate, without limit, for a development of conformation inferior to that specified as minimum for Good at an equal rate as indicated in the following example: A carcass which has mid-point Good grade quality may have conformation equivalent to the mid-point of the Standard grade and remain eligible for Good. Also, a carcass which has at least one-third of a grade superior conformation to that specified as minimum for the grade may qualify for Good with a development of quality equivalent to the lower limit of the upper third of the Standard grade. Compensation of superior conformation for inferior quality is limited to one-third of a quality grade.

(d) *Standard.* (1) Carcasses and wholesale cuts with minimum Standard grade conformation tend to be thinly muscled throughout and are slightly narrow and thin in relation to their length. Loins and ribs tend to be flat and slightly thin fleshed. The rounds tend to be thin and slightly concave. Chucks tend to be flat and thin fleshed.

(2) (i) Minimum quality characteristics are described for two maturity groups which cover the entire range of maturity permitted in the Standard grade.

(ii) Carcasses in the younger group range from the youngest that are eligible for the beef class to those at the juncture of the two maturity groups, which have slightly red and slightly soft chine bones and cartilages on the ends of the thoracic vertebrae that have some evidence of ossification. In addition, the sacral vertebrae are completely fused and the cartilages on the ends of the lumbar vertebrae are nearly completely ossified. The rib bones are slightly wide and slightly flat and the ribeye muscle is slightly dark red in color and is fine in texture. The minimum degree of marbling required increases with advancing maturity throughout this group from minimum practically devoid to maximum practically devoid (see Figure 1) and the ribeye muscle is soft.

(iii) Carcasses in the older group range from those described above as representative of the juncture of the two groups to those at the maximum maturity permitted in the Standard grade, which have chine bones tinged with red and cartilages on the ends of the thoracic vertebrae that are moderately ossified. In addition, the cut surface of the lean is moderately fine in texture and the carcasses are at least moderately symmetrical and uniform in contour. The minimum degree of marbling required increases with advancing maturity throughout this group from minimum traces to a typical slight amount (see Figure 1) and the ribeye muscle is moderately soft.

(3) A development of quality superior to that specified as minimum for the

Standard grade may compensate, without limit, for a development of conformation inferior to that specified as minimum for Standard at an equal rate as indicated in the following example: A carcass which has mid-point Standard quality may have conformation equal to the mid-point of the Utility grade and remain eligible for Standard. Also, a carcass which has at least one-third of a grade superior conformation to that specified as minimum for the grade may qualify for Standard with a development of quality equal to the minimum of the upper third of the Utility grade. Compensation of superior conformation for inferior quality is limited to one-third of a quality grade.

(e) *Commercial.* (1) Commercial grade beef carcasses and wholesale cuts are restricted to those with evidences of more advanced maturity than permitted in the Good and Standard grades. Carcasses and wholesale cuts with minimum Commercial grade conformation are slightly thin muscled throughout. However, because of the usually moderately heavy fat covering the carcasses tend to be slightly thick but rather rough and irregular in contour. Rounds tend to be thin and slightly concave. Loins tend to be moderately wide but slightly sunken and the hips are rather prominent. Ribs tend to be slightly thick and full. Chucks are slightly thin and the plates and briskets are wide and "spready." The necks and shanks are slightly long and thin.

(2) (i) Three maturity groups are recognized in the Commercial grade. Minimum quality characteristics are described for the youngest and the most mature of these groups. The requirements for the intermediate group are determined by interpolation between the requirements indicated for the two groups described.

(ii) Carcasses in the youngest group permitted in the Commercial grade range from those with indications of maturity barely more advanced than described as maximum for the Good and Standard grades to those with moderately hard, rather white chine bones and with cartilages on the ends of the thoracic vertebrae that show considerable ossification but the outlines of the cartilages are still plainly visible. In addition, the rib bones are moderately wide and flat and the ribeye muscle is moderately dark red and slightly coarse in texture. The minimum degree of marbling required increases with advancing maturity throughout this group from a minimum small amount to a maximum small amount (see Figure 1) and the ribeye muscle is slightly firm.

(iii) The youngest carcasses in the most mature group included in the Commercial grade have hard, white chine bones and the outlines of the cartilages on the ends of the thoracic vertebrae are barely visible, the rib bones are wide and flat, and the ribeye muscle is dark red and coarse in texture. The range in maturity in this group extends to include carcasses from the oldest animals marketed. The minimum degree of marbling required increases with advancing maturity throughout this group from a minimum moderate amount to a maximum moderate amount (see Figure 1) and the ribeye muscle is firm.

(3) A development of quality superior to that specified as minimum for the Commercial grade may compensate, without limit, for a development of conformation inferior to that specified as minimum for Commercial at an equal rate as indicated in the following example: A carcass which has mid-point Commercial quality may have conformation equal to the mid-point of the Utility grade and remain eligible for Commercial. However, regardless of the extent to which the conformation of a carcass exceeds the minimum of the Commercial grade, the carcass must have quality to the minimum of the Commercial grade to be eligible for Commercial.

(f) *Utility.* (1) Carcasses and wholesale cuts with minimum Utility grade conformation are thinly muscled throughout and are very narrow in relation to their length. They are decidely rangy, angular, and irregular in contour, and are usually thinly fleshed. The loins and ribs are flat and thinly fleshed. The rounds tend to be very thin and concave. The chucks are thin and flat. The necks and shanks are long and tapering. The hips and shoulder joints are prominent.

(2) (i) Carcasses within the full range of maturity classified as beef are included in the Utility grade. Thus, five maturity groups are recognized. Minimum quality requirements are described for three of these groups—the first or youngest, the third or intermediate, and the fifth or the most mature. The requirements for the second and fourth maturity groups are determined by interpolation between the requirements described for their adjoining groups.

(ii) Carcasses in the first or youngest maturity group range from the youngest that are eligible for the beef class to those at the juncture of the first two maturity groups, which have slightly red and slightly soft chine bones and cartilages on the ends of the thoracic vertebrae that have some evidence of ossification. In addition, the sacral vertebrae are completely fused and the cartilages on the ends of the lumbar vertebrae are nearly completely ossified. The rib bones are slightly flat and the ribeye muscle is slightly dark red in color and fine in texture. In carcasses throughout the range of maturity included in this group, the ribeye muscle is devoid of marbling and is soft and slightly watery.

(iii) Carcasses in the third or intermediate maturity group range from those with indications of maturity barely more advanced than described as maximum for the Good and Standard grades to those with moderately hard, rather white chine bones and with cartilages on the ends of the thoracic vertebrae that show considerable ossification but the outlines of the cartilages are still plainly visible. In addition, the rib bones are moderately wide and flat and the ribeye muscle is dark red in color and slightly coarse in texture. The minimum degree of marbling required increases with advancing maturity throughout this group from a minimum practically devoid to a maximum practically devoid (see Figure 1) and the ribeye muscle is moderately soft.

(iv) The youngest carcasses in the fifth or oldest maturity group have hard, white chine bones and the outlines of the cartilages on the ends of the thoracic vertebrae are barely visible, the rib bones are wide and flat and the ribeye muscle is very dark red and coarse in texture. The range in maturity in this group extends to include carcasses from the oldest animals produced. The minimum degree of marbling required increases with advancing maturity throughout this group from a minimum slight amount to a maximum slight amount (see Figure 1) and the ribeye muscle is slightly firm.

(3) A development of quality which is superior to that specified as minimum for the Utility grade may compensate, without limit, for a development of conformation inferior to that specified as minimum for Utility at an equal rate as indicated in the following example: A carcass which has mid-point Utility quality may have conformation equal to the mid-point of the Cutter grade and remain eligible for Utility. Also, a carcass which has at least one-third of a grade superior conformation to that specified for the minimum of the grade may qualify for Utility with a development of quality equal to the lower limit of the upper third of the Cutter grade. Compensation of superior conformation for inferior quality is limited to one-third of a quality grade.

(g) *Cutter.* (1) Carcasses and wholesale cuts with minimum Cutter grade conformation are very thinly muscled throughout. They are rangy, angular, and irregular in contour, and very thinly fleshed. The loins and ribs are very flat, thin, and shallow. The rounds are very thin and very concave. The chucks are very flat, thin, and shallow. The necks and shanks are very long and tapering. The hips and shoulder joints are very prominent.

(2) (i) Carcasses within the full range of maturity classified as beef are included in the Cutter grade. Thus, five maturity groups are recognized. Minimum quality requirements are described for three of these groups—the first or youngest, the third or intermediate, and the fifth or the most mature. The requirements for the second and fourth maturity groups are determined by interpolation between the requirements described for their adjoining groups.

(ii) Carcasses in the first or youngest maturity group range from the youngest that are eligible for the beef class to those at the juncture of the first two maturity groups, which have slightly red and slightly soft chine bones and cartilages on the ends of the thoracic vertebrae that have some evidence of ossification. In addition, the sacral vertebrae are completely fused and the cartilages on the ends of the lumbar vertebrae are nearly completely ossified. The rib bones are slightly wide and slightly flat and the ribeye muscle is slightly dark red in color and fine in

texture. In carcasses throughout the range of maturity included in this group, the ribeye muscle is devoid of marbling and is very soft and watery.

(iii) Carcasses in the third or intermediate maturity group range from those with indications of maturity barely more advanced than described as maximum for the Good and Standard grades to those with moderately hard, rather white chine bones and with cartilages on the ends of the thoracic vertebrae that show considerable ossification but the outlines of the cartilages are still plainly visible. In addition, the rib bones are moderately wide and flat and the ribeye muscle is dark red in color and slightly coarse in texture. In carcasses throughout the range of maturity included in this group, the ribeye muscle is devoid of marbling and is soft and watery.

(iv) Carcasses in the fifth or oldest maturity group have hard white chine bones and the outlines of the cartilages on the ends of the thoracic vertebrae are barely visible, the rib bones are wide and flat, and the ribeye muscle is very dark red in color and coarse in texture. The range in maturity in this group extends to include carcasses from the oldest animals produced. The minimum degree of marbling required increases with advancing maturity throughout this group from minimum practically devoid to maximum practically devoid (see Figure 1) and the ribeye muscle is soft and slightly watery.

(3) A development of quality which is superior to that specified as minimum for the Cutter grade may compensate, without limit, for a development of conformation inferior to that specified as minimum for Cutter at an equal rate as indicated in the following example: A carcass which has mid-point Cutter quality may have conformation equal to the mid-point of the Canner grade and remain eligible for Cutter. Also, a carcass which has at least one-third of a grade superior conformation to that specified for the minimum of the grade may qualify for Cutter with a development of quality equal to the lower limit of the upper third of the Canner grade. Compensation of superior conformation for inferior quality is limited to one-third of a quality grade.

(h) *Canner.* The Canner grade includes only those carcasses that are inferior to the minimum requirements specified for the Cutter grade.

(Sec. 203, 60 Stat. 1087, as amended; sec. 205, 60 Stat. 1090, as amended; 7 U.S.C. 1622 and 1624; 19 F.R. 74, as amended)

Beef carcasses and wholesale cuts which have been federally graded prior to the effective date of these revised standards shall not be eligible for regrading.

The foregoing provisions shall become effective on June 1, 1965.

Done at Washington, D.C., this 2d day of April 1965.

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

[F.R. Doc. 65-3595; Filed, Apr. 6, 1965; 8:50 a.m.]

Title 12—BANKS AND BANKING

Chapter I—Bureau of the Comptroller of the Currency, Department of the Treasury

PART 8—ASSESSMENT OF FEES; NATIONAL BANKS, DISTRICT OF COLUMBIA BANKS

Applications for Approval of Mergers and New Bank Charter

This revision, issued pursuant to the authority contained in R.S. 5240, as amended, 12 U.S.C. 482; sec. 3, 47 Stat. 1566, 26 D.C. Code 102, prescribing the assessment of fees upon National Banks and all banks located in the District of Columbia, provides for the assessment of fees to cover the expenses of examinations related to applications for the approval of mergers and applications for new bank charters. Since the revised fees represent the cost of investigating and processing these applications, notice, public procedure, and delayed effectiveness are unnecessary and contrary to the public interest. Accordingly, this revision will become effective upon publication.

Part 8, Chapter 1, Title 12, of the Code of Federal Regulations of the United States of America is revised by amending § 8.4 and adding a new § 8.8 to read as follows:

§ 8.4 Filing fee for applications for approval of mergers.

A filing fee of $1,000 is assessed for each application for approval of a merger, consolidation, or purchase of assets and assumption of liabilities in which two banks are involved. When three or more banks are involved in such merger, consolidation, or purchase and assumption, the filing fee is $500 for each participating institution.

§ 8.8 Filing fee for new bank charter applications.

A filing fee of $1,500 is assessed for each application to organize a new National Bank.

Dated: April 1, 1965.

[SEAL] JAMES J. SAXON,
Comptroller of the Currency.

[F.R. Doc. 65-3565; Filed, Apr. 6, 1965; 8:48 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Agency

[Airspace Docket No. 64-CE-94]

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

Alteration of Control Zone and Transition Area

In a Notice of proposed rule making published in the FEDERAL REGISTER on December 19, 1964 (29 F.R. 18095), and a Supplemental notice of proposed rule making published in the FEDERAL REGISTER on February 3, 1965 (30 F.R. 1120), it was stated that the Federal Aviation Agency proposed to alter the controlled airspace in the Menominee, Mich., terminal area.

Interested persons were afforded an opportunity to participate in the rule making through submission of comments. Due consideration was given to all relevant matter presented. The Air Transport Association offered no objection to the airspace designation as proposed. Objections were received from Mr. I. W. Stephenson, Menominee, Mich., the gist of which indicates that there is insufficient traffic for the continuation of the Menominee control zone, inadequate weather reporting and communications services; the proposed extension is primarily for the benefit of North Central Airlines; and that an improperly operated control zone creates a situation which is more hazardous than would exist if there were no control zone. The Federal Aviation Agency has determined that the Menominee County Airport continues to meet the established criteria for retention of the control zone. Weather observations are made by duly certificated personnel of North Central Airlines and are available through the United States Weather Bureau and are included on the Federal Aviation Agency Service "A" teletype system hourly reports. Pilots can obtain the Menominee weather by radio from the Green Bay Flight Service Station. The proposed extension will provide protection for aircraft executing the "Special" instrument approach procedure approved for use by North Central Airlines and approximately seventy-two firms and individuals who have so contracted for its use with North Central Airlines. The Federal Aviation Agency has no evidence which indicates that the Menominee County Airport control zone is improperly operated in any respect nor has it received any other complaints to this effect.

In consideration of the foregoing, Part 71 (New) of the Federal Aviation Regulations is amended, effective 0001, e.s.t., May 27, 1965, as hereinafter set forth.

1. In § 71.171 (29 F.R. 17581), the Menominee, Mich., control zone is amended to read:

MENOMINEE, MICH.

Within a 5-mile radius of Menominee County Airport (latitude 45°07'25" N., longitude 87°38'20" W.) within 2 miles each side of the Menominee VOR 351° radial, extending from the 5-mile radius zone to 8 miles N of the VOR and within 2 miles each side of the 320° bearing from the Menominee County Airport extending from the 5-mile radius zone to 8 miles NW of the airport. This control zone shall be effective during the times established by a Notice to Airmen and published continuously in the Airman's Information Manual.

2. In § 71.181 (29 F.R. 17643), the Menominee, Mich., transition area is amended to read:

MENOMINEE, MICH.

That airspace extending upward from 700 feet above the surface within a 5-mile radius of Menominee County Airport (latitude 45°07'25" N., longitude 87°38'20" W.) and within 5 miles E and 8 miles W of the Me-

nominee VOR 351° and 171° radials, extending from 12 miles N to 3 miles S of the VOR and that airspace extending upward from 1,200 feet above the surface within 5 miles SW and 8 miles NE of the 320° bearing from the Menominee County Airport extending from the airport to 12 miles NW of the airport.

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

Issued in Kansas City, Mo., on March 25, 1965.

HENRY L. NEWMAN,
Acting Director, Central Region.

[F.R. Doc. 65-3515; Filed, Apr. 6, 1965; 8:45 a.m.]

[Airspace Docket No. 63-EA-60]

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

Designation of Control Zone and Transition Areas and Revocation of Control Area Extension

On November 26, 1964, a notice of proposed rule making was published in the FEDERAL REGISTER stating that the Federal Aviation Agency was considering amendments to Part 71 of the Federal Aviation Regulations that would designate a control zone and a transition area at Charlottesville, Va., and a transition area at Staunton, Va., and that would revoke the Charlottesville and Staunton control area extension.

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

In the notice a portion of the proposed control zone was described as that airspace within 2 miles each side of the Charlottesville ILS localizer southwest course, extending from the 4-mile radius area to the Charlottesville radio beacon. Since the proposed ILS has not yet been commissioned, this portion of the control zone is redescribed herein as that airspace within 2 miles each side of the 021° bearing from the Charlottesville RBN, extending from the 4-mile radius zone to the RBN. This redescription designates the same airspace that was proposed in the notice and will protect a proposed public ADF approach procedure.

Since the above change is editorial and does not affect the airspace descriptions set forth in the notice of proposed rule making, it is minor in nature and notice and public procedure thereon are unnecessary.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective 0001 e.s.t., May 27, 1965, as hereinafter set forth.

1. In § 71.171 (29 F.R. 17581), the Charlottesville control zone is designated as follows:

CHARLOTTESVILLE, VA.

Within a 4-mile radius of the Charlottesville-Albermarle Airport (latitude 38°08'25" N., longitude 78°27'10" W.) and within 2 miles each side of the 021° bearing from the Charlottesville RBN, extending from the 4-mile radius zone to the RBN.

2. In § 71.181 (29 F.R. 17643), the Charlottesville and Staunton transition areas are designated, respectively, as follows:

a. CHARLOTTESVILLE, VA.

That airspace extending upward from 700 feet above the surface within a 6-mile radius of the Charlottesville-Albermarle Airport (latitude 38°08'25" N., longitude 78°27'10" W.); and that airspace extending upward from 1,200 feet above the surface bounded by a line beginning at latitude 38°43'00" N., longitude 78°58'00" W.; to latitude 38°43'00" N., longitude 78°12'00" W.; to latitude 38°-51'15" N., longitude 78°12'21" W.; to latitude 38°30'00" N., longitude 77°44'00" W.; to latitude 37°40'00" N., longitude 78°14'30" W.; to latitude 37°40'00" N., longitude 79°-30'30" W.; to latitude 38°00'00" N., longitude 79°30'00" W.; to the point of beginning.

b. STAUNTON, VA.

That airspace extending upward from 700 feet above the surface within a 7-mile radius of the Shenandoah Valley Airport (latitude 38°15'45" N., longitude 78°53'50" W.) and within 2 miles each side of the 216° bearing from the Laurel Hill RBN extending from the 7-mile radius area to 8 miles SW of the RBN.

3. In § 71.165 (29 F.R. 17557) the Charlottesville, Va., and Staunton, Va., control area extensions are revoked.

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

Issued in Washington, D.C., on March 31, 1965.

DANIEL E. BARROW,
Chief, Airspace Regulations and Procedures Division.

[F.R. Doc. 65-3516; Filed, Apr. 6, 1965; 8:45 a.m.]

[Airspace Docket No. 65-SO-4]

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

Realignment of Federal Airway

The purpose of this amendment to Part 71 of the Federal Aviation Regulations is to realign VOR Federal airway No. 159, in part, from West Palm Beach, Fla., to Vero Beach, Fla., via the intersection of the West Palm Beach 314° and the Vero Beach 178° True radials.

At present, V-159 is designated, in part, from Vero Beach direct to West Palm Beach, and this is a common segment with VOR Federal airway No. 3. The proposed realignment would establish V-159 to coincide, with the pertinent segments of VOR Federal airways Nos. 51E and 492N. The present inbound routing for southbound aircraft landing at West Palm Beach is from over Vero Beach, via V-51E and V492N, to the Monet Intersection. Monet is the primary clearance limit and release point for transfer of control from the ARTC Center to the Tower. The clearance phraseology is lengthy, often confuses the pilot and results in frequent repeating of the clearance. The proposed realignment of V-159 would eliminate this problem.

Since this amendment does not involve designation or revocation of additional controlled airspace or airways, and is essentially an operational adjustment, it is minor in nature and notice and public procedure hereon are unnecessary.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective 0001 e.s.t., June 24, 1965, as hereinafter set forth.

In § 71.123 (29 F.R. 17509), V-159 is amended by deleting "Vero Beach, Fla.;" and substituting "INT West Palm Beach 314° and Vero Beach, Fla., 178° radials; Vero Beach;" therefor.

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

Issued in Washington, D.C., on March 31, 1965.

DANIEL E. BARROW,
Chief, Airspace Regulations and Procedures Division.

[F.R. Doc. 65-3517; Filed, Apr. 6, 1965; 8:45 a.m.]

[Airspace Docket No. 65-WA-25]

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

Alteration of Reporting Point

The purpose of this amendment to Part 71 of the Federal Aviation Regulations is to redescribe the Crab Intersection reporting point.

The Tallahassee, Fla., radio beacon will be relocated about May 15, 1965, to a site at latitude 30°19'26" N., longitude 84°21'30" W. Since the Crab Intersection is described, in part, on a bearing from the Tallahassee radio beacon, action is taken herein to redescribe this reporting point to retain its present location.

Since this action is essentially editorial and does not involve the assignment or revocation of controlled airspace, it is minor in nature and notice and public procedure hereon are unnecessary.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective 0001 e.s.t., May 27, 1965, as hereinafter set forth.

In § 71.209 (29 F.R. 17721), Crab INT is amended by deleting "187° bearing Tallahassee" and substituting "188° bearing Tallahassee" therefor.

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

Issued in Washington, D.C., on March 31, 1965.

DANIEL E. BARROW,
Chief, Airspace Regulations and Procedures Division.

[F.R. Doc. 65-3518; Filed, Apr. 6, 1965; 8:45 a.m.]

[Airspace Docket No. 65-CE-2]

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

Alteration of Transition Area

On January 28, 1965, a notice of proposed rule making was published in the FEDERAL REGISTER (30 F.R. 886) stating that the Federal Aviation Agency proposed to alter controlled airspace in the vicinity of Guymon, Okla.

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

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended effective 0001 e.s.t., May 27, 1965, as hereinafter set forth:

In § 71.181 (29 F.R. 17643) the following transition area is amended to read:

GUYMON, OKLA.

That airspace extending upward from 700 feet above the surface within an 8-mile radius of the Guymon Municipal Airport (latitude 36°40'45" N., longitude 101°30'30" W.); and that airspace extending upward from 1,200 feet above the surface within 8 miles E and 5 miles W of the 359° and 179° bearings from the Guymon Municipal Airport, extending from the airport to 12 miles N and S of the airport.

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

Issued in Kansas City, Mo., on March 24, 1965.

HENRY L. NEWMAN,
Acting Director, Central Region.

[F.R. Doc. 65-3519; Filed, Apr. 6, 1965; 8:45 a.m.]

[Airspace Docket No. 65-AL-7]

PART 73—SPECIAL USE AIRSPACE

Alteration of Restricted Area

The purpose of this amendment to Part 73 of the Federal Aviation Regulations is to redesignate the using agency for Restricted Area R-2204 at Shemya AFB, Alaska.

The Alaskan Air Command has advised that the using agency for R-2204 is listed erroneously as "Commander, 5040th Air Base Squadron, Shemya AFB, Alaska." The correct using agency is "Commander, 5073rd Air Base Squadron, Shemya AFB, Alaska." Action is taken herein to reflect the necessary correction.

Since this amendment is essentially minor and editorial in nature, notice and public procedure hereon are unnecessary and the amendment may be made effective on less than 30 days' notice.

In consideration of the foregoing, Part 73 of the Federal Aviation Regulations is amended, effective upon publication in the FEDERAL REGISTER, as hereinafter set forth.

In § 73.22 (29 F.R. 17730), Restricted Area R-2204, Shemya, Alaska, is amended by deleting "Using agency Commander, 5040th Air Base Squadron, Shemya AFB, Alaska." and substituting therefor "Commander, 5073rd Air Base Squadron, Shemya AFB, Alaska."

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

Issued in Washington, D.C., on April 1, 1965.

CLIFFORD P. BURTON,
Acting Director, Air Traffic Service.

[F.R. Doc. 65-3520; Filed, Apr. 6, 1965; 8:45 a.m.]

[Airspace Docket No. 65-WE-32]

PART 73—SPECIAL USE AIRSPACE

Alteration of Restricted Area

The purpose of this amendment to Part 73 of the Federal Aviation Regulations is to change the controlling agency of Restricted Area/Military Climb Corridor R-2527 at Oxnard, Calif. (Oxnard AFB).

The Federal Aviation Agency, Ventura Approach Control facility is presently designated as the controlling agency for R-2527. A combined facility to be known as the Oxnard RAPCON is being established to furnish the approach control service formerly delegated to Ventura Tower. The FAA will assume operational responsibility of the Oxnard RAPCON on April 1, 1965. Consequently, a change in the controlling agency of R-2527 is necessary.

Since this amendment is editorial in nature and the date of the change in the controlling agency is imminent, notice and public procedure hereon are unnecessary and the amendment may be made effective on less than 30 days' notice.

In consideration of the foregoing, Part 73 of the Federal Aviation Regulations is amended, effective immediately, as hereinafter set forth.

In § 73.25 (29 F.R. 17733), Restricted Area/Military Climb Corridor R-2527 at Oxnard, Calif., is amended by deleting from the text "Controlling agency. Federal Aviation Agency, Ventura Approach Control." and substituting therefor "Controlling agency. Federal Aviation Agency, Oxnard Approach Control."

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

Issued in Washington, D.C., on April 1, 1965.

CLIFFORD P. BURTON,
Acting Director, Air Traffic Service.

[F.R. Doc. 65-3521; Filed, Apr. 6, 1965; 8:45 a.m.]

[Airspace Docket No. 63-EA-106]

PART 75—ESTABLISHMENT OF JET ROUTES

Alteration of Jet Route

On March 28, 1964, a notice of proposed rule making was published in the FEDERAL REGISTER (29 F.R. 4105) stating that the Federal Aviation Agency was considering an amendment to Part 75 of the Federal Aviation Regulations which would extend Jet Route No. 84 from Northbrook, Ill., to the Kennedy, N.Y., VORTAC via the Carleton, Mich., Jefferson, Ohio, and Williamsport, Pa., VORTACs. On October 21, 1964, a supplementary notice of proposed rule making was published in the FEDERAL REGISTER (29 F.R. 14444) amending the original proposal by proposing the alignment of the portion of J-84 east of Carleton, Mich., via the Slate Run, Pa., VOR in lieu of the Jefferson, Ohio, and Williamsport, Pa., VORTACs.

Interested persons were afforded an opportunity to participate in the rule making through submission of comments. Due consideration was given to all relevant matter presented.

Since the proposed extension of Jet Route 84 would pass through Canadian airspace between Carleton and Slate Run, the Canadian Department of Transport suggested that it be renumbered to J-584 between these points so that the same airway number could be carried in the Canadian airway structure. The FAA has agreed to this suggestion and has decided to designate the entire proposed extension J-584 to obviate flight planning via both J-84 and J-584 between Northbrook and Kennedy.

In consideration of the foregoing, Part 75 of the Federal Aviation Regulations is amended, effective 0001 e.s.t., May 27, 1965, as hereinafter set forth.

In § 75.100 (29 F.R. 17775) the following is added:

JET ROUTE NO. 584 (NORTHBROOK, ILL., TO KENNEDY, N.Y.)

From Northbrook, Ill., via INT of Northbrook 093° and Carleton, Mich., 271° radials; Carleton; Slate Run, Pa.; to Kennedy, N.Y.

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

Issued in Washington, D.C., on March 31, 1965.

DANIEL E. BARROW,
Chief, Airspace Regulations and Procedures Division.

[F.R. Doc. 65-3522; Filed, Apr. 6, 1965; 8:45 a.m.]

[Airspace Docket No. 64-WA-72]

PART 75—ESTABLISHMENT OF JET ROUTES

Designation of Jet Route; Correction

On February 25, 1965, Federal Register Document 65-1879 was published in the FEDERAL REGISTER (30 F.R. 2440) and amended, in part, § 75.100 of the Federal Aviation Regulations. This amendment established Jet Route No. 554 from Buffalo, N.Y., direct to Windsor, Ontario, Canada, excluding the segment that would lie within Canada.

The direct route is via the Buffalo VOR 259° True radial. The magnetic radial, which is 267°, was erroneously substituted for the True radial in the amendment. Action is taken herein to correct this error.

Since this amendment is minor and essentially editorial in nature, notice and public procedure hereon are unnecessary, and the effective date of the final rule as initially adopted may be retained.

In consideration of the foregoing, effective immediately, Federal Register Document 65-1879 is altered as hereinafter set forth.

Where "Buffalo 267° radial." appears in the description of Jet Route No. 554, it is changed to read "Buffalo 259° radial."

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

Issued in Washington, D.C., on March 30, 1965.

DANIEL E. BARROW,
Chief, Airspace Regulations and Procedures Division.

[F.R. Doc. 65-3523; Filed, Apr. 6, 1965; 8:45 a.m.]

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. 1]

MISCELLANEOUS AMENDMENTS TO SUBCHAPTER

The following revisions and amendments are made in the Export Regulations:

PART 368—MUTUAL ASSISTANCE ON U.S. IMPORTS AND EXPORTS (AS APPLIED TO SELECTED U.S. IMPORTS)

Section 368.1(b), subparagraphs (1), (2), and (3) are revised to read as follows:

§ 368.1 Import certificate and delivery verification on selected imports into the United States

* * * * *

(b) *United States import certificate*—(1) *General.* (i) Where a person in the United States is purchasing or intending to receive, or receiving, commodities from a foreign country and is required by such country, in connection with the granting of an export license, to furnish an Import Certificate, such person shall apply for his certification by filling out and executing Form FC-826, Import Certificate [2] in triplicate (in quadruplicate for "source material," "by-product material," "special nuclear material," or "facilities for the production or utilization of special nuclear material," as defined in the Atomic Energy Act of 1954, as amended, and the regulations of the Atomic Energy Commission).

(ii) All items shall be completed as indicated on the Import Certificate except that the Tariff Schedule of the United States (TSUS) Annotated Number shall be entered in Item 4(c). The USID Annotated Numbers are obsolete and should not be entered in this item.

(iii) Import Certificates will be issued only when required by the government of a foreign country for the commodities specified above which are subject to the Atomic Energy Act and the commodities identified by the symbol "A" in the last column of the Commodity Control List (§ 399.1 of the Comprehensive Export Schedule). In case of doubt, the Field Office of the Department of Commerce serving the importer's area will assist him in determining whether an Import Certificate may be issued for a particular commodity.

(2) *Where to file.* (i) Except as noted in (ii), all requests for certification and validation of Import Certificates or requests for amendments of Import Certificates may be filed with the U.S. Department of Commerce, Office of Export Control, Operations Division (Attn: 8540) Washington, D.C., 20230, or with any of the following field offices of the U.S. Department of Commerce:

Boston.	San Francisco.
Buffalo.	Savannah.
Chicago.	Seattle.
Cincinnati.	Houston.
Cleveland.	Jacksonville.
Dallas.	Los Angeles.
Detroit.	Miami.
Phoenix.	New Orleans.
Pittsburgh.	New York.
Portland, Oreg.	Philadelphia.

(Blank forms are obtainable at the same offices or any other field office.)

(ii) Where importation into the United States of foreign excess property is involved, a request for certification and validation of a United States Import Certificate, Form FC-826, shall be submitted direct to the U.S. Department of Commerce, Office of Export Control, Operations Division (Attn: 8540) Washington, D.C., 20230. However, if a request for such certification is made at the same time as an Application for Federal Excess Property Import Determination, the United States Import Certificate, Form FC-826, and the Application for Import Determination, Form FEPF-1, may be sent together to the U.S. Department of Commerce, Business and Defense Service Administration, Foreign Excess Property Officer, Washington, D.C., 20230. The Foreign Excess Property Officer will refer the Form FC-826 to the Office of Export Control for appropriate action.

(iii) A United States Import Certificate, Form FC-826, for foreign excess property, shall be filled out and executed in triplicate. Special information is required for the following items of the form:

(*a*) *Foreign exporter's name and address (item 2).* The name and address of the individual or firm in the exporting country handling the transaction for the importer, *or* the importer's name and the name and address of the United States military disposal installation from which the commodities were obtained;

(*b*) *Country of exportation (item 3).* The name and address of the United States military disposal installation; and

(*c*) *Commodity description (item 4 (b)).* (*1*) A complete description of the commodity(ies) being imported, as well as the Contract Number and lot numbers.

(2) The number of an approved United States Import Certificate covering foreign excess property will be suffixed by the code "USMS."

(iv) The Import Certificate may be presented for validation either in person or by mail. The duly validated form will be returned to the United States importer and shall be dispatched by him to the foreign exporter or otherwise disposed of in accordance with the regulations of the exporting country.

(v) In accordance with international practice, the issuing office upon request will stamp the Import Certificate with a triangular symbol. This symbol is a notification to the government of the exporting country that the importer is uncertain whether the commodities will be imported into the United States or that he knows that the commodities will not be imported into the United States. However, a triangular Import Certificate will not be issued covering foreign excess property sold abroad by the United States Department of Defense. An Import Certificate bearing a triangle is a representation that the commodities will not be delivered to any destination except in accordance with the United States Export Regulations. The placing of a triangular symbol on a United States Import Certificate is not, in and of itself, an approval by the Office of Export Control to transfer or sell commodities to a foreign consignee. (See subparagraph (7) of this paragraph for method of obtaining such approval.)

(3) *Validity period.* (i) The Import Certificate will be valid for a period of six months from the date of certification by the Department of Commerce official. This document will not be acceptable to the authorities of the exporting country unless presented within six months from the date of certification. Importers are cautioned that this time limitation for the presentation of the Import Certificate to the exporting country in no way relieves them of their responsibility to adhere to the commitments made therein.

(ii) Where the validity period of an Import Certificate has expired before its presentation to the foreign government and an extension is desired, the United States importer should apply for a new Import Certificate. (Also see subparagraph (6)(ii) of this paragraph.)

* * * * *

PART 370—SCOPE OF EXPORT CONTROL BY DEPARTMENT OF COMMERCE

Paragraph (a) of section 370.2 is revised to read as follows:

§ 370.2 Prohibited exportations.

(a) *General provisions.* Subject to the provisions of §§ 370.3, 370.4, and 370.5, the exportation from the United States of all commodities and all technical data as defined in § 385.1 of this chapter is hereby prohibited unless and until a general license authorizing such exportation shall have been established or a validated license authorizing such exportation shall have been granted by the Office of Export Control, except:

(1) Any exportation to Canada, except: [1]

(i) The types of technical data described in § 385.2(c)(5) of this chapter; and

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[2] Form FC-826 may be obtained from all United States Department of Commerce field offices (listed on page 1 of the Comprehensive Export Schedule), and from the U.S. Department of Commerce, Office of Export Control, Washington, D.C., 20230.

[1] See § 370.3 for shipments to Canada, not intended for consumption in Canada, and regarding the requirement of a Shipper's Export Declaration for certain exportations to Canada.

(ii) Technical data relating to maritime (civil) nuclear propulsion plants, their land prototypes, and special facilities for their construction, support, or maintenance, including any machinery, devices, components, or equipment specifically developed or designed for use in such plants or facilities.

(2) Exportations for the official use of or consumption by the United States Armed Forces when shipped by or consigned to any branch thereof under a United States Government Bill of Lading or a United States Government space charter or by means of a United States Government-owned or Government-chartered carrier (see § 370.4); and

(3) Exportations of commodities and technical data controlled by another government agency (see § 370.5).

* * * * *

Section 370.10 is revised to read as follows:

§ 370.10 Shipments which transit country group Y or Z enroute to any other destination.[1]

The exportation from the United States of commodities or technical data which will be unladen from a vessel or aircraft in Country Group Y or Z, or which will move intransit through Country Group Y or Z en route to Canada or a destination in Country Group T, V, W, or X, is hereby prohibited unless a validated license specifically authorizing the transshipment or intransit shipment, or both, shall have been granted by the U.S. Department of Commerce, except:

(a) An exportation made to West Berlin which will transit East Germany (the Soviet Zone of Germany and the Soviet Sector of Berlin), and

(b) An exportation to a destination not in Country Group Y or Z, of technical data or a commodity identified by the symbol "B" in the last column of the Commodity Control List, which is exportable under a general license directly from the United States to the country of transit or unlading in Country Group Y or Z.

PART 371—GENERAL LICENSES

Section 371.10 *General License GLV; shipments of limited value* is amended by deleting paragraph (b) *Shipments to Canada.*

PART 372—PROVISIONS FOR INDIVIDUAL AND OTHER VALIDATED LICENSES

Section 372.16 is amended as follows:

§ 372.16 License application for commodities which transit country group Y or Z en route to any other destination.

(a) An application for a license to export any commodity which will be unladen from a vessel or aircraft in Country Group Y or Z or which will move in transit through Country Group Y or Z en route to Canada or a destination in Country Group T, V, W, or X (see § 370.10 of this chapter) shall be prepared on Form FC–419 in accordance with the instructions contained in § 372.5 and in this § 372.16. (See § 370.1(g) of this chapter for country groups.) Where the intermediate consignee in the Country Group Y or Z country of unlading or transit is unknown at the time of filing the license application, the Country Group Y or Z country of unlading or transit shall be shown in the "additional information" item of the application form or on an attachment thereto, by a statement such as: "To be transshipped at (name of transshipment point) and destined to (name of country)"; or, "To be shipped to (name of country of destination) via (name of country)."

* * * * *

PART 373—LICENSING POLICIES AND RELATED SPECIAL PROVISIONS

Section 373.18 *Walnut logs, bolts, hewn timber, lumber, furniture stock, and hardwood small dimension stock* is deleted.

§ 373.18 [Deleted]

Section 373.62 is revised to read as follows:

§ 373.62 Applicability of multiple commodity section provisions to commodity section 9.

(a) All commodities within Commodity Section 9 which are identified by the symbol "A" in the last column of the Commodity Control List (see § 399.1 of this chapter) are subject to the Import Certificate/Delivery Verification requirements set forth in § 373.2.

(b) Applications for licenses to export agricultural commodities and manufactures thereof to Country Groups Y and Z shall conform with the special provisions as set forth in § 373.5.

PART 374—PROJECT LICENSES

Section 374.2 is revised to read as follows:

§ 374.2 Commodities and technical data subject to project license.

The project licensing procedure is applicable to all commodities and technical data which require a validated license for export as well as commodities which may be exported under General License *GLV* except complete aircraft, either assembled or knocked down.[1]

PART 377—TIME LIMIT (TL) LICENSE

Section 377.2 is revised to read as follows:

§ 377.2 Commodities subject to TL license.

The commodities which may be exported under the time limit licensing procedure are all commodities listed on the Commodity Control List (§ 399.1 of this chapter) for which a validated license is required for exportations to Country Group T by the information set forth in the column headed "Validated License Required for Country Groups Shown Below," except complete aircraft, either assembled or knocked down.[1]

PART 379—EXPORT CLEARANCE AND DESTINATION CONTROL

Section 379.3 is revised as follows:

Subparagraph (3) of paragraph (c) is revised to read as follows:

§ 379.3 Presentation of Shipper's Export Declaration.

* * * * *

(c) *Number of copies to be presented.* * * *

(3) *Additional copies of Declaration.* The Office of Export Control, the Collector, or the Postmaster may require, for the purpose of export control, the presentation of additional copies of the Declaration. In all cases where a Declaration is required by the Export Regulations or the Foreign Trade Statistics Regulations, an additional copy of the Declaration shall be presented for exportations described in subdivisions (i), (ii), (iii), or (iv) of this subparagraph.

(i) Exportations made under a Project License. (See § 374.9(c)(2).)

(ii) Exportations from the United States to foreign countries made via Canada.

(iii) Exportations of any agricultural commodity moving under a validated license to Country Group Y or Z (see § 370.1(g) of this chapter for country groups). The additional copy shall bear in the upper right corner the notation "8520."

(iv) Exportations of any commodity to replace any defective or unacceptable part or equipment under the provisions of General License *GLR*. The additional copy shall bear in the upper right corner the notation "8542."

* * * * *

Paragraph (e) *Special requirements*, subparagraph (3) *Special requirements for exportations* and subparagraph (6) *Special requirements for additional information on exportations of walnut logs, bolts, hewn timber, lumber, furniture stock, hardwood small dimension stock, and veneers* are deleted.

Note 2. *Shipments to Canada*, following § 379.10(c)(1) is revised to read as follows:

NOTE: *Shipments to Canada.* The provisions of paragraph (c) of § 379.10 are not applicable to any exports intended for consumption in Canada, except shipments of the technical data described in § 385.2(c)(5) of this chapter; since all other exports to Canada require neither a general nor a validated license. However, these provisions are applicable to shipments of any commodities through Canada to other foreign countries.

* * * * *

[1] See § 372.16 with respect to filing applications for validated licenses to export commodities which will be unladen from a vessel or aircraft in Country Group Y or Z or which will move in transit through Country Group Y or Z en route to a destination in any other country group.

[1] Applicants who propose to export a complete aircraft, either assembled or knocked down, must apply for an individual validated license for the aircraft. However, a project license may be used, where applicable, to export related parts, accessories, or components for the aircraft.

[1] Applicants who propose to export a complete aircraft, either assembled or knocked down, must apply for an individual validated license for the aircraft. However, a Time Limit (TL) License may be used, where applicable, to export related parts, accessories, or components for the aircraft.

PART 380—AMENDMENTS, EXTENSIONS, TRANSFERS

Section 380.2(f)(3) *Amendment requests on which field offices may not take action* is revised by deleting subdivisions (vii) and (viii).

PART 384—GENERAL ORDERS

This part is amended by adding a new section to read as follows:

§ 384.6 Extension of validity period of certain licenses.

Effective January 28, 1965, the validity period of any validated export license which covers an exportation to be made by water from any port affected by the work stoppage of longshoremen, and which expires during any month while this work stoppage is in effect, is hereby extended to the last day of the month following the month in which such strike terminates.

PART 385—EXPORTATIONS OF TECHNICAL DATA

This part is revised to read as follows:

Sec.
385.1 Definitions.
385.2 General licenses.
385.3 Security provisions for certain types of technical data.
385.4 Exportation under a validated license.
385.5 Presentation of Shipper's Export Declaration.
385.6 Reexportations.

AUTHORITY: The provisions of this Part 385 issued under Sec. 3, 63 Stat. 7; 50 U.S.C. App. 2023; E.O. 10945, 26 F.R. 4487; E.O. 11038, 27 F.R. 7003.

§ 385.1 Definitions.

(a) *Technical data.* "Technical Data" means any professional, scientific or technical information, including any model, design, photograph, photographic film, document or other article or material, containing a plan, specification, or descriptive or technical information of any kind which can be used or adapted for use in connection with any process, synthesis, or operation in the production, manufacture, utilization, or reconstruction of articles or materials. The provisions of this Part 385, do not apply to "classified" technical data, i.e., technical data which have been officially assigned a security classification, i.e.: "top secret," "secret," or "confidential," by an officer or agency of the United States Government. The exportation of classified technical data is controlled by the Office of Munitions Control, U.S. Department of State, Washington, D.C., 20520. (See § 370.5 of this chapter.)

(b) *Exportation of technical data.*[1] [2] "Exportation of Technical Data" is defined as any release of unclassified technical data for use outside the United States. It includes the actual shipment out of the United States as well as the furnishing of data in the United States to persons with the knowledge or intention that the persons to whom it is furnished will take such data out of the United States.

§ 385.2 General licenses.

(a) *Which general license may be used—(1) Scientific and educational technical data.* Unclassified scientific or educational technical data, as described in paragraph (d) of this section, may be exported under the provisions of General License *GTDS* in either published or unpublished form. At the discretion of the exporter, scientific or educational technical data may be exported under General License *GTDP* or *GTDU* if the specified provisions of either of these general licenses are met (see paragraphs (b) and (c) of this section).

(2) *Other types of technical data.* Unclassified technical data which do not fall within the definition of "scientific" or "educational" as defined in paragraph (d) of this section may be exported as follows:

(i) Under the provisions of General License *GTDP* if it is generally available in published form (see paragraph (b) of this section).

(ii) Under the provisions of General License *GTDU* if it is not generally available in published form (see paragraph (c) of this section).

A validated export license is required if the technical data are not exportable under the provisions of General License *GTDS*, *GTDP* or *GTDU*.

(b) *General License GTDP; published technical data.* A general license designated *GTDP* is hereby established authorizing the exportation to all destinations of unclassified technical data generally available in published form. Technical data are considered as generally available in published form if they are:

(1) Sold at newsstands or bookstores;

(2) Available by subscription or purchase without restrictions to any person or available without cost to any person; or

(3) Freely available at public libraries.

NOTE: Technical data which has not actually been printed but would be freely disclosed to the general public, upon request, and which would be printed for public distribution if demand warranted, are also considered as "general available in published form."

(c) *General License GTDU; unpublished technical data.* (1) *Applicability.* A general license designated *GTDU* is hereby established authorizing the exportation of unclassified technical data, which are either unpublished or not generally available in published form (that is, technical data not exportable under the provisions of General License *GTDP*), subject to the other provisions and limitations set forth in this paragraph (c).

(2) *Destination restrictions.* This general license shall not be applicable to any exportation of technical data directly or indirectly to Country Group W, Y, or Z; except that technical data such as manuals, instruction sheets, or blueprints may be exported to any destination other than in Country Group Z (including Cuba), provided that the technical data are:

(i) Sent as part of the transaction involving, and directly related to, a commodity licensed for export from the United States to the same consignee and destination to which the commodity was or will be exported;

(ii) Sent no later than one year following the shipment of the commodity to which the technical data are related;

(iii) Of a type normally delivered with the commodity;

(iv) Necessary to the assembly, installation, maintenance, repair, or operation of the commodity; and

(v) Not related to the production, manufacture, or construction of the commodity.

(3) *Restrictions relating to particular types of technical data.* This general license shall not be applicable to technical data relating to the commodities described below in this subparagraph. A validated license is required for the export of the types of technical data described in (i), (ii), and (iii) of this subparagraph to all destinations except Canada. A validated license is required for the export of the type of technical data described in (iv) of this subparagraph to all destinations including Canada.

Except for the type of technical data described in (iv) of this subparagraph, the limitations set forth in this subparagraph do not apply to the exportation of operating and maintenance instructional material. In addition, the limitations set forth in this subparagraph do not apply to the exportation of any 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 United States Patent Office.

(i) Civil aircraft, civil aircraft equipment, parts, accessories, or components.

(ii) The following electronic commodities:

(*a*) Electrical and electronic instruments. Export Control Commodity No. 72952, specially designed for testing or calibrating the airborne direction finding, navigational and radar equipment described in Export Control Commodity No. 72499;

(*b*) Airborne transmitters, receivers, and transceivers, Export Control Commodity No. 72499;

(*c*) Airborne direction finding equipment, Export Control Commodity No. 72499; or

[1] License applications for, or questions as to, the exportation of unclassified technical data relating to commodities which are licensed by government agencies other than the U.S. Department of Commerce shall be referred to the appropriate government agency for consideration.

[2] In addition to the regulations issued by the U.S. Patent Office, technical data contained in or related to inventions made in foreign countries or in the United States, are subject to the U.S. Department of Commerce regulations covering the exportation of technical data, in the same manner as the exportation of other types of technical data. Patent attorneys and others are advised to consult with the U.S. Patent Office, Washington, D.C., 20231, relative to the U.S. Patent Office Regulations concerning the filing of patent applications or amendments in foreign countries.

(d) Airborne electronic navigation apparatus and airborne radar equipment, Export Control Commodity No. 72952.

(iii) Neutron generators, employing the electrostatic acceleration of ions and specially designed parts and accessories for such neutron generators, Export Control Commodity No. 72970.

(iv) Maritime (civil) nuclear propulsion plants, their land prototypes, and special facilities for their construction, support, or maintenance, including any machinery, devices, components, or equipment specifically developed or designed for use in such plants or facilities.

(4) *Requirement of written assurance for certain data, services, and materials.* No exportation of technical data of the kind described in subdivisions (i), (ii), and (iii) of this subparagraph may be made under the provisions of this General License *GTDU* until the exporter has received written assurance from the importer that neither the technical data nor the direct product[1] thereof is intended to be shipped, either directly or indirectly, to Country Group W, Y, or Z, except as provided in subdivision (iv) of this subparagraph. The required assurance may be in the form of a letter or other written communication from the importer evidencing such intention, or a licensing agreement which restricts disclosure of the technical data to use only in a country other than Country Group W, Y, or Z, and prohibits shipment of the direct product[1] thereof by the licensee to Country Group W, Y, or Z. An assurance included in a licensing agreement will be acceptable for all exportations made during the life of the agreement. If such assurance is not received, this general license is not applicable and a validated export license is required. An application for such validated license shall include an explanatory statement setting forth the reasons why such assurance can not be obtained. In addition, this general license is not applicable to any exportation of technical data of the kind described in subdivisions (i), (ii), and (iii) below if, at the time of exportation of the technical data from the United States, the exporter knows or has reason to believe that the direct product to be manufactured abroad by use of the technical data is intended to be exported or reexported directly or indirectly to Country Group W, Y, or Z.

(i) Technical data and services listed in (a) of this subdivision for the plants, processes, and equipment listed in (b) of this subdivision:

(a) *Types of technical data and services.* (1) Proprietary research and the results therefrom;

(2) Processes developed pursuant to research (including technology with regard to component equipment items);

(3) Catalyst production, activation, utilization, reactivation and recovery;

(4) Plant and equipment design and layout to implement the processes; and

(5) Construction and operation of plant and equipment.

(b) *Types of plants and processes.* The following plants or processes usable in the treatment of petroleum or natural gas fractions or of products derived directly or indirectly therefrom:[2]

alkylation	oxo process
aromatization	ozonolysis
cracking	polymerization
dehydrogenation	reduction
desulfurization	reforming
halogenation	selective absorption
hydrogenation	selective adsorption
isomerization	
nitration	
oxidation	

(ii) Technical data relating to the following commodities usable in processes listed in subdivision (i) (b) of this subparagraph.

Dept. of Commerce Export Control Commodity No.	*Commodity Description*
71120--	Heat exchangers having all flow-contact surfaces made of or lined with any of the materials specified in the footnote at the end of this table, and specially designed parts and accessories.
71913--	Oil burners and gas combustion burners, ceramic cup type only; and parts and accessories n.e.c., specially designed for ceramic cup burners.
71913--	Burners for carbon black furnaces, continuous combustion, controlled reaction type; and specially designed parts and attachments.
71914--	Carbon black furnaces, continuous combustion, controlled reaction type; and specially designed parts and attachments.
71914--	Nonelectronic industrial furnaces (heaters) of the following types: (a) cylindrical having a suspended deflecting cone, or (b) radiant wall employing multiple independently controlled ceramic cup burners and parts and accessories, n.e.c., specially designed for the furnaces (heaters).
71919--	Heat exchangers having all flow-contact surfaces made of or lined with any of the materials specified in footnote 1,[1] and specially designed parts and accessories, n.e.c.
71919--	Fractionating columns as follows: (a) having or having provisions for 25 or more trays, or (b) having all flow-contact surfaces made of or lined with any of the materials specified in footnote 1; [1] and specially designed parts and accessories.
71919--	Equipment, n.e.c., specially designed for use in the following units: (a) solvent processing, (b) fractionating, rectifying and dephlegmatizing, (c) hydrogenation, (d) dehydrogenation, (e) isomerization, (f) polymerization, (g) aromatization, (h) alkylation, (i) desulphurization, (j) thermal or catalytic cracking, reforming or platforming; and specially designed parts and accessories therefor, n.e.c.
71921--	Industrial pumps specially designed for use in the processing of petroleum, petrochemicals, natural gas, or their fractions; and specially designed parts and attachments therefor.
71921--	Other industrial pumps having all flow-contact surfaces made of or lined with any of the following materials: (a) 90 percent or more tantalum, titanium, or zirconium either separately or combined, (b) 50 percent or more cobalt, molybdenum, nickel, or tungsten either separately or combined, (c) 13 percent or more silicon, (d) steel alloys containing more than 3 percent of (i) chromium and molybdenum combined (ii) chromium and tungsten combined or (iii) chromium, molybdenum, and tungsten combined, (e) 2.5 percent or more nickel, (f) fluoro and/or silico resins, (g) glass (acid-, heat-, or shock-resistant), (h) ceramics, (i) carbon, (j) graphite, or (k) acid/heat resistant cement; and specially designed parts and attachments therefor.
71922--	Axial flow and mixed flow air and gas compressors capable of receiving a power input of 500 horsepower or greater and specially designed for use in the processing of petroleum, petrochemicals, natural gas or their fractions.
71922--	Axial flow and mixed flow air and gas compressors having all flow-contact surfaces made of or lined with any of the materials specified in footnote 1.[1]
71922--	Centrifugal air and gas compressors having all flow-contact surfaces made of or lined with any of the materials specified in footnote 1.[1]
71922--	Centrifugal air and gas compressors capable of receiving a power input of 500 horsepower or greater and specifically designed for use in the processing of petroleum, petrochemicals, natural gas or their fractions.
71922--	Stationary positive displacement air and gas compressors, reciprocating, capable of receiving a power input of 500 horsepower or greater and specially designed for use in the processing of petroleum, petrochemicals, natural gas or their fractions.

[1] See footnote at end of table.

[1] The term "direct product" used in this sentence and in this context only is defined to mean the immediate product (including processes and services) produced directly by use of the technical data, except that petroleum or chemical products other than molecular sieves or catalysts are not included in this definition. The coverage of the term does not extend to the results of the use of such "direct product." An example of the direct product of technical data is reforming process equipment designed and constructed by use of the technical data exported, but the aromatics produced by the reforming process equipment are not immediate or direct products of these technical data. However, if the technical data are a formula for producing aromatics, the aromatics, although they are immediate products of the data, are not included in this definition of direct product, since they are petroleum products. Conversely, if the technical data are a formula for producing either molecular sieves or catalysts, the foreign-produced molecular sieves and catalysts are included in the definition of direct product.

[2] This includes plants, or processes for the production, extraction, and purification of petroleum products, petrochemical products, and products derived therefrom. Examples of petrochemical products include methane, ethane, propane, butane and other alipbatics, as well as olefins, aromatics, naphthenes, and elements and other compounds.

Dept. of Commerce Export Control Commodity No.	Commodity Description
71922--	Stationary positive displacement air and gas compressors, reciprocating, over 125 horsepower, having all flow-contact surfaces made of or lined with any of the materials specified in footnote 1.[1]
71922--	Parts and accessories, n.e.c., specially fabricated for compressors included above under Export Control Commodity No. 71922.
71923--	Separators and collectors, industrial process types, n.e.c., and specially fabricated parts and accessories, n.e.c., having all flow-contact surfaces made of or lines with any of the materials specified in footnote 1.[1]
71980--	Mixing and blending machines and specially fabricated parts and accessories, n.e.c., having all flow-contact surfaces made of or lined with any of the materials specified in footnote 1.[1]
71980--	Fractionating columns as follows: (a) having, or having provisions for 25 or more trays, or (b) having all flow-contact surfaces made of or lined with any of the materials specified in footnote 1;[1] and specially designed parts and accessories, n.e.c.
71980--	Other processing vessels, non-mixing, n.e.c., having all flow-contact surfaces made of or lined with any of the materials specified in footnote 1;[1] and specially designed parts and accessories, n.e.c.
71980--	Pulsation dampeners, and specially fabricated parts and accessories, n.e.c., having all flow-contact surfaces made of or lined with any of the materials specified in footnote 1.[1]
71992--	Automatic control or regulating pipe valves having all flow-contact surfaces made of or lined with any of the materials specified in footnote 1.[1]
71992--	Automatic control or regulating pipe valves specially designed for use in the processing of petroleum, petrochemicals, natural gas or their fractions.
71992--	Pipe valves, brass, bronze, or other nonferrous metals, having all flow-contact surfaces made of or lined with any of the materials specified in footnote 1.[1]
71992--	Pipe valves, brass, bronze or other nonferrous metals, specially designed for use in the processing of petroleum, petrochemicals, natural gas or their fractions.
71992--	Pipe valves, iron or steel, having all flow-contact surfaces made of or lined with any of the materials specified in footnote 1.[1]

[1] The materials applicable to the flow-contact surfaces of this equipment are: (a) 90 percent or more tantalum, titanium, or zirconium either separately or combined, (b) 50 percent or more cobalt, molybdenum, nickel or tungsten either separately or combined, (c) 13 percent or more silicon, (d) steel alloys containing any combination of chromium, with either or both molybdenum or tungsten in which the sum of the alloying elements exceeds 3 percent of the total, (e) 2.5 percent or more nickel, (f) fluoro and/or silico resins, (g) glass (acid-, heat-, or shock-resistant), (h) ceramics, (i) carbon, (j) graphite, or (k) acid/heat resistant cement.

Commodity Dept. of Commerce Export Control No.	Commodity Description
71992--	Pipe valves, iron or steel, specially designed for use in the processing of petroleum, petrochemicals, natural gas or their fractions.
71992--	Pipe valves, n.e.c., having all flow-contact surfaces made of or lined with any of the materials specified in footnote 1.[1]
71992--	Parts and accessories specially fabricated for valves listed above under Export Control Commodity No. 71992.

(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: (a) O-ing presses, (b) U-ing presses, and (c) 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 pipe line (Export Control Commodity No. 86197);

(j) Valves specially designed for temporarily stopping off or plugging a section of steel line pipe 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 manufacture 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-sicilate; 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); semi-finished 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); and

(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) (specify by name) (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);

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

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

(x) Ion exchange liquids (Export Control Commodity No. 58120);

(y) Ion exchange resins, the following: (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

(*1*) above; and (*3*) ion exchange membranes (all types) (Export Control Commodity No. 58120);

(*z*) Rhenium in all forms: concentrates, oxides and compounds, metal and alloys, and metal powders (Export Control Commodity Nos. 28398, 51369, and 68950); and

(*aa*) 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).

(iv) The limitations set forth in this subparagraph (4) do not apply to the exportation of 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 United States Patent Office.

(5) *Requirement of written assurance for certain additional products and destinations.* (i) Except for technical data requiring a written assurance in accordance with the provisions of subparagraph (4) of this paragraph, and except as provided in (v) of this subparagraph; no exportation of technical data relating to the commodities described below in this subdivision may be made under the provisions of this General License *GTDU*, until the United States exporter has received a written assurance from the foreign importer (including any Canadian importer) that, unless prior authorization is obtained from the Office of Export Control, the importer will not knowingly:

(*a*) Reexport, directly or indirectly, to Country Group W, Y, or Z, any technical data relating to commodities not identified by the symbol "B" in the last column of the Commodity Control List, or not exportable to Country Group W under the provisions of General License *G–DEST* (see § 371.7 of this chapter);

(*b*) Export, directly or indirectly, to Country Group Z, any direct product [1] of the technical data if such direct product is not identified by the symbol "B" in the last column of the Commodity Control List, or not exportable to Country Group W under the provisions of General License *G–DEST* (see § 371.7 of this chapter); or

(*c*) Export, directly or indirectly, to any destination in Country Group W or Y any direct product [1] of the technical data if such direct product is identified by the symbol "A" in the last column of the Commodity Control List.

(ii) If the direct product [1] of any technical data is a complete plant or any major component of a plant which is capable of producing a commodity not identified by the symbol "B" in the last column of the Commodity Control List, or not exportable to Country Group W under the provisions of General License *G–DEST* (see § 371.7 of this chapter), or in the United States Munitions List, a written assurance by the person who is or will be in control of the distribution of the products of the plant (whether or not such person is the importer) shall be obtained by the United States exporter (via the foreign importer), stating that, unless prior authorization is obtained from the Office of Export Control, such person will not knowingly:

(*a*) Reexport, directly or indirectly, to Country Group W, Y, or Z, the technical data relating to the plant or the major component of a plant;

(*b*) Export, directly or indirectly, to Country Group Z, the plant or the major component of a plant (depending upon which is the direct product [1] of the technical data) or any product of such plant or of such major component if such product of the plant is not identified by the symbol "B" in the last column of the Commodity Control List, or not exportable to Country Group W under the provisions of General License *G–DEST* (see § 371.7 of this chapter), or in the United States Munitions List; or

(*c*) Export, directly or indirectly, to Country Group W or Y, the plant or the major component of a plant (depending upon which is the direct product of the technical data) or any product of such plant or of such major component, if such product is identified by the symbol "A" in the last column of the Commodty Control List, or appear in the United States Munitions List.

NOTE: Pursuant to the provisions of Current Export Bulletin 891, effective April 1, 1964, (*b*) and (*c*) of this subdivision required certain written assurances relating to the disposition of the products of a complete plant or major component of a plant which is the direct product of unpublished technical data of United States origin exported under General License *GTDU*.

Except as to items which are identified in the last column of the Commodity Control List by the symbol "A," and items on the United States Munitions List, the effective date of the written assurance requirements for plant products as a condition of using General License *GTDU* for exportation of this type of technical data is hereby deferred to and including May 31, 1965, subject to the following limitations:

1. The exporter shall, at least two weeks before the initial exportation of the technical data, notify the Office of Export Control, by letter, of the facts required to be disclosed in an application for a validated export license covering such technical data; and

2. The exporter shall obtain from the person who is or will be in control of the distribution of the products of the plant (whether or not such person is the importer) a written commitment that he will notify the United States Government, directly or through the exporter, whenever he enters into negotiations to export any product of the plant to any destination covered by (*b*) of this subdivision, when such product is not identified by the symbol "A" in the last column of the Commodity Control List and requires a validated license for exportation to Country Group W by the information set forth in the column titled "Validated License Required for Country Groups Shown Below." The notification should state the product, quantity, country of destination, and the estimated date of shipment.

Moreover, during the period of deferment, the remaining written assurance requirement of (*b*) and (*c*) of this subdivision as to plant products which are identified by the symbol "A" in the last column of the Commodity Control List, or are on the United States Munitions List, will be waived if the plant is located in one of the following Cocom countries: Belgium, Canada, Denmark, the Federal Republic of Germany, France, Greece, Italy, Japan, Luxembourg, the Netherlands, Norway, Portugal, Turkey, and the United Kingdom.

This deferment applies to exportations of technical data pursuant to any type of contract or arrangement, including licensing agreements, regardless of whether entered into before or after April 1, 1964.

However, exporters of technical data for complete plants and major plant components pursuant to any pre-June 1, 1965, licensing agreement are advised that after May 31, 1965, written assurances may be required under (*b*) and (*c*) of this subdivision as to the future disposition of products of such plants or major plant components.

(iii) The required assurance may be in the form of a letter or other written communication from the importer or, if applicable, the person in control of the distribution of the products of a plant; or the assurance may be incorporated into a licensing agreement which restricts disclosure of the technical data to use only in authorized destinations, and prohibits shipment of the direct product [1] thereof by the licensee to any unauthorized destination. An assurance included in a licensing agreement will be acceptable for all exportations made during the life of the agreement. If such assurance is not received this general license is not applicable and a validated export license is required. An application for such validated license shall include an explanatory statement setting forth the reasons why such assurance can not be obtained.

(iv) In addition, this general license is not applicable to any exportation of technical data of the kind described in this subparagraph (5) if, at the time of exportation of the technical data from the United States, the exporter knows or has reason to believe that the direct product [1] to be manufactured abroad by use of the technical data is intended to be exported directly or indirectly to any unauthorized destination.

(v) The limitations set forth in this subparagraph (5) do not apply to the exportation of 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 United States Patent Office.

NOTE: A written assurance is not required for the exportation under this General License *GTDU* of any technical data which do not fall within the description set forth in subparagraphs (4) or (5) of this paragraph (c).

(d) *General License GTDS; scientific and educational technical data.* A general license designated *GTDS* is hereby established authorizing the exportation to all destinations of unclassified scientific and educational technical data involving:

(1) Dissemination of information not directly and significantly related to de-

[1] The term "direct product" used in this sentence and in this context only is defined to mean the immediate product (including processes and services) produced directly by use of the technical data.

[1] The term "direct product" used in this sentence and in this context only is defined to mean the immediate product (including processes and services) produced directly by use of the technical data.

sign, production and utilization in industrial processes, including such dissemination by correspondence and attendance at, or participation in, meetings; or

(2) Instruction in academic institutions and academic laboratories. "Instruction" is interpreted not to include research under contract where the research relates directly and significantly to design, production, and utilization in industrial processes.

§ 385.3 Security provisions for certain types of technical data.

(a) *General.* (1) This § 385.3 establishes a procedure whereby persons or firms may obtain, through the Office of Export Control, official United States Government opinions as to the desirability of exporting or releasing for use in friendly foreign countries certain types of unpublished technical data which have significance to the common security and defense of the United States.

(2) Official opinions are not necessary in order to export advertising catalogs or pamphlets; sales technical data supporting a proposal or quotation for installation of United States origin equipment; maintenance, repair and operating data for existing installations of United States origin equipment; technical data for the assembly, erection and installation of United States origin equipment licensed for export.

(b) *Scope.* The scope of this § 385.3 is concerned with technical data in connection with:

(1) Advanced developments, technology, and production "know-how";

(2) Prototypes; and

(3) Special installations.

(c) *Substance.* (1) Before completing arrangements to export or release for use in any friendly foreign country any unpublished technical data included in the scope of the security provisions, an exporter should request an official opinion from the United States Government, through the Office of Export Control, as to the desirability of exporting or releasing the technical data. A request for official opinion from the United States Government shall be submitted by letter, in duplicate, to the U.S. Department of Commerce, Office of Export Control (Attn: 8510), Washington, D.C., 20230. Information included in this request will be treated in confidence so that competitive relationships will not be disturbed.

(2) The request shall set forth all the necessary facts required to present to the Office of Export Control a complete disclosure of the relationships existing between the applicant and the consignee and an adequate description of the type of technical data to be exported. The request should present a composite picture of the kind and types of technical data, the uses for which and by whom such data will be employed, identification of all parties to the transaction, and specification of the conditions or agreements relative thereto.

(3) As a minimum, the letter should include the following information:

(i) A detailed itemization of the technical data to be exported, including a detailed description of the nature of the specific technical data, processes involved, if any, and whether new installations, developments or projects are concerned.

(ii) A list of names and addresses of the firms in foreign countries who will use or see the technical data.

(iii) Whether the technical data will be used abroad in the production of any material or product that is to be exported from the country of ultimate destination, and if so, name of the country(ies) to which the material or product is to be exported, and if possible, the estimated quantities of each material or product.

(iv) Whether the technical information is required for the national defense, public health, or safety of the country of destination. If the technical data are to be used in a project sponsored by the United States Government, it should be so indicated.

(v) The form in which the information will be furnished to the foreign consignee (e.g., blue prints, specifications, technical aid contracts, manufacturing agreements, patent licensing arrangements, instructional or training material, training in the United States or abroad of foreign personnel, supervision or operation abroad by United States personnel, or any other form of communication).

§ 385.4 Exportation under a validated license.

(a) *Scope.* (1) Under the provisions of this § 385.4, there is established a procedure for the exportation of technical data not exportable under a general license.

(2) Pursuant to this procedure, application may be made for a validated license which, if issued, authorizes the exportation of specified technical data to a designated foreign consignee or consignees, within a validity period of six months.

(b) *Application form and application processing card.* An application for a technical data license shall be submitted on Form FC–419, Application for Export License, accompanied by a Form FC–420, Application Processing Card, as described in paragraph (c) of this section and the letter of explanation described in paragraph (d) of this section.

(c) *Completion of application form and application processing card*—(1) *General instructions for completing Application Form, FC–419.*

Form FC–419 shall be completed as provided in § 372.5 of this chapter, except that the items for producer or supplier, quantity to be shipped, Export Control Commodity number, and price, shall be left blank. The commodity description item shall contain a general statement which specifies the form(s) of the technical data (blueprints, manuals, etc.). In addition, the words "TD License" shall be entered across the top of Form FC–419 immediately above the printed words "United States of America."

(2) *Special provisions for maritime nuclear propulsion plants and related commodities.* These special provisions are applicable to technical data relating to maritime (civil) nuclear propulsion plants, their land prototypes, and special facilities for their construction, support, or maintenance, including any machinery, device, component, or equipment specifically developed or designed for use in such plants or facilities. Every application for license to export technical data relating to any of these commodities shall include the following:

(i) A description of the foreign project for which the technical data will be furnished.

(ii) A description of the scope of the proposed services to be offered by the applicant, his consultant(s), and his subcontractor(s), including all the design data which will be disclosed.

(iii) The names, home and business addresses, and titles of personnel of the applicant, his consultant(s), and his subcontractor(s) who will discuss or disclose the technical data or be involved in the design or development of the technical data.

(iv) The beginning and termination dates of the period of time during which the technical data will be discussed or disclosed and a proposed time schedule of reports which the applicant will submit to the Department of Commerce detailing the technical data discussed or disclosed during the period of the license.

(v) The following certification:

I (We) certify that if this application is approved, I (we) and any consultants, subcontractors, or other persons employed or retained by us in connection with the project thereby licensed will not discuss with or disclose to others, directly or indirectly, any technical data relating to United States naval nuclear propulsion plants. I (We) further certify that I (we) will furnish to the Department of Commerce all reports and information which it may require concerning specific transmittals or disclosures of technical data pursuant to any license granted as a result of this application.

(vi) A statement of the steps which the applicant will take to assure that personnel of the applicant, his consultant(s), and his subcontractor(s) will not discuss with or disclose to others technical data relating to United States naval nuclear propulsion plants.

(3) *Special provisions for certain commodities.* These special provisions are applicable to technical data relating to the following commodities:

(i) Civil aircraft, civil aircraft equipment, parts, accessories, or components not identified by the symbol "B" in the last column of the Commodity Control List (§ 399.1 of this chapter).

(ii) The following electronic commodities not identified by the symbol "B" in the last column of the Commodity Control List (§ 399.1 of this chapter):

(*a*) Electrical and electronic instruments, Export Control Commodity No. 72952, specially designed for testing or calibrating the airborne direction finding, navigational and radar equipment described in Export Control Commodity No. 72499;

(*b*) Airborne transmitters, receivers, and transceivers, Export Control Commodity No. 72499;

(*c*) Airborne direction finding equipment, Export Control Commodity No. 72499; or

(d) Airborne electronic navigation apparatus and airborne radar equipment, Export Control Commodity No. 72499.

(iii) Neutron generators employing the electrostatic acceleration of ions and designed for operation without an external vacuum system, and specially designed parts and accessories for such neutron generators, Export Control Commodity No. 72970.

(iv) For all license applications covering technical data relating to any of the commodities in subdivisions (i), (ii), or (iii) of this subparagraph for export to any destination other than Country Group W, Y, or Z, an applicant shall attach to the license application a written statement of assurance from his foreign consignee that the technical data will not be reexported directly or indirectly to any country without prior authorization from the Office of Export Control. The statement shall also show that the direct product [1] produced by use of the technical data will not be exported directly or indirectly to Country Group W, Y, or Z without prior authorization from the Office of Export Control. However, if the United States exporter is not able to obtain the required statement, or the consignee is unwilling to furnish assurances with respect to all of the requirements, the exporter may attach an explanatory statement to his license application setting forth the reasons therefor.

(4) *Completion of application processing card form, FC–420.* The Application Processing Card, Form FC–420, shall be completed as provided in § 372.5 of this chapter except that the Export Control Commodity number, processing code, related commodity group number, and commodity description shall be omitted and the symbol "TD" shall be entered in the space provided for the processing code.

(d) *Letter of explanation.* Each application shall be supported by a comprehensive letter of explanation in duplicate, setting forth all the necessary facts required to present to the Office of Export Control a complete disclosure of the relationship existing between the applicant and the consignee and to describe adequately the type of technical data to be exported. The letter of explanation should present a composite picture of the kind and types of technical data, the uses for which such data will be employed, identification of all parties to the transaction, and specification of the conditions or agreements relative thereto.

[1] The term "direct product" used in this sentence and in this context only, is defined to mean the immediate product (including processes and services) produced directly by use of the technical data. The coverage of the term does not extend to the results of the use of such "direct product." For example, if the technical data relate to the design of a new or improved airborne transmitter, the airborne transmitter produced from such data is a direct product of the data. However, if the technical data relate to the design of equipment which will be used for the production of airborne transmitters, then the equipment rather than the transmitter is the direct product of the technical data.

(e) *Issuance and use of validated licenses.* When an application for a license to export technical data is approved by the Office of Export Control, an export license will be issued on Form FC–628, authorizing, subject to the provisions of the Export Regulations and to the terms and provisions of such license, the exportation of the types of technical data described therein.

(f) *Export clearance.* The Technical Data license shall be deposited with the Collector of Customs at the port of exit before placing the data on a pier, or dock or other place of loading, for the purpose of exporting by water or air. Similarly, the technical data license shall be deposited with the Postmaster before exporting the technical data by mail, including surface and air parcel post.

(g) *Amendments.* Requests for amendments shall be made in accordance with the provisions of § 380.2 of this chapter.

(h) *Other applicable provisions.* Insofar as consistent with the provisions of this § 385.4, all of the provisions of the Export Regulations shall apply equally to applications for licenses and licenses issued under this section.

§ 385.5 Presentation of shipper's export declaration.

Prior to the exportation or release of technical data for foreign use a Shippers' Export Declaration, in the number of copies set forth in § 379.3(c) of this chapter, shall be presented to the Collector of Customs at the port of exit. Technical data exported by mail, including surface or air parcel post, or by telegram, wireless, cable, or telephone do not require the presentation of a Declaration. However, where a partial shipment is made by mail under authority of a validated license deposited with the Collector of Customs, a duplicate Declaration, authenticated by the Collector of Customs, as set forth in § 379.1(b)(1)(ii) of this chapter, shall be presented to the Postmaster.

§ 385.6 Reexportations.

(a) *Prohibited reexportations.* (1) *General license.* Unless the reexportation of technical data exported from the United States under a general license has been specifically authorized by the Office of Export Control or is otherwise authorized under the provisions of paragraph (b) of this section, no person in the United States or in a foreign country may:

(i) Reexport such technical data, directly or indirectly, in whole or in part, from the authorized country or countries of ultimate destination;

(ii) Export such technical data from the United States with the knowledge that it is to be reexported, directly, or indirectly, in whole or in part, from the authorized country or countries of ultimate destination.

(2) *Validated license.* Unless the reexportation of technical data exported from the United States under a validated license or the direct product or products of such technical data manufactured abroad as are covered by § 385.2(c)(4) have been specifically authorized by the Office of Export Control or are otherwise authorized under the provisions of paragraph (b) of this section, no person in the United States or in a foreign country may:

(i) Reexport such technical data or such direct products thereof, directly or indirectly, in whole or in part, from the country or countries of ultimate destination shown on the export license or in the destination control statement on the Shipper's Export Declaration, Bill of Lading, commercial invoice; or

(ii) Export such technical data from the United States with the knowledge that it or such direct products thereof are to be reexported, directly or indirectly, in whole or in part, from the country or countries of ultimate destination shown in the destination control statement shown on the export license or in the Shipper's Export Declaration, Bill of Lading, or commercial invoice.

(iii) Export or reexport, directly or indirectly, in whole or in part, from the authorized country or countries of ultimate destination, the direct product or products manufactured abroad by use of such technical data as are covered by § 385.2(c)(4).

(b) *Permissive reexportations.* Any technical data which have been exported from the United States may be reexported from any destination to any other destination provided that, at the time of reexportation, the technical data to be reexported may be exported directly from the United States to the new country of destination under General License *GTDP, GTDU* or *GTDS.*

FORREST D. HOCKERSMITH,
Director, Office of Export Control.

[F.R. Doc. 65–3512; Filed, Apr. 6, 1965; 8:45 a.m.]

Title 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER A—INCOME TAX

[T.D. 6814]

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

Treatment of Mortgage Foreclosures, etc. by Certain Banking Organizations

On October 22, 1964, a notice of proposed rule making to conform the Income Tax Regulations (26 CFR Part 1) to the amendment made to the Internal Revenue Code of 1954 by section 6(b) of the Revenue Act of 1962 (76 Stat. 982), relating to foreclosure on property securing loans, was published in the FEDERAL REGISTER (29 F.R. 14497). After consideration of all such relevant matter as was presented by interested persons regarding the rules proposed, such regulations are amended as follows:

PARAGRAPH 1. Section 1.166–6 is amended by adding a new paragraph (d). The added provision reads as follows:

§ 1.166–6 **Sale of mortgaged or pledged property.**

* * * * *

(d) *Special rules applicable to certain banking organizations.* For special rules relating to the treatment of mortgaged or pledged property by certain mutual savings banks, domestic building and loan associations, and cooperative banks, see section 595 and the regulations thereunder.

PAR. 2. There are inserted immediately after § 1.594–1 the following new sections:

§ 1.595 **Statutory provisions; foreclosure on property securing loans.**

SEC. 595. *Foreclosure on property securing loans*—(a) *Nonrecognition of gain or loss as a result of foreclosure.* In the case of a creditor which is an organization described in section 593(a), no gain or loss shall be recognized, and no debt shall be considered as becoming worthless or partially worthless, as the result of such organization having bid in at foreclosure, or having otherwise reduced to ownership or possession by agreement or process of law, any property which was security for the payment of any indebtedness.

(b) *Character of property.* For purposes of sections 166 and 1221, any property acquired in a transaction with respect to which gain or loss to an organization was not recognized by reason of subsection (a) shall be considered as property having the same characteristics as the indebtedness for which such property was security. Any amount realized by such organization with respect to such property shall be treated for purposes of this chapter as a payment on account of such indebtedness, and any loss with respect thereto shall be treated as a bad debt to which the provisions of section 166 (relating to allowance of a deduction for bad debts) apply.

(c) *Basis.* The basis of any property to which subsection (a) applies shall be the basis of the indebtedness for which such property was security (determined as of the date of the acquisition of such property), properly increased for costs of acquisition.

(d) *Regulatory authority.* The Secretary or his delegate shall prescribe such regulations as he may deem necessary to carry out the purposes of this section.

[Sec. 595 as added by sec. 6(b), Rev. Act 1962 (76 Stat. 982)]

§ 1.595–1 **Treatment of foreclosed property by certain creditors.**

(a) *Nonrecognition of gain or loss on the acquisition of security property by certain creditors*—(1) *In general.* Section 595(a) provides that in the case of a creditor which is an organization described in section 593(a) (that is, a mutual savings bank not having capital stock represented by shares, a domestic building and loan association, or a cooperative bank without capital stock organized and operated for mutual purposes and without profit), no gain or loss shall be recognized, and no debt shall be considered as becoming worthless or partially worthless for purposes of section 166 (relating to bad debts), as the result of a transaction by which such creditor bids in at foreclosure, or reduces to ownership or possession by agreement or process of law, any property (whether real or personal, tangible or intangible) which was security for the payment of any indebtedness (whether or not a qualifying real property loan as defined in section 593(e)(1)). The treatment provided by section 595(a) is mandatory (regardless of whether such creditor utilizes the specific deduction or reserve method of accounting for bad debts) if, for the taxable year in which the property is bid in at foreclosure, or reduced to ownership or possession by agreement or process of law, the creditor is an organization described in section 593(a), even though the creditor subsequently becomes an organization not described in section 593(a). For definition of the terms "domestic building and loan association" and "cooperative bank" for taxable years beginning after October 16, 1962, see paragraphs (19) and (32), respectively, of section 7701(a).

(2) *Effective date.* Section 595 applies to any transaction (described in subparagraph (1) of this paragraph) occurring after December 31, 1962, except that such section does not apply to any such transaction in which the taxable event determined without regard to section 595 (that is, the sale or exchange to the creditor of the security property by reason of the default or anticipated default of the debtor) occurred before January 1, 1963.

(b) *Rules for determining when security property is reduced to ownership or possession by agreement or process of law*—(1) *Ownership or possession.* For purposes of this section, security property shall be considered as reduced to ownership or possession by agreement or process of law on the earliest date on which the creditor, by reason of the default or anticipated default of the debtor—

(i) Acquires, by agreement or process of law, a title to, or a right or interest in, the security property which under local law is indefeasible and which the creditor can validly dispose of apart from the indebtedness which the property secures, or

(ii) Acquires, by agreement or process of law, an enforceable right to direct the use to which the security property shall be put, including, in the case of real property, whether or not the property shall continue to be occupied by the debtor who has defaulted (regardless of whether such creditor has obtained indefeasible title to the property), or

(iii) Sells or otherwise disposes of the security property or any interest therein.

(2) *Agreement or process of law.* The reduction of security property to ownership or possession by agreement includes, where valid under local law, such methods as voluntary conveyance from the debtor (including a conveyance directly to the Federal Housing Commissioner) and abandonment to the creditor. The reduction of security property to ownership or possession by process of law includes foreclosure proceedings in which a competitive bid is entered, such as foreclosure by judicial sale or by power of sale contained in the loan agreement without recourse to the courts, as well as those types of foreclosure proceedings in which a competitive bid is not entered, such as strict foreclosure and foreclosure by entry and possession, by writ of entry, or by publication or notice.

(c) *Examples.* The provisions of paragraphs (a) and (b) of this section may be illustrated by the following examples:

Example (1). On January 31, 1963, X, a creditor which is an organization described in section 593(a), purchases at a foreclosure sale residential real property which was security for a debt owing to X, and with respect to which the debtor has defaulted. Under local law, there is a 1-year statutory redemption period (during which period the debtor is entitled to remain in possession) so that X must wait until February 1, 1964, to obtain indefeasible title to the property. No gain or loss is recognized by reason of the purchase at the foreclosure sale on January 31, 1963. However, the date on which the security property is considered as reduced to ownership or possession by agreement or process of law is February 1, 1964. If, under local law, there were no statutory redemption period so that X obtained indefeasible title to the security property at the foreclosure sale, the date on which the security property would be considered as so reduced is January 31, 1963. Furthermore, with respect to either of the preceding situations, if the foreclosure sale had occurred on November 1, 1962 (instead of on January 31, 1963), section 595 would not apply to the transaction since the taxable event in respect of such transaction occurred prior to January 1, 1963.

Example (2). The facts are the same as in example (1), except that instead of purchasing the property at a foreclosure sale, X, pursuant to the provisions of local law, enters upon the security property on January 31, 1963, and acquires an enforceable right to direct whether the property shall continue to be occupied by the debtor. X does not obtain indefeasible title to the property until February 1, 1964. The date on which the security property is considered as reduced to ownership or possession by agreement or process of law is January 31, 1963.

(d) *Basis of acquired property.* Section 595(c) provides that the basis of any property to which section 595(a) applies (hereinafter referred to as "acquired property") shall be the adjusted basis of the indebtedness for which such property was security, determined as of the date of acquisition of such property, properly increased for costs of acquisition. The date of acquisition is the date, determined under paragraph (b) of this section, on which the security property is reduced to ownership or possession by agreement or process of law. Costs of acquisition are expenditures incurred by the creditor (for example, fees for an attorney, master, trustee, auctioneer, for publication, acquiring title, clearing liens, filing and recording, and court costs) which are directly related to the foreclosure sale or proceeding, or to the other process used to reduce the security property to ownership or possession, or both, by agreement or process of law. For purposes of determining the adjusted basis of the indebtedness for which the acquired property was security, there shall be included the amount of any unpaid interest with respect to such indebtedness, but only to the extent that it has been included in gross income. The basis of the acquired property, as determined under this paragraph, shall be adjusted in accordance with the rules provided in paragraph (e) of this section.

(e) *Characteristics of acquired property*—(1) *Depreciation; decline in fair market value.* Section 595(b) provides, in part, that for purposes of section 166

(relating to bad debts) acquired property shall be considered as property having the same characteristics as the indebtedness for which such property was security. Thus, no deduction for exhaustion, wear and tear, obsolescence, amortization, or depletion shall be allowed to a creditor with respect to acquired property. However, if, at any time, the adjusted basis of the acquired property exceeds the fair market value of such property (determined by proper appraisal and without regard to any outstanding right of redemption), and the creditor can establish (in the same manner as worthlessness in whole or in part is established for purposes of section 166) that an amount equal to any portion of such excess will not be collected with respect to the indebtedness for which such property was security, the creditor may treat such portion, under the provision of section 166, as a worthless debt. In such case, the basis of the acquired property shall be reduced by the amount treated as a worthless debt.

(2) *Example.* The provisions of subparagraph (1) of this paragraph may be illustrated by the following example:

Example. X Corporation, a creditor which is an organization described in section 593 (a), makes its returns on the basis of the calendar year and the reserve method of accounting for bad debts. In 1963, A defaults in his payments on a debt owed to X which is secured by residential real property. X reduces the property to ownership or possession by agreement or process of law by bidding it in at a foreclosure sale for $23,000. The adjusted basis of the indebtedness at the date of acquisition of the property (increased for costs of acquisition) is $25,000, and this amount becomes the basis of the acquired property. X obtains a deficiency judgment against A for $2,000. Later in 1963, a proper appraisal enables X to establish that the fair market value of the property is $18,000. X is also able to establish (under the rules of section 166 and the regulations thereunder) that due to A's poor financial condition only $1,000 can be collected on the outstanding deficiency judgment. For the year 1963, X may charge its bad debt reserve for $6,000, computed as follows:

Basis of acquired property	$25,000
Less: Fair market value of acquired property	18,000
Excess	7,000
Less: Collectible portion of deficiency judgment	1,000
Portion of excess treated as worthless debt	6,000

(3) *Capital improvements made after date of acquisition not treated as acquired property.* Except as provided in subparagraph (4) of this paragraph, the term "acquired property" does not include capital improvements made after the date of acquisition (within the meaning of paragraph (d) of this section) of the property. Thus, the applicable deduction for exhaustion, wear and tear, obsolescence, amortization, or depletion shall be allowed, if otherwise allowable, for improvements which are made by the creditor with respect to acquired property and which are properly chargeable to the capital account. If the creditor sells or otherwise disposes of the acquired property with such capital improvements, any amount realized by reason of such sale or other disposition shall be allocated in proportion to the respective fair market values of the acquired property and such capital improvements. The portion of the amount realized which is allocable to the acquired property shall be treated in accordance with the rules prescribed in subparagraph (6) of this paragraph. The portion of the amount realized which is allocable to such capital improvements shall be treated under the applicable rules governing the sale or other disposition of such property and without regard to section 595.

(4) *Treatment of minor capital improvements as acquired property.* A creditor may treat any minor capital improvements which it makes to a particular acquired property after the date of acquisition (within the meaning of paragraph (d) of this section) in the same manner as the acquired property, provided such creditor treats all minor capital improvements with respect to that particular acquired property in such manner. For purposes of section 595, a capital improvement shall be considered as "minor" only if the cost of such improvement does not exceed $3,000.

(5) *Records for capital improvements.* For purposes of subparagraphs (3) and (4) of this paragraph, the creditor must maintain such records as are necessary to clearly reflect, with respect to each particular acquired property, the cost of each capital improvement and whether the taxpayer treated minor capital improvements with respect to such property in the same manner as the acquired property.

(6) *Amounts realized with respect to acquired property.* Section 595(b) provides, in part, that any amount realized with respect to acquired property shall be treated as a payment on account of the indebtedness for which such property was security, and any loss with respect thereto shall be treated as a bad debt to which the provisions of section 166 (relating to bad debts) apply. An amount realized with respect to acquired property means an amount representing a recovery of capital, such as proceeds from the sale or other disposition of the property, payments on the original indebtedness made by or on behalf of the debtor (including amounts received under an insurance contract with the Federal Housing Administration or a guarantee by the Veterans' Administration), and collections on a deficiency judgment obtained against the debtor (other than amounts treated as interest under applicable local law). Amounts realized with respect to acquired property include amounts which otherwise would be treated in the manner prescribed in section 351 (relating to transfer to a corporation controlled by transferor), section 354 (relating to exchanges of stock and securities in certain reorganizations), section 453 (relating to installment method), section 1031 (relating to exchange of property held for productive use or for investment), or section 1033 (relating to involuntary conversions). For purposes of section 595(b), if a corporation distributes acquired property in a distribution to which section 311 (relating to taxability of corporation on distribution) or section 336 (relating to nonrecognition of gain or loss to a corporation on distribution of its property in partial or complete liquidation) applies, the fair market value of the acquired property at the time of the distribution shall be treated as an amount realized with respect to such property. However, no amount shall be considered realized by reason of the distribution or transfer of acquired property in a transaction to which section 381(a) (relating to carryovers in certain corporate acquisitions) applies, and in the case of such a distribution or transfer the acquired property shall be treated by the distributee or transferee as having the same characteristics as it had in the hands of the distributor or transferor at the time of such distribution or transfer. The following rules shall apply to amounts realized with respect to acquired property:

(i) Any amount realized shall be applied against and reduce the adjusted basis of the acquired property, and to the extent that such amount exceeds the adjusted basis, it shall, in the case of a creditor using the specific deduction method of accounting for bad debts, be included in gross income as ordinary income, or, in the case of a creditor using the reserve method of accounting for bad debts, be credited to the appropriate bad debt reserve (that is, the reserve for losses on qualifying real property loans or the reserve for losses on nonqualifying loans). Any amounts credited during the taxable year to a reserve for bad debts pursuant to this subdivision shall not be considered as a part of the addition under section 593 for such year, but shall be included in the balance of the reserve for purposes of computing such addition to the reserve for such taxable year. Thus, for example, an amount credited to the reserve for losses on qualifying real property loans during a taxable year shall not be considered as a part of the addition to such reserve computed under the percentage of taxable income method. However, the amount of such credit shall be included in the balance of such reserve for the purpose of determining the amount necessary to increase the balance of such reserve (as of the close of such taxable year) to an amount equal to 3 percent of qualifying real property loans and for the purpose of determining whether such balance exceeds 6 percent of such loans.

(ii) If an amount realized on the sale or other disposition of the acquired property is insufficient to restore to the creditor the adjusted basis of the property, the difference between such adjusted basis and such amount realized shall be treated as a bad debt to which the provisions of section 166 apply. If the creditor subsequently realizes an additional amount with respect to the original indebtedness or the acquired property, such additional amount shall be treated as the recovery of a bed debt.

(7) *Treatment of rents, similar amounts, and expenses.* Section 595 does not change the treatment of rents, royalties, dividends, interest, or similar amounts received or accrued by the creditor with respect to acquired property,

nor does it change the treatment of expenses incurred with respect to such property. (See, however, subparagraph (1) of this paragraph for treatment of depreciation, etc.) Thus, for example, if the acquired property is a governmental obligation within the meaning of section 103 (relating to interest on certain governmental obligations), interest payments received by the creditor with respect to such obligation would not be included in gross income.

(8) *Examples.* The provisions of subparagraphs (6) and (7) of this paragraph may be illustrated by the following examples:

Example (1)—(i) *Facts.* X Corporation, a creditor which is an organization described in section 593(a), uses the reserve method of accounting for bad debts. On May 1, 1964, X reduces to ownership or possession by agreement or process of law improved real property which is security for an indebtedness of A which is in default. On the date of acquisition there remains unpaid on the indebtedness $20,000 principal and $700 interest. X has previously included the $700 interest in gross income. Subsequent to acquisition, X incurs expenses totaling $500 for maintenance, and during the period June 1 through September 30, 1964, rents the property for a total rental of $400. Under local law, X is accountable to A for the rents received and A is accountable to X for the expenses incurred. There are no other receipts or expenses until October 1, 1964, at which time X sells the acquired property for $22,000. Under local law, A is not entitled to any portion of the sales proceeds.

(ii) *Treatment of rents, expenses, and sales proceeds.* X would treat rents, expenses, and sales proceeds in the following manner:

Basis of acquired property at acquisition (adjusted basis of indebtedness, i.e., $20,000 principal plus $700 interest)	$20,700
Plus: Expenses charged to debtor	500
	21,200
Less: Rents credited to debtor	400
Adjusted basis of acquired property at sale	20,800
Less: Portion of $22,000 sales proceeds applied in reduction of adjusted basis of acquired property	20,800
	0
Portion of sales proceeds credited to reserve for losses on qualifying real property loans (22,000 minus $20,800)	1,200

(iii) *Creditor using specific deduction method.* If instead of using the reserve method of accounting for bad debts X used the specific deduction method, the $1,200 portion of the sales proceeds would be treated as ordinary income.

Example (2)—(i) *Facts.* The facts are the same as in example (1) except that under local law X is not accountable to A for any portion of the rents received and A is not accountable to X for the expenses incurred by X.

(ii) *Treatment of rents and expenses.* X includes in gross income the total rent receipts of $400 and deducts (if otherwise allowable) the expenses of $500.

(iii) *Treatment of sales proceeds.* As the result of the sale of the acquired property, X credits $1,300 to the reserve for losses on qualifying real property loans, computed as follows:

Basis of acquired property at acquisition and at date of sale (adjusted basis of indebtedness, i.e., $20,000 principal plus $700 interest)	$20,700
Less: Portion of $22,000 sales proceeds applied in reduction of adjusted basis of acquired property	20,700
	0
Portion of sales proceeds credited to reserve for losses on qualifying real property loans ($22,000 minus $20,700)	1,300

(iv) *Creditor using specific deduction method.* If instead of using the reserve method of accounting for bad debts X used the specific deduction method, the $1,300 portion of the sales proceeds would be treated as ordinary income.

Example (3)—(i) *Facts.* The facts are the same in example (1) except that X sells the acquired property for $15,000.

(ii) *Treatment of rents, expenses, and sales proceeds.* X would treat rents, expenses, and sales proceeds in the following manner:

Basis of acquired property at acquisition (adjusted basis of indebtedness, i.e., $20,000 principal plus $700 interest)	$20,700
Plus: Expenses charged to debtor	500
	21,200
Less: Rents credited to debtor	400
Adjusted basis of acquired property at sale	20,800
Less: Portion of $15,000 sales proceeds applied in reduction of adjusted basis of acquired property	15,000
Amount charged to reserve for losses on qualifying real property loans	5,800

(iii) *Creditor using specific deduction method.* If instead of using the reserve method of accounting for bad debts X used the specific deduction method, the excess of $5,800 would be allowed as a specific bad debt deduction.

(Sec. 7805, Internal Revenue Code of 1954; 68A Stat. 917; 26 U.S.C. 7805)

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

Approved: April 1, 1965.

STANLEY S. SURREY,
Assistant Secretary of the Treasury.

[F.R. Doc. 65-3566; Filed, Apr. 6, 1965; 8:48 a.m.]

Title 33—NAVIGATION AND NAVIGABLE WATERS

Chapter II—Corps of Engineers, Department of the Army

PART 211—REAL ESTATE ACTIVITIES OF THE CORPS OF ENGINEERS IN CONNECTION WITH CIVIL WORKS PROJECTS

Fort Supply Reservoir, Okla.

Section 211.81 is amended by adding a new paragraph (s) naming the Fort Supply Reservoir area as one of the areas covered by the regulations in §§ 211.71 to 211.80, effective upon publication in the FEDERAL REGISTER:

§ 211.81 Reservoir areas.

Delegations, rules, and regulations in §§ 211.71 to 211.80 are applicable to:

* * * * *

(s) Fort Supply Reservoir, Okla.

[Regs., 25 March 1965, ENGRE-MI] (Sec. 2, 70 Stat. 1065; 16 U.S.C. 460f)

J. C. LAMBERT,
Major General, U.S. Army,
The Adjutant General.

[F.R. Doc. 65-3544; Filed, Apr. 6, 1965; 8:47 a.m.]

Title 36—PARKS, FORESTS, AND MEMORIALS

Chapter III—Corps of Engineers, Department of the Army

PART 311—PUBLIC USE OF CERTAIN RESERVOIR AREAS

Wilson Reservoir Area, Saline River, Kans.

The Secretary of the Army having determined that the use of Wilson Reservoir Area, Saline River, Kans., by the general public for boating, swimming, bathing, fishing, and other recreational purposes will not be contrary to the public interest and will not be inconsistent with the operation and maintenance of the reservoir for its primary purposes, hereby prescribes rules and regulations for its public use, pursuant to the provisions of section 4 of the Flood Control Act of 1944, as amended (76 Stat. 1195), adding the reservoir to the list in § 311.1, as follows:

§ 311.1 Areas covered.

* * * * *

KANSAS

* * * * *

WILSON RESERVOIR AREA, SALINE RIVER

* * * * *

[Regs., March 17, 1965, ENGCW-OM] (Sec. 4, 58 Stat. 889, as amended; 16 U.S.C. 460d)

J. C. LAMBERT,
Major General, U.S. Army,
The Adjutant General.

[F.R. Doc. 65-3545; Filed, Apr. 6, 1965; 8:47 a.m.]

Title 43—PUBLIC LANDS: INTERIOR

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

APPENDIX—PUBLIC LAND ORDERS

[Public Land Order 3575]

[Idaho 015017]

IDAHO

Opening Reclamation Lands to Mineral Location, Entry, and Patent (Owyhee Project)

By virtue of the authority contained in the Act of April 25, 1932 (47 Stat. 136; 43 U.S.C. 154), it is ordered as follows:

1. Subject to valid existing rights and the provisions of existing withdrawals, the following-described lands (except as provided in paragraph 2 hereof) shall, at 10 a.m. on May 6, 1965, be open to location and entry and patent under the United States mining laws:

BOISE MERIDIAN

T. 9 N., R. 6 E.,
Sec. 33, SE¼SE¼.

Containing 40 acres in Boise County.

2. The opening made by this order shall be subject to the stipulations recited in paragraph 3 of Public Land Order No. 3473 dated November 25, 1964, to be executed and acknowledged as prescribed in said order.

The lands are in Power Site Classification No. 146.

JOHN A. CARVER, Jr.,
Under Secretary of the Interior.

MARCH 31, 1965.

[F.R. Doc. 65-3546; Filed, Apr. 6, 1965; 8:47 a.m.]

[Public Land Order 3576]

[Misc-88658]

OREGON

Withdrawal for Winema National Forest; Correcting Proclamation No. 3423 of July 26, 1961, as Published

By virtue of the authority vested in the President by section 1 of the Act of June 4, 1897 (30 Stat. 34, 36; 16 U.S.C. 473), and pursuant to Executive Order No. 10355 of May 26, 1952 (17 F.R. 4831), it is ordered as follows:

1. The following described lands are hereby added to and made a part of the Winema National Forest and hereafter shall be subject to all rules and regulations applicable to such national forest:

WILLAMETTE MERIDIAN

T. 29 S., R. 9 E.,
Sec. 15, N½NW¼NE¼.

2. The following described lands are hereby eliminated from the Winema National Forest, the boundaries of which are hereby adjusted to the extent necessary:

WILLAMETTE MERIDIAN

T. 29 S., R. 9 E.,
Sec. 15, N½SW¼NE¼.
T. 33 S., R. 6 E.,
Sec. 31, that portion south and west of the summit of the Cascade Mountain Divide.
T. 34 S., R. 6 E.,
Sec. 6, that portion lying west and north of the summit of the Cascade Mountain Divide.

3. The lands in sections 31 and 6 described in paragraph 2 shall remain as part of the Rogue River National Forest. The lands in section 15 described in paragraph 2 have been patented.

4. Proclamation No. 3423 of July 26, 1961, designating certain lands as the Winema National Forest, as published in 26 F.R. 6799, described lands in sec. 28, T. 36 S., R. 9 E., Willamette Meridian, as "W½W½SE¼." The correct description is "W½, W½SE¼."

JOHN A. CARVER, Jr.,
Under Secretary of the Interior.

MARCH 31, 1965.

[F.R. Doc. 65-3547; Filed, Apr. 6, 1965; 8:47 a.m.]

[Public Land Order 3577]

[Anchorage 060417]

ALASKA

Withdrawal for Railroad Purposes; Partial Revocation of Public Land Order No. 802 of February 5, 1952

By virtue of the authority vested in the President by section 2380 of the Revised Statutes (43 U.S.C. 711), the Act of March 12, 1914 (38 Stat. 305, 307; 48 U.S.C. 304), and otherwise, and pursuant to Executive Order No. 10355 of May 26, 1952 (17 F.R. 4831), and by virtue of the authority contained in section 4 of the Act of May 24, 1928 (45 Stat. 729; 49 U.S.C. 214), it is ordered as follows:

1. Subject to valid existing rights, the following described public lands which are under the jurisdiction of the Secretary of the Interior, are hereby withdrawn from all forms of appropriation under the public land laws, including the mining laws (Chap. 2, Title 30 U.S.C.), but not from leasing under the mineral leasing laws, and reserved for railroad purposes:

SEWARD MERIDIAN

BIRCHWOOD AREA

T. 15 N., R. 1 W.,
Sec. 5, SW¼, that portion lying southeasterly of a line extending 100 feet northwesterly from, and parallel to, the center line of the Alaska Railroad;
Sec. 6, SE¼SE¼SE¼SE¼ that portion lying southeasterly of a line extending 100 feet northwesterly from, and parallel to the Alaska Railroad.
Sec. 7, SE¼NE¼ and SE¼SW¼NE¼.
Sec. 8, N½NW¼ and W½SW¼NW¼.

The areas described aggregate 250.8 acres.

2. Public Land Order No. 802 of February 5, 1952, so far as it withdrew lands in T. 15 N., R. 1 W., Seward Meridian, for various public uses or purposes, is hereby revoked. The lands are in part nonpublic lands. Some are included in the withdrawal made by paragraph 1, above.

3. Until 10 a.m. on June 30, 1965, the State of Alaska shall have a preferred right to select the following described lands as provided by the act of July 28, 1956 (70 Stat. 709; 48 U.S.C. 46-3b), and section 6(g) of the Alaska Statehood Act of July 7, 1958 (72 Stat. 339), and the regulations in 43 CFR 2222.9 (formerly 43 CFR Part 76).

SEWARD MERIDIAN

T. 15 N., R. 1 W.,
Sec. 5, W½SW¼SW¼NE¼ and SE¼NW¼;
Lot 2, that portion lying southeast of a line drawn diagonally from its southwest corner to a point on its east boundary lines at the southwest corner of lot 1; SW¼, that portion lying northwesterly of the center line of the Alaska Railroad.
Sec. 6, lot 2, that portion lying southeast of a line drawn diagonally from its southwest corner to its northeast corner; SE¼SE¼, that portion lying west of the center line of the Alaska Railroad.
Sec. 7, E½NW¼NE¼, NE¼NE¼, that portion lying west of the center line of the Alaska Railroad.

The areas described aggregate 241.2 acres.

4. This order shall not otherwise become effective to change the status of the lands described in paragraph 3 above, until 10 a.m. on June 30, 1965. After that time the lands shall be open to the operation of the public land laws generally, including the mining and mineral leasing laws, subject to valid existing rights, the provisions of existing withdrawals, and the requirements of applicable law. All valid applications received at or prior to 10 a.m. on June 30, 1965, other than from the State, shall be considered as simultaneously filed at that time. Those received thereafter shall be considered in the order of filing.

5. Of the 250.8 acres withdrawn by paragraph 1 of this order, 130.8 acres have been closed to applications and offers under the mineral leasing laws. They will be open to such applications and offers at 10 a.m. on May 6, 1965.

The withdrawal made by paragraph 1 of this order does not alter the applicability of the public land laws governing the use of the lands under lease, license, or permit, or governing the disposal of their mineral and vegetative resources other than under the mining laws.

Inquiries concerning any of the lands should be addressed to the Manager, Land Office, Bureau of Land Management, Anchorage, Alaska.

JOHN A. CARVER, Jr.,
Under Secretary of the Interior.

MARCH 31, 1965.

[F.R. Doc. 65-3548; Filed, Apr. 6, 1965; 8:47 a.m.]

[Public Land Order 3578]

[Anchorage 062061]

ALASKA

Revocation of Public Land Order No. 891

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

1. Public Land Order No. 891 of April 15, 1953, which withdrew the following described lands among others for public purposes, and which has previously been revoked in part, is hereby revoked in its entirety:

SEWARD MERIDIAN

T. 15 N., R. 1 W.,
Sec. 9, S½SW¼SW¼, SW¼SE¼SW¼;
Sec. 17, lots 1 and 2, NE¼, E½NW¼, SW¼NW¼, W½SW¼, NE¼SW¼, W½SE¼SW¼ and W½NW¼SE¼;
Sec. 18, E½SE¼;
Sec. 19, Lots 1 and 4 to 7, incl. S½NE¼, SE¼NW¼, E½SW¼, W½SE¼ and NE¼SE¼;
Sec. 20, Lots 12 to 14 incl., 18 and 19 and E½SW¼NW¼;
Sec. 30, lots 1 and 2, NW¼NE¼, and E½NW¼.

T. 15 N., R. 2 W.
Sec. 12;
Sec. 24, Lots 1, 2, 5, 6 and 7, SW¼NE¼, S½NW¼, SW¼, and W½SE¼;
Sec. 25, NW¼NW¼.

The area described aggregates 2,216.01 acres.

The lands are situated about 16 miles northeast of Anchorage. Topography ranges from rolling hills and ridges typical of a glaciated area to low swamp land. Vegetative cover consists mainly of white birch with an understory of low berry bushes and grasses.

2. Until 10 a.m. on June 30, 1965, the State of Alaska shall have a preferred right to select the restored lands as provided by the act of July 28, 1956 (70 Stat. 709; 48 U.S.C. 46–3b); section 6(g) of the Alaska Statehood Act of July 7, 1958 (72 Stat. 339), and the regulations in 43 CFR 2222.9.

3. This order shall not otherwise become effective to change the status of the restored lands until 10 a.m. on June 30, 1965. At that time they shall be open to the operation of the public land laws generally, including the mining laws, subject to valid existing rights, the provisions of existing withdrawals, and the requirements of applicable law. All valid applications except preference right applications from the State received at or prior to 10 a.m. on June 30, 1965, shall be considered as simultaneously filed at that time. Those filed thereafter shall be considered in the order of filing.

4. The lands, with exception of lots 1 and 2, sec. 17, T. 15 N., R. 1 W., have been open to applications and offers under the mineral leasing laws. At 10 a.m. on May 6, 1965, the said lots 1 and 2 shall be open to such applications and offers.

Inquiries concerning the lands should be addressed to the Manager, District and Land Office, Bureau of Land Management, Anchorage, Alaska.

JOHN A. CARVER, JR.,
Under Secretary of the Interior.

MARCH 31, 1965.

[F.R. Doc. 65–3549; Filed, Apr. 6, 1965; 8:47 a.m.]

[Public Land Order 3579]

[Nevada 042819]

NEVADA

Partly Revoking Reclamation Withdrawals; Truckee-Carson Project

By virtue of the authority contained in the Act of June 17, 1902 (32 Stat. 338; 43 U.S.C. 416), as amended and supplemented, it is ordered as follows:

1. The Departmental Orders of April 23, 1909, and July 11, 1910, which withdrew lands for reclamation purposes are hereby revoked as far as they affect the following-described lands:

MOUNT DIABLO MERIDIAN

T. 25 N., R. 23 E.,
Secs. 1, 12, 13, 24, 25, 35, and 36;
Secs. 2, 11, 14, 22, and 23, not included within the Pyramid Lake Indian Reservation (unsurveyed);
Sec. 26, all that unsurveyed portion lying east of Winnemucca Lake meander line;
Secs. 27 and 34, all those unsurveyed portions not included within Pyramid Lake Indian Reservation and lying east of Winnemucca Lake meander line.
T. 26 N., R. 23 E.,
Secs. 1, 12, 13, 24, 25, 26, 35, and 36, all not included within the Pyramid Lake Indian Reservation (unsurveyed).
T. 27 N., R. 23 E.
Secs. 1, 12, 13, and 24;
Secs. 2, 11, and 14, all those portions within Winnemucca Lake meander line;
Sec. 23, all that portion east of Winnemucca Lake meander line and not included within the Pyramid Lake Indian Reservation;
Secs. 25, 26, and 36, all those portions not included in the Pyramid Lake Indian Reservation.

The areas described aggregate approximately 14,840 acres of unsurveyed lands.

The lands are situated on each side of the Washoe-Pershing County line within the dry Winnemucca Lake. They are accessible by State Highway 81 which borders them on the west.

2. Subject to valid existing rights and to the provisions of existing withdrawals and procedures, the lands shall, at 10 a.m. on May 6, 1965, become subject to such forms of disposition as may by law be made of unsurveyed lands, including locations under the United States mining laws.

3. Inquiries concerning the lands should be addressed to the Manager, Land Office, Bureau of Land Management, Reno, Nev.

JOHN A. CARVER, JR.,
Under Secretary of the Interior.

MARCH 31, 1965.

[F.R. Doc. 65–3550; Filed, Apr. 6, 1965; 8:47 a.m.]

[Public Land Order 3580]

[Wyoming 0313192]

WYOMING

Partly Revoking Reclamation Withdrawals; North Platte, Kendrick and Missouri River Basin Projects

By virtue of the authority contained in the act of June 17, 1902 (32 Stat. 338; 43 U.S.C. 416), as amended and supplemented, it is ordered as follows:

1. The Departmental Orders of February 6, 1903, January 27, and November 21, 1904, October 7, 1905, October 6 and 13, 1933, June 25, 1940, and March 17, 1947, which withdrew lands for reclamation purposes are hereby revoked so far as they affect the following described lands:

SIXTH PRINCIPAL MERIDIAN

T. 25 N., R. 63 W.,
Sec. 25, E½NE¼.
T. 27 N., R. 66 W.,
Sec. 26, lots 4 and 5.
T. 29 N., R. 67 W.,
Sec. 29, NW¼SW¼.
T. 29 N., R. 83 W.,
Sec. 9, lots 4, 11, 12, and NW¼NW¼;
Sec. 17, NE¼SE¼;
Sec. 20, NW¼NE¼.
T. 26 N., R. 84 W.,
Sec. 23, NE¼NE¼.
T. 27 N., R. 84 W.,
Sec. 21, NE¼NW¼.
T. 29 N., R. 85 W.,
Sec. 6, SW¼NE¼;
Sec. 11, E½SE¼.
T. 30 N., R. 85 W.,
Sec. 28, SW¼SW¼;
Sec. 32, W½SW¼.

The areas described aggregate approximately 760 acres.

The lands are located in Goshen, Platte, Carbon, and Natrona Counties, Wyo., near the towns of Lingle, Guernsey, Glendo, and Casper. The vegetation consists of mixed grasses and sagebrush. Access to the lands is limited to range trails and unimproved roads.

2. Until 10 a.m. on September 29, 1965 the State of Wyoming shall have a preferred right of application to select the lands as provided by R.S. 2276, as amended (43 U.S.C. 852). On and after that date and hour the lands shall become subject to application, petition and selection generally, subject to valid existing rights, the provisions of existing withdrawals, and the requirements of applicable law. All valid applications except preference right applications from the State received at or prior to 10 a.m. on September 29, 1965, shall be considered as simultaneously filed at that time. Rights under such applications and selections filed after that hour will be governed by the time of filing.

3. The lands have been open to applications and offers under the mineral leasing laws. They will be open to location under the United States mining laws at 10 a.m. on September 29, 1965.

Inquiries concerning the lands should be addressed to the Manager, Land Office, Bureau of Land Management, Cheyenne, Wyo.

JOHN A. CARVER, JR.,
Under Secretary of the Interior.

MARCH 31, 1965.

[F.R. Doc. 65–3551; Filed, Apr. 6, 1965; 8:47 a.m.]

[Public Land Order 3581]

[Colorado 0102703]

COLORADO

Withdrawal for Frying Pan-Arkansas Project; Partly Revoking Public Land Order No. 3500 of December 2, 1964

By virtue of the authority contained in the act of June 17, 1902 (32 Stat. 338; 43 U.S.C. 416), as amended and supplemented, it is ordered as follows:

1. Subject to valid existing rights, the following described lands are hereby withdrawn from all forms of appropriation under the public land laws, including the mining laws (Chap. 2, Title 30 U.S.C.), but not from leasing under the mineral leasing laws, and reserved for the Frying Pan-Arkansas Project:

SIXTH PRINCIPAL MERIDIAN

T. 13 S., R. 79 W.,
Sec. 2, SW¼SW¼.
T. 10 S., R. 80 W.,
Sec. 19, SE¼SW¼.

Aggregating 80 acres in Lake and Chaffee Counties.

2. Public Land Order No. 3500 of December 2, 1964, withdrawing lands for the Frying Pan-Arkansas reclamation project, is hereby revoked so far as it affects the following described lands:

SIXTH PRINCIPAL MERIDIAN

T. 13 S., R. 79 W.,
Sec. 2, SW¼SE¼.

Containing 40 acres in Chaffee County.

3. Public Land Order No. 3500 is amended to add after the land description for section 13, T. 8 S., R. 84 W., the words "excluding mineral surveys 5230 and 6300."

4. Until 10 a.m. on September 29, 1965, the State of Colorado shall have a preferred right of application to select the lands described in paragraph 2, as provided by R.S. 2276, as amended (43 U.S.C. 852). After that date and hour the lands shall become subject to application, petition, location, and selection generally, subject to valid existing rights, the provisions of existing withdrawals and the requirements of applicable law. All valid applications received at or prior to 10 a.m. on May 6, 1965, shall be considered as simultaneously filed at that time. Those filed thereafter shall be considered in the order of filing.

5. The lands in paragraph 2 hereof have been open to applications and offers under the mineral leasing laws. They will be open to location under the mining laws after 10 a.m. on September 29, 1965.

Inquiries concerning the lands should be addressed to the Manager, Land Office, Bureau of Land Management, Denver, Colo.

JOHN A. CARVER, Jr.,
Under Secretary of the Interior.

MARCH 31, 1965.

[F.R. Doc. 65-3552; Filed, Apr. 6, 1965; 8:47 a.m.]

[Public Land Order 3582]

[Oregon 015988]

OREGON

Partly Revoking Public Land Order No. 1009

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

Public Land Order No. 1009 of September 14, 1954, as amended by Public Land Order No. 1034 of December 10, 1954, and which withdrew lands for access road purposes, is hereby revoked so far as it affects the following-described lands:

WILLAMETTE MERIDIAN

O & C RAILROAD REVESTED LANDS

T. 24 S., R. 1 W.,
Sec. 9;
Sec. 10, SW¼
Secs. 15, 23, 25, and 35.
T. 25 S., R. 1 W.,
Secs. 11 and 23;
Sec. 24, S½NW¼, N½SW¼, and S½S½;
Sec. 25.

UMPQUA NATIONAL FOREST

T. 25 S., R. 1 E.,
Sec. 31, lots 1, 2, 3, and 4, E½W½.

The areas described aggregate 5,892.83 acres.

At 10 a.m. on May 6, 1965, the lands shall be open to such forms of disposition as may by law be made of Oregon and California Railroad revested lands, or national forest lands.

JOHN A. CARVER, Jr.,
Under Secretary of the Interior.

MARCH 31, 1965.

[F.R. Doc. 65-3553; Filed, Apr. 6, 1965; 8:47 a.m.]

[Public Land Order 3583]

[Montana 063662, 063663, and 063664]

MONTANA

Partly Vacating Public Land Order No. 3349 of March 16, 1964; Partly Revoking Stock Driveway Withdrawal No. 13

By virtue of the authority contained in section 10 of the act of December 29, 1916 (39 Stat. 865; 43 U.S.C. 300), as amended, it is ordered as follows:

1. Public Land Order No. 3349 of March 16, 1964, so far as it referred to the following described lands while revoking in part Stock Driveway Withdrawal No. 13, withdrawn by departmental order of April 24, 1918, is hereby vacated:

MONTANA PRINCIPAL MERIDIAN

T. 22 N., R. 36 E.,
Sec. 14, Lots 1 and 2, E½.

Containing 320 acres.

2. The departmental order of April 24, 1918, so far as it withdrew the following described lands for stock driveways, is hereby revoked:

MONTANA PRINCIPAL MERIDIAN

T. 22 N., R. 36 E.,
Sec. 14, Lots 1 and 2, N½.

Containing 320 acres.

The lands described in paragraphs 1 and 2 hereof are withdrawn for the Charles M. Russell National Wildlife Range in Valley County.

JOHN A. CARVER, Jr.,
Under Secretary of the Interior.

MARCH 31, 1965.

[F.R. Doc. 65-3554; Filed, Apr. 6, 1965; 8:47 a.m.]

[Public Land Order 3584]

[Arizona 09390]

ARIZONA

Amending Public Land Order No. 3152 of July 30, 1963

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

The roadside zones established by Public Land Order No. 3152 of July 30, 1963, on each side of the center line through certain named subdivisions traversed by Forest Highways No. 3 and 10, and U.S. Highways No. 66, 89, and 89A, in the Coconino, Kaibab, Prescott, Sitgreaves, and Tonto National Forests, Arizona, are hereby increased from 200 feet to 300 feet, and the additional lands are hereby withdrawn from prospecting, location, entry, and purchase under the mining laws of the United States (Chap. 2, Title 30 U.S.C.) but not from leasing under the mineral leasing laws.

JOHN A. CARVER, Jr.,
Under Secretary of the Interior.

MARCH 31, 1965.

[F.R. Doc. 65-3555; Filed Apr. 6, 1965; 8:48 a.m.]

Title 47—TELECOMMUNICATION

Chapter I—Federal Communications Commission

[RM-551; FCC 65-247]

PART 1—PRACTICE AND PROCEDURE

Public Notice of Petitions for Reconsideration in Rule Making Cases

Order. At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 31st day of March 1965:

The Commission, having before it the above-captioned petition for rule making filed by the Federal Communications Bar Association, requesting that notice of the filing of petitions for reconsideration in rule making proceedings be published in the FEDERAL REGISTER and that the time allowed for filing oppositions to such petitions be calculated from the date on which notice is published; and

It appearing, that public notice of filing of petitions for reconsideration in rule making proceedings will be of assistance to practitioners and to participants in those proceedings; that adequate notice with respect to such matters will be afforded by the release of a "Public Notice" by the Commission, without FEDERAL REGISTER publication; and that the time for filing oppositions to petitions for reconsideration in rule making proceedings should be calculated from the day on which "Public Notice" of filing is released; and

It further appearing, that public notice should be given as part of the summary "Public Notice" now regularly released covering petitions for rule making filed and other rule making matters; and that § 1.106 of the rules and regulations should be amended to reflect these changes; and

It further appearing, that authority for the amendment adopted herein is contained in sections 4(i), 4(j) and 303 (r) of the Communications Act of 1934, as amended; and

It further appearing, that the amendment adopted herein is procedural in nature, and hence that the notice and effective date provisions of section 4 of the Administrative Procedure Act are inapplicable:

It is ordered, Effective April 9, 1965, that § 1.106 of the rules of practice and procedure is amended as set forth below, and that this proceeding is terminated.

(Sec. 4, 48 Stat. 1066, as amended; 47 U.S.C. 154. Interprets or applies sec. 303, 48 Stat. 1082, as amended; 47 U.S.C. 303)

Released: April 2, 1965.

FEDERAL COMMUNICATIONS COMMISSION,[1]

[SEAL] BEN F. WAPLE, *Secretary.*

The note at the end of § 1.106 is amended to read as follows:

§ 1.106 Petitions for reconsideration of final action taken by the Commission en banc or by a designated authority pursuant to a delegation.

* * * * *

NOTE: Petitions for reconsideration of Commission action in rule making proceedings conducted under section 4 of the Administrative Procedure Act need not be served on participants in the proceeding. When such petitions are filed in proper form, public notice of their filing will be given. Oppositions to such petitions may be filed within 10 days after such public notice is given and need be served only on the person who filed the petition. Replies to such oppositions need be served only on the person who filed the opposition.

[F.R. Doc. 65-3576; Filed, Apr. 6, 1965; 8:49 a.m.]

[FCC 65-248]

PART 1—PRACTICE AND PROCEDURE

Pre-Grant Notice and Petition Procedures for Applications in Safety and Special Radio Services for Certain Fixed Stations

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 31st day of March 1965;

The Commission, having under consideration § 1.962(a)(8) of its rules, which, in effect, applies the pre-grant notice and petition procedures prescribed in section 309 of the Communications Act of 1934, as amended, to applications in the Safety and Special Radio Services for fixed stations in the 72–76 Mc/s band; and

It appearing, that these procedures, which require public notice of the filing of these applications and then a 30-day wait before grants may be made, result in delays in processing these applications; and

It further appearing, that during the four-year period in which these pre-grant procedures have been applicable to authorizations in this band in the Safety and Special Radio Services no petition to deny any application in this category has been filed; and

It further appearing, that fixed stations in the 72–76 Mc/s band are authorized only on condition that harmful interference not be caused to the reception of television stations on channels 4 and 5; that petitions for reconsideration of such authorizations may be filed; and that such authorizations may be withdrawn in accordance with the condition if a showing of harmful interference is made; and

It further appearing, in view of the foregoing, that the public interest would be served by discontinuing the pre-grant notice procedures in the case of applications in the Safety and Special Radio Services for fixed stations in the 72–76 Mc/s band; and

It further appearing, that authority for the amendment adopted herein is found in sections 4(i), 303(r) and 309(b)(2)(G) of the Communications Act of 1934, as amended; and

It further appearing, that the amendment ordered herein is procedural in nature and hence the prior notice and effective date provisions of section 4 of the Administrative Procedure Act do not apply;

It is ordered, Effective April 9, 1965, that § 1.962(a) is amended by deleting subparagraph (8) thereof.

(Secs. 4, 303, 309, 48 Stat. 1066, 1082, 1085, as amended; 47 U.S.C. 154, 303, 309)

Released: April 2, 1965.

FEDERAL COMMUNICATIONS COMMISSION,[1]

[SEAL] BEN F. WAPLE, *Secretary.*

[F.R. Doc. 65-3577; Filed, Apr. 6, 1965; 8:49 a.m.]

[Docket No. 15578; FCC 65-249]

PART 2—FREQUENCY ALLOCATIONS AND RADIO TREATY MATTERS; GENERAL RULES AND REGULATIONS

PART 73—RADIO BROADCAST SERVICES

Miscellaneous Amendments

Report and order. 1. The Commission, on July 22, 1964, adopted a notice of proposed rule making in the above captioned matter (FCC 64-682) which was published in the FEDERAL REGISTER on July 29, 1964 (29 F.R. 10524). The time for filing comments and reply comments was, pursuant to a request by Aeronautical Radio, Inc., extended by Commission order released on September 10, 1964. That time has now expired.

2. The notice of proposed rule making was issued in response to a request by the Federal Aviation Agency (FAA) and would permit the assignment of 108.0 Mc/s for Government and non-Government operation of very high frequency Omni-Range (VOR) test facilities at airports located throughout the United States. The frequency is presently unassigned since it is a band edge between the FM broadcasting (88–108 Mc/s) and the aeronautical radionavigation (108–117.975 Mc/s) bands. The test facilities are required for checking the calibration of VOR receivers. It was proposed to limit the power so that signal strength would not exceed 100 microvolts per meter at a radius of five miles from the transmitter.

3. Comments in response to the proposal were filed by Hawaiian Telephone Co. (Hawaiian); Jefferson Standard Broadcasting Co. (Jefferson Standard); Mid-States Broadcasting Corp. (Mid-States); National Aeronautical Corp. (National); Ken-Sell, Inc. (Ken-Sell); and jointly, by Aeronautical Radio, Incorporated and Air Transport Association of America (ARING/ATA). In general, the comments from aviation interests advocated the assignment whereas broadcasting interests objected to the proposal, particularly in the proximity of communities where FM Channel 300 (107.9 Mc/s) is assigned. These comments will be discussed in succeeding paragraphs.

4. Hawaiian, which utilizes the band 98–108 Mc/s for common carrier fixed operations pursuant to footnote NG28 to the Table of Frequency Allocations, is of the opinion that the radionavigation band 108–117.975 Mc/s is not as saturated in Hawaii as it is in many areas of the conterminous United States. Therefore, Hawaiian recommended that FAA show that the radionavigation band was saturated and that other frequencies could not be used by VOR test facilities in Hawaii.

5. Discussions with FAA representatives indicate that the need for use of the frequency 108.0 Mc/s is not critical, either in the Hawaiian Islands or in Alaska, and it is believed that assignments to meet VOR test facility requirements in those states can be made from within the 108–117.975 Mc/s band. Accordingly, the assignment of 108.0 Mc/s to VOR test facilities located in Alaska or Hawaii has been removed from further consideration in this proceeding.

6. Endorsement of the proposal was received from National and from ARINC/ATA. The latter also wished to clarify an apparent ambiguity in the Notice by pointing out a need for two types of test facilities by the aviation industry, namely: (1) Operational test facility (OTF); and (2) maintenance test facility (MTF). The OTF requires a transmitter of low output power which radiates a signal characteristic of the system to be checked and which is located at an airport to provide appropriate coverage. The purpose is to permit the pilot to check the system prior to take-off. The MTF, on the other hand, is a test generator which radiates signals characteristic of the system to be checked, is self-contained and may be moved from aircraft to aircraft, operating in the vicinity of the antenna of the system to be tested. The purpose of the MTF is to permit maintenance testing by radio servicing personnel aboard the aircraft. Thus, multiple MTF facilities may be required.

7. The VOR Operational Test (VOT) facility is, therefore, a subcategory of an OTF, and is intended for the calibration only of VOR radionavigation systems aboard the aircraft prior to take-off. Where a VOT is not installed, it is conceivable that a multiplicity of MTF stations may be required to perform the same functions that a VOT would normally be expected to perform. In view of the representations made by FAA in the initial correspondence and by ARINC/ATA in their comments, the Commission is of the opinion that the frequency 108.0 Mc/s is required for VOR system testing and may be needed at either an

[1] Commissioner Loevinger absent.

[1] Commissioner Loevinger absent.

OTF or an MTF depending on the nature of the installation.

8. Objecting to the proposal were Jefferson Standard, Mid-States and Ken-Sell. Each is a licensee of an FM station operating on Channel 300 (107.9 Mc/s). Their objections were directed essentially at the possibility of blanket assignment of the frequency 108.0 Mc/s at various airports throughout the country, although Mid-States stated that each operation could be considered on a case-by-case basis. Jefferson Standard and Ken-Sell each submitted engineering statements purporting to show that interference could be caused to the reception of FM broadcasting stations operating on Channel 300—a fact which the Commission recognized in the original proposal. Consequently, Jefferson Standard recommended that restrictions concerning the assignment of 108.0 Mc/s for VOR test facilities be expanded to include: (a) Incorporation into the Rules of a power limitation to preclude a signal strength greater than 100 uv/m at a radius of 5 miles from the transmitter; (b) specify the receiving antenna height at which the restriction should apply; and (c) preclude the assignment of 108.0 Mc/s at a station closer than 65 miles from a Class C station or allocation on Channel 300. Ken-Sell recommends that: (a) no VOR test facility be assigned within 60 miles of any community in which Channel 300 is allocated; and (b) specific ratios of desired-to-undesired signal strengths should be established to provide protection to the 50 uv/m contour of FM stations.

9. As a practical matter, the receivers to be used in VOR calibration have a sensitivity of approximately 5 uv. As pointed out by Jefferson Standard, FM stations render substantial service "often out to 50 uv/m contour". A signal strength of sufficient magnitude to provide that degree of service undoubtedly would, even considering the sideband rejection characteristics of the receivers, preclude accurate operation of the VOR calibration systems, thus making installation of a VOT station operating on 108.0 Mc/s valueless.

10. It must be pointed out, however, that imposition of any or all of the conditions advocated by Jefferson Standard and/or Ken-Sell would not necessarily preclude interference to FM reception. Recognizing the interference potential, the Commission proposed a new U.S. footnote to the Table of Frequency Allocations, § 2.106 of the rules, which included the conditional phrase that, "The frequency 108.0 Mc/s may be authorized for use by VOR test facilities * * * subject to the condition that no interference is caused to the reception of FM broadcasting stations * * * operating in the band 88–108 Mc/s". The proposed U.S. footnote continued, "* * * In the event that such interference does occur, the licensee or other agency authorized to operate the facility shall discontinue operation on 108 Mc/s and shall not resume operation until the interference has been eliminated or the complaint otherwise satisfied". Since reception of FM broadcasting stations appears to be protected adequately by the new footnote, imposition of the conditions advocated by Jefferson Standard and Ken-Sell does not appear to be necessary. Accordingly, their recommendations are not being adopted.

11. In accordance with the considerations set forth above, and, pursuant to authority contained in sections 4(i) and 303 of the Communications Act of 1934, as amended: *It is ordered*, That effective May 10, 1965, § 2.106 of Part 2 and § 73.201 of Part 73 are amended in the manner set forth below; and the proceedings in Docket No. 15578 are hereby terminated.

(Sec. 4, 48 Stat. 1066, as amended; 47 U.S.C. 154. Interprets or applies sec. 303, 48 Stat. 1082, as amended; 47 U.S.C. 303)

Adopted: March 31, 1965.

Released: April 2, 1965.

FEDERAL COMMUNICATIONS COMMISSION,[1]

[SEAL] BEN F. WAPLE,
Secretary.

I. Part 2 is amended as follows:

In § 2.106, the Table of Frequency Allocations is amended by the addition of footnote designation (US93) in column 5 for the frequency bands 88–108 and 108–117.975 Mc/s, and new footnote US93 is added, to read as follows:

§ 2.106 Table of Frequency Allocations.

United States

Band Mc/s	Allocation
5	6
* * *	* * *
88–108 (US23) (US93)	NG.
108–117.975 (US93)	G, NG.

* * * * *

US93 In the conterminous United States, the frequency 108.0 Mc/s may be authorized for use by VOR test facilities, the operation of which is not essential for the safety of life or property, subject to the condition that no interference is caused to the reception of FM broadcasting stations operating in the band 88–108 Mc/s. In the event that such interference does occur, the licensee or other agency authorized to operate the facility shall discontinue operation on 108 Mc/s and shall not resume operation until the interference has been eliminated or the complaint otherwise satisfied. VOR test facilities operating on 108 Mc/s will not be protected against interference caused by FM broadcasting stations operating in the band 88–108 Mc/s nor shall the authorization of a VOR test facility on 108 Mc/s preclude the Commission from authorizing additional FM broadcasting stations.

II. Part 73 is amended as follows:

Section 73.201 is amended by the addition of the following note:

§ 73.201 Numerical designation of FM broadcast channels.

* * * * *

NOTE: The frequency 108.0 Mc/s may be assigned to VOR test stations subject to the condition that interference is not caused to the reception of FM broadcasting stations, present or future.

[F.R. Doc. 65-3578; Filed, Apr. 6, 1965; 8:49 a.m.]

[1] Commissioner Loevinger absent.

[Docket No. 15782 (RM-676); FCC 65-279]

PART 73—RADIO BROADCAST SERVICES

Table of Assignments, FM Broadcast Stations; St. Albans, W. Va.

Report and order. 1. The Commission has under consideration its notice of proposed rule making issued in this proceeding on January 7, 1965 (FCC 65-18) and printed in the FEDERAL REGISTER on January 14, 1965 (30 F.R. 490) in response to the petition for rule making filed on October 29, 1964, jointly by St. Albans-Nitro Broadcasting Co., applicant for a new station at St. Albans, W. Va., and WCHS-AM-TV Corp., licensee of Station WCHS at Charleston, W. Va., requesting the assignment of FM Channel 286 to St. Albans. Petitioners are both applicants for a new FM station, one at Charleston and the other at St. Albans, on Channel 241, the last remaining unoccupied channel at Charleston. The application for St. Albans was filed under the "25-mile rule," St. Albans being within 25 miles of Charleston and having no FM assignment.

2. St. Albans is located approximately 12 miles from Charleston and has a population of 15,103 persons. Nearby Nitro has a population of 6,894. There is a daytime-only radio station in St. Albans (WKLC). The two mutually exclusive applications for the remaining channel in Charleston have been designated for a comparative hearing in Docket Nos. 15593 and 15594. Petitioners urge that the assignment of Channel 286 to St. Albans would make the comparative hearing unnecessary; that there is a compelling need for a local FM facility in the area; that the assignment can be made in full conformance with the separation rules without adversely affecting any other station or assignment; and that it would therefore serve the public interest. In the event Channel 286 is assigned to St. Albans, St. Albans-Nitro will amend its application to specify this channel. No opposition to the proposal was filed.

3. In the notice, we pointed out that our policy to assign Class A channels to the smaller communities and Class B or C channels to large cities and metropolitan areas but that we had made exceptions in some cases where the small community was far removed from any large city and was in a rural region. We further stated that St. Albans is the type of community which merited the assignment of a Class A channel but that due to the fact that such a channel was unavailable we were inviting comments on this point. The petitioners urge the assignment of the Class B channel as proposed on the grounds that no Class A

channel is presently available for St. Albans,[1] that, in the area in which this assignment is technically feasible, there are no communities with over 2,215 persons which do not have an FM assignment, and that St. Albans is the largest city in the area with the exception of Charleston.[2] Further, the parties submit that the area is rough and mountainous.

4. We are of the view that the assignment of Channel 286 to St. Albans would serve the public interest in that it would provide this community with its first FM assignment without adversely affecting any other station or assignment and will expedite the start of another FM service to the area. Under the circumstances herein, we also believe that the assignment of a Class B channel is warranted.

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

6. In view of the foregoing: *It is ordered*, That effective May 10, 1965, the FM Table of Assignments, § 73.202 of the rules and regulations, is amended, to add the following entry:

City	*Channel No.*
St. Albans, W. Va.	286

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

(Sec. 4, 48 Stat. 1066, as amended; 47 U.S.C. 154. Interpret or apply secs. 303, 307, 48 Stat. 1082, 1083; 47 U.S.C. 303, 307)

Adopted: March 31, 1965.

Released: April 2, 1965.

FEDERAL COMMUNICATIONS COMMISSION,[3]

[SEAL] BEN F. WAPLE, *Secretary.*

[F.R. Doc. 65-3579; Filed, April 6, 1965; 8:49 a.m.]

Title 49—TRANSPORTATION

Chapter I—Interstate Commerce Commission

SUBCHAPTER B—CARRIERS BY MOTOR VEHICLE

[Ex Parte MC-40]

PART 193—PARTS AND ACCESSORIES NECESSARY FOR SAFE OPERATION

Requirements for Safety Chains or Cables

At a session of the Interstate Commerce Commission, Motor Carrier Board No. 2, held at its office in Washington, D.C., on the 29th day of March A.D. 1965.

The matter of parts and accessories necessary for safe operation under the Motor Carrier Safety Regulations, prescribed by order of April 14, 1952, as amended by orders of March 26, 1962, and November 4, 1964, being under consideration; and

It appearing, that § 193.70(f) of the Code of Federal Regulations (49 CFR 193.70(f)) should be amended to permit the use of one or more safety chains or cables connected to every full trailer and every dolly used to convert a semitrailer to a full trailer if the tow bar is a solid bar or frame without hinges and to specify the manner of attachment of safety chains or cables;

And it further appearing, that the date for installation of two safety chains or cables, or a bridle arrangement, on every full trailer and every converter dolly with a hinged tow bar should be extended from April 30, 1965, to June 30, 1965.

Upon consideration of the record in the above-entitled proceeding and good cause appearing therefor;

It is ordered, That § 193.70(f) of the Code of Federal Regulations (49 CFR 193.70(f)) be, and it is hereby, revised to read as follows:

§ 193.70 Coupling devices and towing methods, except for driveaway-towaway operations.

* * * * *

(f) *Requirements for safety chains or cables.* Safety chains or cables shall comply with the following requirements:

(1) Every full trailer and every converter dolly used to convert a semitrailer to a full trailer shall be coupled with one or more safety chains or cables to the frame, or to an extension of the frame, of the motor vehicle by which it is towed. Attachment of these chains or cables to the pintle hook or to any other device on the towing vehicle to which the tow bar is attached will not meet this requirement, provided, however, that a separate place of attachment independent of the pintle hook on a pintle hook forging or casting may be used to attach the safety chains or cables to the towing vehicle.

(2) Safety chains or cables shall have no more slack than is necessary to permit proper turning.

(3) Each chain or cable and each means of attachment shall have an ultimate strength at least equal to the gross weight of the vehicle or vehicles being towed.

(4) Chains or cables shall be so connected to the towed and towing vehicle and to the tow bar as to prevent the tow bar from dropping to the ground in the event the tow bar fails or becomes disconnected.

(5) On and after June 30, 1965, every full trailer and every converter dolly with a hinged tow bar shall be equipped with two safety chains or cables, or a bridle arrangement of a single chain or cable, attached to its frame or axle at two points as far apart as the configuration of the frame or axle permits. Such chains or cables shall be either two separate pieces, each equipped with a hook or other means for attachment to the towing vehicle, or a single piece leading along each side of the tow bar from the two points of attachment on the towed vehicle and arranged into a bridle with a single means of attachment to be connected to the towing vehicle. When a single length of cable is used a thimble and twin-base cable clamps shall be used to form the forward bridle eye. The hook or other means of attachment to the towing vehicle shall be secured to the chains or cables in a fixed position.

(6) Converter dollies with solid tongues and without hinged tow bars or other swivels between the fifth wheel mounting and the attachment point of the tongue eye or other hitch device may be equipped with either one or two safety chains or cables, provided that if only one chain or cable is used, it shall be in line with the center line of the trailer tongue. The point of attachment of these chains or cables to such solid tongue converter dollies is optional provided only that such attachment is to the rear of the attachment of the tongue eye or other hitch device.

(7) Where two safety chains or cables are used and attached to the towing vehicle at separate points, the points of attachment on the towing vehicle shall be located equally distant from, and on opposite sides of, the center line of the towing vehicle. Where two chains or cables are attached to the same point on the towing vehicle, and where a bridle or a single chain or cable is used, the point of attachment must be on the center line of the towing vehicle.

* * * * *

(Sec. 204, 49 Stat. 546, as amended; 49 U.S.C. 304)

It is further ordered, That this order shall become effective on the date of service of this order and shall continue in effect until further order of the Commission.

And it is further ordered, That notice of this order shall be given to motor carriers and the general public by depositing a copy thereof in the office of the Secretary of the Interstate Commerce Commission, Washington, D.C., and by filing a copy thereof with the Director, Office of the Federal Register.

By the Commission, Motor Carrier Board No. 2.

[SEAL] BERTHA F. ARMES, *Acting Secretary.*

[F.R. Doc. 65-3568; Filed, Apr. 6, 1965; 8:48 a.m.]

[1] If Channel 286 is not used in this area the lower adjacent Class A Channel 285A could be assigned to St. Albans. However, its use here would preclude the use of Channel 286 in the major portion of the area in which it could be assigned otherwise. The area remaining (about 1,600 square miles) contains only a few small communities, the largest of which has 1,586 persons.

[2] Dunbar, about 6 miles from Charleston, is also in this area. It has a population of 11,006 but an assignment of a Class B Channel to it would be less appropriate than to St. Albans.

[3] Commissioner Loevinger absent.

Proposed Rule Making

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[26 CFR Part 1]

INCOME TAX

Proposed Capital Loss Carryover

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury or his delegate. Prior to the final adoption of such regulations, consideration will be given to any comments or suggestions pertaining thereto which are submitted in writing, in duplicate, to the Commissioner of Internal Revenue, Attention: CC:LR:T, Washington, D.C., 20224, within the period of 30 days from the date of publication of this notice in the FEDERAL REGISTER. Any person submitting written comments or suggestions who desires an opportunity to comment orally at a public hearing on these proposed regulations should submit his request, in writing, to the Commissioner within the 30-day period. In such case, a public hearing will be held, and notice of the time, place, and date will be published in a subsequent issue of the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

SHELDON S. COHEN,
Commissioner of Internal Revenue.

In order to conform the Income Tax Regulations (26 CFR Part 1) under sections 172, 642, 1212, and 1222 of the Internal Revenue Code of 1954 to section 230 of the Revenue Act of 1964 (78 Stat. 99), such regulations are amended as follows:

PARAGRAPH 1. Paragraph (b) of § 1.172–3 is amended to read as follows:

§ 1.172–3 Net operating loss in case of a taxpayer other than a corporation.

* * * * *

(b) *Treatment of capital loss carryovers.* Because of the distinction between business and nonbusiness capital gains and losses, a taxpayer who has a capital loss carryover from a preceding taxable year, includible by virtue of section 1212 among the capital losses for the taxable year in issue, is required to determine how much of such capital loss carryover is a business capital loss and how much is a nonbusiness capital loss. In order to make this determination, the taxpayer shall first ascertain what proportion of the net capital loss for such preceding taxable year was attributable to an excess of business capital losses over business capital gains for such year, and what proportion was attributable to an excess of nonbusiness capital losses over nonbusiness capital gains. The same proportion of the capital loss carryover from such preceding taxable year shall be treated as a business capital loss and a nonbusiness capital loss, respectively. In order to determine the composition (business—nonbusiness) of a net capital loss for a taxable year, for purposes of this paragraph, if such net capital loss is computed under paragraph (b) of § 1.1212–1 and takes into account a capital loss carryover from a preceding taxable year, the composition (business—nonbusiness) of the net capital loss for such preceding taxable year must also be determined. For purposes of this paragraph, in case of a taxable year beginning after December 31, 1963, the term "capital loss carryover" means the sum of the short-term and long-term capital loss carryovers from such year. This paragraph may be illustrated by the following examples:

Example (1). (i) A, an individual, has $5,000 ordinary taxable income (computed without regard to the deductions for personal exemptions) for the calendar year 1954 and also has the following capital gains and losses for such year: Business capital gains of $2,000; business capital losses of $3,200; nonbusiness capital gains of $1,000; and nonbusiness capital losses of $1,200.

(ii) A's net capital loss for the taxable year 1954 is $400, computed as follows:

Capital losses	$4,400
Capital gains	3,000
Excess of capital losses over capital gains	1,400
Less: $1,000 of such ordinary taxable income	1,000
Net capital loss for 1954	400

(iii) A's capital losses for 1954 exceeded his capital gains for such year by $1,400. Since A's business capital losses for 1954 exceeded his business capital gains for such year by $1,200, 6/7ths ($1,200/$1,400) of A's net capital loss for 1954 is attributable to an excess of his business capital losses over his business capital gains for such year. Similarly, 1/7th of the net capital loss is attributable to the excess of nonbusiness capital losses over nonbusiness capital gains. Since the capital loss carryover for 1954 to 1955 is $400, 6/7ths of $400, or $342.86, shall be treated as a business capital loss in 1955; and 1/7th of $400, or $57.14, as a nonbusiness capital loss.

Example (2). (i) A, an individual who is computing a net operating loss for the calendar year 1966, has a capital loss carryover from 1965 of $8,000. In order to apply the provisions of this paragraph, A must determine what portion of the $8,000 carryover is attributable to the excess of business capital losses over business capital gains and what portion thereof is attributable to the excess of nonbusiness capital losses over nonbusiness capital gains. For 1965, A had $10,000 ordinary taxable income (computed without regard to the deductions for personal exemptions), and a short-term capital loss carryover of $6,000 from 1964. In order to determine the composition (business—nonbusiness) of the $8,000 carryover from 1965, A first determines that of the $6,000 carryover from 1964, $5,000 is a business capital loss and $1,000 is a nonbusiness capital loss. This must be done since, under paragraph (b) of § 1.1212–1, the net capital loss for 1965 is computed by taking into account the capital loss carryover from 1964. A's capital gains and losses for 1965 are as follows:

	1965	Carried over from 1964
Business capital gains	$2,000	
Business capital losses	3,000	$5,000
Nonbusiness capital gains	4,000	
Nonbusiness capital losses	6,000	1,000

(ii) A's net capital loss for the taxable year 1965 is $8,000, computed as follows:

Capital losses (including carryovers)	$15,000
Capital gains	6,000
Excess of capital losses over capital gains	9,000
Less: $1,000 of such ordinary taxable income	1,000
Net capital loss for 1965	8,000

(iii) A's capital losses, including carryovers, for 1965 exceeded his capital gains for such year by $9,000. Since A's business capital losses for 1965 exceeded his business capital gains for such year by $6,000, 2/3rds ($6,000/$9,000) of A's net capital loss for 1965 is attributable to an excess of his business capital losses over his business capital gains for such year. Similarly, 1/3rd of the net capital loss is attributable to the excess of nonbusiness capital losses over nonbusiness capital gains. Since the total capital loss carryover from 1965 to 1966 is $8,000, 2/3rds of $8,000, or $5,333.33, shall be treated as a business capital loss in 1966; and 1/3rd of $8,000, or $2,666.67, as a nonbusiness capital loss.

* * * * *

PAR. 2. Section 1.642(h)–1 is amended by revising paragraph (b) and by adding a paragraph (c). These amended and added provisions read as follows:

§ 1.642(h)–1 Unused loss carryovers on termination of an estate or trust.

* * * * *

(b) The net operating loss carryover and the capital loss carryover are the same in the hands of a beneficiary as in the estate or trust, except that the capital loss carryover in the hands of a beneficiary which is a corporation is a short-term loss irrespective of whether it would have been a long-term or short-term capital loss in the hands of the estate or trust. The net operating loss carryover and the capital loss carryover are taken into account in computing both taxable income and adjusted gross income. The first taxable year of the beneficiary to which the loss shall be carried over is the taxable year of the beneficiary in which or with which the estate or trust terminates. However, for

purposes of determining the number of years to which a net operating loss, or a capital loss under paragraph (a) of § 1.1212–1, may be carried over by a beneficiary, the last taxable year of the estate or trust (whether or not a short taxable year) and the first taxable year of the beneficiary to which a loss is carried over each constitute a taxable year, and, in the case of a beneficiary of an estate or trust that is a corporation, capital losses carried over by the estate or trust to any taxable year of the estate or trust beginning after December 31, 1963, shall be treated as if they were incurred in the last taxable year of the estate or trust (whether or not a short taxable year). For the treatment of the net operating loss carryover when the last taxable year of the estate or trust is the last taxable year to which such loss can be carried over, see § 1.642(h)–2.

(c) The application of this section may be illustrated by the following examples:

Example (1). A trust distributes all of its assets to A, the sole remainderman, and terminates on December 31, 1954, when it has a capital loss carryover of $10,000 attributable to transactions during the taxable year 1952. A, who reports on the calendar year basis, otherwise has ordinary income of $10,000 and capital gains of $4,000 for the taxable year 1954. A would offset his capital gains of $4,000 against the capital loss of the trust and, in addition, deduct under section 1211 (b) $1,000 on his return for the taxable year 1954. The balance of the capital loss carryover of $5,000 may be carried over only to the years 1955 and 1956, in accordance with paragraph (a) of § 1.1212–1 and the rules of this section.

Example (2). A trust distributes all of its assets, one-half to A, an individual, and one-half to X, a corporation, who are the sole remaindermen, and terminates on December 31, 1966, when it has a short-term capital loss carryover of $20,000 attributable to short-term transactions during the taxable years 1964, 1965, and 1966, and a long-term capital loss carryover of $12,000 attributable to long-term transactions during such years. A, who reports on the calendar year basis, otherwise has ordinary income of $15,000, short-term capital gains of $4,000 and long-term capital gains of $6,000, for the taxable year 1966. A would offset his short-term capital gains of $4,000 against his share of the short-term capital loss carryover of the trust, $10,000 (one-half of $20,000), and, in addition deduct under section 1211(b) $1,000 (treated as a short-term gain for purposes of computing capital loss carryovers) on his return for the taxable year 1966. A would also offset his long-term capital gains of $6,000 against his share of the long-term capital loss carryover of the trust, $6,000 (one-half of $12,000). The balance of A's share of the short-term capital loss carryover, $5,000, may be carried over as a short-term capital loss carryover to the succeeding taxable year and treated as a short-term capital loss incurred in such succeeding taxable year in accordance with paragraph (b) of § 1.1212–1. X, which also reports on the calendar year basis, otherwise has capital gains of $4,000 for the taxable year 1966. X would offset its capital gains of $4,000 against its share of the capital loss carryovers of the trust, $16,000 (the sum of one-half of each the short-term carryover and the long-term carryover of the trust), on its return for the taxable year 1966. The balance of X's share, $12,000, may be carried over as a short-term capital loss only to the years 1967, 1968, 1969, and 1970, in accordance with paragraph (a) of § 1.1212–1 and the rules of this section.

PAR. 3. Paragraph (d) of the example in § 1.642(h)–5 is amended to read as follows:

§ 1.642(h)–5 Example.

* * * * *

(d) Under section 642(h)(1), there will be allowable to A a capital loss carryover of $2,500 for his taxable year 1954 and for his next 4 taxable years in accordance with paragraph (a) of § 1.1212–1. There will be allowable to the trust a similar capital loss carryover of $2,500 for its taxable year ending August 31, 1955, and its next 4 taxable years (but see paragraph (b) of § 1.643(a)–3), (for taxable years beginning after December 31, 1963, net capital losses may be carried over indefinitely by beneficiaries other than corporations, in accordance with § 1.642(h)–1 and paragraph (b) of § 1.1212–1.)

* * * * *

PAR. 4. Section 1.1212 is amended by revising section 1212 and by adding a historical note. These amended and added provisions read as follows:

§ 1.1212 Statutory provisions: capital loss carryover.

SEC. 1212. *Capital loss carryover*—(a) *Corporations.* If for any taxable year a corporation has a net capital loss, the amount thereof shall be a short-term capital loss in each of the 5 succeeding taxable years to the extent that such amount exceeds the total of any net capital gains of any taxable years intervening between the taxable year in which the net capital loss arose and such succeeding taxable year. For purposes of this section, a net capital gain shall be computed without regard to such net capital loss or to any net capital losses arising in any such intervening taxable years, and a net capital loss for a taxable year beginning before October 20, 1951, shall be determined under the applicable law relating to the computation of capital gains and losses in effect before such date.

(b) *Other taxpayer*—(1) *In general.* If a taxpayer other than a corporation has a net capital loss for any taxable year after December 31, 1963—

(A) The excess of the net short-term capital loss over the net long-term capital gain for such year shall be a short-term capital loss in the succeeding taxable year, and

(B) The excess of the net long-term capital loss over the net short-term capital gain for such year shall be a long-term capital loss in the succeeding taxable year.

For purposes of this paragraph, in determining such excesses an amount equal to the excess of the sum allowed for the taxable year under section 1211(b) over the gains from sales or exchanges of capital assets (determined without regard to this sentence) shall be treated as a short-term capital gain in such year.

(2) *Transitional rule.* In the case of a taxpayer other than a corporation, there shall be treated as a short-term capital loss in the first taxable year beginning after December 31, 1963, any amount which is treated as a short-term capital loss in such year under this subchapter as in effect immediately before the enactment of the Revenue Act of 1964.

(Sec. 1212 as amended by sec. 230(a), Rev. Act 1964 (78 Stat. 99))

PAR. 5. Section 1.1212–1 is amended to read as follows:

§ 1.1212–1 Capital loss carryover.

(a) *Corporations; other taxpayers for taxable years beginning before January 1, 1964.* (1) A corporation sustaining a net capital loss, and a taxpayer other than a corporation sustaining a net capital loss for any taxable year beginning before January 1, 1964, may carry over such loss to each of the 5 succeeding taxable years and treat it in each of such 5 succeeding taxable years as a short-term capital loss to the extent not allowed as a deduction against any net capital gains of any taxable years intervening between the taxable year in which the net capital loss was sustained and the taxable year to which carried. The carryover is thus applied in each succeeding taxable year to offset any net capital gain in such succeeding taxable year. The amount of the capital loss carryover may not be included in computing a new net capital loss of a taxable year which can be carried forward to the next 5 succeeding taxable years. For purposes of this paragraph, a net capital gain shall be computed without regard to such net capital loss or to any net capital losses arising in any such intervening taxable years, and a net capital loss for a taxable year beginning before October 20, 1951, shall be determined under the applicable law relating to the computation of capital gains and losses in effect before such date. Thus, where the applicable law for a taxable year beginning before October 20, 1951, provided that only certain percentages of the gain or loss recognized upon the sale or exchange of a capital asset should be taken into account in computing net capital loss, such percentages are to be taken into account in computing net capital loss for any such taxable year under this paragraph. In the case of nonresident alien individuals not engaged in trade or business within the United States, see section 871 and the regulations thereunder for special rules on capital loss carryovers. For the rules applicable to a taxpayer other than a corporation in the treatment of that amount of a net capital loss which may be carried over under this paragraph as a short-term capital loss to the first taxable year beginning after December 31, 1963, see paragraph (b) of this section.

(2) The practical operation of the provisions of this paragraph may be illustrated by the following example:

Example. (i) For the taxable years 1952 to 1956, inclusive, an individual with one exemption allowable under section 151 (or corresponding provision of prior law) is assumed to have a net short-term capital loss, net short-term capital gain, net long-term capital loss, net long-term capital gain, and taxable income (net income for 1952 and 1953) as follows:

	1952	1953	1954	1955	1956
Carryover from prior years:					
From 1952		($50,000)	($29,500)	($29,500)	
From 1954				(19,500)	($13,000)
Net short-term loss (computed without regard to the carryovers)	($30,000)	(5,000)	(10,000)		
Net short-term gain (computed without regard to the carryovers)				40,000	
Net long-term loss	(20,500)		(10,000)	(5,000)	
Net long-term gain		25,000			15,000
Net income or taxable income, computed without regard to capital gains and losses, and, after 1953, without regard to the deduction provided by section 151	500	500	500	1,000	500
Net capital gain (computed without regard to the carryovers)		20,500		36,000	
Net capital loss	(50,000)		(19,500)		
Deduction allowable under section 1202					1,000
Taxable income (after deductions allowable under sections 151 and 1202)					900

(ii) *Net capital loss of 1952.* The net capital loss is $50,000. This figure is the excess of the losses from sales or exchanges of capital assets over the sum of (*a*) gains (in this case, none) from such sales or such exchanges, and (*b*) net income (computed without regard to capital gains and losses) of $500. This amount may be carried forward in full as a short-term loss to 1953. However, in 1953 there was a net capital gain of $20,500, as defined by section 117(a)(10)(B) of the Internal Revenue Code of 1939, and limited by section 117(e)(1) of the 1939 Code, against which this net capital loss of $50,000 is allowed in part. The remaining portion—$29,500—may be carried forward to 1954 and 1955 since there was no net capital gain in 1954. In 1955 this $29,500 is allowed in full against net capital gain of $36,000, as defined by paragraph (d) of § 1.1222–1 and limited by subparagraph (1) of this paragraph.

(iii) *Net capital loss of 1954.* The net capital loss is $19,500. This figure is the excess of the losses from sales or exchanges of capital assets over the sum of (*a*) gains (in this case, none) from such sales or exchanges and (*b*) taxable income (computed without regard to capital gains and losses and the deductions provided in section 151) of $500. This amount may be carried forward in full as a short-term loss to 1955. The net capital gain in 1955, before deduction of any carryovers, is $36,000. (See sections 1222(9)(B) and 1212 of the Internal Revenue Code of 1954, as it existed prior to the enactment of the Revenue Act of 1964.) The $29,500 balance of the 1953 loss is first applied against the $36,000, leaving a balance of $6,500. Against this amount the $19,500 loss arising in 1954 is applied, leaving a loss of $13,000, which may be carried forward to 1956. Since this amount is treated as a short-term capital loss in 1956 under subparagraph (1) of this paragraph, the excess of the net long-term capital gain over the net short-term capital loss is $2,000 ($15,000 minus $13,000). Half of this excess is allowable as a deduction under section 1202. Thus, after also deducting the exemption allowed as a deduction under section 151 ($600), the taxpayer has a taxable income of $900 for 1956.

(b) *Taxpayers other than corporations for taxable years beginning after December 31, 1963.* (1) If a taxpayer other than a corporation sustains a net capital loss for any taxable year beginning after December 31, 1963, the portion thereof which constitutes a short-term capital loss carryover may be carried over to the succeeding taxable year and treated as a short-term capital loss incurred in such succeeding taxable year, and the portion thereof which constitutes a long-term capital loss carryover may be carried over to the succeeding taxable year and treated as a long-term capital loss incurred in such succeeding taxable year. The carryovers are included in the succeeding taxable year in the determination of the amount of the short-term capital loss, the net short-term capital gain or loss, the long-term capital loss, and the net long-term capital gain or loss in such year, and the capital loss carryovers from such year. For purposes of this paragraph—

(i) A short-term capital loss carryover is the excess of the net short-term capital loss for the taxable year over the net long-term capital gain for such year, and

(ii) A long-term capital loss carryover is the excess of the net long-term capital loss for the taxable year over the net short-term capital gain for such year.

In determining a net short-term capital gain or loss of a taxable year, for purposes of computing a short-term or long-term capital loss carryover to the succeeding taxable year, an amount equal to the excess of the capital losses allowable as a deduction for the taxable year by virtue of section 1211(b) over the capital gains for such year is treated as a short-term capital gain occurring in such year. A taxpayer other than a corporation sustaining a net capital loss for any taxable year beginning before January 1, 1964, shall treat as a short-term capital loss in the first taxable year beginning after December 31, 1963, any amount which would be treated as a short-term capital loss in such year under subchapter P of chapter 1 of the Code as in effect immediately before the enactment of the Revenue Act of 1964. In the case of nonresident alien individuals not engaged in trade or business within the United States, see section 871 for special rules on capital loss carryovers.

(2) The practical operation of the provisions of this paragraph may be illustrated by the following examples:

Example (1). For the taxable year 1963, an individual with one exemption allowable under section 151, has transactions which result in the following totals:

Net short-terms capital loss	($20,500)
Net long-term capital loss	(50,000)
Taxable income (computed without regard to capital gains and losses and without regard to the deduction provided by section 151)	500

The net capital loss is $70,000. This figure is the excess of the losses from sales or exchanges of capital assets over the sum of (i) gains (in this case, none) from such sales or exchanges, and (ii) taxable income (computed without regard to capital gains and losses and the deductions provided in section 151) of $500. This amount may be carried forward in full to 1964 as a short-term loss because a net capital loss for the taxable year 1963 could have been carried over as a short-term loss to the taxable year 1964 under subchapter P of chapter 1 of the Code as in effect immediately before the enactment of the Revenue Act of 1964.

Example (2). For the taxable year 1964, the same individual has transactions which result in the following totals:

Capital loss carryover from 1963 (treated as a short-term capital loss incurred in 1964)		($70,000)
Short-term capital losses incurred in 1964		(15,000)
Total short-term capital losses		(85,000)
Short-term capital gains incurred in 1964	$5,000	
Taxable income computed without regard to capital gains and losses and deductions provided by section 151 (treated as a short-term capital gain)	500	
Total short-term capital gains		5,500
Net short-term capital loss for 1964 for purposes of determinating carryovers		(79,500)
Net long-term capital gains incurred in 1964		25,000
Excess of net short-term capital loss over net long-term capital gain		(54,500)

The net capital loss is $54,500, all of which constitutes a short-term capital loss carryover. This amount may be carried forward to 1965 and treated as short-term capital loss incurred in 1965.

Example (3). For the taxable year 1965, the same individual has transactions which result in the following totals:

Short-term capital loss carryover from 1964 (treated as a short-term capital loss incurred in 1965)		($54,500)
Short-term capital losses incurred in 1965		(15,000)
Total short-term capital losses		(69,500)
Short-term capital gains incurred in 1965	$5,000	
Taxable income computed without regard to capital gains and losses and deductions provided by section 151 (treated as a short-term capital gain)	500	
Total short-term capital gains		5,500
Net short-term capital loss for 1965 for purposes of determining carryovers		(64,000)
Net long-term capital losses incurred in 1965		(10,000)
Net capital loss for 1965		(74,000)

The net capital loss is $74,000. Of this amount, $64,000 is a short-term capital loss carryover (the excess of the net short-term capital loss over the net long-term capital gain—in this case, none). This amount may be carried forward to 1966 and treated as a short-term capital loss incurred in 1966.

The balance, $10,000, is a long-term capital loss carryover (the excess of the net long-term capital loss over the net short-term capital gain—in this case, none). This amount may be carried forward to 1966 and treated as a long-term capital loss incurred in 1966.

Example (4). For the taxable year 1966, the same individual has transactions which result in the following totals:

Long-term capital loss carryover from 1965 (treated as a long-term capital loss incurred in 1966)		($10,000)
Long-term capital losses incurred in 1966		(20,000)
Total long-term capital losses		(30,000)
Long-term capital gains incurred in 1966		10,000
Net long-term capital loss		(20,000)
Short-term capital gains incurred in 1966	$85,000	
Taxable income computed without regard to capital gains and losses and deductions provided by section 151 (treated as a short-term capital gain)	1,000	
Total short-term capital gains	86,000	
Short-term capital loss carryover from 1965 (treated as a short-term capital loss incurred in 1966)		(64,000)
Short-term capital losses incurred in 1966		(10,000)
Total short-term capital losses		(74,000)
Net short-term capital gain for 1966 for purposes of determining carryovers		12,000
Excess of net long-term capital loss over net short-term capital gain		(8,000)

The net capital loss is $8,000, all of which constitutes a long-term capital loss carryover. This amount may be carried forward to 1967 and treated as a long-term capital loss incurred in 1967.

Example (5). For the taxable year 1967, the same individual has transactions which result in the following totals:

Long-term capital gains incurred 1967		$17,000
Long-term capital loss carryover from 1966 (treated as a long-term capital loss incurred in 1967)		($8,000)
Long-term capital losses incurred in 1967		(2,000)
Total long-term capital losses		(10,000)
Net long-term capital gain		7,000
Net short-term capital gain		5,000
Taxable income computed without regard to capital gains and losses and deductions provided by section 151		1,000

In 1967 there are both a net short-term capital gain and a net long-term capital gain. One-half of the net long-term capital gain is allowable as a deduction under section 1202. Thus, after also deducting the exemptions allowed as a deduction under section 151 ($600), the taxpayer has a taxable income of $8,900 for 1967.

(c) *Husband and wife.* (1) The following rules shall be applied in computing net capital loss carryovers by husband and wife:

(i) If a husband and wife making a joint return for any taxable year made separate returns for the preceding year, any capital loss carryovers of each spouse from such preceding taxable year may be carried forward to the taxable year in accordance with paragraph (a) or (b) of this section.

(ii) If a joint return was made for the preceding taxable year, any capital loss carryover from such preceding taxable year may be carried forward to the taxable year in accordance with paragraph (a) or (b) of this section.

(iii) If a husband and wife make separate returns for the first taxable year beginning after December 31, 1963, or any prior taxable year, and they made a joint return for the preceding taxable year, any capital loss carryover from such preceding taxable year shall be allocated to the spouses on the basis of their individual net capital loss which gave rise to such capital loss carryover. The capital loss carryover so allocated to each spouse may be carried forward by such spouse to the taxable year in accordance with paragraph (a) or (b) of this section.

(iv) If a husband and wife making separate returns for any taxable year following the first taxable year beginning after December 31, 1963, made a joint return for the preceding taxable year, any long-term or short-term capital loss carryovers shall be allocated to the spouses on the basis of their individual net long-term and net short-term capital losses for the preceding taxable year which gave rise to such capital loss carryovers, and the portions of the long-term or short-term capital loss carryovers so allocated to each spouse may be carried forward by such spouse to the taxable year in accordance with paragraph (b) of this section.

(v) If separate returns are made both for the taxable year and the preceding taxable year, any capital loss carryover of each spouse may be carried forward by such spouse in accordance with paragraph (a) or (b) of this section.

(2) The provisions of subparagraph (1) (i), (iii), and (iv) of this paragraph may be illustrated by the following examples:

Example (1). If H and W, husband and wife, make a joint return for 1955, having made separate returns for 1954 in which H had a net capital loss of $3,000 and W had a net capital loss of $2,000, in their joint return for 1955 they would have a short-term capital loss of $5,000 (the sum of their separate capital loss carryovers from 1954), allowable in accordance with paragrah (a) of this section. If, on the other hand, they make separate returns in 1955 following a joint return in 1954 in which their net capital loss was $5,000 allocable $3,000 to H and $2,000 to W, the carryover of H as a short-term capital loss for the purpose of his 1955 separate return would be $3,000 and that of W for her separate return would be $2,000, each allowable in accordance with paragraph (a) of this section.

Example (2). H and W, husband and wife, make separate returns for 1966 following a joint return for 1965. The capital gains and losses incurred by H and W in 1965, including those carried over by them to 1965, were as follows:

	H	W
Long-term capital gains	$8,000	$9,000
Long-term capital losses	(15,000)	(6,000)
Short-term capital gains	10,000	4,000
Short-term capital losses	(19,000)	(5,000)

Thus, in 1965 H and W had a net capital loss of $14,000 on their joint return. Of this amount, $4,000 was a long-term capital loss carryover, and $10,000 was a short-term capital loss carryover, determined in accordance paragraph (b) of this section. H's net long-term capital loss was $7,000 for 1965. This amount was offset on the joint return by W's net long-term capital gain of $3,000. Thus, H may carry over to his separate return for 1966, a long-term capital loss carryover of $4,000. H and W may carry over to their separate returns for 1966, as short-term capital loss carryovers, the amounts of their respective net short-term losses from 1965, $9,000 and $1,000.

PAR. 6. Section 1.1222 is amended by revising paragraphs (9) and (10) of section 1222 and by adding a historical note. These amended and added provisions read as follows:

§ 1.1222 Statutory provisions; other terms relating to capital gains and losses.

SEC. 1222. *Other terms relating to capital gains and losses.* * * *

(9) *Net capital gain.* In the case of a corporation, the term "net capital gain" means the excess of the gains from sales or exchanges of capital assets over the losses from such sales or exchanges.

(10) *Net capital loss.* The term "net capital loss" means the excess of the losses from sales or exchanges of capital assets over the sum allowed under section 1211. In the case of a corporation, for the purpose of determining losses under this paragraph, amounts which are short-term capital losses under section 1212 shall be excluded.

(Sec. 1222 as amended by sec. 230(b), Rev. Act 1964 (78 Stat. 100))

PAR. 7. Paragraphs (b), (d), and (e) of § 1.1222–1 are amended to read as follows:

§ 1.1222–1 Other terms relating to capital gains and losses.

* * * * *

(b) (1) In the definition of "net short-term capital gain," as provided in section 1222(5), the amounts brought forward to the taxable year under paragraph (a) of § 1.1212–1 and section 1212 (b) (1) (A) are short-term capital losses for such taxable year.

(2) In the definition of "net long-term capital gain," as provided in section 1222(7), the amounts brought forward to the taxable year under section 1212(b) (1) (B) are long-term capital losses for such taxable year.

* * * * *

(d) In the case of a corporation, the term "net capital gain" means the excess of the gains from sales or exchanges of capital assets over the losses from such sales or exchanges, which losses include any amounts brought forward pursuant to paragraph (a) of § 1.1212–1. In the case of a taxpayer other than a corporation for taxable years beginning before January 1, 1964, the term "net capital gain" means the excess of (1) the sum of the gains from sales or exchanges of cap-

ital assets, plus taxable income (computed without regard to gains and losses from sales or exchanges of capital assets and without regard to the deductions provided by section 151, relating to personal exemptions, or any deductions in lieu thereof) of the taxpayer or $1,000, whichever is smaller, over (2) the losses from such sales or exchanges, which losses include amounts brought forward under paragraph (a) of § 1.1212–1. Thus, in the case of estates and trusts for taxable years beginning before January 1, 1964, taxable income for the purposes of this paragraph shall be computed without regard to gains and losses from sales or exchanges of capital assets and without regard to the deductions allowed by section 642(b) to estates and trusts in lieu of personal exemptions. In the case of a taxpayer whose tax liability is computed under section 3 for taxable years beginning before January 1, 1964, the term "taxable income," for purposes of this paragraph, shall be read as "adjusted gross income." For application of the term "net capital gain," in computing the capital loss carryover under paragraph (a) of § 1.1212–1, see paragraph (a) (2) of § 1.1212–1.

(c) The term "net capital loss" means the excess of the losses from sales or exchanges of capital assets over the sum allowed under section 1211. However, amounts which are short-term capital losses under paragraph (a) of § 1.1212–1 are excluded in determining such "net capital loss".

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[F.R. Doc. 65–3457; Filed, Apr. 6, 1965; 8:45 a.m.]

DEPARTMENT OF AGRICULTURE

Consumer and Marketing Service

[7 CFR Part 52]

FROZEN FRENCH FRIED POTATOES

Notice of Intention To Consider the Revision of the United States Standards for Grades and Request for Opinions and Suggestions

In accordance with the provisions of the Agricultural Marketing Act of 1946, 60 Stat. 1087; 7 U.S.C. 1621–1627, notice is hereby given that the United States Department of Agriculture is considering a possible revision of the United States Standards for Grades of Frozen French Fried Potatoes (7 CFR 52.2391–52.2404) which have been in effect since September 14, 1963.

Statement of consideration leading to the decision to consider revising these grade standards. The last revision, initiated at request of the National Association of Frozen Food Packers, was made by the Department after extensive field studies in production areas, discussions with industry groups, and the careful consideration of the comments submitted by interested persons. Two separate proposals were made by the Department prior to the promulgation of the grade standards.

Since the revised standards became effective, some members of industry have criticized some of the provisions and have asked that specific changes in the standards be considered by the Department.

The grade standards have now been in effect through most of two packing and marketing seasons. In the interest of improving the current standards the Department now wishes to obtain up-to-date views and experiences of processors, buyers, distributors, and consumers concerning the standards and to obtain suggestions for improvements. Opinions and suggestions on the following matters are particularly desired:

(1) The provision for two types, retail and institutional (§ 52.2392 of the current standards) and separate requirements for each as provided for under "defects" (§ 52.2400).

(2) The criteria for length designations "extra long", "long", "medium", and "short" (§ 52.2394) and the criteria for length designation of a lot (§ 52.2403).

(3) The provision which prevents potatoes designated as "short" from being U.S. Grade A (§ 52.2395).

(4) The method of designating defects and the levels of defects permitted in the various grades (§ 52.2400).

Written data, views, arguments or suggestions for consideration in connection with a possible revision of the United States Standards for Grades of Frozen French Fried Potatoes should be filed in duplicate, not later than June 1, 1965, 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).

Copies of the current standards referenced in this notice may be obtained from: Chief, Processed Products Standardization and Inspection Branch, Fruit and Vegetable Division, Consumer and Marketing Service, U.S. Department of Agriculture, Washington, D.C., 20250.

Dated: April 1, 1965.

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

[F.R. Doc. 65–3558; Filed, Apr. 6, 1965; 8:48 a.m.]

[9 CFR Part 201]

PACKERS AND STOCKYARDS REGULATIONS

Proposed Packer Scales

Notice is hereby given that pursuant to the authority contained in section 407(a) of the Packers and Stockyards Act (7 U.S.C. 228(a)), the Consumer and Marketing Service proposes to amend § 201.78 (9 CFR 201.78) of the regulations under the Packers and Stockyards Act, 1921, as amended (7 U.S.C. 181 et seq.), to clarify the application of the provisions of such section to the installation, operation, maintenance, and testing of monorail scales used by meat packers in connection with the purchase of livestock on a live or dressed weight basis and to make other changes of a minor nature.

Statement of considerations. In recent years the use of monorail scales by meat packers has increased for purposes of purchase of livestock on grade and yield or other dressed weight basis.

Various segments of the livestock industry have requested that the Packers and Stockyards Division, Consumer and Marketing Service, United States Department of Agriculture, establish standards for the testing and operation of monorail scales in meat packing plants. Section 201.78 of the present regulations under the Packers and Stockyards Act refers to "Scales on which livestock is weighed for purposes of purchase in commerce for slaughter."

It is proposed to amend this regulation to specifically include monorail scales used for the purpose of purchase of livestock on grade and yield or other dressed weight basis.

It is proposed to delete the following sentence now contained in § 201.78: "Scale tickets printed on type-registering weigh-beams shall conform to the specifications of the National Bureau of Standards." This requirement refers to the thickness of the blotter paper used on scale tickets. Due to the improvement of scale ticket paper and carbon presently in use throughout the industry, this requirement is no longer necessary.

Accordingly, it is proposed that § 201.78 of the regulations be amended to read as follows:

§ 201.78 Packer scales.

(a) Packers owning or operating livestock or monorail scales on which livestock or livestock carcasses are weighed for purpose of purchase of livestock in commerce on a live or dressed weight basis shall install, maintain, and operate such scales so as to insure accurate weights.

(b) Packers shall cause livestock and monorail scales to be tested in accordance with instructions of the Director and shall submit to the Area Supervisor copies of reports on at least two scale tests made during each calendar year. They shall employ only competent persons of good character and known integrity to operate such scales and shall require such employees to operate the scales in accordance with instructions of the Director. Any employee found to be operating scales incorrectly, carelessly, in violation of instructions or in such a manner as to favor or injure any party or agency through incorrect weighing or incorrect weight recording shall be removed from his weighing duties. No scale shall be used by any packer in weighing livestock or livestock carcasses for purpose of purchase of livestock on a live or dressed weight basis unless it has been found, upon test and inspection, to be in condition to yield accurate weights. If any repairs, adjustments, or replacements are made of a scale it shall not be used until it has been retested and found accurate.

(c) All livestock scales shall be equipped with a type-registering weighbeam, a dial with a mechanical ticket printer, or a similar device which shall be used for printing or stamping the weight values on scale tickets. For each draft of livestock weighed for purpose of purchase or sale a scale ticket shall be issued showing, in addition to the weight of the livestock and the amount of dockage, if any, the name of the seller, the name of the buyer, the species, number of head, initials of weigher, and date of weighing. Scale tickets shall be executed at least in duplicate, one copy being supplied to the seller or buyer as the case may be and one copy being retained by the packer.

Any person who wishes to submit written data, views or arguments concerning the proposed amendment to the regulations may do so by filing them in duplicate with the Hearing Clerk, Office of the Secretary, U.S. Department of Agriculture, Washington, D.C., 20250, on or before May 10, 1965.

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)).

Done at Washington, D.C., this 1st day of April 1965.

CLARENCE H. GIRARD,
Deputy Administrator,
Consumer and Marketing Service.

[F.R. Doc. 65-3559; Filed, Apr. 6, 1965; 8:48 a.m.]

[9 CFR Part 201]

PACKERS AND STOCKYARDS

Proposed Instructions for Testing Monorail Scales

Notice is hereby given, in accordance with section 4 of the Administrative Procedure Act (5 U.S.C. 1003), that the Packers and Stockyards Division, Consumer and Marketing Service, is proposing to promulgate the following instructions for testing monorail scales used for weighing livestock carcasses purchased by meat packers on a grade and yield or other dressed weight basis, pursuant to section 407(a) of the Packers and Stockyards Act, 1921, as amended (7 U.S.C. 228(a)), and § 201.78 of the regulations issued thereunder (9 CFR 201.78).

Instructions for weighing livestock and testing livestock scales have been furnished to affected persons under the Packers and Stockyards Act for many years. The instructions proposed herein would apply to monorail scales, frequently called abattoir, track or rail scales, used for weighing livestock carcasses. They implement and interpret § 201.78 of the regulations which require that livestock scales owned by meat packers be tested properly and operated correctly by competent weighmasters. These instructions conform basically with the requirements for testing and accuracy recommended by the National Bureau of Standards.

The proposed instructions are as follows:

§ 201.78–1 Instructions for testing monorail scales.

(a) *Adoption of National Bureau of Standards Codes in Handbook 44:* Insofar as they are applicable to monorail scales, the specifications, tolerances, and regulations for commercial weighing devices, as published in National Bureau of Standards Handbook 44, 2d Edition, with amendments through June 1963, shall be applied to all monorail scales under supervision of the Packers and Stockyards Division.

The applicable portions of this handbook are set forth in § 201.72–2 of the regulations and copies are available upon request from the local Area Supervisor or the Washington, D.C., office of the Packers and Stockyards Division. In the following instructions, citations to corresponding paragraphs of Handbook 44 material appear in parentheses.

(b) *Definitions.* (1) "Monorail scale" means any scale the load receiving element of which is part of a monorail conveyor system and which is used primarily for the weighing of livestock carcasses. Such a scale is also called an abattoir scale, a track scale, or a rail scale.

(2) "A proper test" is one which fully discloses the accuracy and other performance characteristics of the scale under all conditions which may prevail during actual use. It includes the application of loads of standard test weights in successive stages to the maximum capacity at which the scale is used; it includes separate tests of individual components, such as fractional bars, poises, notches, counterpoise weights and sections which indepedently may affect weighing accuracy; it demands an accurate determination of the errors which develop; finally, it requires the recording in permanent form of all pertinent data developed during the test.

(3) "A competent scale testing agency" is one which employs experienced personnel and utilizes a sufficient amount of standard test weights to conduct tests in accordance with the procedure described in these instructions. Such agencies may include weights and measures departments, railroad scale departments, commercial scale repair and service companies, and packers.

(4) "A suitable interval" between tests is a period of time not to exceed six months. In instances where tests and inspections disclose that a scale does not maintain its accuracy between tests, or is otherwise undependable, or is mechanically deficient as regards construction, installation, or maintenance, more frequent tests may be required.

(5) "Multiple of a scale:" In general, the multiplying power of the entire system of levers. Specifically, on a beam scale, the number of pounds on the load-receiving element that will be counterpoised by one pound applied to the tip pivot of the weighbeam. (D. 3.)

(6) "Counterpoise weight:" A slotted or "hanger" weight intended for application near the tip of the weighbeam of a scale having a multiple greater than 1. (D.39.)

(7) "Zero-load balance:" A correct weight indication or representation of zero when there is no load on the load-receiving element. (D. 42.)

(8) "Ratio test:" A test to determine the accuracy with which the actual multiple of a scale agrees with its designed multiple. This test is utilized in the case of scales employing counterpoise weights and is made with standard test weights substituted in all cases for the weights commercially used on the scale. (It is appropriate to utilize this test in the case of some scales not employing counterpoise weights.) (D. 46.)

(9) "Increasing-load test:" The normal basic performance test for a scale, in which observations are made as increments of test-weight load are successively added to the load-receiving element of the scale. (D. 47.)

(10) "Decreasing-load test:" A special supplementary test for automatic-indicating scales only, intended to disclose the general condition of the scale with respect to accuracy of fits, lost motion in connections and gear trains, and general refinement of workmanship, as well as the weighing performance of the scale when loads are being reduced. In this test observations are made as decrements of test-weight load are successively removed from the load-receiving element of the scale. (D. 48.)

(11) "Shift test:" A test intended to disclose the weighing performance of a scale under off-center loading and to assist in evaluating the accuracy of performance and correctness of adjustment of certain individual elements of the scale. (D. 49.)

(12) "Sensibility Reciprocal or SR:" The change in load required to change the position of rest of the indicating element or elements of a nonautomatic-indicating scale a definite amount at any load. (D. 50.)

(13) "SR for a scale with a trig loop but without a balance indicator:" The change in load required to change the position of rest of the weighbeam from the center of the trig loop to the top or bottom of the trig loop. (D. 51.)

(c) *Performance requirements.* (1) The maximum maintenance SR shall be the value of two of the minimum graduated intervals on the weighbeam. The maximum acceptance SR shall be one-half the maximum maintenance SR. (P. 1.2.1.)

(d) *Other requirements.* (1) "Suitability of equipment:" Commercial equipment shall be suitable for the service in which it is used with respect to all elements of its design, including but not limited to its weighing capacity, the character, number, size, and location of its indicating or recording elements, and the value of its minimum graduated interval. (G–R.3.)

(e) *Tolerances.* (1) "Acceptance Tolerances:" Acceptance tolerances shall apply to equipment of the following classes:

(i) Equipment that is about to be put into use for the first time.

(ii) Equipment that has been put into use within the proceeding 3 months and

is being officially tested for the first time.

(iii) Equipment that is being officially tested for the first time within 2 months after major reconditioning or overhaul, or reinstallation in a new fixed location.

(iv) Equipment that is being officially tested for the first time within 1 month after repair, adjustment, or other corrective service operation, following official rejection. (G–T.1.)

(2) "Maintenance Tolerences:" Maintenance tolerances shall apply to equipment in actual use, except as provided in paragraph (e)(1). (G–T.2.)

(3) "For Intermediate Values:" For a capacity, indication, load, value, etc., intermediate between two capacities, indications, loads, values, etc., listed in a table of tolerances, the tolerances prescribed for the lower capacity, indication, load, value, etc., shall be applied. (G–T.4.)

(4) "Decreasing-Load Tests on Automatic-Indicating Scales:" Twice the basic tolerances shall be applied. (T.2.1.3.)

(5) "Minimum Tolerance Values:" On a particular scale, the maintenance tolerances applied shall be not smaller than the value of the minimum graduated interval on the weighbeam (for a nonautomatic-indicating scale) or on the reading-face (for an automatic-indicating scale). The acceptance tolerances applied shall be not smaller than one-half the value of the minimum graduated interval on the weighbeam (for a nonautomatic-indicating scale) or on the reading-face (for an automatic-indicating scale). (T.2.2.)

(6) "Basic Tolerances:" Basic maintenance tolerances for monorail scales, on underregistration and on overregistration, on weighbeam and reading-face indications, and on recorded representations not of the selector type shall be as shown in table I.

Basic acceptance tolerances shall be one-half maintenance tolerances. For tolerances on recorded representation of the selector type, there shall be added to each tolerance value shown in table I an amount equal to one-half the value of the increment between successive values that can be recorded by the selector mechanism. (T.2.3.1. table 8 and G–T.6.)

TABLE I

BASIC MAINTENANCE TOLERANCES ON UNDERREGISTRATION AND ON OVERREGISTRATION FOR MONORAIL SCALES

Known test load	Tolerance on ratio	Tolerance on weigh-beam, reading-face, and unit-weight indications
Pounds	*Ounces*	*Ounces*
99 or less	½	1.
100 to 199, incl.	2	2.
200 to 299, incl.	3	4.
300 to 399, incl.	4	6.
400 to 499, incl.	5	8.
500 to 599, incl.	7	10.
600 to 799, incl.	8	12.
		Pound
800 to 999, incl.	11	1.
1,000 and over	¼ lb. per 1,000 lb.	1 lb. per 1,000 lb.

Also see paragraph (e)(5)—Minimum tolerance values.

(7) "Tolerances for Commercial Counterpoise Weights:" The maintenance tolerances in excess and in deficiency for commercial counterpoise weights shall be as shown in table II. Acceptance tolerances shall be one-half the maintenance tolerances.

TABLE II

TOLERANCES FOR COMMERCIAL COUNTERPOISE WEIGHTS

Nominal value	For scales with multiples of less than 1,000	For scales with multiples of 1,000 and over
Ounces	*Grains*	*Grains*
4	2	1.0
5	2	1.0
8	3	1.5
10	4	2.0
Pounds		
1	5	2.5
2	8	4.0
3	10	5.0
4	12	6.0
5	13	6.5

(f) *Official inspection and test procedures for monorail scales.* (1) Inspection Procedure: Before the actual test of any monorail scale is begun, a thorough visual inspection should be made of the scale installation. The suspension of the lever system should be noted, with particular attention being directed to the plumb and level condition of levers and connections, proper alignment and clearance between the weigh rail and dead rail, and efficient functioning of the checks. The weighbeam shelf brackets or pillars, or the dial cabinet should be firmly anchored to a solid foundation. Counterpoise weights should be free of grease and foreign matter. The pivots, bearings, and other working parts should be inspected for rust and corrosion.

(2) Test Procedure—Weighbeam Scales:

(i) Methods of Determining Errors. One method commonly used to determine errors during the test of a scale equipped with a weighbeam is by careful use of the poise. Another method is known as the error weight procedure. This latter method is recommended as the more precise procedure. The error weight procedure is explained in the following paragraphs.

(ii) Zero-load balance: Carefully balance the scale at zero with 2 to 5 pounds of small denomination weights and the hooks, chains, or the like suspended from the weigh rail. These error weights will be used to accurately measure errors and balance changes during the test. The balance ball is not to be moved during the remainder of the test.

(iii) The SR (Sensibility Reciprocal) value at zero load should be determined by increasing or decreasing the amount of error weights necessary to move the weighbeam from a position of rest in the center of the trig loop to a position of rest either at the top or bottom of the trig loop.

(iv) Shift Test: Test weights equal to one-half scale capacity should be suspended successively from each end of the weigh rail. Standard test weights should be substituted for the counterpoise weights used commercially with the scale. The amount of any error is determined by increasing or decreasing the amount of error weights necessary to bring the weighbeam to correct balance. After the shift test is completed, all test weights should be removed from the load-receiving element, and the zero-load balance should be checked.

(v) Increasing-Load Test: The test load should be increased by appropriate increments with the load distributed or centered on the weigh rail and observations made at each successive test load. The increasing-load test should be continued until scale capacity (or "maximum used" capacity) is reached. Standard test weights should be substituted for the counterpoise weights used commercially with the scale. (It is appropriate to note here that the tolerance on ratio test table I would be applicable to the shift test and increasing load test as outlined in subdivision (iv) of this subparagraph and this subdivision (v).)

(vi) The SR (Sensibility Reciprocal) value at maximum load should be determined as described in subdivision (iii) of this subparagraph.

(vii) Counterpoise Weight Test: The preferred procedure for testing the counterpoise weights used commercially with the scale is by using an equal-arm balance. However, in the absence of a precision balance, it is acceptable to use the scale under test to check the accuracy of the counterpoise weights. An important factor which merits consideration is the repeatability of the scale. With the maximum load still suspended from the load-receiving element, and standard test weights on the counterpoise hanger, make a precise determination of any error in the scale. Then each counterpoise weight should be individually substituted for a standard test weight of equal nominal value and a precise determination made of any error. If there is a difference in the weight indication when using all standard test weights and when substituting each commercial counterpoise weight for a standard test weight, this difference should be noted. Those counterpoise weights which are found to cause an error greater than the tolerance allowed should be either adjusted or replaced. When all counterpoise weights have been tested, remove the test load from the load-receiving element and recheck the zero-load balance.

(viii) Weighbeam Test: On a scale equipped with a weighbeam, each bar of the weighbeam should be tested at one-half and full capacity.

(ix) At the completion of the test all hooks, chains, and error weights should be removed from the load-receiving element, and the correct zero-load balance established.

(3) Test Procedure—Automatic-Indicating Scales:

(i) Zero-load balance: Carefully balance the scale so that the indicator coincides with the zero graduation on the reading-face. If the scale is equipped with a weight recorder, the recorder should be activated so that a comparison can be made of the recorded and visual

zero-load balance. (SR requirements are not applicable to automatic-indicating scales.)

(ii) Shift Test: Test weights equal to one-half scale capacity should be suspended successively from each end of the weigh rail.

(iii) Increasing-Load Test: Automatic-indicating scales should be tested at least at the four points representing each quarter of the reading-face capacity, and also at intermediate points in the range of greatest use. If the scale is equipped with unit weights, the accuracy of each weight should be determined.

(iv) Decreasing-Load Test: This test, made with decreasing loads on automatic-indicating scales, is made for the purpose of developing the performance characteristics of the scale and judging the refinement of manufacture, freedom from lost motion, and absence of excessive effects of mechanical hysteresis.

(v) The capacity and tare bars of an automatic-indicating scale should be tested at one-half and full capacity.

(vi) When an automatic-indicating scale equipped with a weight recorder is tested, the actual printed weight determines the error. However, both the recorded weight values and the visual weight indications should be within the prescribed tolerance. (Each time the test load is removed from the load-receiving element, the zero-load balance should be checked.)

(4) Test Procedure—Motion-Weighing Scales:

(i) The scale should be tested with a static test weight load as outlined under test procedure for automatic-indicating scales.

(ii) When a second scale is installed in the weighing system, for use if the motion-weighing scale should malfunction or to check the weight values determined by the motion-weighing scale, this second scale should be tested following the procedure outlined for weighbeam or automatic-indicating scales, whichever is applicable.

(iii) A dynamic test of the motion-weighing scale should be made with the conveyor system in operation. By means of the special hooks used with this type of scale, suspend various loads of test weights from the conveyor system, i.e., 50 pounds, 100 pounds, 150 pounds, etc., up to and including the maximum load weighed. Weight values will be recorded for the various increments of test load as they move across the weigh rail.

(iv) The weight values recorded by the automatic data processing system while the various test loads are in motion should be compared with the nominal value of the various test loads. If a punched tape system is used to record weight values, this tape should be run through the IBM recorder or similar device to determine the recorded weight values. If weight values are digitally recorded, a visual comparison can be made.

(v) The zero-load balance should be rechecked at the conclusion of the test.

(g) *Record of Test Results.* The results of each test should be recorded in full detail on an official form to be provided by the Division. (An exception may be made for a State, County, or Municipal agency which utilizes forms supplying substantially the same information as is provided on the official Division forms.) Essential information includes:

(1) Identification of the scale by ownership, location, manufacture, nominal capacity, and serial number;

(2) Name and address of the scale testing agency;

(3) The value of the minimum graduated interval, maximum load weighed, and description of the scale indicating elements, i.e., weighbeam, dial, printer, weight-o-graph;

(4) A notation if the weighing is static or in-motion;

(5) Dates of the present test, the last test, and the year the scale was installed; and

(6) The SR value at zero and maximum load, the position and amount of applied test weights, any errors developed during the test, and the amount of any zero-load balance change.

There should be included a report of any adjustment or repairs made at the time of test, and of any recommendations made for future repairs, maintenance or replacement in the space provided for this purpose. The test results and other observations are to be recorded on the report under the proper headings as the test proceeds and immediately after observations are made. An original and two carbon copies of the report must be prepared. The original must be forwarded to the Area Supervisor of the Packers and Stockyards Division. One copy is for the scale owner, and one for the scale testing agency. Sample reports of weighbeam and dial monorail scale tests conducted in compliance with official instructions are available upon request to the Area Supervisor or may be obtained from the Washington office of the Division.

Any person who wishes to submit written data, views or arguments concerning the proposed instructions may do so by filing them in duplicate with the Hearing Clerk, Office of the Secretary, U.S. Department of Agriculture, Washington, D.C., 20250, on or before May 10, 1965.

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)).

Done at Washington, D.C., this 31st day of March 1965.

DONALD A. CAMPBELL,
Director,
Packers and Stockyards Division.

[F.R. Doc. 65-3560; Filed, Apr. 6, 1965; 8:48 a.m.]

FEDERAL AVIATION AGENCY

[14 CFR Part 71]

[Airspace Docket No. 65-CE-36]

CONTROL ZONE AND TRANSITION AREA

Proposed Designation and Alteration

The Federal Aviation Agency is considering amendments to Part 71 of the Federal Aviation Regulations which would alter the controlled airspace in the Cape Girardeau, Mo., terminal area.

The Cape Girardeau, Mo., transition area is presently designated as that airspace extending upward from 700 feet above the surface within a 6-mile radius of Cape Girardeau Municipal Airport (latitude 37°13'30'' N., longitude 89°34'-10'' W.); within 2 miles either side of the 215° bearing from the Cape Girardeau Airport, extending from the 6-mile radius area to 8 miles SW of the airport and that airspace extending upward from 1,200 feet above the surface within 10 miles SE and 7 miles NW of the 035° and 215° bearings from the Cape Girardeau Municipal Airport extending from 9 miles NE to 20 miles SW of the airport.

A Federal Aviation Agency Terminal VOR facility is planned for commissioning on the Cape Girardeau Municipal Airport during July of 1965. Public use VOR instrument approach procedures will become effective concurrent with the Commissioning of this new facility. Cape Girardeau presently meets all other criteria for establishing a control zone.

The Federal Aviation Agency, having completed a comprehensive review of the terminal airspace structural requirements in the Cape Girardeau, Mo., terminal area, proposes the following airspace actions:

(1) Designate the Cape Girardeau, Mo., control zone to comprise that airspace within a 5-mile radius of the Cape Girardeau Municipal Airport (latitude 37°13'32'' N., longitude 89°34'13'' W.), within 2 miles each side of the Cape Girardeau VOR 036° radial extending from the 5-mile radius zone to 8 miles NE of the VOR, and within 2 miles each side of the Cape Girardeau VOR 196° radial extending from the 5-mile radius zone to 8 miles S of the VOR.

(2) Redesignate the Cape Girardeau, Mo., transition area to comprise that airspace extending upward from 700 feet above the surface within a 6-mile radius of the Cape Girardeau Municipal Airport (latitude 37°13'32'' N., longitude 89°34'13'' W.) and within 5 miles E and 8 miles W of the Cape Girardeau VOR 196° radial extending from the VOR to 12 miles S; and that airspace extending upward from 1,200 feet above the surface within 5 miles W and 8 miles E of the Cape Girardeau VOR 036° radial extending from the VOR to 12 miles NE.

The proposed control zone and transition area will provide protection for aircraft executing prescribed arrival and departure procedures at the Cape Girardeau Municipal Airport. The 5-mile radius control zone will provide protection for aircraft executing departure and missed approach procedures until reaching an altitude of 700 feet above the surface. The extensions will provide protection for aircraft executing the new VOR procedures to Runways 2 and 20. The 6-mile radius transition area is required to provide protection for departing aircraft until they reach an altitude of 1,200 feet above the surface. The remainder of the transition area will provide protection for aircraft transitioning from enroute altitudes, in prescribed holding patterns, and executing

the procedure turn phase of the new VOR procedures.

The floors of the airways which would traverse the transition area proposed herein would automatically coincide with the floors of the transition area.

Specific details of the proposed VOR procedures which will be utilized may be examined by contacting the Chief, Airspace Branch, Air Traffic Division, Central Region, Federal Aviation Agency, 4825 Troost Avenue, Kansas City, Mo., 64110.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Director, Central Region, Attn: Chief, Air Traffic Division, Federal Aviation Agency, 4825 Troost Avenue, Kansas City, Mo., 64110. All communications received within forty-five days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Regional Air Traffic Division Chief. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this Notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The public docket will be available for examination by interested persons in the office of the Regional Counsel, Federal Aviation Agency, 4825 Troost Avenue, Kansas City, Mo., 64110.

This amendment is proposed under the authority of section 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348).

Issued at Kansas City, Mo., on March 24, 1965.

HENRY L. NEWMAN,
Acting Director, Central Region.

[F.R. Doc. 65-3524; Filed, Apr. 6, 1965; 8:46 a.m.]

[14 CFR Part 71]

[Airspace Docket No. 65-CE-37]

CONTROL ZONE, TRANSITION AREA, AND CONTROL AREA EXTENSION

Proposed Alteration, Designation and Revocation

The Federal Aviation Agency is considering amendments to Part 71 of the Federal Aviation Regulations which would alter the controlled airspace in the Watertown, S. Dak., terminal area.

The following controlled airspace is presently designated in the Watertown, S. Dak., terminal area:

(1) The Watertown, S. Dak., control zone is designated as that airspace within a 5-mile radius of Watertown Airport (latitude 44°54'35'' N., longitude 97°-09'30'' W.), and within 2 miles either side of the Watertown VORTAC 006° radial extending from the 5-mile radius zone to 10 miles N of the VORTAC.

(2) The Watertown, S. Dak., control area extension is designated as that airspace within a 15-mile radius of Watertown VORTAC; the airspace S of Watertown bounded on the E by longitude 96°-51'00'' W., on the S by V-26 and on the W by V-78S; the airspace NW of Watertown within 10 miles S and 7 miles N of the Watertown VORTAC 297° radial, extending from the VORTAC to 37 miles NW; and the airspace N of Watertown within 11 miles W and 7 miles E of the Watertown VORTAC 006° radial, extending from the VORTAC to 48 miles N.

The Federal Aviation Agency, having completed a comprehensive review of the terminal airspace structural requirements in the Watertown, S. Dak., terminal area, including studies attendant to the implementation of the provisions of Amendments 60-21 and 60-29 of the Federal Aviation Regulations, proposes the following airspace actions:

(1) Revoke the Watertown, S. Dak., control area extension.

(2) Redesignate the Watertown, S. Dak., control zone to comprise that airspace within a 5-mile radius of Watertown, S. Dak., Municipal Airport (latitude 44°54'35'' N., longitude 97°09'30'' W.), within 2 miles each side of the Watertown VOR 185° radial, extending from the 5-mile radius zone to 11 miles S of the VOR, and within 2 miles each side of the 146° bearing from Watertown Municipal Airport, extending from the 5-mile radius zone to 12 miles SE of the airport.

(3) Designate the Watertown, S. Dak., transition area to comprise that airspace extending from 700 feet above the surface within a 9-mile radius of Watertown, S. Dak., Municipal Airport (latitude 44°54'35'' N., longitude 97°09'30'' W.), within 2 miles each side of the Watertown VOR 185° radial extending from the 9-mile radius area to 20 miles S of the VOR, and within 5 miles E and 8 miles W of the Watertown VOR 006° radial extending from the VOR to 12 miles N of the VOR; and that airspace extending upward from 1,200 feet above the surface south of Watertown bounded on the E by longitude 96°50'00'' W., on the S by latitude 44°34'00'' N., on the W by longitude 97°21'00'' W. and on the N by latitude 44°56'00'' N., the airspace northwest of Watertown within 5 miles NE and 8 miles SW of the Watertown VOR 297° radial extending from the VOR to 30 miles NW of the VOR, and the airspace north of Watertown within 8 miles W and 5 miles E of the Watertown VOR 006° radial extending from the VOR to 39 miles N of the VOR.

The proposed control zone will provide protection for aircraft executing departures during their climb to 700 feet above the surface and for aircraft executing prescribed instrument approach procedures during their descent below 1,000 feet above the surface. The proposed 700 foot floor transition area will provide protection for departing aircraft during their climb from 700 feet to 1,200 feet above the surface and for aircraft executing prescribed instrument approach procedures between 1,500 and 1,000 feet above the surface. The proposed transition area extending upward from 1,200 feet above the surface will provide protection for aircraft while in the procedure turn areas of the prescribed special ADF and public VOR/DME procedures, and in the holding patterns at the Castlewood, Wallace and Summit DME fixes.

The floors of the airways that traverse the transition areas proposed herein would automatically coincide with the floors of the transition areas.

Certain minor revisions to the prescribed instrument approach procedures would be effected in conjunction with the actions proposed herein, but operational complexity would not be increased nor would aircraft performance or present landing minimums be adversely affected.

Specific details of the changes to procedures that would be required may be examined by contacting the Chief, Airspace Branch, Air Traffic Division, Central Region, Federal Aviation Agency, 4825 Troost Avenue, Kansas City, Mo., 64110.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Director, Central Region, Attn: Chief, Air Traffic Division, Federal Aviation Agency, 4825 Troost Avenue, Kansas City, Mo., 64110. All communications received within forty-five days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Regional Air Traffic Division Chief. Any data, views, or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The public Docket will be available for examination by interested persons in the office of the Regional Counsel, Federal Aviation Agency, 4825 Troost Avenue, Kansas City, Mo., 64110.

This amendment is proposed under the authority of sec. 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348).

Issued at Kansas City, Mo., on March 25, 1965.

HENRY L. NEWMAN,
Acting Director, Central Region.

[F.R. Doc. 65-3525; Filed, Apr. 6, 1965; 8:46 a.m.]

[14 CFR Part 71]

[Airspace Docket No. 65-CE-40]

CONTROL ZONE, TRANSITION AREA, AND CONTROL AREA EXTENSION

Proposed Designation and Revocation

The Federal Aviation Agency is considering amendments to Part 71 of the Federal Aviation Regulations which would alter controlled airspace in the North Platte, Nebr., terminal area.

The following controlled airspace is presently designated in the vicinity of North Platte:

(1) The North Platte, Nebr., control zone is designated as that airspace within a 5-mile radius of Lee Bird Field Municipal Airport, North Platte, Nebr. (Latitude 41°07'35" N., longitude 100°-41'50" W.); within 2 miles either side of the 179° bearing from North Platte RBN extending from the 5-mile radius zone to 10 miles S of the RBN, and within 2 miles either side of the North Platte VORTAC 030° and 210° radials extending from the 5-mile radius zone to 10 miles SW of the VORTAC.

(2) The North Platte, Nebr., control area extension is designated as that airspace within a 25-mile radius of North Platte VORTAC bounded on the S by V-6 including the airspace NE of North Platte within 11 miles NW and 7 miles SE of the North Platte VORTAC 046° radial extending from the 25-mile radius area to 42 miles NE of the VORTAC; that airspace S and SW of North Platte bounded on the E by a line 7 miles E of and parallel to the North Platte VORTAC 179° radial, on the S and SW by V-8, on the NW by V-80, and on the N by V-6, and that airspace S of North Platte bounded on the N by V-8, on the E by a line 7 miles E of and parallel to the North Platte VORTAC 179° radial, on the S by latitude 40°20'00" N., and on the W by longitude 101°05'00" W.

The Federal Aviation Agency, having completed a comprehensive review of the terminal airspace structure requirements in the North Platte terminal area, including studies attendant to the implementation of the provisions of Amendments 60-21 (26 F.R. 570) and 60-29 (27 F.R. 4012) of Part 60 of the Civil Air Regulations, proposes the following airspace actions:

(1) Alter the North Platte, Nebr., control zone by redesignating it as that airspace within a 5-mile radius of Lee Bird Field Municipal Airport, North Platte, Nebr. (latitude 41°07'41" N., longitude 100°41'58" W.); and within 2 miles each side of the North Platte VOR 028° radial extending from the 5-mile radius zone to the VOR; and within 2 miles each side of the 184° bearing from the North Platte RBN extending from the 5-mile radius zone to 8 miles S of the RBN.

(2) Designate a transition area at North Platte, Nebr., to comprise that airspace extending upward from 700 feet above the surface within an 8-mile radius of Lee Bird Field Municipal Airport, North Platte, Nebr. (latitude 41°07'41" N., longitude 100°41'58" W.) and within 2 miles each side of the North Platte VOR 208° radial extending from the 8-mile radius are to 8 miles SW of the VOR; and that airspace extending upward from 1,200 feet above the surface within a 25-mile radius of North Platte VOR.

(3) Revoke the North Platte, Nebr., control area extension in its entirety.

The proposed control zone would provide controlled airspace protection for departing aircraft during their climb to 700 feet above the surface and for aircraft executing prescribed instrument approach procedures during their descent below 1,000 feet above the surface.

The proposed 700-foot floor transition area would provide controlled airspace protection for departing aircraft during their climb from 700 to 1,200 feet above the surface and for aircraft executing prescribed instrument approach procedures during the portions of those procedures executed between 1,500 and 1,000 feet above the surface.

The proposed 1,200-foot floor transition area would provide controlled airspace protection for the procedure turn areas of the prescribed instrument approach procedures and for holding patterns at the VOR and the radio beacon. The additional area of the 25-mile radius was proposed for use by the Denver ARTC Center for radar vectoring of enroute aircraft around local operations at North Platte, for radar separation of arrival and departure traffic and for off course climbs of departing aircraft for traffic control purposes.

Certain minor revisions to the prescribed instrument approach procedures would be effected in conjunction with the actions proposed herein, but operational complexity would not be increased nor would aircraft performance or present landing minimums be adversely affected.

Floors of the airways which would traverse the transition area proposed herein would automatically coincide with the floor of the transition area.

Specific details of the changes to procedures that would be required may be examined by contacting the Chief, Airspace Branch, Air Traffic Division, Central Region, Federal Aviation Agency, 4825 Troost Avenue, Kansas City, Mo., 64110.

Interested persons may submit such written data, views, or arguments as they may desire. Communications should be submitted in triplicate to the Director, Central Region, Attn: Chief, Air Traffic Division, Federal Aviation Agency, 4825 Troost Avenue, Kansas City, Mo., 64110. All communications received within forty-five days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Regional Air Traffic Division Chief. Any data, views, or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The public Docket will be available for examination by interested persons in the office of the Regional Counsel, Federal Aviation Agency, 4825 Troost Avenue, Kansas City, Mo., 64110.

This amendment is proposed under the authority of section 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348).

Issued at Kansas City, Missouri, on March 24, 1965.

HENRY L. NEWMAN,
Acting Director, Central Region.

[F.R. Doc. 65-3526; Filed, Apr. 6, 1965; 8:46 a.m.]

[14 CFR Part 71]

[Airspace Docket No. 64-WE-54]

FEDERAL AIRWAY

Proposed Extension

The Federal Aviation Agency is considering an amendment to Part 71 of the Federal Aviation Regulations that would extend VOR Federal airway No. 465 from Dunoir, Wyo., direct to Malad City, Idaho.

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 Agency, 5651 West Manchester Avenue, P.O. Box 90007, Airport Station, Los Angeles, Calif., 90009. All communications received within 45 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 Agency, Office of the General Counsel, Attention: Rules Docket, 800 Independence Avenue SW., Washington, D.C., 20553. An informal docket also will be available for examination at the office of the Regional Air Traffic Division Chief.

The proposed airway segment would provide route continuity for aircraft operating between Billings, Mont., and Salt Lake City, Utah. The Agency also proposes to designate the following floors associated with the proposed airway segment:

From	To	Airway floor
Dunoir VOR.....	29 nmi NE of Malad City VORTAC.	13,000 ft. MSL.
29 nmi NE of Malad City VORTAC.	Malad City VORTAC.	1,200 ft. above the surface.

These proposed airway floors would provide controlled airspace for en route altitude changes at Dunoir and Malad City.

This amendment is proposed under section 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348).

Issued in Washington, D.C., on March 31, 1965.

DANIEL E. BARROW,
Chief, Airspace Regulations and Procedures Division.

[F.R. Doc. 65-3527; Filed, Apr. 6, 1965; 8:46 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[47 CFR Parts 2, 87]

[Docket No. 15929; FCC 65-253]

AVIATION INSTRUCTIONAL STATIONS

Notice of Proposed Rule Making

1. Notice of proposed rule making in the above-entitled matter is hereby given.

2. The instant proposal has for its purpose (1) the clarification of the subpart to reflect usage by persons engaged in soaring activities; (2) the addition of a section to specifically provide for mobile operations on the ground; and, (3) various editorial changes in Parts 2 and 87 necessitated by the changes in Subpart H of Part 87.

3. Specifically, Subpart H—Flying School Stations, will be redesignated Subpart H—Aviation Instructional Stations. This subpart presently embraces both flying schools and soaring societies; however, the title of "Flying School Stations" has caused some confusion among licensees as to the status and inclusion of soaring activities in this class of station. A new section will be added to provide for mobile stations on the ground on a non-interference basis to Aviation Instructional Stations authorized to serve a landing area. It is anticipated that this class of mobile station will fulfill the need for communications between sailplane type of aircraft and ground vehicles which are used to tow or retrieve the aircraft. The present proposal also provides for the expansion of the eligibility requirements to include persons taking flight instructions. The definition of this new class of station will read as follows:

Aviation instructional station. An aeronautical or mobile station used for radiocommunications pertaining to instructions to students or pilots while actually operating aircraft or engaged in soaring activities.

4. This proposed amendment is issued pursuant to authority contained in sections 303 (a), (b), (c) and (r) of the Communications Act of 1934, as amended.

5. Pursuant to applicable procedures set forth in § 1.415 of the Commission's rules, interested persons may file comments on or before May 10, 1965, and reply comments on or before May 20, 1965. All relevant and timely comments and reply comments will be considered by the Commission before final action is taken in this proceeding. In reaching its decision in this proceeding, the Commission may also take into account other relevant information before it, in addition to the specific comments invited by this notice.

6. In accordance with the provisions of § 1.419 of the Commission's rules, an original and 14 copies of all statements, briefs or comments filed shall be furnished the Commission.

Adopted: March 31, 1965.

Released: April 2, 1965.

FEDERAL COMMUNICATIONS COMMISSION,[1]

[SEAL] BEN F. WAPLE, *Secretary.*

1. In Part 2, Subpart A, § 2.1, delete the definition for "Flying School Station" and add in alphabetical order, the following definition:

§ 2.1 Definitions.

* * * * *

Aviation instructional station. An aeronautical or mobile station used for radiocommunications pertaining to instructions to students or pilots while actually operating aircraft or engaged in soaring activities.

* * * * *

2. § 2.106 *Table of Frequency Allocations,* the entries "Flight test; Flying school" in column 11, opposite the frequencies 123.1, 123.3 and 123.5 Mc/s in column 10, are amended to read "Flight test; instructional", and footnote US33 is amended to read as follows:

§ 2.106 Table of Frequency Allocations.

* * * * *

US33 The band 123.075–123.575 Mc/s is for use by flight test and aviation instructional stations.

* * * * *

3. In § 87.5, the definitions *Flying school aircraft station* and *Flying school station* are deleted and a new definition is added in alphabetical order to read as follows:

§ 87.5 Definition of terms.

* * * * *

Aviation instructional station. An aeronautical or mobile station used for radiocommunications pertaining to instructions to students or pilots while actually operating aircraft or engaged in soaring activities.

* * * * *

4. Section 87.123 is amended to read as follows:

§ 87.123 Permissible communications.

All ground stations in the Aviation Services shall transmit only communications for the safe, expeditious, and economical operation of aircraft and the protection of life and property in the air: *Provided, however,* That aeronautical public service stations aeronautical advisory stations, aeronautical multicom stations, aviation instructional stations, and Civil Air Patrol land and mobile stations may communicate in accordance with the particular sections of this part which govern the operation of these classes of stations, and any station in the Aviation Services in Alaska, regardless of class in which licensed, may transmit messages concerning sickness, death, weather, ice conditions, or other matters relating to safety of life and property if:

(a) There is no established means of communication between the points in question;

(b) No charge is made for the communication service; and,

(c) A copy of each message so transmitted is kept on file at the transmitting station in accordance with § 87.103.

6. Subpart H of Part 87 is amended to read as follows:

Subpart H—Aviation Instructional Stations

Sec.

Subpart H—Aviation Instructional Stations

§ 87.341 Frequencies available.

The frequencies 123.1, 123.3 and 123.5 Mc/s are available for assignment to ground and aircraft station instructional stations on the basis that interference is not caused to flight test stations. Normally, one frequency will be assigned to each station.

§ 87.343 Eligibility of licensee.

An aviation instructional station license will be granted only to flying schools and to persons engaged in soaring activities; *Provided, however,* That temporary use, not to exceed six months, of aviation instructional frequencies may be authorized in a private aircraft station to a person taking flight instructions for communications in accordance with this subpart. Each application shall be accompanied by a statement that the applicant is either the operator of a flying school, engaged in soaring activities or taking flight instructions.

§ 87.345 Scope of service.

Communications shall be limited to the necessities of pilot training, coordination between gliders and ground stations, and promotion of safety of life and property.

§ 87.347 Supervision by airdrome control operator.

When an aviation instructional station is operating at a landing area served by an airdrome control station, the airdrome control operator must be given a remote microphone connection to the instructional station so that orders or instructions may be transmitted by the airdrome control operator to aircraft utilizing the instructional frequency.

§ 87.349 Cooperative use of facilities.

(a) Only one aviation instructional station will be authorized at a landing area: *Provided, however,* That this limitation does not apply to aviation instructional stations authorized for mobile operation on the ground.

(b) An aviation instructional station authorized for operation at a fixed point on a landing area will be required to provide service without discrimination, but on a cooperative maintenance basis, to all eligible for a license for an aviation instructional station.

[1] Commissioner Loevinger absent.

§ 87.351 Mobile on the ground.

Aviation instructional stations for mobile operation on the ground may be authorized on a non-interference basis to aviation instructional stations authorized to serve a landing area.

§ 87.353 Power.

The power output of aviation instructional stations shall not be more than 50 watts for land or mobile stations on the ground and not more than 10 watts for aircraft stations.

§ 87.355 Frequencies assignment non-exclusive.

No frequency available to a station engaged in instructional flying will be assigned exclusively to any licensee. All stations in this service are required to coordinate operation so as to avoid interference and make the most effective use of assignments.

[F.R. Doc. 65-3580; Filed, Apr. 6, 1965; 8:49 a.m.]

[47 CFR Part 73]

[Docket No. 15936; FCC 65-277]

FM BROADCAST STATIONS

Proposed Table of Assignments; New Castle, Ind.

1. Notice is hereby given of proposed rule making in the above-entitled matter.

2. New Castle, Ind., located in Henry County in east central Indiana, has a population of 20,349 persons. It is the county seat and largest city in that county, which has a population of 48,899. There is one FM assignment in New Castle, Channel 273, utilized by Station WCTW-FM. The licensee of this station also operates the sole standard broadcast station, WCTW. An application was recently filed for a second standard broadcast station in New Castle, which does not conform to the separation rules of the Commission. However, it appears that a second FM assignment, Channel 221A, can be made to New Castle in conformance with the FM spacing requirements and without adversely affecting any other assignment. We are of the view that New Castle is large and important enough to warrant the assignment of a second FM channel, which would add to the diversity of broadcast outlets in the community, and invite comments on the following:

City	Channel No.	
	Present	Proposed
New Castle, Ind.	273	221A, 273

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

4. Pursuant to applicable procedures set out in § 1.415 of the Commission's rules, interested parties may file comments on or before April 30, 1965, and reply comments on or before May 10, 1965. All submissions by parties to this proceeding or by persons acting in behalf of such parties must be made in written comments, reply comments or other appropriate pleadings.

5. In accordance with the provisions of § 1.419 of the rules, an original and 14 copies of all written comments, replies, pleadings, briefs, or other documents shall be furnished the Commission.

Adopted: March 31, 1965.

Released: April 2, 1965.

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

[F.R. Doc. 65-3581; Filed, Apr. 6, 1965; 8:49 a.m.]

[47 CFR Part 73]

[Docket No. 15937; FCC 65-278]

FM BROADCAST STATIONS

Proposed Table of Assignments

In the matter of amendment of § 73.202, *Table of Assignments, FM Broadcast Stations* (Prosser, Quincy, Richland, Wenatchee, and Yakima, Wash., and Pendleton, Ore.); Docket No. 15937, RM-573, RM-600, RM-646.

1. Notice of proposed rule making is hereby given in the above-captioned matters.

2. The Commission has under consideration three related petitions to amend the FM Table of Assignments, looking toward the following:

(a) Provision of a first Class C assignment (Channel 271) at Wenatchee, Wash., in addition to the two Class A channels now assigned there ("Wescoast proposal," below). This would require a change in the channel of an existing station at Prosser, Wash. (272A to 269A).

(b) Provision of a second Class C assignment (Channel 281) at Yakima, Wash. ("Cascade-Sunset proposal," below). This would remove that channel as one of two Class C assignments now at Richland, Wash., and would substitute at Richland the present Yakima Class A assignment (292A).

(c) Proposal (b) above for Yakima, plus assignment of Channel 23 as a third Class C channel there ("KIT proposal," below). Three alternative ways of doing this are advanced, which involve two problems: (i) A degree of conflict with a pending application for use of Channel 236 at Richland; (ii) one alternative, substitution of 274 for 236 at Richland, would require the change at Prosser mentioned in (a) above.

3. The petitioners are as follows: Wescoast Broadcasting Co., licensee of Station KPQ (AM), Wenatchee (filed February 25, 1964 and amended September 14, 1964 (RM-573)); Cascade Broadcasting Co., licensee of Station KIMA (AM), Yakima, and Sunset Broadcasting Co., licensee of Station KNDX (FM), Yakima (joint petition filed May 4, 1964 (RM-600)); and KIT, Inc., licensee of Station KIT (AM), Yakima (filed August 14, 1964 (RM-646)). The licensee of Station KACA-FM at Prosser filed an opposition to the Wescoast petition and the third alternative of the KIT petition. Three Rivers Broadcasting Co., Inc., applicant for Channel 236 at Richland, filed an opposition to the second and third alternatives of the KIT petition, and KIT and Three Rivers also exchanged pleadings in connection with the latter's pending application. The various proposals, and the FM assignment situation in the communities involved, are as follows (other than the proposed additional assignments at Wenatchee and Yakima, the proposed changes are necessary either to accommodate those assignments or to provide substitute channels where channels would be deleted):

City	Present assignments	Wescoast (Wenatchee) proposal	Channel Nos. Cascade-Sunset (joint) (Yakima) proposal	Alternative I	KIT (Yakima) proposals,[5] Alternative II	Alternative III
Wenatchee, Wash.	[1] 257A, 285A	257A, 285A, 271	(no change)	(no change)	(no change)	(no change)
Yakima, Wash.	[2] 292A, 297	(no change)	281, 297	233, 281, 297	233, 281, 297	233, 281, 297
Richland, Wash.	[3] 236, 281	(no change)	236, 292A	236, 292A	292A	274, 292A
Prosser, Wash.	[4] 272A	269A	(no change)	(no change)	(no change)	269A
Quincy, Wash.	[1] 232A	(no change)	(no change)	276A	276A	276A
Pendleton, Oreg.	[1] 267, 278	278, 299	(no change)	(no change)	(no change)	(no change)

[1] There are no authorized stations or applications for the channels now assigned to Wenatchee, Quincy, or Pendleton. In the case of Pendleton, Wescoast proposed the substitution of Channel 295 for Channel 267. However, this would conflict with the other proposals to move Channel 292A from Yakima to Richland, since Richland is only some 48 miles from Pendleton, as compared to the 65-mile minimum separation required. Therefore, we are modifying the Wescoast proposal to specify Channel 299 instead of 295 for use as a substitute channel at Pendleton; Channel 299 can be so assigned without requiring any other changes in the table or the other proposals.

[2] Station KNDX operates on Channel 292A at Yakima; its licensee (Sunset) and Cascade are competing applicants for Channel 297 (Dockets 15303-15304). These parties request modification of the license of KNDX to specify Channel 281 in lieu of 292A. We defer action on this request until a later stage of this proceeding.

[3] There are no authorized stations at Richland; Three Rivers Broadcasting Co., Inc. has applied for Channel 236. Its proposed site would not meet standard separations either to the Yakima reference point or to the KIT (AM) site where KIT seeks to use Channel 233.

[4] Station KACA-FM operates on Channel 292A at Prosser, and opposes any change in its channel.

[5] In substance, the KIT proposals consist of the Cascade-Sunset proposal plus additional changes to get a third Class C assignment at Yakima.

4. Used as proposed at Yakima (by KNDX at its present site) Channel 281 would be about 4 miles short-spaced to Station KTWR on Channel 280A at Tacoma: KNDX on Channel 292A is now about 4.5 miles short-spaced to Station KLAY-FM on Channel 291 at Tacoma. In support of their proposals for one or more additional Class C assignments at Yakima, Cascade-Sunset and KIT submit that Yakima is the fourth largest city in Washington, with a population

[1] Commissioner Loevinger absent.

of 43,286, compared to a combined population of Richland and nearby Kennewick of 37,792;[4] that the county in which Yakima is located has a population of 145,112; and that the size and importance of this city (which has 5 operating AM stations) warrants the reassignments proposed, as a more equitable distribution of FM frequencies. Wescoast urges generally similar arguments in support of assigning a Class C channel to Wenatchee (population 16,726), asserting that this city's size and importance, as well as its distance from any large city (Yakima, some 55 miles away, is the nearest), make Class A facilities with their limited power and antenna height inappropriate.

5. KACA–FM, Prosser, opposes any change in its channel assignment, such as that involved in the Wescoast and third KIT proposals. It urges that it would lose listeners as a result and that the substantial expense involved in a changeover would be an economic hardship.[5] As far as the Wescoast proposal is concerned, KACA–FM argues that the rugged terrain in the Wenatchee area is a good reason for having Class A facilities there.

6. The other conflict presented is between KIT's proposals for assigning Channel 233 to Yakima, and the Three Rivers application for Channel 236 at Richland (BPH–4690, filed November 13, 1964). This application proposes a site which would be short-spaced both with respect to the Yakima reference point and with respect to the KIT (AM) site which KIT assumes as a basis for its Yakima proposal—about 60 miles (5 miles short) in each case. Three Rivers filed a statement in September 1964 to the effect that it was about to file such an application, and opposed deletion of Channel 236 from Richland. In reply, KIT stated that Three Rivers did not show whether it could use Channel 236 at Richland consistent with use of 233 at Yakima, and did not show why it could not use Channel 274 (KIT's third proposal). In a statement filed October 6, Three Rivers opposed creation of any "uncertainty" as to its channel, and asked that KIT's petition be denied. After the application was filed in November, KIT filed on November 24 a "Petition To Hold Application in Abeyance Pending Rule Making", asking that the Commission withhold action on the application until decision in the rule making. In a reply to this petition, Three Rivers asserted (for a reason which is without apparent substance)[6] that location of a 236 station in the Richland area meeting separation requirements with respect to KIT is not practicable; that KIT should be required to seek a site for Channel 233 operation at Yakima located at least 65 miles from the city of Richland (the distance is about 60 miles from the KIT site); and that its application should be granted promptly.

7. In summary, with respect to the three cities which would gain or lose channels under the various proposals, the AM and FM assignment picture is as follows:

City	Population	AM stations	Present and proposed FM assignment
Wenatchee, Wash.	16,726	2 fulltime (1 is Cl. IV), 1 daytime.	2 Class A; proposed to add one Class C.
Yakima, Wash.	43,286	3 fulltime, 2 daytime	One Class C, one Class A; proposed to delete Class A and add one or two Class C.
Richland, Wash.	23,458	1 fulltime	2 Class C; proposed to delete one or both (with one possible substitution) and add Class A.

8. Upon consideration of this matter, we conclude initially that KIT's second proposal—which would delete both Class C channels from Richland and substitute only one Class A assignment—must be denied. This would leave only one Class A assignment in this city of substantial size, a result we believe contrary to the public interest if it can be avoided. We note the existence of a Class C assignment at nearby Kennewick; but, considering that there are three cities of substantial size in this immediate area, it is our view that retaining at least one other Class C assignment there is a matter of some importance.

9. With respect to the other proposals, in our view all are of sufficient possible merit to warrant exploration in a rule-making proceeding. The assignment of a second Class C channel to a city the size of Yakima (which presumably would be Channel 281) is clearly a possibility warranting consideration. There may be more question as to whether the assignment of a third such channel is warranted where it will require certain changes elsewhere (as might be true with Channel 233); but here too we believe a rule-making inquiry into the subject is appropriate. In connection with the Wenatchee proposal of Wescoast, we have tried to avoid the mixture of Class A and Class B or C channels in the same city unless there is good reason therefor, in order to avoid competitive inequalities which may result from differences in facilities. Comments on this concept in relation to the proposed Wenatchee Class C assignment are invited. But despite this concept there appears to be potential merit in making a wide-coverage Class C assignment in this sizeable city, which is relatively far removed from Yakima and other substantially larger centers.[7]

10. In putting forth for comment the Wescoast and third KIT proposals, we have taken into account the fact that they would require a change in the facilities of existing Station KACA–FM, Prosser, from Channel 272A to Channel 269A. We are reluctant to require disruption of existing service, as we have said repeatedly before. But in this case, the change involved would be relatively small—only three channels—so that dislocation affecting the public might be relatively slight, and possibly the cost to the licensee would be less than in the case of a changeover across many channels. The change would have two possible benefits—providing what may be a desirable Class C assignment for Wenatchee, and affording one possible means of providing a substitute Class C assignment at Richland. Therefore we believe consideration of the proposals which depend on this shift at Prosser is appropriate. However, as we have done before, we wish to make it clear that one factor in our decision in this situation will be the likelihood that KACA–FM will be reimbursed for the reasonable costs involved in the changeover if it is decided on. Interested parties should comment on this matter, and on how much such costs should be.

11. In inviting comments on the first and third KIT proposals for putting Channel 233 into Yakima, we also recognize the pendency of the Three Rivers application for Channel 236 at Richland, which, as filed, would be short-spaced with the use of 233 at Richland proposed by KIT. We dislike to delay development of operational FM service whenever it can be reasonably avoided. However, in the present situation we believe the public interest requires exploration of whether stations on Channel 233 at Yakima and 236 at Richland could be assigned at standard separations, or whether Channel 274 should be substituted for 236 at Richland so as to permit a less restricted use of 233 at Yakima (there are no significant mileage-separation restrictions on use of 274 at Richland). The Three Rivers application has an independent problem which precludes immediate grant thereof at this time, irrespective of the rule-making questions. If that problem is cleared up before this proceeding is resolved, the application will be granted, but, if appropriate, it will be conditioned, either on possible substitution of Channel 274 for Channel 236, or possible change in site.

12. In connection with this problem, we wish to emphasize one point: KIT's

[4] Population figures herein are 1960 U.S. Census figures. We note that Richland, Kennewick and the city of Pasco (population 14,522) are located close to each other and are sometimes treated as one three-city group (e.g., the TV Table of Assignments, § 73.606). There is one Class C assignment at Kennewick; there are no assignments in Pasco.

[5] KACA–FM refers to asserted equipment costs (including a new antenna), time off the air, and cost of publicity to inform the public of the change.

[6] Three Rivers asserted that in order to be located 65 miles or more from KIT, a Channel 236 station in the Richland area would have to be located east of Richland, near Pasco, which has no FM channels assigned. This is immaterial, since an FM station may be located some distance outside of its city of assignment as long as it provides over that city a signal of the intensity required for principal-city service (3.16 mv/m; see § 73.210(c)).

[7] In order to meet standard mileage separations with Channel 271A assigned to Chilliwack, B.C., a Channel 271 station at Wenatchee would have to be located some 9 miles south of that city. Wescoast proposes such a site, and Canadian approval of this assignment has been obtained on that basis.

showing has been based so far entirely on assumed use of Channel 233 at its AM site, slightly east of Yakima. We agree with Three Rivers that there is no reason why KIT should not be required to explore the possibility of using another site for Channel 233, which would meet separations with respect to Richland and the site proposed by Three Rivers. Three Rivers is an applicant and KIT is not as yet, and therefore we believe the latter must bear the primary burden of establishing that use of Channel 233 at Yakima (as a third Class C assignment there) is consistent with proper use of a Class C channel at Richland, either 233 or 274.

13. In view of the foregoing, comments are invited on the following proposed changes in the FM Table of Assignments (some in the alternative):

City	Channel No.	
	Present	Proposed
Prosser, Wash.	272A	269A
Quincy, Wash.	232A	276A
Richland, Wash.	236, 281	236, 229A or 274, 292A
Wenatchee, Wash.	257A, 285A	257A, 285A, 271
Yakima, Wash.	292A, 297	281, 297 or 233, 281, 297
Pendleton, Oreg.	267, 278	278, 299

14. All of the assignments proposed herein which are within 250 miles of the United States-Canadian border require coordination with the Canadian Government under the terms of the Canadian-United States FM Agreement of 1947 and the Working Arrangement of 1963.

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

16. Pursuant to applicable procedures set out in § 1.415 of the Commission rules, interested persons may file comments on or before April 30, 1965, and reply comments on or before May 10, 1965. All submissions by parties to this proceeding or by persons acting in behalf of such parties must be made in written comments, reply comments or other appropriate pleadings.

17. In accordance with the provisions of § 1.419 of the rules, an original and 14 copies of all comments, replies, pleadings, briefs, and other documents shall be furnished the Commission.

Adopted: March 31, 1965.

Released: April 2, 1965.

FEDERAL COMMUNICATIONS COMMISSION,[*]

[SEAL] BEN F. WAPLE, *Secretary.*

[F.R. Doc. 65-3582; Filed, Apr. 6, 1965; 8:49 a.m.]

[*] Commissioner Loevinger absent.

[47 CFR Part 73]

[Docket No. 15938 (RM-733); FCC 65-281]

FM BROADCAST STATIONS

Proposed Table of Assignments; Corinth, Miss.

1. Notice is hereby given of proposed rule making in the above-entitled matter.

2. Channel 237A is presently assigned to both Ripley, Tenn., and Corinth, Miss., the former having been assigned in the Third Report and Order in Docket 14185 (FCC 63-735) and the latter in a memorandum opinion and order in Docket 15256 (FCC 64-1116).[1] On November 16, 1964, an application for the use of Channel 237A at Brownsville, Tenn., was filed under the "25 mile rule" and on February 15, 1965, an application was filed for the use of this channel at Corinth, Miss. Since the sites specified by the parties are less than the required 65-mile cochannel separation they are in conflict and cannot be granted. On February 23, 1965, Roy Davis trading as Brownsville Broadcasting Co., applicant for Channel 237A at Brownsville, filed a petition (RM-733) requesting rule making looking toward the substitution of Channel 232A for 237A at Corinth in order to remove the existing conflict between the two applications for Channel 237A. This substitution can be made without adversely affecting any other assignment and in full conformance with the rules.

3. The Commission is of the view that rule making should be instituted on the request of the petitioner and is inviting comments on the proposal as follows:

City	Channel No.	
	Present	Proposed
Corinth, Miss.	237A	232A

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

5. Pursuant to applicable procedures set out in § 1.415 of the Commission's rules, interested parties may file comments on or before April 30, 1965, and reply comments on or before May 10, 1965. All submissions by parties to this proceeding or by persons acting in behalf of such parties must be made in written comments, reply comments or other appropriate pleadings.

6. In accordance with the provisions of § 1.419 of the rules, an original and 14 copies of all written comments, replies, pleadings, briefs, or other documents shall be furnished the Commission.

Adopted: March 31, 1965.

[1] 28 F.R. 8077 and 29 F.R. 16916, respectively.

Released: April 2, 1965.

FEDERAL COMMUNICATIONS COMMISSION,[2]

[SEAL] BEN F. WAPLE, *Secretary.*

[F.R. Doc. 65-3583; Filed, Apr. 6, 1965; 8:49 a.m.]

[47 CFR Part 73]

[Docket No. 15934; FCC 65-275]

FM BROADCAST STATIONS

Proposed Minimum Required Spacings To Provide for IF Interference Protection

1. Notice is hereby given of proposed rule making in the above entitled matter.

2. The Commission has under consideration the note appended to § 73.207 of its rules concerning the minimum required spacings between co-channel and adjacent channel FM broadcast stations on commercial channels. This note is intended to prevent interference between stations that are separated in frequency by 10.6 or 10.8 Mc/s (53 or 54 channels) which is near the intermediate frequency of almost all FM receivers or 10.7 Mc/s. This note reads as follows:

NOTE: Intermediate frequency amplifiers of most FM broadcast receivers are designed to operate on 10.7 megacycles. For this reason the assignment of two stations in the same area, one with a frequency of 10.6 or 10.8 megacycles removed from that of the other, will be avoided if possible.

3. The intention of this rule is to prevent this type of intermodulation interference which can occur wherever two stations are in close physical proximity and are separated in frequency by 10.6 or 10.8 Mc/s. It can occur to reception of one or the other of the stations involved or to another station and usually appears over the entire reception band of the FM receiver. This problem is due to a spurious response in the receiver and will vary with the design of the tuner in the receiver. Strong signals are more likely to cause the interference, and the amount also varies with the strength of the desired station. The present rule merely precludes such assignments in the same area but does not spell out what the "taboo" distances should be. Past experience has shown that stations separated by the IF frequency could not operate in the same community without destructive interference to reception. However, little or no measurements were available which would indicate what separations are necessary to avoid or diminish the danger of this interference.

4. Recently, the Commission's Laboratory conducted a study of several typical FM receivers looking toward a determination of the separation requirements to

[2] Commissioner Loevinger absent.

avoid IF difference interference. It was found that the values of field strength causing the interference varied with the type of receiver, the proximity in frequency of one of the undesired stations to the frequency of the desired station and the strength of the desired signal. It was found that the interference to a third station from two undesired stations separated by the IF was greater than that to one station from another separated by the IF. From these data, we have concluded that in order to avoid this interference, on an average basis the stations should be so spaced as to avoid overlap of the 20 mv/m contours. Translated into mileages this roughly represents the following "taboo" distances:

Class of stations	Required spacing miles
C to C	30
C to B	25
C to A	20
B to B	15
B to A	10
A to A	5

5. In view of the foregoing we are inviting comments on a proposal to amend the note to § 73.207 by substituting the above minimum mileages for stations separated by 10.6 or 10.8 Mc/s for the present note. We recognize that there may be some assignments or even existing stations which do not meet the separations listed above. We do not propose to change any of these (other than those which have inadvertently been made in the same community) except upon specific request of interested parties. However, we shall apply these requirements, or those finally adopted after consideration of all data and comments submitted in this proceeding, to future changes in the Table of Assignments. We are particularly interested in meaningful measurements which will be of help in arriving at realistic spacings designed to avoid this type of potential interference.

6. Authority for the adoption of the amendment proposed herein is contained in sections 4 (i) and (j), 303, and 307(b) of the Communications Act of 1934, as amended.

7. Pursuant to applicable procedures set out in § 1.415 of the Commission's rules, interested persons may file comments on or before May 14, 1965, and reply comments on or before May 28, 1965. All relevant and timely comments and reply comments will be considered by the Commission before taking final action in this proceeding. The Commission may also take into account other relevant information before it, in addition to the specific comments invited by this notice.

8. In accordance with the provisions of § 1.419 of the rules, an original and 14 copies of all comments, replies, pleadings, briefs, and other documents shall be furnished the Commission.

Adopted: March 31, 1965.

Released: April 2, 1965.

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

[F.R. Doc. 65-3584; Filed, Apr. 6, 1965; 8:49 a.m.]

[47 CFR Part 97]

[Docket No. 15928; FCC 65-252]

AMATEUR RADIO SERVICE

Proposed Incentive Licensing and Distinctive Call Signs

In the matter of amendment of the Amateur Radio Service Rules to provide for incentive licensing and distinctive call signs; Docket No. 15928, RM-378, 455, 470, 474, 480, 481, 499, 516, 517, 538, 577.

1. The Commission has under consideration nine petitions proposing, to varying degrees, that special privileges be given to the holders of Amateur Extra Class licenses as an incentive for licensees to obtain this highest class of Amateur operator authorization. Many of the petitioners additionally propose that, as a stepping-stone to the Amateur Extra license, another higher class of operator license be created which would also carry special privileges as an inducement to its attainment. A number of the petitioners recommend changes in the procedure for assignment of station call signs to correspond to a new license structure.

Since we shall consider the call sign problem in this connection, we will also consider RM-470 and RM-474, petitions which are solely concerned with the call sign assignment procedures. The attached appendix lists the petitioners.

2. To support their proposals, the petitioners essentially contend that there is a need for a general improvement and "up-grading" of operations in the Amateur Radio Service which can best be fulfilled by establishing an "incentive licensing" program. They maintain that amateur operators will thereby be encouraged to self-improvement by qualifying for higher classes of licenses. The chief proponent of these views is the American Radio Relay League (ARRL), a national Amateur radio organization with approximately 85,000 members. In its petition, RM-499, the ARRL states:

> A most significant trend has developed in the last few years which has caused increasing concern to the League as to whether the basic purposes and objectives of the amateur radio service, particularly those relating to technical qualifications and proficiency, as set forth in subparagraphs (b), (c), and (d) of § 12.0 [97.1] are being and may continue to be adequately achieved.
>
> This trend has arisen from two developments.
>
> * * * * *
>
> In 1951, the Commission after an extensive rule making proceeding in Docket No. 9295, adopted major changes in the amateur license structure. Both lower-level (Novice and Technician) and higher-level (Amateur Extra) classes were established with commensurate examination requirements. All frequency bands and all modes of operation were made available equally to the Amateur Extra, Advanced, General and Conditional Class. Although special privileges were contemplated by the Commission for the new Amateur Extra Class, none has yet been adopted. Thus, once an amateur has obtained his General or Conditional Class license he no longer has any practical or meaningful incentive to increase his technical knowledge and proficiency and earn a higher grade of license.
>
> The second development contributing to the trend is the development and availability of highly complex and efficient manufactured equipment, particularly single sideband suppressed carrier (SSB) radiotelephone transmitters, receivers and transceivers. The design and construction of many equipments are so excellent and the operation is so simple that it no longer is necessary for an amateur using such equipment to have practical knowledge sufficient to construct his own equipment or to even fully understand the circuitry and theory of operation of the manufactured equipment. As a result, there has been little incentive for many amateurs, once licensed, to increase their technical knowledge and proficiency as contemplated by subsections (b), (c), and (d) of § 12.0 [97.1] of the Commission's rules.

3. A summary of the specific pertinent proposals in the petitions under consideration is as follows:

a. Six petitions (RM-455, 480, 499, 516, 517, 538) propose that the Advanced Class license, which has not been issued to new applicants since 1952, be again made available but as a new higher class of authorization with special privileges. Some of the petitioners would "grandfather-in" the present holders of the old Advanced Class license (about 40,000). While the suggestions vary as to the type of examination which would be required for this new Advanced Class license, they generally contemplate a difficulty level somewhere between that of the examinations for the General and Amateur Extra Class licenses.

b. RM-577 advocates that there be both an "Extra Phone" and "Extra CW" license, both licenses to be issued to present holders of the Amateur Extra Class license. Other persons could then apply for either or both licenses depending upon the type of operation desired.

c. With regard to the nature of the privileges for these higher classes of licenses, six petitions (RM-455, 480, 481, 499, 516, 517) propose the reservation of portions of high frequency (HF) telephone bands between 3.5 and 29.7 Mc/s. RM-455 would additionally reserve HF telegraphy segments for the Amateur Extra Class. RM-538 and 577 recommend reserved telephony and telegraphy sub-bands in all, or most, of the bands below 148 Mc/s for the Amateur Extra Class. Three petitions (RM-455, 499 and 516) would leave the width of the present HF telephony sub-bands unchanged but available only to Advanced and Extra-Class operators while three others (RM-481, 517, 577) would expand the width

[1] Commissioner Cox dissenting; Commissioner Loevinger absent.

of the telephony bands but reserve only portions thereof to the Advanced and Extra Class. Two petitions (RM-481 and RM-577) recommend that the reserved telephony segments be restricted to single side band or suppressed carrier emissions. RM-499 and RM-516 propose a staggered timetable for implementation of the reservation of the telephony bands.

d. RM-378 proposes that two-letter station call signs (call signs with a single letter prefix and a double letter suffix) be issued to holders of the Amateur Extra Class license. A number of the other petitions also recommend new call sign assignment procedures which relate to the "incentive licensing" program.

4. The proposals for an "incentive licensing" program have generated the largest number of comments and the greatest controversy in an amateur rulemaking matter in many years. Nearly all of these comments are in response to RM-499, the ARRL petition. A large number of persons, about equally divided, merely approved or opposed RM-499. Of those who gave reasons for their opposition, only a very few apparently felt that an "incentive licensing" program was not desirable or was unnecessary. These persons either thought that amateur radio operations were presently satisfactory or that methods other than "incentive licensing", such as requiring an examination for license renewal, would cure any ills. Many objectors to the ARRL proposal stated that the reservation of frequency bands to higher class licensees to the extent advocated by the League would unduly encroach upon the operating privileges of the lower classes of licensees. They maintained that loss of these most desirable frequency bands would force licensees to acquire higher classes of licenses in order either to utilize their equipment or to enjoy the most rewarding aspects of amateur radio operation.

Endorsement of the ARRL position was received from many persons of widely diversified interest in the Amateur Radio Service.

a. From a retired former Chief Signal Officer of the Army:

> During the early years of my military career (the 1930's) whenever an individual who possessed a radio amateur license came to my attention I did my utmost to have the individual assigned to communications work. His license spoke well of his technical understanding and intense interest. During the latter part of my career (the last decade or so) such has not been my feeling. The license has generally meant "there is another hobbyist—maybe he has it and maybe he doesn't." The license has lost its stature; it appears to be anybody's, just for the asking * * *.

b. From the Bar Association Librarian of a large city:

> It does not disturb me that for a time I may be precluded from operating in certain bands until I have demonstrated that I am able to understand and therefore successfully negotiate more advanced requirements. May I say here that I do not believe the reliability of commercially produced equipment to be any excuse for ignorance in its operators.
>
> I see every reason to believe that the amateur service would flourish under an incentive program. In this era of continuously pressed demands for increased competence in every area of activity, I cannot see how amateur radio can prosper if it adheres to the comfortable ways of yesterday.

c. From the president of a leading electronics manufacturing company:

> A decade ago when a licensed radio amateur applied to the company for employment, mere possession of a "ham ticket" was sufficient guarantee that the holder was technically competent, could read a schematic, had the capability to learn, and was capable of mature growth in the industry. Many of today's leaders in the electronics field advanced along this very path. Now, although the electronics industry is in chronic shortage of trained technicians and engineers, by and large, applicants for these jobs are not coming from the ranks of the radio amateur. Possession of a radio amateur license does not now mean that the holder is technically qualified in any sense. On the contrary, the Personnel Department of this Company has been continually disappointed with the quality, calibre and technical ability of holders of radio amateur licenses to such an extent that such individuals are subject to careful screening before they are considered for employment.

d. From a college engineering and technology educator:

> As a college instructor, we automatically assumed (and with good basis) that an engineering student who was also a radio amateur, would be a highly capable student willing and able to accept the loads and responsibilities of an engineering program. This idea to an even higher degree was present when the new student possessed a license of one of the more advanced classes * * *.
>
> In contrast, today we in education almost prefer not to have our students come to us with amateur radio licenses. Typically, today's ham is concerned with contests and chatter and knows little or nothing of theory and construction. His approach to study and lab is hit-or-miss or the try-this-or-that approach. He appears never to have tried to understand the basis of electronics to say nothing of his equipment itself. He has probably never wired anything more complex than a cable or two and would not consider the modification or service of even his personal receiver. He simply wouldn't know how and is not really interested in it beyond its function of reception.

e. From the Communications director of a state Civil Defense department:

> The * * * Division of Civil Defense values very highly the service rendered to our organization by amateur radio operators through the Radio Amateur Civil Emergency Service. Without this Service our emergency communications would be severely handicapped. The reservoir of trained technicians, available within the amateur radio service, is of immeasurable value to the success of our civil defense program in (the State).
>
> With this thought in mind, it is felt that any attempt to up-grade the amateur service will ultimately result in a higher grade of trained personnel which may be called upon in time of national emergency * * *. Therefore, I would like to recommend immediate adoption of the suggestions contained in their proposal, and further recommend a complete revision of the examination material with the view of increasing the scope of the examination as well as the degree of difficulty of the questions contained therein.

5. The Commission has carefully considered each of the subject petitions and the documents in response thereto in the light of its responsibilities under the Communications Act to regulate the use of the radio frequency spectrum in the public interest, convenience, and necessity. It is altogether clear that justification for the continued allocation to the Amateur Radio Service of a substantial portion of the spectrum in the face of incessant and important demands by other radio services can not be founded on anything other than a continuing movement of the Amateur Service toward the goals specified in § 97.1[1] of the Amateur rules. It is the Commission's opinion that revision of the present license operating privilege structure is an appropriate and desirable step to take at this time to insure such progress and place a proper emphasis upon the quality of the service as well as upon its mere numerical growth and activity. Accordingly, we propose to revise our rules to provide for higher classes of licenses with special privileges as an incentive to the general "up-grading" of licensees. We propose, additionally, to revise the privileges and term of the Novice Class license, to modify a basis of eligibility for the Conditional Class license, and to provide for distinctive station call signs. These latter proposals are all considered to be consistent with, and necessary to, an incentive licensing program.

It has been suggested in some of the comments that, although there is a need for improvement of licensee knowledge and proficiency in the Amateur Radio Service, rule changes are not appropriate since the licensees should adopt their own program for improvement. While, of course, self-initiative by licensees is vital, we cannot agree that Commission action is inappropriate. Section 97.1(c) of the rules clearly contemplates the improvement of the Amateur Radio Service through rules which provide for the advancement of skills in both the communication and technical phases of the radio art.

6. In consideration of the foregoing, the Commission proposes amendment of its Amateur Radio Service Rules as follows:

A. A new higher class of license to be designated the Amateur First Class license shall be created. Eligibility for this license shall be limited to an Advanced, General or Conditional Class licensee who has held such license for at least one year. Examinations for this

[1] "§ 97.1 *Basis and purpose.* The rules and regulations in this part are designed to provide an amateur radio service having a fundamental purpose as expressed in the following principles: (a) Recognition and *enhancement* of the value of the amateur service to the public as a voluntary noncommercial communications service, particularly with respect to providing emergency communications. (b) Continuation and *extension* of the amateur's proven ability to contribute to the advancement of the radio art. (c) Encouragement and *improvement* of the amateur radio service through rules which provide for advancing skills in both the communication and technical phases of the art. (d) *Expansion* of the existing reservoir within the amateur radio service of trained operators, technicians, and electronics experts. (e) Continuation and *extension* of the amateur's unique ability to enhance international good will." (Italic supplied.)

license will be conducted at Commission Field Offices or examination points. Applicants will be required to pass a 16 word per minute code test and a written examination of a difficulty level between the General and Amateur Extra Class examinations.

B. Holders of either the Amateur Extra Class or the Amateur First Class license shall be exclusively entitled to utilize the frequency segments 3800–3850 kc/s, 7200–7225 kc/s, 14200–14235 kc/s, 21250–21300 kc/s, 50–50.1 Mc/s, and 144–144.5 Mc/s effective one year after adoption of these rule changes, and, 3800–3900 kc/s, 7200–7250 kc/s, 14200–14275 kc/s, 21250–21350 kc/s, 50–50.25 Mc/s, and 144–145 Mc/s effective two years after adoption of these rule changes.

C. Holders of the Amateur Extra Class license shall be exclusively entitled to utilize the frequency segments 3500–3525 kc/s, 7000–7025 kc/s, 14000–14025 kc/s, and 21–21.025 Mc/s effective one year after adoption of these rule changes, and, 3500–3550 kc/s, 7000–7050 kc/s, 14000–14050 kc/s, and 21–21.050 Mc/s effective two years after the adoption of these rule changes.

D. The Advanced Class license shall no longer be renewed. Present holders of this license shall be issued the General Class license upon renewal. The basis for this proposal is that there no longer exists any valid distinction between the Advanced and General Class licenses as to the difficulty of the examination. Therefore, continued issuance of the Advanced Class license has become an unnecessary administrative burden and, under an incentive licensing program, would merely lead to confusion.

E. The Conditional Class license shall no longer be available to new applicants who claim eligibility solely by virtue of active duty in the military service. This proposal is consistent with the Commission's policy that, where feasible, applicants for higher classes of amateur licenses be examined by Commission personnel rather than by volunteer mail examiners. Of course, many military members will be able to establish their eligibility for the Conditional Class license under one of the other categories such as the distance basis or temporary overseas residence.

F. New holders of the Novice Class license shall be given a two year non-renewable license term in lieu of the present one year non-renewable term. This will afford Novice Class licensees a more reasonable period for the development of skills necessary to advancement to the higher classes of licenses.

G. Effective one year after adoption of these rules, telephony privileges for the Novice Class licensees in the frequency segment 145–147 Mc/s shall be deleted. Deletion of this privilege is proposed because too many Novice Class licensees operate telephony equipment to the neglect of improvement of their telegraphy speed. One of the prime purposes of the Novice Class license is to prepare, through actual operating experience, for the higher classes of licenses which require increased code proficiency.

H. Each new amateur station shall be systematically assigned a distinctive call sign to denote the licensee's class of operator license.

This is necessary in order for our monitoring facilities to immediately determine whether a particular licensee is operating within the range of his privileges and whether a licensee is subject to re-examination of his qualifications.

The following schedule will be used for assignment of station call signs. Presently assigned call signs will be changed upon renewal or modification of the station license to conform with this schedule:

(1) Amateur Extra Class—the single letter prefix "W" and a double letter suffix, provided that the licensee submits evidence of having held an amateur station license issued by the United States Government prior to July 1, 1932 (e.g., W2AB); a double letter prefix beginning with the letter "W" and a double letter suffix (e.g., WA2AB);[2]

(2) Amateur First Class—the single letter prefix "K" and a double letter suffix, provided that the licensee submits evidence of having held an amateur station license issued by the United States Government prior to July 1, 1932 (e.g., K2AB); a double letter prefix beginning with the letter "K" and a double letter suffix (e.g., KA2AB);

(3) General (Advanced)—a single letter prefix and a three letter suffix (e.g., W2ABC);

(4) Conditional—the double letter prefix "WC" or "WD" and a three letter suffix (e.g., WC2ABC);

(5) Technician—the double letter prefix "WT" or "WU" and a three letter suffix (e.g., WT2ABC);

(6) Novice—the prefix KN and a three letter suffix (e.g., KN2ABC);

(7) The call signs of General (Advanced), Conditional or Technician Class licensees who currently hold a station call sign which has a single letter prefix and a double letter suffix will not be changed solely because of failure to qualify for an Amateur First or Extra Class license.

(8) Stations located in Alaska, Hawaii, Puerto Rico, and in United States possessions under Commission jurisdiction will be assigned special double letter prefixes to show their specific locations followed by a double or triple letter suffix which will, where feasible, indicate the class of operator license.

I. Assignment of station call signs shall be in accordance wtih the foregoing schedule with only the following exceptions:

(1) A specific unassigned call sign may be reassigned to a previous holder thereof provided that it is appropriate to the class of operator license currently held by the station licensee;

(2) A specific unassigned call sign may be assigned to an amateur organization in memoriam to a deceased member and former holder thereof provided that it is appropriate to the class of operator license currently held by the station trustee;

(3) A specific unassigned call sign may be temporarily assigned to a station connected with an event, or events, of general public interest provided that it is appropriate to the class of operator license currently held by the station trustee or licensee.

7. It is the Commission's belief that these proposed amendments reflect a realistic solution to the need for an immediate and effective incentive licensing program in the Amateur Radio Service as advocated by most of the petitioners. To the extent that the particulars of any of the petitions involved are at variance with these proposals, they should be considered as having been denied. However, this does not preclude, and the Commission hereby encourages, the submission of new counter-suggestions for consideration. Comments are particularly invited as to: (1) The utility and interest in continuing the Amateur Extra Class of license in the light of the proposal to establish an Amateur First Class license and the possibility that the reserved frequencies associated with the Amateur Extra Class may not be fully occupied; (2) the width and the placement of the various reserved frequency segments for each class of license in each band.

8. These proposed amendments are issued pursuant to the authority contained in section 4(i) and 303 of the Communications Act of 1934, as amended.

9. Pursuant to applicable procedures set forth in § 1.415 of the Commission's rules, interested persons may file comments on or before July 15, 1965, and reply comments on or before July 30, 1965.

All relevant and timely comments will be considered by the Commission before final action is taken in this proceeding. In reaching its decision, the Commission may also take in account other relevant information before it, in addition to the specific comments invited by this notice.

10. In accordance with § 1.419 of the Commission's rules and regulations, an original and fourteen copies of all statements or comments shall be furnished the Commission.

Adopted: March 31, 1965.

Released: April 1, 1965.

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

PETITIONS INVOLVED IN THIS PROCEEDING

Petition No.	Date filed	Petitioners
378	Nov. 5, 1962	Chester L. Smith, Bedford, Mass.
455	June 5, 1963	Roy R. Cone, Chicago, Ill.
470	Aug. 9, 1963	Walter A. May, Jr., Simon Kahn, Stanford G. Houghton, Stephen M. Newmark, Los Angeles, Calif.
474	Aug. 26, 1963	Alex S. Labounsky, Oyster Bay, N.Y.
480 and 481	Sept. 11, 1963	Ellen W. Ackerman, Panama City, Fla.
499	Oct. 3, 1963	American Radio Relay League, Newington, Conn.
516	Oct. 28, 1963	George H. Goldstone, Bloomfield Hills, Mich.
517	....do....	Lowell E. White, Elmwood Park, Ill.
538	Nov. 22, 1963	Leland W. Auriek, George S. Gadbois, Columbia, Pa.
577	Mar. 3, 1964	Wayne Green, Peterborough, N.H.

[F.R. Doc. 65-3585; Filed, Apr. 6, 1965; 8:50 a.m.]

[2] Consideration will also be given to the assignment of call signs having a two-letter prefix and a one-letter suffix (e.g., WA2B).

[3] Commissioner Loevinger absent.

Notices

DEPARTMENT OF COMMERCE

Maritime Administration

[Report No. 53]

LIST OF FREE WORLD AND POLISH FLAG VESSELS ARRIVING IN CUBA SINCE JANUARY 1, 1963

SECTION 1. The Maritime Administration is making available to the appropriate Departments the following list of vessels which have arrived in Cuba since January 1, 1963, based on information received through March 29, 1965, exclusive of those vessels that called at Cuba on United States Government-approved noncommercial voyages and those listed in section 2. Pursuant to established United States Government policy, the listed vessels are ineligible to carry United States Government-financed cargoes from the United States.

FLAG OF REGISTRY AND NAME OF SHIP

	Gross tonnage
Total, all flags (237 ships)	1,645,937
British (77 ships)	568,170
**Amalia (now Maltese flag).	
**Amazon River (now River—sold to Dutch breakers)	7,234
Antarctica	8,785
Ardenode	7,036
Ardgem	6,981
Ardmore	4,664
Ardpatrick	7,054
Ardrowan	7,300
Ardsirod	7,025
Ardtara	5,795
**Arlington Court (now Southgate—British flag).	
Athelcrown (Tanker)	11,149
Atheiduke (Tanker)	9,089
Athelmere (Tanker)	7,524
Athelmonarch (Tanker)	11,182
Athelsultan (Tanker)	9,149
Avisfaith	7,868
Baxtergate	8,813
Canuk Trader	7,151
**Chipbee (now Stanwood—Liberian flag)	7,271
**Cosmo Trader (trips to Cuba under ex-name, Ivy Fair—British flag).	
Dairen	4,939
East Breeze	8,708
Eastfortune	8,789
Eirini	7,402
Formentor	8,424
Free Enterprise	6,807
Free Merchant	5,237
**Garthdale (now Jeb Lee—British flag)	7,542
Grosvenor Mariner	7,026
Hazelmoor	7,907
Helka	2,111
Hemisphere	8,718
Ho Fung	7,121
Inchstaffa	5,255
**Ivy Fair (now Cosmo Trader—British flag)	7,201
**Jeb Lee (trip to Cuba under ex-name, Garthdale—British flag).	
Kinross	5,388

**Ships appearing on the list that have been scrapped or have had changes in name and/or flag of registry.

FLAG OF REGISTRY, NAME OF SHIP—Continued	Gross tonnage
British—Continued	
**Kirriemoor (now Jhelum—Pakistani flag)	5,923
La Hortensia	9,486
Linkmoor	8,236
Magister	2,339
Maratha Enterprise	7,166
Nancy Dee	6,597
Nebula	8,924
Newdene	7,181
Newforest	7,185
Newgate	6,743
Newglade	7,368
Newgrove	7,172
Newheath	5,891
Newhill	7,855
Newlane	7,043
Newmeadow	5,654
Newmoat	7,151
Oceantramp	6,185
Oceantravel	10,477
Peony	9,037
Redbrook	7,388
Ruthy Ann	7,361
**St. Antonio (now Maltese flag).	
Sandsend	7,236
Santa Granda	7,229
Sea Amber	10,421
Sea Coral	10,421
Sea Empress	10,074
Shienfoon	7,127
Shun Fung	7,148
Soclyve	7,291
**Southgate (previous trips to Cuba under ex-name, Arlington Court—British flag)	9,662
Stanwear	8,108
Suva Breeze	4,970
Swift River	7,251
Thames Breeze	7,878
**Timios Stavros (now Maltese flag—Previous trips to Cuba under Greek flag)	5,333
Venice	8,611
Vercharmian	7,265
Vergmont	7,381
West Breeze	8,718
Yungfutary	5,388
Yunglutaton	5,414
Zela M	7,237
Lebanese (60 ships)	401,184
Agia Sophia	3,106
Aiolos II	7,256
Ais Giannis	6,997
Akamas	7,285
Al Amin	7,186
Alaska	6,989
Anthas	7,044
Antonis	6,259
Ares	4,557
Areti	7,176
Aristefs	6,995
Astir	5,324
Athamas	4,729
Carnation	4,884
**Christos (trip to Cuba under ex-name, Pamit—Greek flag).	
Claire	5,411
Cris	6,032
Dimos	7,187
Free Trader	7,067
*Giannis	5,270
Giorgos Tsakiroglou	7,240
Granikos	7,282
Ilena	5,925
Ioannis Aspiotis	7,297
Kalliopi D. Lemos	5,103

*Added to Report No. 52, appearing in the FEDERAL REGISTER issue of March 24, 1965.

FLAG OF REGISTRY, NAME OF SHIP—Continued	Gross tonnage
Lebanese—Continued	
Katerina	9,357
Leftric	7,176
Malou	7,145
Mantric	7,255
Maria Despina	7,254
Maria Renee	7,203
Marichristina	7,124
Marymark	4,383
Mersinidi	6,782
Mimosa	7,314
Mousse	6,984
Nictric	7,296
Noelle	7,251
Noemi	7,070
Olga	7,199
Panagos	7,133
Parmarina	6,721
**Razani (broken up)	7,253
Reneka	7,250
Rio	7,194
St. Anthony	5,349
St. Nicolas	7,165
San George	7,267
San John	5,172
San Spyridon	7,260
Stevo	7,066
Taxiarhis	7,349
Tertric	7,045
Theodoros Lemos	7,198
Theologos	6,529
Toula	4,561
Troyan	7,243
Vassiliki	7,192
Vastric	6,453
Vergolivada	6,339
Yanxilas	10,051
Greek (37 ships)	266,482
Agios Therapon	5,617
Akastos	7,331
Alice	7,189
**Ambassade (sold Hong Kong shipbreakers)	8,600
Americana	7,104
Anacreon	7,359
Anatoli	7,187
**Andromachi (previous trips to Cuba under ex-name, Penelope—Greek flag)	6,712
Antonia	5,171
Apollon	9,744
**Armathia (now Calliman—Greek flag)	7,091
Athanassios K	7,216
Barbarino	7,084
**Calliman (trip to Cuba under ex-name Armathia—Greek flag.	
Calliopi Michalos	7,249
Capetan Petros	7,291
**Embassy (broken up)	8,418
Flora M	7,244
**Gloria (now Helen—Greek flag)	7,128
**Helen (trip to Cuba under ex-name, Gloria—Greek flag).	
Irena	7,232
Istros II	7,275
Kapetan Kostis	5,032
Kyra Hariklia	6,888
Maria Theresa	7,245
Marigo	7,147
Maroudio	7,369
Mastro-Stelios II	7,282
**Nicolaos F. (previous trip to Cuba under ex-name, Nicolaos Frangistas—Greek flag).	
**Nicolaos Frangistas (now Nicolaos F.—Greek flag)	7,199
**Pamit (now Christos—Lebanese flag)	3,929
Pantanassa	7,131
Paxoi	7,144

FLAG OF REGISTRY, NAME OF SHIP—Continued

	Gross tonnage
Greek—Continued	
**Penelope (now Andromachi—Greek flag).	
**Plate Trader (trip to Cuba under ex-name, Stylianos N. Vlassopulos—Greek flag).	
**Presvia (broken up)	10,820
Redestos	5,911
**Seirios (broken up)	7,239
Sophia	7,030
**Stylianos N. Vlassopulos (now Plate Trader—Greek flag)	7,244
**Timios Stavros (formerly British flag—now Maltese flag).	
Tina	7,362
Western Trader	9,268
Polish (16 ships)	112,779
Baltyk	6,963
Bialystok	7,173
Bytom	5,967
Chopin	6,987
Chorzow	7,237
Huta Florian	7,258
Huta Labedy	7,221
Huta Ostrowiec	7,175
Huta Zgoda	6,840
Kopalnia Bobrek	7,221
Kopalnia Czeladz	7,252
Kopalnia Miechowice	7,223
Kopalnia Siemianowice	7,165
Kopalnia Wujek	7,033
Piast	3,184
Transportowiec	10,880
Italian (13 ships)	104,492
Achille	6,950
Agostino Bertani	8,380
Andrea Costa (Tanker)	10,440
Aspromonte	7,154
Giuseppe Giulietti (Tanker)	17,519
Mariasusanna	2,479
Montiron	1,595
Nazareno	7,173
Nino Bixio	8,427
San Francesco	9,284
San Nicola (Tanker)	12,461
Santa Lucia	9,278
**Somalia (now Chen Chang—Nationalist Chinese flag)	3,352
Yugoslav (7 ships)	49,926
Bar	7,233
Cavtat	7,266
Cetinje	7,200
Dugi Otok	6,997
Mojkovac	7,125
Promina	6,960
**Trebisnjica (wrecked)	7,145
French (6 ships)	16,391
Circe	2,874
Enee	1,232
Foulaya	3,739
Mungo	4,820
Nelee	2,874
Neve	852
Moroccan (5 ships)	35,828
Atlas	10,392
Banora	3,082
Marrakech	3,214
Mauritanie	10,392
Toubkal	8,748
Finnish (4 ships)	32,861
Augusta Paulin	7,096
**Hermia (trip to Cuba under ex-name Amfred—Swedish flag).	

**Ships appearing on the list that have been scrapped or have had changes in name and/or flag of registry.

FLAG OF REGISTRY, NAME OF SHIP—Continued

	Gross tonnage
Finnish—Continued	
Margrethe Paulin	7,251
Ragni Paulin	6,823
Valny (Tanker)	11,691
Maltese (3 ships)	21,164
**Amalia (previous trips to Cuba under British flag)	7,304
Ispahan	7,156
**St. Antonio (previous trip to Cuba under British flag)	6,704
**Timios Stavros (trips to Cuba under British flag and Greek flag).	
Swedish (3 ships)	17,133
**Amfred (now Hermia—Finnish flag)	2,828
**Atlantic Friend (now Atlantic Venture—Liberian flag)	7,815
Dagmar	6,490
Netherlands (2 ships)	999
Meike	500
Tempo	499
Norwegian (2 ships)	10,002
Ole Bratt	5,252
**Tine (now Jezreel—Panamanian flag)	4,750
Cypriot (1 ship):	
Adelphos Petrakis	7,134
Kuwaiti (1 ship):	
Maha	1,392
Nationalist Chinese:	
**Chen Chang (trip to Cuba under ex-name, Somalia—Italian flag).	
Liberian:	
**Atlantic Venture (trip to Cuba under ex-name, Atlantic Friend—Swedish flag).	
**Stanwood (trips to Cuba under ex-name, Chipbee—British flag).	
Panamanian:	
**Jezreel (trip to Cuba under ex-name, Tine—Norwegian flag).	
Pakistani:	
**Jhelum (trip to Cuba under ex-name, Kirriemoor—British flag).	

SEC. 2. In accordance with approved procedures, the vessels listed below which called at Cuba after January 1, 1963, have reacquired eligibility to carry United States Government-financed cargoes from the United States by virtue of the persons who control the vessels having given satisfactory certification and assurance:

(a) That such vessels will not, thenceforth, be employed in the Cuba trade so long as it remains the policy of the United States Government to discourage such trade; and

(b) That no other vessels under their control will thenceforth be employed in the Cuba trade, except as provided in paragraph (c); and

(c) That vessels under their control which are covered by contractual obligations, including charters, entered into prior to December 16, 1963, requiring their employment in the Cuba trade shall be withdrawn from such trade at the earliest opportunity consistent with such contractual obligations.

FLAG OF REGISTRY AND NAME OF SHIP

a. Since last report:	Gross tonnage
Greek (1 ship):	
Propontis	7,128
b. Previous reports:	Number of ships
Flag of registry (total)	77
British	33
Danish	1
Finnish	1
French	1
German (West)	1
Greek	22
Israeli	1
Italian	5
Japanese	1
Lebanese	1
Norwegian	4
Spanish	6

SEC. 3. The ships listed in sections 1 and 2 have made the following number of trips to Cuba since January 1, 1963, based on information received through March 29, 1965:

Flag of registry	Number of trips									Total
	1963	1964					1965			
		Jan.-June	July-Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	
British	133	100	49	14	8	9	9	7	4	333
Lebanese	64	49	30	3	4	5	8	2	3	168
Greek	99	16	9	1	1		2			128
Italian	16	10	5		3	2	3	2	3	44
Spanish	8	8	6	2	1					25
Norwegian	14	7	1	1	1					24
Moroccan	9	5	6	2						22
Yugoslav	12	4	5			2			2	25
French	8	1	4	1	1	2				17
Swedish	3	2				1				6
Finnish	1	1	2	1						5
Netherlands			1	1		2				4
Maltese						2	1			3
Israeli							1	1		2
Kuwaiti			2							2
Cypriot			1							1
Danish	1									1
Germany (West)	1									1
Japanese	1									1
Subtotal	370	233	121	26	19	25	24	12	12	812
Polish	18	9	3	1	1	2	2	1	1	38
Grand total	388	242	124	27	20	27	26	13	13	850

NOTE: Trip totals in this section exceed ship totals in Sections 1 and 2 because some of the ships made more than one trip to Cuba.

By order of the Deputy Maritime Administrator.

Dated: March 30, 1965.

JAMES S. DAWSON, Jr.,
Secretary.

[F.R. Doc. 65-3503; Filed, Apr. 5, 1965; 8:45 a.m.]

Bureau of the Census

NUMBER OF EMPLOYEES, TAXABLE WAGES, GEOGRAPHIC LOCATION, AND KIND OF BUSINESS FOR ESTABLISHMENTS OF MULTIUNIT COMPANIES

Notice of Determination for Surveys

In conformity with 13 U.S.C. 181, 224, and 225, and due Notice of Consideration having been published on February 24, 1965 (30 F.R. 2414), pursuant to said Act, I have determined that a First Quarter 1965 Survey of Selected Multiunit Companies is needed to collect information for the 1965 County Business Patterns Report. The Survey is similar to those conducted for previous County Business Patterns Reports and is designed to collect information on number of employees, taxable wages, geographic location, and kind of business for establishments of selected multiunit companies. Only those companies which do not report in sufficient detail to other Federal Agencies will be required to report in this survey. The data will have significant application to the needs of the public and to governmental agencies and are not publicly available from nongovernmental or governmental sources.

Report forms will be furnished to firms included in the survey and additional copies of the forms are available on request to the Acting Director, Bureau of the Census, Washington, D.C., 20233.

I have, therefore, directed that a survey be conducted for the purpose of collecting these data.

A. ROSS ECKLER,
Acting Director,
Bureau of the Census.

[F.R. Doc. 65-3514; Filed, Apr. 6, 1965; 8:45 a.m.]

DEPARTMENT OF STATE

Agency for International Development

CHRISTIAN MEDICAL SOCIETY, INC.

Register of Voluntary Foreign Aid Agencies

In accordance with the regulations of the Agency for International Development concerning Registration of Agencies for Voluntary Foreign Aid (A.I.D. Regulation 3) 22 CFR Part 203, promulgated pursuant to section 621 of the Foreign Assistance Act of 1961, as amended, notice is hereby given that a certificate of registration as a voluntary foreign aid agency has been issued by the Advisory Committee on Voluntary Foreign Aid of the Agency for International Development to the following agency:

Christian Medical Society, Inc.,
1122 Westgate,
Oak Park, Ill.

WILLIAM S. GAUD,
Administrator.

MARCH 30, 1965.

[F.R. Doc. 65-3591; Filed, Apr. 6, 1965; 8:50 a.m.]

DEPARTMENT OF THE TREASURY

Fiscal Service

ISSUE OF UNITED STATES SECURITIES BEARING FACSIMILE SIGNATURE OF THE FORMER SECRETARY OF THE TREASURY

Pursuant to the provisions of R.S., section 161, 5 U.S.C. 22, as amended, in the issue of United States securities, I hereby authorize the use of all stocks on hand, or on order, bearing the signature of the former Secretary of the Treasury. The term "issue" as used in this authorization includes issues of United States Savings Bonds, any additional issues of outstanding Treasury securities which may be offered for sale, and the issue of 1½ percent five-year Treasury notes in exchange for 2¾ percent Treasury Bonds, Investment Series B-1975-80.

This authorization shall be effective immediately.

Dated: April 1, 1965.

[SEAL] HENRY H. FOWLER,
Secretary of the Treasury.

[F.R. Doc. 65-3567; Filed, Apr. 6, 1965; 8:48 a.m.]

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

[Bureau Order 551, Amdt. 102]

FORESTRY MATTERS

Delegation of Authority

MARCH 31, 1965.

Paragraph (b) of section 230 of Bureau Order 551 (an order by which the Commissioner of Indian Affairs delegates authority to Bureau Area Directors) is amended by revision of subparagraphs (4) and (5). The revision will (1) authorize weight as an additional basis for volume determination of timber; and (2) confer upon the Area Director of the Bureau's Portland Area Office approval authority for timber sale contracts involving an estimated stumpage volume not in excess of 50 million feet, board measure.

As so amended, the relevant portions of section 230 read as follows:

SEC. 230. *Forest Management.* * * *

(b) The authority granted in paragraph (a) of this section shall not include authority to:

* * * * *

(4) Issue advertisements and approve timber sale contracts on approved forms involving an estimated stumpage volume in excess of 15 million feet, board measure, except in the Portland Area where the stumpage volume limit is set at 50 million feet, board measure, pursuant to 25 CFR 141.8, 25 CFR 141.9, and 25 CFR 141.13.

(5) Designate any basis of volume determination pursuant to 25 CFR 141.15 other than Scribner Decimal C Log Rule, cubic volume, piece count, lineal foot, or weight.

JOHN O. CROW,
Deputy Commissioner.

[F.R. Doc. 65-3543; Filed, Apr. 6, 1965; 8:47 a.m.]

DEPARTMENT OF AGRICULTURE

Consumer and Marketing Service

IDENTIFICATION OF CARCASSES OF CERTAIN HUMANELY SLAUGHTERED LIVESTOCK

Changes in Lists of Establishments

Pursuant to section 4 of the Act of August 27, 1958 (7 U.S.C. 1904), and the statement of policy thereunder in 9 CFR 181.1, the lists (30 F.R. 100, 1204, and 3228) of establishments which are operated under Federal inspection pursuant to the Meat Inspection Act (21 U.S.C. 71 et seq.) and which use humane methods of slaughter and incidental handling of livestock are hereby amended as follows:

The reference to Acee's Meat Co., Inc., establishment 809, and the reference to cattle with respect to such establishment are deleted. The reference to Clover Packing Co., Inc., establishment 1005, and the reference to cattle and calves with respect to such establishment are deleted. The reference to calves with respect to Oakwood Farms Packing Corp., establishment 85, is deleted.

The following table lists additional species at previously listed establishments that have been reported as being slaughtered and handled humanely.

Name of establishment	Estimated No.	Cattle	Calves	Sheep	Goats	Swine	Horses
Meat Quality Laboratory	68				(*)		
Armour & Co.	75	(*)	(*)		(*)		
Samuels & Co.	94		(*)				
Silver Falls Packing Co., Inc.	153			(*)			
Rosenthal Packing Co. of Paris	451		(*)				
Litvak Packing Co.	465		(*)				
Western Meat Packers Inc.	662					(*)	
Needham Packing Corp. of Montana	857G		(*)				
Species added: 10.							

Done at Washington, D.C., this 1st day of April 1965.

R. K. SOMERS,
Acting Deputy Administrator,
Consumer and Marketing Service.

[F.R. Doc. 65-3561; Filed, Apr. 6, 1965; 8:48 a.m.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

ALLIED CHEMICAL CORP.

Notice of Filing of Petition for Food Additive Chlorinated Polyethylene; Correction

A notice of filing of a food additive petition (FAP 5B1519) was published in the FEDERAL REGISTER of March 20, 1965 (30 F.R. 3723), that named "Food & Drug Research Labs., Inc." as the petitioner, in error. The petitioner is Allied Chemical Corp., Plastics Division, Post Office Box 365, Morristown, N.J.

(Sec. 409(b)(5), 72 Stat. 1786; 21 U.S.C. 348 (b)(5))

Dated: April 1, 1965.

MALCOLM R. STEPHENS,
Assistant Commissioner for Regulations.

[F.R. Doc. 65-3589; Filed, Apr. 6, 1965; 8:50 a.m.]

CHAS. PFIZER & CO., INC.

Notice of Filing of Petition for Food Additive Polymyxin Methane Sulfonate

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(b)(5), 72 Stat. 1786; 21 U.S.C. 348 (b)(5)), notice is given that a petition (FAP 5D1686) has been filed by Chas. Pfizer & Co., Inc., 235 East 42d Street, New York, N.Y., proposing the issuance of a regulation to provide for the safe use of polymyxin methane sulfonate for aqueous injection for the treatment of chronic respiratory disease (air-sac infection) and colibacillosis in chickens and turkeys.

Dated: April 1, 1965.

MALCOLM R. STEPHENS,
Assistant Commissioner for Regulations.

[F.R. Doc. 65-3590; Filed, Apr. 6, 1965; 8:50 a.m.]

CIVIL AERONAUTICS BOARD

[Docket No. 15353; Order E-21982]

INTERNATIONAL AIR TRANSPORT ASSOCIATION

Order Relating to Specific Commodity Rates

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 1st day of April 1965.

Agreement adopted by Traffic Conference 1 of the International Air Transport Association relating to specific commodity rates, Docket 15353; Agreement C.A.B. 17666, R-99 through R-102.

There 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, an agreement between various air carriers, foreign air carriers and other carriers, embodied in the resolutions of Traffic Conference 1 of the International Air Transport Association (IATA), and adopted pursuant to the provisions of Resolution 590 (Commodity Rates Board).

The agreement, adopted pursuant to unprotested notices to the carriers and promulgated in IATA memoranda, names additional specific commodity rates as set forth in the attachment hereto.[1]

The Board, acting pursuant to sections 102, 204(a), and 412 of the Act, does not find the subject agreement to be 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 C.A.B. 17666, R-99 through R-102 be approved, provided that such approval shall not constitute approval of the specific commodity descriptions contained therein for purposes of tariff publication.

Any air carrier party to the agreement, or any interested person, may within 15 days from the date of service of this order, submit statements in writing containing reasons deemed appropriate, together with supporting data, in support of or in opposition to the Board's action herein. An original and 19 copies of the statement should be filed with the Board's Docket section. The Board may, upon consideration of any such statements filed, modify or rescind its action herein by subsequent order.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL] HAROLD R. SANDERSON,
Secretary.

[F.R. Doc. 65-3596; Filed, Apr. 6, 1965; 8:50 a.m.]

[Docket No. 15353; Order E-21985]

INTERNATIONAL AIR TRANSPORT ASSOCIATION

Order Relating to Fares and Rates

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 1st day of April 1965.

Agreements adopted by Traffic Conference 2 and Joint Conferences 1-2 and 2-3 of the International Air Transport Association relating to fares and rates, Docket 15353; Agreement C.A.B. 18229, Agreement C.A.B. 18230, Agreement C.A.B. 18231.

There have 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, agreements between various air carriers, foreign air carriers, and other carriers, embodied in the resolutions of Traffic Conference 2 and Joint Conferences 1-2 and 2-3 of the International Air Transport Association (IATA), and adopted by mail vote. The agreements have been assigned the above-designated C.A.B. Agreement numbers.

The agreements (1) amend Resolution 203b by deleting the exception provided for the Republic of South Africa and South West Africa from the preamble of the resolution, (2) amend Resolution 023b so that cargo rates between Ireland and the United Kingdom need to be rounded up only to the next higher farthing (quarter of a cent), and (3) permit Deutsche Lufthansa Aktiengesellschaft (Lufthansa) to delay to a date not later than July 26, 1965, inaugural flights in connection with service between Anchorage, Alaska, or Fairbanks, Alaska, and the Federal Republic of Germany.

The Board, acting pursuant to sections 102, 204(a) and 412 of the Act, makes the following findings.

1. That, on the basis of all the facts presently known, Resolutions 200 (Mail 537) 203b—JT23 (Mail 137) 203b, which are incorporated in Agreement C.A.B. 18229, do not affect air transportation within the meaning of the Act.

2. That Resolution 200 (Mail 536) 023b which is incorporated in Agreement C.A.B. 18231 and which does not directly affect air transportation as defined by the Act, is not found to be adverse to the public interest or in violation of the Act.

3. That Resolution JT12 (Mail 402) 200h is not found to be adverse to the public interest or in violation of the Act.

Accordingly, it is ordered, That:

1. Jurisdiction is disclaimed with respect to Agreement C.A.B. 18229, and

2. Agreements C.A.B. 18230 and 18231 are approved.

Any air carrier party to the agreement, or any interested person, may, within 15 days from the date of service of this order, submit statements in writing containing reasons deemed appropriate, together with supporting data, in support of or in opposition to the Board's action herein. An original and 19 copies of the statements should be filed with the Board's Docket Section. The Board may, upon consideration of any such statements filed, modify or rescind its action herein by subsequent order.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL] HAROLD R. SANDERSON,
Secretary.

[F.R. Doc. 65-3597; Filed, Apr. 6, 1965; 8:50 a.m.]

[Docket No. 14196; Order E-21986]

ALLEGHENY AIRLINES, INC.

Order of Tentative Disapproval

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 2d day of April 1965.

Application of Allegheny Airlines, Inc., Docket 14196, for approval without hearing under or exemption from section 408 of the Federal Aviation Act of 1958, as amended.

Allegheny Airlines, Inc. (Allegheny) has filed an application requesting ap-

[1] Attachment filed as part of original document.

proval without hearing under section 408 of the Federal Aviation Act of 1958, as amended (the Act), or an exemption therefrom, authorizing its acquisition of control of International Air Services, Inc. (IAS).[1]

IAS is a Puerto Rican corporation which operates principally in San Juan where it performs for airlines and transient operators various aviation support activities including porter services (loading and unloading of baggage and cargo, incidental ramp operations, etc.), dispatching, aircraft maintenance, warehousing of spare parts, sales of Piper aircraft, and the sale of gasoline and oil. It also provides porter services only at Ponce and Mayaguez, Puerto Rico; St. Thomas and St. Croix, Virgin Islands; and Aruba, Netherlands Antilles.

On October 23, 1962, Allegheny acquired 512.8 shares (51 percent) of the 1,000 shares of IAS stock then outstanding, for $300,000. Shortly afterward, according to applicant, it purchased an additional 51.3 shares for $15,000. Both blocks of stock were then placed in a Voting Trust pending approval by the Board of Allegheny's acquisition of control of IAS.[2] Funds for the purchase were provided by a $300,000 loan from Chase Manhattan Bank, which amount was repaid in July 1963, and by $15,000 from resources of Allegheny. Subsequently, the Articles of Incorporation of IAS were amended to provide for an authorized capital stock of 25,000 shares. Allegheny purchased additional shares in June 1964 and by that transaction now holds 15,641 (91 percent) of the total outstanding shares (17,231) of IAS, its total investment being $415,000.[3]

Allegheny's position in support of approval of its control of IAS, as presented in the application, as amended, essentially is as follows: IAS represents an investment and, in keeping with this concept, Allegheny intends to have no transactions with IAS. An important factor influencing the decision to purchase the stock was the evaluation that the management of IAS is well qualified and able.[4] Allegheny's management, therefore, will devote the minimal time necessary to protect an investment it has already made and to make major policy decisions. Approval of the application will not result in creating a monopoly in restraining competition, or in jeopardizing any other air carrier. Acquisition of the stock, therefore, is not inconsistent with the public interest.

Additional comments subsequently submitted by Allegheny, quoted in Appendix A,[5] relate to the policy enunciated earlier by the Board that substantial engagement by subsidized air carriers in non-transport activities will be presumed not to be in the public interest.[6] Such policy, which became effective July 31, 1963, evidenced the Board's convictions that non-transport activities of subsidized air carriers could jeopardize the performance of effective air transport operations; that the entire interests and energies of management are required for transportation activities; that diversion of management to the performance of other activities will tend to interfere with their performance of effective air transport operations; and that non-transport activities create problems concerning the allocation of expenses between the companies involved.

Allegheny, in addition to commenting on the major elements which the policy statement indicates the Board will consider in passing on the public interest aspects of a non-transport activity, questions whether the policy is applicable to the instant application.

Thus, the carrier points out that the policy statement defines "non-transport activity" to mean, in part, any business activity "performed" by a subsidized air carrier. Allegheny notes that IAS's business will be carried on by a separate management, rather than by Allegheny's management; and that the thrust of the Board's policy "is directed at performance by an air carrier of non-transport activities rather than investment in such activities." Consequently, the carrier indicates its doubt that § 399.90 is applicable to the application. We disagree; the policy, by its terms, is applicable to section 408 proceedings without regard to a subsidized carrier's motivation in participation in the activity. Thus, applicability of the policy does not turn, as Allegheny suggests, on whether a carrier chooses to perform the non-transport activity through a separate corporate entity or, after acquisition, by organizing the activity as an operating division of the carrier. Allegheny's argument raises form over substance and would lodge with the carrier the ability to determine when the policy would be applicable.

Allegheny also contends the policy is inapplicable on the basis that its investment ($415,000) in IAS does not represent substantial engagement in a non-transport activity. This investment, according to the carrier, represents only 2.1 percent of its total assets of $19,883,080 (as of Aug. 31, 1964). Allegheny believes that, while the word "substantial" is subject to varying interpretations, it is difficult to conclude under any interpretation that application of only 2 percent of Allegheny's assets to this investment is substantial in relation to its total investment. We agree that the determination as to whether engagement in a particular activity is "substantial" is a matter on which different interpretations can be placed. However, on the basis of the record before us, we would not agree with the position taken by Allegheny. Thus, for example, the Board previously has held that a transaction involving less than 2 percent of an air carrier's properties was a "substantial part" of its assets within the meaning of section 408 of the Act.[7] Similarly, it is to be noted that the investment represents 9.7 percent of Allegheny's net worth ($4,256,718) as at December 31, 1963, and is the equivalent to 112 percent of Allegheny's net profit ($370,938) before taxes for the calendar year 1963. We find, under all of the circumstances, that Allegheny's acquisition of IAS constitutes substantial engagement in a non-transport activity.

A further point raised by Allegheny is that its initial investment in IAS was made nine months before the Board adopted the policy statement, and that it would be inappropriate to apply the policy retroactively to the instant application. The short answer here is that the preamble to the policy statement specifically provides: "The policy is applicable to existing as well as proposed non-transport activities. However, the carrier's past experience in the activity would be taken into account in determining whether the activity is adverse to the public interest."

On the basis of the foregoing, we have concluded that the policy statement properly is applicable to the instant application. Thus, a presumption exists that the non-transport activity is not in the public interest, and Allegheny has the burden to prove that "its engagement in such activities will not involve a risk of significant financial loss and will not unduly divert the management or otherwise interfere with the primary business of the subsidized carrier which is to provide air transportation" (§ 399.90(c)). In our opinion, Allegheny has not met this burden.

One of the public interest factors in § 399.90, and a major consideration of the Board in the adoption of the policy, concerns the amount of supervision by carrier management over the non-transport activity. According to Allegheny, an important influencing factor in the acquisition of IAS stock was its evaluation that the capability of IAS management was such as to require only limited participation by the carrier in the affairs of IAS. Yet within a few months after Allegheny's initial acquisition of stock, the president of IAS had resigned to head a competitive company at San Juan, and as of now the office of president is still vacant; two of the three other original officials of IAS are no longer officers of the company; and it has been necessary to appoint a new voting Trustee under the Voting Trust Agreement. Likewise, during January 1963 the board of directors of Allegheny considered it necessary to meet in San Juan to review the carrier's non-transport activities. Furthermore, future plans, according to the application, contemplate that from one to three officials of Allegheny may serve as director of IAS, and that such individuals would be the chairman of the

[1] The application was filed on Dec. 6, 1962, and amended Feb. 15, 1963. Supplemental information was submitted by Allegheny in letters dated Mar. 6 and Aug. 9, 1963, and Oct. 5 and 19, 1964.

[2] An enforcement proceeding instituted by the Board's Bureau of Enforcement following Allegheny's purchase of the majority of the common stock of IAS was terminated with the adoption by the Board of Order E-21280 on Sept. 15, 1964.

[3] Allegheny's additional investment of $100,000 was obtained from company funds.

[4] On July 30, 1963, IAS sold a stock interest in Interstate Air Services, Inc., San Juan, Puerto Rico, to J. A. Santana who thereupon resigned his position as president of IAS.

[5] Appendix A filed as part of original document.

[6] Part 399.90 of the Board's statements of general policy.

[7] See Delta-American, Equipment Interchange, 10 CAB 757, 768.

carrier's board of directors; its president, and/or its senior vice president-finance and administration. Although the foregoing may not place Allegheny in the day-to-day operation of IAS, it seems clear that the involvement of Allegheny's management in the affairs of IAS cannot properly be characterized as limited, either now or in the future.

Another factor which the Board stated that it would consider in cases where the mentioned policy applies concerns the speculative nature of the activity. Allegheny states that, although every business venture involves some degree of risk, IAS's activities are not speculative, e.g., gross sales of $1.4 million in 1963 represented a $200,000 increase over 1962; the business growth potential in the area is "tremendous." However, the financial statements submitted by Allegheny show that since 1961 the relationship of revenues received by IAS to net income has been as follows: [8]

Period [9]	Total revenue	Net income (loss)
1961	$929,646	$34,901
1962	1,187,495	37,859
1963	1,408,923	3,470
1964	1,022,593	(80,225)

[9] Covers the calendar year except that the figures (unaudited) for 1964 are for the 8 months ended August 31, 1964.

Also, as noted above, Allegheny found it necessary in April 1964 to recapitalize IAS to improve its working capital position. This resulted in Allegheny's investment of an additional $100,000 in IAS.[10]

The foregoing indicates that the activity in question is not free from risk of financial loss for Allegheny. Furthermore, prudent business judgment would dictate that if IAS's profit position does not improve, Allegheny's management would devote even more attention to IAS affairs in the future than in the past. Certainly, Allegheny has not established that the activity is not of a speculative nature.[11]

The Board, upon consideration of the application in the light of the policy statement, is unable to conclude that Allegheny has met the burden of showing that its engagement in IAS "will not involve a risk of significant financial loss and will not unduly divert the management or otherwise interfere with the primary business of the subsidized carrier which is to provide air transportation." The Board, therefore, tentatively finds that the control relationship involved herein should be disapproved and intends to disapprove it without hearing pursuant to the provisions of section 408 (b).[12] In accordance therewith, this order constituting notice of such intention will be published in the FEDERAL REGISTER. Similarly, the Board has concluded tentatively that enforcement of section 408 of the Act would not be an undue burden on Allegheny by reason of the limited extent of, or unusual circumstances affecting, the operation of Allegheny and is in the public interest. Before acting further in the matter, the Board will provide an opportunity for interested persons to file comments on the tentative decision herein. The Board contemplates that any final order of disapproval entered herein would allow Allegheny a period of time to dispose of its stock in IAS, and the Board believes that six months is reasonable for this purpose.

Accordingly, it is ordered:

1. That interested persons are hereby afforded a period of fifteen days within which to file comments or request a hearing with respect to the action proposed herein; [13] and

2. That the Attorney General be furnished a copy of this Order within one day of its publication.

This order shall be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL] HAROLD R. SANDERSON,
Secretary.

[F.R. Doc. 65-3598; Filed, Apr. 6, 1965; 8:51 a.m.]

FEDERAL AVIATION AGENCY

[OE Docket No. 64-WE-4]

JERRY BASSETT, INC.

Notice of Final Determination of Hazard to Air Navigation

Jerry Bassett, Inc., submitted a petition for public hearing (29 F.R. 14952) pursuant to § 77.39 of the Federal Aviation Regulations, in appeal of the Determination of Hazard to Air Navigation issued in OE Docket No. 64-WE-4 (29 F.R. 12886), for the proposed construction of a television antenna structure near Concord, Calif.

Jerry Bassett, Inc., Concord, Calif., at a later date submitted a substitute proposal and was issued a Determination of No Hazard to Air Navigation on March 5, 1965, under aeronautical study No. WE-OE-4532, for the proposed construction of a television antenna structure near Port Chicago, Calif.

Whereas, no useful purpose would be served by further processing of the pending petition, Jerry Bassett, Inc., through his attorney, on March 15, 1965, requested that it be withdrawn. Therefore, withdrawal of the pending petition for public hearing is hereby granted and the determination of hazard issued in OE Docket No. 64-SW-4 is final as of this date.

Issued in Washington, D.C., on March 26, 1965.

GEORGE R. BORSARI,
Chief,
Obstruction Evaluation Branch.

[F.R. Doc. 65-3528; Filed, Apr. 6, 1965; 8:46 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[Docket Nos. 15932, 15933; FCC 65-272]

ASSOCIATED TELEVISION CORP. AND CAPITOL CITY TELEVISION CO.

Order Designating Applications for Consolidated Hearing on Stated Issues

In re applications of Associated Television Corp., St. Paul, Minn., Docket No. 15932, File No. BPCT-3318; Deil O. Gustafson, tr/as Capital City Television Co., St. Paul, Minn., Docket No. 15933, File No. BPCT-3428; for construction permit for new television broadcast station.

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 31st day of March 1965;

The Commission, having under consideration the above-captioned applications, each requesting a construction permit for a new television broadcast station to operate on Channel 23, St. Paul, Minn.; and

It appearing, that the above-captioned applications are mutually exclusive in that operation by the applicants as proposed would result in mutually destructive interference; and

It further appearing, that the following matters are to be considered in connection with the issues specified below:

(a) In connection with the financial proposal of Capitol City Television Co., it appears that the cost of construction of the proposed new station will be approximately $240,000. The applicant proposes to finance the construction, in part, through deferred credit from RCA, but no commitment from RCA to that effect has been furnished, as required by section III, paragraph 4(h), FCC Form 301. The applicant also proposes to lease land and buildings, but no lease agreements or other information pertaining thereto have been furnished. Additionally, the applicant relies upon the availability of a bank loan of $50,000, but no commitment to that effect from any bank has been furnished. Moreover, the applicant has furnished a balance sheet for a "Dale Gustafson" which is not dated as required by section III, paragraph 2(a), FCC Form 301. Assuming that this balance sheet is intended to be for Mr. Deil O. Gustafson, it appears that the applicant has not shown current and liquid assets in excess of current liabilities in sufficient amount to meet minimum cash require-

[8] Allegheny acquired its controlling interest in IAS in October 1962.

[10] We note that in 1964 IAS invested about $35,000 in a Dominican Republic corporation engaged in crop dusting and spraying activities. The Board is not aware of whether such investment has served as a drain on IAS resources.

[11] It may be noted that the ratio of net income, as shown above, to stockholders' equity for 1961, 1962, and 1963 and the first eight months of 1964 reflects a return on investment of, respectively, 22.1 percent, 19.4 percent, 3.4 percent and zero.

[12] It is to be noted that applicant has not requested the Board to act on the matter after hearing, but only without hearing or by way of granting an exemption from section 408 of the Act.

[13] Since comments may be filed, the Board will not accept petitions for reconsideration of this order. Comments shall conform to the Board's Rules of Practice for the filing of documents.

ments for the construction and initial operation of the proposed station. It cannot be determined, therefore, that the applicant is financially qualified.

(b) Based on engineering information contained in the application of Capitol City Television Co., it appears that there is a discrepancy between the geographic coordinates specified by the applicant for the location of the proposed tower and the location as shown in the applicant's Exhibit E–4, Map 9. An issue will be specified, therefore, to determine the exact location of the proposed tower site.

(c) Based on engineering information contained in the application of Capitol City Television Co., the value of 595 feet proposed for the antenna height above average terrain does not agree with the elevation values specified for the antenna center of radiation and the average terrain. An issue will be specified, therefore, to determine the correct value for antenna height above average terrain.

(d) The tower height and location proposed by Capitol City Television Co. has not been approved by the Federal Aviation Agency. An issue will be specified, therefore, to determine whether the tower height and location proposed might constitute a menace to air navigation.

(e) Based on engineering information contained in the above-captioned applications of Associated Television Corp. and Dell O. Gustafson, tr/as Capitol City Television Co., it appears that there may be a significant disparity in the areas and populations included within the proposed Grade A and Grade B contours of the proposed stations. On the basis of these proposals, therefore, a question is raised as to which would represent a superior utilization of the frequency on a comparative basis. Comparative coverage issues will, accordingly, be specified with respect to the proposed Grade A and Grade B contours of the proposed stations. Erway Television Corp., FCC 65–192, released March 15, 1965.

It further appearing, that the transmitter proposed by Associated Television Corp. has not been type-accepted by the Commission and that, in the event of a grant of the application, such grant should be made subject to the condition that, prior to licensing, acceptable data shall be submitted for type-acceptance in accordance with the requirements of § 73.640 of the Commission's rules; and

It further appearing, that Capitol City Television Co. proposes to use an Alford Type 1044 antenna and the applicant's engineering proposal has been considered on this basis; that the equipment proposal furnished by the applicant shows that RCA will furnish an RCA Model TFU–27J antenna; that it appears that the applicant proposes to use an antenna other than that specified in the equipment proposal and to this extent, applicant's financial proposal may be affected; that this matter should be explored within the framework of the financial issue specified herein rather than pursuant to a separate issue; and

It further appearing, that there is a rule making proposal pending before the Commission in Docket No. 14229 (FCC 63–975) to revise the Television Table of Assignments (§ 73.606 of the Commission's rules) and that the proposed rule making proceeding could result in the substitution of another UHF television broadcast channel in St. Paul, Minn., in lieu of Channel 23, the Commission is of the view that a grant of either of the instant applications should be made subject to the condition that the Commission may, without further proceedings, substitute another UHF television channel in lieu of Channel 23 to enable the applicants in this proceeding to amend their applications to specify the channel allocated as a replacement for Channel 23. Austin A. Harrison, FCC 64–1017, 3 RR 2d 847.

It further appearing, that Associated Television Corp. is legally, technically, financially, and otherwise qualified to construct, own, and operate the proposed television broadcast station; and, except as indicated above, Dell O. Gustafson, tr/as Capitol City Television Co., is legally and otherwise qualified to construct, own, and operate the proposed television broadcast station; and

It further appearing, that, upon due consideration of the above-captioned applications, the Commission finds that, pursuant to section 309(e) of the Communications Act of 1934, as amended, a hearing is necessary and that the said applications must be designated for hearing in a consolidated proceeding on the issues set forth below:

It is ordered, That, pursuant to section 309(e) of the Communications Act of 1934, as amended, the above-captioned applications of Associated Television Corp. and Dell O. Gustafson, tr/as Capitol City Television Co., are designated for hearing in a consolidated proceeding at a time and place to be specified in a subsequent Order, upon the following issues:

1. To determine whether Dell O. Gustafson, tr/as Capitol City Television Co., is financially qualified to construct, own and operate the proposed television broadcast station.

2. To determine the exact location of the tower site proposed by Capitol City Television Co.

3. To determine the correct value for the antenna height above average terrain in connection with the application of Capitol City Television Co.

4. To determine whether there is a reasonable possibility that the tower height and location proposed by Capitol City Television Co. would constitute a menace to air navigation.

5. To determine the location of the proposed Grade A and Grade B contours of the applicants in this proceeding and the areas and populations contained therein.

6. In the event the proof under Issue 6, above, shall establish that the proposed Grade A and Grade B contours of either applicant will include areas and populations not included by that of its competitor, to determine the number of television services, if any, presently available to such areas and populations.

7. To determine, on a comparative basis, which of the operations proposed in the above-captioned applications would better serve the public interest, convenience and necessity in light of the evidence adduced pursuant to Issues 6 and 7, above, and the record made with respect to the significant differences between the applicants as to:

(a) The background and experience of each, bearing on its ability to own and operate the proposed television broadcast station.

(b) The proposals of each with respect to the management and operation of the proposed television broadcast stations.

(c) The programing services proposed in each of the above-captioned applications.

8. To determine, in the light of the evidence adduced pursuant to the foregoing issues, which of the instant applications should be granted.

It is further ordered, That, in the event of a grant of either of the above-captioned applications, such grant shall be subject to the condition that the Commission may, without further proceedings, specify operation by the permittee on such other UHF television broadcast channel as may be allocated to St. Paul, Minn., as a replacement for Channel 23 and in lieu thereof, as a result of the pending proceeding in Docket No. 14229.

It is further ordered, That the Federal Aviation Agency is made a party to this proceeding.

It is further ordered, That, in the event of a grant of the application of Associated Television Corp., such grant shall be subject to the condition that, prior to licensing, acceptable data shall be submitted for type-acceptance of the proposed transmitter in accordance with the requirements of § 73.640 of the Commission's rules.

It is further ordered, That the issues in the above-captioned proceeding may be enlarged by the Examiner with respect to the application of Associated Television Corp., on his own motion or upon petition properly filed by a party to the proceeding and upon sufficient allegations of fact in support thereof, by the addition of the following issue: "To determine whether the funds available to the applicant will give reasonable assurance that the proposals set forth in the application will be effectuated."

It is further ordered, That, to avail themselves of the opportunity to be heard, Associated Television Corp., Dell O. Gustafson, tr/as Capitol City Television Co., and the Federal Aviation Agency, pursuant to § 1.221(c) of the Commission's rules, in person or by attorney, shall, within twenty (20) days of the mailing of this Order, file with the Commission, in triplicate, a written appearance stating an intention to appear on the date set for the hearing and present evidence on the issues specified in this Order.

It is further ordered, That the applicants herein shall, pursuant to section 311(a)(2) of the Communications Act of 1934, as amended, and § 1.594(a) of the Commission's rules, give notice of the hearing either individually or, if feasible, jointly, within the time and in the man-

ner prescribed in such rule, and shall advise the Commission of the publication of such notice as required by § 1.594(g) of the rules.

Released: April 2, 1965.

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

[F.R. Doc. 65-3586; Filed, Apr. 6, 1965; 8:50 a.m.]

[FCC 65-282]

COMMONLY OWNED BROADCAST STATIONS IN DIFFERENT SERVICES

Assignment and Use of Common Call Letters

APRIL 2, 1965.

Concluding that listener and viewer confusion will not result, the Commission today modified its call letter assignment policy to allow commonly owned broadcast stations in different services, licensed to adjoining communities, to use common call letters if it can be shown that the stations serve substantially the same areas and populations.

Under past Commission policy, common call letters could be assigned for the identification of commonly owned AM, FM, and TV stations only if the stations were licensed to the same community.

Adopted: March 31, 1965.

FEDERAL COMMUNICATIONS COMMISSION,[2]
[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 65-3587; Filed, Apr. 6, 1965; 8:50 a.m.]

[Docket Nos. 15930, 15931; FCC 65-271]

SERGIO MARTINEZ CARABALLO AND CARIBBEAN BROADCASTING CORP.

Order Designating Applications for Consolidated Hearing on Stated Issues

In re applications of Sergio Martinez Caraballo, Arecibo, P.R., Docket No. 15930, File No. BPH-3783, Requests: 107.3mc, No. 297; 10kw; 339 ft.; Caribbean Broadcasting Corp., Arecibo, P.R., Docket No. 15931, File No. BPH-4724, Requests: 107.3mc, No. 297; 25kw; 25 ft.; for construction permits.

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 31st day of March 1965;

The Commission having under consideration the above-captioned and described applications;

It appearing, that, except as indicated by the issues specified below, each of the applicants is legally, technically, financially, and otherwise qualified to construct and operate as proposed; and

It further appearing, that the above-captioned applications are mutually exclusive in that operation by the applicants as proposed would result in mutually destructive interference with each other; and

It further appearing, that the areas for which the applicants propose to provide FM broadcast service are significantly different in size and that, for purposes of comparison, the areas and populations within the respective 1 mv/m contours together with the availability of other FM services (at least 1 mv/m) within such areas will be considered in the hearing ordered below for the purpose of determining whether a comparative preference should accrue to either applicant; and

It further appearing, that, in view of the foregoing, the Commission is unable to make the statutory finding that a grant of the subject applications would serve the public interest, convenience, and necessity, and is of the opinion that the applications must be designated for hearing in a consolidated proceeding on the issues set forth below:

It is ordered, That, pursuant to section 309(e) of the Communications Act of 1934, as amended, the applications are designated for hearing in a consolidated proceeding, at a time and place to be specified in a subsequent Order, upon the following issues:

1. To determine the areas and populations within each of the proposed 1 mv/m contours and the availability of other FM services (at least 1 mv/m) to such areas and populations.

2. To determine, on a comparative basis, which of the proposals would better serve the public interest, convenience, and necessity in light of the evidence adduced pursuant to the foregoing issue and the record made with respect to the significant differences between the applicants as to:

(a) The background and experience of each having a bearing on the applicant's ability to own and operate the FM station as proposed.

(b) The proposals of each of the applicants with respect to the management and operation of the FM broadcast station as proposed.

(c) The programming services proposed in each of the above-captioned applications.

3. To determine, in the light of the evidence adduced pursuant to the foregoing issues which of the applications should be granted.

It is further ordered, That, to avail themselves of the opportunity to be heard, the applicants herein, pursuant to § 1.221(c) of the Commission's rules, in person or by attorney, shall, within 20 days of the mailing of this Order, file with the Commission in triplicate, a written appearance stating an intention to appear on the date fixed for the hearing and present evidence on the issues specified in this Order.

It is further ordered, That the applicants herein shall, pursuant to section 311(a)(2) of the Communications Act of 1934, as amended, and § 1.594 of the Commission's rules, give notice of the hearing, either individually or, if feasible and consistent with the rules, jointly, within the time and in the manner prescribed in such rule, and shall advise the Commission of the publication of such notice as required by § 1.594(g) of the rules.

It is further ordered, That, the issues in the above-captioned proceeding may be enlarged by the Examiner, on his own motion or on petition properly filed by a party to the proceeding, and upon sufficient allegations of fact in support thereof, by the addition of the following issue: To determine whether the funds available to the applicant will give reasonable assurance that the proposals set forth in the applications will be effectuated.

Released: April 2, 1965.

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

[F.R. Doc. 65-3588; Filed, Apr. 6, 1965; 8:50 a.m.]

FEDERAL MARITIME COMMISSION

[Docket No. 1059]

NORTH ATLANTIC WESTBOUND FREIGHT ASSOCIATION

Dual Rate Contract; Order Denying Reconsideration

The Commission entered an Order in this proceeding, January 29, 1965. That Order approved for the use of the North Atlantic Westbound Freight Association a form of dual rate contract submitted pursuant to section 14b of the Shipping Act, 1916, for use by the Association. The Commission's Order of that date emphasized that the draft contract had received the approval of the British shippers involved which represent the overwhelming majority of the shippers in this inbound trade, and the Protestants to the form of contract were not shippers in the trade, and consequently, not affected by this contract. Further, none of the Protestants requested a hearing.

On March 1, 1965, Protestant, U.S. Borax & Chemical Corp., filed a Petition for Reconsideration of that Order. On March 5, the North Atlantic Westbound Freight Association filed its Reply to the instant Petition, requesting that the Petition be denied.

The instant Petition has not brought to our attention any "matter claimed to have been erroneously decided" as required by rule 16(b) of our rules of practice and procedure.

The Commission wishes to reiterate that its approval of the form of contract submitted by the North Atlantic Westbound Freight Association was based on the peculiar facts of that trade, and such approval in no wise detracts from the principle of uniformity enunciated in the Commission's decision in The Dual Rate Cases, 8 F.M.C. ____ (1964). In that decision the Commission indicated that some variations in contract forms would be allowed where peculiar or special circumstances in a given trade warrant a variation. Our decision here should not signal the filing of petitions for contract

[1] Commissioner Loevinger absent.

[2] Commissioner Bartley abstaining from voting; Commissioner Loevinger absent.

[1] Commissioner Loevinger absent.

modifications in other trades which are not based on substantial reasons therefor.

Now, therefore, it is ordered, That the Petition of U.S. Borax and Chemical Corp., for Reconsideration of the Commission's Order entered in Docket No. 1059 on January 29, 1965, be, and it hereby is, denied.

By the Commission.[1]

[SEAL] THOMAS LISI, *Secretary.*

[F.R. Doc. 65-3593; Filed, Apr. 6, 1965; 8:50 a.m.]

[No. 65-6]

PACIFIC WESTBOUND CONFERENCE

Order of Investigation and Hearing Regarding Amendment to Exclusive Patronage (Dual Rate) Contract

Whereas, the Pacific Westbound Conference, formulated under Federal Maritime Commission Agreement No. 57, as amended, has filed a petition to amend its approved form of exclusive patronage (dual rate) contract to change the language and scope of Article 1(d)(2) which reads;

Article 1(d)(2). This Agreement shall not include any shipments by Merchant when carried in vessels owned by Merchant or in vessels fully chartered by Merchant for the exclusive use of the Merchant for a period of not less than six months.

to read:

This agreement shall not include any shipments by Merchant of Merchant's proprietary cargo when carried in vessels owned by Merchant or in vessels fully time or bareboat chartered by Merchant for the exclusive use of the Merchant for a period of not less than six months. As used herein "proprietary cargo" means cargo which has been raised, grown, manufactured, or produced by Merchant and is marketed by Merchant in its name as its own product. It does not include goods purchased by Merchant for resale or bought and sold by Merchant on behalf of others. It excludes all goods of agents, traders or commission merchants.

Whereas, the Pacific Westbound Conference contends that the added language contained in the proposed amendment is consonant with the purpose and intention of the Federal Maritime Commission in its decision in the Dual Rate Cases, and,

Whereas, certain shippers have filed protests in opposition to the proposed amendment, and have requested the Commission to institute an investigation and hearing to resolve the matters at issue: *It is, therefore, ordered*, That pursuant to section 14(b) of the Shipping Act, 1916, an investigation and hearing is hereby instituted to determine whether the proposed amendment to the said exclusive patronage (dual rate) contract meets the requirements of section 14(b) and should be permitted, or modified pursuant to section 14(b).

[1] Dissenting statement of Commissioners Ashton C. Barrett and John S. Patterson filed as part of original document.

It is further ordered, That the Pacific Westbound Conference and its member lines as indicated below be made respondents in this proceeding.

It is further ordered, That this matter be assigned for hearing before an Examiner of the Commission's Office of Hearing Examiners at a date and place to be hereafter determined and announced by the Chief Examiner.

It is further ordered, That notice of this order be published in the FEDERAL REGISTER and that a copy thereof and notice of hearing be served upon respondents specified below.

It is further ordered, That any persons, other than respondents who desire to become a party to this proceeding and to participate therein, shall file a petition to intervene with the Secretary, Federal Maritime Commission, Washington 25, D.C., on or before April 21, 1965, and send copies thereof to respondent Pacific Westbound Conference.

And it is further ordered, That future notices issued by or on behalf of the Commission in this proceeding, including notice of time and place of hearing or prehearing conference, shall be mailed directly to all parties of record.

By the Commission.

[SEAL] THOMAS LISI, *Secretary.*

PACIFIC WESTBOUND CONFERENCE (57)
465 California Street
San Francisco, Calif. 94104

MEMBER LINES

American Mail Line, Ltd., 17 Battery Place, New York 4, N.Y.
American President Lines, Ltd., 610 California Street, San Francisco, Calif.
Isthmian Lines, Inc., States Marine-Isthmian Agency, Inc., 90 Broad Street, New York 4, N.Y.
Japan Line, Ltd., A. L. Burbank & Co., Ltd., general agents, 120 Wall Street, New York 5, N.Y.
Kawasaki Kisen Kaisha, Ltd., 26 Broadway, New York 4, N.Y.
Klaveness Line—joint service, Barber Lines, Inc., 17 Battery Place, New York 4, N.Y.
Knutsen Line—joint service, Boyd, Weir & Sewell, Inc., 24 State Street, New York 4, N.Y.
Maritime Company of the Philippines, Inc., North American Maritime Agencies, general agents, 26 Broadway, New York 4, N.Y.
Mitsui—O.S.K. Line, Ltd., 17 Battery Place, New York 4, N.Y.
Moller-Maersk Line, A.P.—joint service, 67 Broad Street, New York 4, N.Y.
National Development Company (Philippine National Lines), North American Maritime Agencies, agents, 26 Broadway, New York, N.Y.
Nedlloyd & Hoegh Lines—joint service, Nedlloyd Lines, Inc., agents, 25 Broadway, New York 4, N.Y.
Nippon Yusen Kaisha, Ltd., 25 Broadway, New York 4, N.Y.
Pacific Far East Line, Inc., 1 Broadway, New York 4, N.Y.
Showa Shipping Co., Ltd. (Showa Line), F. W. Hartmann & Co., Inc., agents, 120 Wall Street, New York 5, N.Y.
States Marine Line—joint service, 90 Broad Street, New York 4, N.Y.
States Steamship Co., 2 Broadway, New York 4, N.Y.
United Philippine Lines, Inc., Stockard Shipping Co., Inc. general agents, 17 Battery Place, New York 4, N.Y.
Waterman Steamship Corp., 19 Rector Street, New York 6, N.Y.
Yamashita-Shinnihon Steamship Co., Ltd., Texas Transport & Terminal Co., Inc., agents, 52 Broadway, New York 4, N.Y.

[F.R. Doc. 65-3594; Filed, Apr. 6, 1965; 8:50 a.m.]

FEDERAL DEPOSIT INSURANCE CORPORATION

NEW BRUNSWICK TRUST CO.

Notice of Application for Exemption

Pursuant to authority granted the Federal Deposit Insurance Corporation under sections 12(h) and 12(i) of the Securities Exchange Act of 1934, as amended, notice is hereby given to all interested parties that the New Brunswick Trust Co., New Brunswick, N.J., has applied to the Federal Deposit Insurance Corporation for exemption from certain provisions of that Act. The bank has asked the Corporation to exempt it, its officers, directors and certain controlling persons from the requirements of sections 12, 13, 14, and 16 of the Act.

Notice is hereby given interested persons will have opportunity to present their written views or comments on this application on or before April 23, 1965. Communications should be addressed to the Secretary, Federal Deposit Insurance Corporation, 550 17th Street NW., Washington, D.C., 20429.

Dated this 2d day of April 1965.

FEDERAL DEPOSIT INSURANCE CORPORATION,
[SEAL] E. F. DOWNEY, *Secretary.*

[F.R. Doc. 65-3562; Filed, Apr. 6, 1965; 8:48 a.m.]

FEDERAL POWER COMMISSION

[Docket No. RI65-334 etc.]

AMERADA PETROLEUM CORP. ET AL.

Order Providing for Hearings on Suspension of Proposed Changes in Rates; Correction

MARCH 5, 1965.

Amerada Petroleum Corporation, et al., Docket Nos. RI65-334, et al.; Amerada Petroleum Corporation, Docket No. RI65-334; Amerada Petroleum Corporation (Operator), et al., Docket No. RI65-336.

In the Order Providing for Hearings on and Suspension of Proposed Changes in Rates, issued November 30, 1964, and published in the FEDERAL REGISTER December 8, 1964 (F.R. Doc. 64-12469; 29 F.R. 16843), make the following changes in Appendix "A":

Delte footnote 7 after Amerada Petroleum Corporation, Rate Schedule No. 97, Supplement No. 2 under column headed "Proposed Increased Rate".

Add footnote 7 after Rate Schedule No. 93, Supplement No. 4 under column headed "Proposed Increased Rate".

Add footnote 22 after Rate Schedule No. 42, Supplement No. 6 in the "Proposed Increased Rate" column. Also change footnote 7 to read footnote 22 after Rate Schedule No. 23, Supplement No. 15.

Change footnote 7 to read footnote 22 after Amerada Petroleum Corporation (Operator), et al., Rate Schedule No. 71, Supplement No. 3.

Add a new footnote to read as follows:

[22] Base Price is applicable to 1,000 B.t.u. gas with a proportionate upward and downward B.t.u. adjustment.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 65-3532; Filed, Apr. 6, 1965; 8:46 a.m.]

[Docket No. G-7229, etc.[1]]

ARKLA EXPLORATION CO.

Order Amending Orders Issuing Certificates, Redesignating Proceedings, and Redesignating FPC Gas Rate Schedules

MARCH 31, 1965.

On February 10, 1965, Arkla Exploration Company filed an application to advise the Commission of a change in its corporate name from Southwest Natural Production Co. effective December 1, 1964. No change in corporate structure is involved.

The Commission orders:

(A) The orders issuing certificates of public convenience and necessity to Southwest Natural Production Co. in the following dockets be and the same are hereby amended by changing the name of the certificate holder to Arkla Exploration Co., and in all other respects said orders shall remain in full force and effect: G-7229, G-11204, G-14209, G-14612, G-15460, G-16164, G-16275, G-19112, G-19143, CI61-409, CI61-1396, CI63-1189, CI63-1277, CI65-2.

(B) The name of the respondent in the proceedings pending in Docket Nos. RI64-233, RI64-240, and RI64-277 be and the same is hereby changed from Southwest Natural Production Co. to Arkla Exploration Co., and said proceedings are redesignated accordingly.

(C) The presently effective FPC gas rate schedules of Southwest Natural Production Co. be and the same are hereby redesignated, with the same numerical designations, as FPC gas rate schedules of Arkla Exploration Co.

By the Commission.

[SEAL] JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 65-3533; Filed, Apr. 6, 1965; 8:46 a.m.]

[Docket No. CP65-299]

CENTRAL ILLINOIS PUBLIC SERVICE CO.

Notice of Application

MARCH 31, 1965.

Take notice that on March 25, 1965, Central Illinois Public Service Co. (Applicant), Springfield, Ill., filed in Docket No. CP65-299 an application pursuant to section 7(a) of the Natural Gas Act for an order of the Commission directing Trunkline Gas Co. (Trunkline) to establish physical connection of its natural gas transmission facilities with the facilities proposed to be constructed by Applicant, and to sell and deliver natural gas to Applicant for resale and distribution in Gays, Moultrie County, Ill., and environs, all as more fully set forth in the application on file with the Commission and open to public inspection.

Applicant seeks physical connection of its proposed lateral transmission facilities with Trunkline's pipeline at a point approximately three miles northeast of Gays, Illinois, and the sale and delivery of the third year maximum day requirements of Applicant for Gays of 201 Mcf at such connection.

Total estimated volumes of natural gas involved to meet Applicant's annual and peak day requirements for the initial three year period of proposed operations are stated to be:

	First year	Second year	Third year
Annual (Mcf)	13,310	19,000	20,850
Peak day (Mcf)	128	183	201

Total estimated cost of Applicant's proposed construction, including transmission facilities and distribution system, is stated to be $55,225, and will be financed with internally generated funds.

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) on or before April 30, 1965.

GORDON M. GRANT,
Acting Secretary.

[F.R. Doc. 65-3534; Filed, Apr. 6, 1965; 8:45 a.m.]

[Docket No. CP65-300]

CENTRAL ILLINOIS PUBLIC SERVICE CO.

Notice of Application

MARCH 31, 1965.

Take notice that on March 25, 1965, Central Illinois Public Service Co. (Applicant), Springfield, Ill., filed in Docket No. CP65-300 an application pursuant to section 7(a) of the Natural Gas Act for an order of the Commission directing Trunkline Gas Co. (Trunkline) to establish physical connection of its natural gas transmission facilities with the facilities proposed to be constructed by Applicant, and to sell and deliver natural gas to Applicant for resale and distribution in Thompsonville, Franklin County, Ill., and environs, all as more fully set forth in the application on file with the Commission and open to public inspection.

Applicant seeks physical connection of its proposed lateral transmission facilities with Trunkline's pipeline at a point approximately 1.5 miles east of Thompsonville, Ill., and the sale and delivery of the third year maximum day requirements of Applicant for Thompsonville of 158 Mcf at such connection.

Total estimated volumes of natural gas involved to meet Applicant's annual and peak day requirements for the initial 3-year period of proposed operations are stated to be:

	First year	Second year	Third year
Annual (Mcf)	7,700	11,985	14,200
Peak day (Mcf)	78	124	136

Total estimated cost of Applicant's proposed construction, including transmission facilities and distribution system, is stated to be $67,988, and will be financed with internally generated funds.

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) on or before April 30, 1965.

GORDON M. GRANT,
Acting Secretary.

[F.R. Doc. 65-3535; Filed, Apr. 6, 1965; 8:45 a.m.]

[Docket No. CP65-301]

CENTRAL ILLINOIS PUBLIC SERVICE CO.

Notice of Application

MARCH 31, 1965.

Take notice that on March 25, 1965, Central Illinois Public Service Co. (Applicant), Springfield, Ill., filed in Docket No. CP65-301 an application pursuant to section 7(a) of the Natural Gas Act for an order of the Commission directing Panhandle Eastern Pipe Line Co. (Panhandle) to establish physical connection of its natural gas transmission facilities with the facilities proposed to be constructed by Applicant, and to sell and deliver natural gas to Applicant for resale and delivery in Alvin, Henning, and Bismarck, Vermilion County, Ill., and their environs, all as more fully set forth in the application on file with the Commission and open to public inspection.

Applicant seeks physical connection of its proposed lateral transmission facilities with Panhandle's pipeline at a point approximately 1.75 miles east of Henning, Ill., and the sale and delivery of the total third year maximum day requirements of Applicant for the above communities of 578 Mcf at such connection.

Total estimated volumes of natural gas involved to meet Applicant's annual and peak day requirements for the initial three year period of proposed operations are stated to be:

	First year	Second year	Third year
Alvin:			
Annual (Mcf)	7,535	11,900	14,705
Peak day (Mcf)	68	109	135
Henning:			
Annual (Mcf)	8,640	13,860	17,765
Peak day (Mcf)	79	126	162
Bismarck:			
Annual (Mcf)	17,800	28,915	30,355
Peak day (Mcf)	162	237	280

[1] Additional dockets are listed below.

Total estimated cost of Applicant's proposed construction, including transmission facilities and distribution systems, is stated to be $189,236, and will be financed with internally generated funds.

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) on or before April 30, 1965.

GORDON M. GRANT,
Acting Secretary.

[F.R. Doc. 65-3536; Filed, Apr. 6, 1965; 8:45 a.m.]

[Docket No. CP65-303]

CENTRAL ILLINOIS PUBLIC SERVICE CO.

Notice of Application

MARCH 31, 1965.

Take notice that on March 25, 1965, Central Illinois Public Service Co. (Applicant), Springfield, Ill., filed in Docket No. CP65-303 an application pursuant to section 7(a) of the Natural Gas Act for an order of the Commission directing Natural Gas Pipeline Company of America (Natural) to establish physical connection of its natural gas transmission facilities with the facilities proposed to be constructed by Applicant, and to sell and deliver natural gas to Applicant for resale and distribution in Gorham, Jackson County, Ill., and environs, all as more fully set forth in the application on file with the Commission and open to public inspection.

Applicant seeks physical connection of its proposed lateral transmission facilities with Natural's pipeline at a point approximately 1.7 miles northeast of Gorham, Ill., and the sale and delivery of the third year maximum day requirements of Applicant for Gorham of 107 Mcf at such connection.

Total estimated volumes of natural gas involved to meet Applicant's annual and peak day requirements for the initial three-year period of proposed operations are stated to be:

	First year	Second year	Third year
Annual (Mcf)	4,475	7,625	10,500
Peak day (Mcf)	47	78	107

Total estimated cost of Applicant's proposed construction, including transmission facilities and distribution system, is $51,914, and will be financed with internally generated funds.

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) on or before April 30, 1965.

GORDON M. GRANT,
Acting Secretary.

[F.R. Doc. 65-3537; Filed, Apr. 6, 1965; 8:45 a.m.]

[Docket No. CP65-298]

GAS BOARD OF THE CITY OF PARRISH, ALA.

Notice of Application

MARCH 31, 1965.

Take notice that on March 24, 1965, the Gas Board of the City of Parrish, Ala. (Applicant) filed in Docket No. CP 65-298 an application pursuant to Section 7(a) of the Natural Gas Act for an order of the Commission directing Southern Natural Gas Co. (Southern) to establish physical connection of its natural gas transmission facilities with the facilities proposed to be constructed by Applicant, and to sell and deliver natural gas to Applicant for resale and distribution in the City of Parrish, Ala., and environs, all as more fully set forth in the application on file with the Commission and open to public inspection.

Applicant seeks physical connection of its proposed lateral transmission facilities with Southern's pipeline at a point near Cordova, Ala., and the sale and delivery of the third year maximum day requirements of Parrish, Ala., of 532 Mcf at such connection. Applicant also proposes to take delivery of up to 286 Mcf per day for the account of Oakman, Ala., as set forth in the application in Docket No. CP65-297.

Total estimated volumes of natural gas involved to meet Applicant's annual and peak day requirements for the initial three year period of proposed operations are stated to be:

	First year	Second year	Third year
Annual (Mcf)	22,343	33,439	45,073
Peak day (Mcf)	270	401	532

Total estimated cost of Applicant's proposed construction, including transmission facilities and distribution system, is stated to be $250,000, and will be financed with proceeds from the issuance and sale of natural gas revenue bonds to Southern Bond Co. of Jackson, Miss.

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) on or before April 30, 1965.

GORDON M. GRANT,
Acting Secretary.

[F.R. Doc. 65-3538; Filed, Apr. 6, 1965; 8:46 a.m.]

[Docket No. CP65-296]

NEW YORK STATE NATURAL GAS CORP. ET AL.

Notice of Application

MARCH 30, 1965.

New York State Natural Gas Corp., Texas Eastern Transmission Corp., Transcontinental Gas Pipe Line Corp., Docket No. CP65-296.

Take notice that on March 23, 1965, New York State Natural Gas Corp., Pittsburgh, Pa., Texas Eastern Transmission Corp., Houston, Tex., and Transcontinental Gas Pipe Line Corp., Houston, Tex., filed in Docket No. CP65-296 a joint 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, all as more fully set forth in the application on file with the Commission and open to public inspection.

Specifically, the companies here involved propose to install and operate a 2,000 horsepower compressor and construct and operate various other facilities to increase the top storage capacity of the Leidy Storage Pool, located in Clinton and Potter Counties, Pa., by 5,000,000 Mcf, from 40,000,000 Mcf to 45,000,000 Mcf. The application states that the proposed increase in capacity is for utilization by New York State Natural Gas Corp., and that upon completion of the present phase of development, each of the three companies involved will be entitled to 15,000,000 Mcf of storage capacity.

The application further states that the present additional development of the Leidy Storage Pool is being undertaken pursuant to Amendment No. 5 to the Leidy-Tamarack Transfer and Storage Agreement between the parties, dated March 12, 1965. The original contract covering initial development of the pool is dated September 18, 1958.

Total estimated cost of the facilities proposed herein is $630,000, to be borne equally by the three companies involved, and will be financed with funds derived from internal sources. New York Natural, in addition, will be obligated in the amount of $1,913,000 for facilities heretofore installed in connection with the Leidy Storage Pool project, and proposes to defray such expense with internal funds.

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 30, 1965.

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, and 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,
Acting Secretary.

[F.R. Doc. 65-3539; Filed, Apr. 6, 1965; 8:46 a.m.]

[Docket No. CP65-304]

NORTHERN NATURAL GAS CO.

Notice of Application

MARCH 30, 1965.

Take notice that on March 24, 1965, Northern Natural Gas Co. (Applicant), Omaha, Nebr., filed in Docket No. CP65-304 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, all as more fully set forth in the application on file with the Commission and open to public inspection.

Specifically, Applicant seeks authorization to construct and operate a new delivery point in Dodge County, Nebr., consisting of measuring and regulating facilities and appurtenances, for the delivery through its Peoples Division (Peoples) of up to 52,800 Mcf of natural gas per year on an interruptible basis to Rawhide Products, Inc. for use in the latter's new alfalfa dehydration plant.

Total estimated cost of Applicant's proposed construction is $3,400. The application states that Peoples will reimburse Applicant the actual cost of constructing the facilities.

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 30, 1965.

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 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, and 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,
Acting Secretary.

[F.R. Doc. 65-3540; Filed, Apr. 6, 1965; 8:47 a.m.]

[Docket No. CP65-302]

UNITED GAS PIPE LINE CO.

Notice of Application

MARCH 31, 1965.

Take notice that on March 24, 1965, United Gas Pipe Line Co. (Applicant), Shreveport, La., filed in Docket No. CP65-302 an application pursuant to section 7(b) of the Natural Gas Act for permission and approval to abandon certain natural gas facilities, all as more fully set forth in the application on file with the Commission and open to public inspection.

Specifically, Applicant seeks permission and approval to abandon Commercial Solvents Corp. Delivery Stations Nos. 1 and 2, both located in Ouachita Parish, La.

The application states that the facilities involved herein have heretofore been utilized for service to Commercial Solvents Corp., and that since the contract between Applicant and this customer has terminated by its own terms, the facilities are no longer required.

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 30, 1965.

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, and the Commission on its own review of the matter finds that permission and approval for the proposed abandonment are 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,
Acting Secretary.

[F.R. Doc. 65-3541; Filed, Apr. 6, 1965; 8:47 a.m.]

INTERNATIONAL JOINT COMMISSION

GREAT LAKES LEVELS

Public Hearings

The International Joint Commission has been requested by the Governments of the United States and Canada to study the factors which affect the fluctuations of water levels in the Great Lakes and their connecting waters; and to determine whether in its judgment action within the Great Lakes Basin would be practicable and in the public interest for the purpose of bringing about a more beneficial range of stage for, and improvement in (a) domestic water supply and sanitation; (b) navigation; (c) water for power and industry; (d) flood control; (e) agriculture; (f) fish and wildlife; (g) recreation; and (h) other beneficial public purposes.

The International Joint Commission, in accordance with its Rules of Procedure, will hold public hearings at the times and places listed below for the purpose of receiving testimony and evidence relevant to the subject matter of the investigation. The hearings will provide convenient opportunity for any interested person to express pertinent information and opinions to the Commission. Oral submissions will be received but, for accuracy of the record, all important statements of fact and argument should be submitted in writing where possible to one of the Secretaries in advance of the hearing.

Dates and places of public hearings are set out below. Persons intending to appear and give evidence should attend whichever hearing is convenient to them.

Date	Time	Place
Monday, May 10, 1965	9:30 a.m.	Education Centre, Toronto Board of Education, 155 College St., Toronto, Ontario, Canada.
Tuesday, May 11, 1965	11:00 a.m.	City Commission Room, City-County Bldg., 325 Court St., Sault Ste. Marie, Mich.
Tuesday, May 25, 1965	9:30 a.m.	Dieppe Room, Cleary Auditorium, Windsor, Ontario, Canada.
Wednesday, May 26, 1965	do.	U.S. District Ceremonial Court Room, 25th Floor (Room 2525), New Federal Bldg., 219 South Dearborn St., Chicago, Ill.
William A. Bullard, Secretary, United States Section, International Joint Commission, 1711 New York Ave. NW., Room B-208, Washington, D.C., 20440.		D. G. Chance, Secretary, Canadian Section, International Joint Commission, Room 303, 75 Albert St., Ottawa 4, Ontario, Canada.

WILLIAM A. BULLARD,
Secretary, United States Section, International Joint Commission.

APRIL 2, 1965.

[F.R. Doc. 65-3628; Filed, Apr. 6, 1965; 8:51 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 70-4264]

COMMONWEALTH NATURAL GAS CORP.

Notice of Filing Regarding Proposed Acquisition by Exempt Holding Company of Securities of Nonassociate Public-Utility Company

APRIL 1, 1965.

Notice is hereby given that Commonwealth Natural Gas Corp. ("Commonwealth"), 200 South Third Street, Richmond, Va., a public-utility holding company, which, pursuant to Rule 2 promulgated under the Public Utility Holding Company Act of 1935 ("Act"), is exempt from all provisions of the Act except section 9(a)(2) thereof, has filed an application and amendments thereto, designating sections 9(a)(2) and 10 of the Act as applicable to the transactions therein proposed. All interested persons are referred to the amended application, on file at the office of the Commission, for a statement of the proposed transactions which are summarized as follows:

Commonwealth owns and operates a natural gas pipeline in Virginia through which it receives natural gas from a nonassociate gas transmission company and sells gas to various companies and municipalities for resale. It has six subsidiary companies, including Portsmouth Gas Co., a gas utility company as defined in the Act, serving gas at retail at Portsmouth, Va. Commonwealth and all of its subsidiary companies are Virginia corporations and carry on their operations in that State. At December 31, 1964, the consolidated assets of the Commonwealth system totaled $26,472,314, and for the year 1964 the consolidated revenues were $28,241,186. Among other securities, Commonwealth had outstanding 942,934 shares of $5 par value common stock at December 31, 1964.

As more fully described below, Commonwealth proposes to acquire, among other securities, approximately 97 percent of the common stock of Natural Gas Service Co. ("Natural"), a Virginia corporation and a nonassociate gas utility company serving natural gas at retail in and around Fredericksburg, Va. At December 31, 1964, the total assets of Natural were $1,594,112, and for the year 1964 its total revenues were $389,418. As at the same date Natural had outstanding $725,000 principal amount of first mortgage bonds due 1979 and 1984 (all held by an institutional investor); $200,000 principal amount of 6 percent Subordinated Income Debentures due 1984; $54,595 principal amount of 6 percent Convertible Notes due 1971; and 89,081 shares of $1 par value common stock. The Convertible Notes are convertible into common stock on the basis of one share for each $5 principal amount thereof.

Commonwealth proposes to acquire the following securities of Natural pursuant to an agreement with the holders thereof: (a) 89,002 shares of common stock; (b) $21,870 principal amount of Convertible Notes; and (c) $140,500 principal amount of Income Debentures. Of said common shares, 64,670 will be acquired for cash at $6 per share, or $388,020; and 24,332 shares will be acquired in exchange for 3,475 shares of Commonwealth's authorized but unissued $5 par value common stock plus a cash adjustment of $42. The Convertible Notes (convertible into 4,374 shares of Natural's common stock) will be acquired for cash at 120 percent of principal amount, or $26,244, plus accrued interest; and the Income Debentures will be acquired for cash at principal amount. In addition, Commonwealth will pay certain miscellaneous costs aggregating not more than $11,500.

Commonwealth has heretofore acquired and now owns 700 shares of common stock and $2,620 principal amount of Convertible Notes (convertible into 524 shares of Natural's common stock). Upon consummation of the proposed acquisitions, Commonwealth will forthwith convert all its holdings of Convertible Notes into Natural's common stock, and will thereupon own an aggregate of 94,600 shares, or approximately 97 percent, of Natural's then outstanding 97,729 shares of common stock (after giving effect to said conversions of Convertible Notes as well as to other conversions incident to the foregoing transactions).

Commonwealth proposes to make a continuing offer (subject to termination at Commonwealth's option) to purchase for cash (a) the remaining publicly-held shares of Natural's common stock at $6 per share; (b) the remaining publicly-held Income Debentures at 100 percent of principal amount; and (c) the remaining publicly-held Convertible Notes at 120 percent of principal amount and accrued interest.

The proposed acquisitions by Commonwealth have been approved by the State Corporation Commission of Virginia, the State in which Commonwealth is organized and doing business. The filing states that the fees and expenses to be incurred by Commonwealth in connection with the proposed transactions (exclusive of the miscellaneous costs mentioned above) are estimated at $2,627, including counsel fees and expenses of $2,500.

Notice is further given that any interested person may, not later than April 20, 1965, request in writing that a hearing be held in respect of such matters, stating the nature of his interest, the reasons for such request, and the issues of fact or law which he desires to controvert; or he may request that he be notified should the Commission 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 in person or by mail (air mail if the person being served resides more than 500 miles from the point of mailing) upon the applicant at the above-noted address, and proof of service thereof (by affidavit or, in case of an attorney at law, by certificate) should be filed contemporaneously with the request. At any time after said date, the application, as filed or as it may be further amended, may be granted as provided in Rule 23 of the general rules and regulations promulgated under the Act; or the Commission may grant exemption from such rules as provided in Rules 20(a) and 100 thereof, or take such other action as it may deem appropriate.

For the Commission (pursuant to delegated authority).

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 65-3529; Filed, Apr. 6, 1965; 8:46 a.m.]

EMPIRE PETROLEUM CO.

Order Suspending Trading

APRIL 1, 1965.

The common stock, $1 par value, of Empire Petroleum Co., not registered on any national securities exchange, is being traded otherwise than on a national securities exchange; and

It appearing to the Securities and Exchange Commission that the summary suspension of such trading in such securities is required in the public interest and for the protection of investors;

It is ordered, Pursuant to section 15(c)(5) of the Securities Exchange Act of 1934, that trading in the common stock, $1 par value, of Empire Petroleum Company, otherwise than on a national securities exchange, be summarily suspended, this order to be effective for the period April 1, 1965 to April 5, 1965, both dates inclusive.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 65-3530; Filed, Apr. 6, 1965; 8:46 a.m.]

[File No. 70-4268]

JERSEY CENTRAL POWER & LIGHT CO.

Notice of Proposed Issue and Sale of Notes to Banks

APRIL 1, 1965.

Notice is hereby given that Jersey Central Power & Light Co. ("JCP&L"), Madison Avenue at Punch Bowl Road, Morristown, N.J., 07960, an electric utility subsidiary company of General Public Utilities Corp., a registered holding company, has filed an application with this Commission, pursuant to the Public Utility Holding Company Act of 1935 ("Act"), designating section 6(b) thereof as applicable to the proposed transaction. All interested persons are referred to the application, on file at the office of the Commission, for a statement of the transaction therein proposed which is summarized below:

Pursuant to the provisions of the first sentence of section 6(b) of the Act, JCP&L requests authority to issue and sell to a group of banks its unsecured promissory notes maturing in not more

than 9 months after the date of issue, in an aggregate principal amount of $23,800,000, equivalent to 10 percent of the aggregate principal amount and par value of its other securities outstanding at December 31, 1964. Included within the proposed $23,800,000 principal amount of short-term notes is $7,300,000 principal amount of presently outstanding short-term notes heretofore issued by JCP&L pursuant to the 5 percent exemption provided by the first sentence of section 6(b) of the Act.

Shown below is the maximum principal amount of notes which may be issued to each of the designated banks, including the notes heretofore issued and outstanding:

Irving Trust Co., New York, N.Y.	$6,100,000
Chemical Bank New York Trust Co., New York, N.Y.	4,200,000
The Chase Manhattan Bank, New York, N.Y.	3,000,000
Bankers Trust Co., New York, N.Y.	2,000,000
Fidelity Union Trust Co., Newark, N.J.	3,000,000
The National State Bank of Newark, Newark, N.J.	1,000,000
The Monmouth County National Bank, Red Bank, N.J.	600,000
The Central Jersey Bank and Trust Co., Allenhurst, N.J.	600,000
Trust Company of Morris County, Morristown, N.J.	500,000
First Merchants National Bank, Asbury Park, N.J.	500,000
New Jersey National Bank & Trust Co., Asbury Park, N.J.	400,000
The First National Iron Bank, Morristown, N.J.	400,000
The National State Bank, Elizabeth, N.J.	300,000
The First National Bank of Jersey City, Jersey City, N.J.	300,000
Summit and Elizabeth Trust Co., Summit, N.J.	600,000
The National Union Bank of Dover, Dover, N.J.	300,000
Total	$23,800,000

The notes heretofore issued as well as those to be issued will mature not later than nine months from the respective dates of issue, and are prepayable at any time without premium. The presently outstanding notes bear interest at the prime rate (4½ percent per annum) for commercial borrowing in New York City at the dates of issue; the notes to be issued will similarly bear interest at the prime rate (presently 4½ percent per annum) in New York City on their respective dates of issue.

The proposed notes will be issued and sold from time to time, not later than June 30, 1966, and the proceeds will be used by JCP&L for construction expenditures and/or to repay other short-term borrowings, the proceeds of which have been so applied. JCP&L's construction program for 1965 contemplates the expenditure by it of $56,115,000.

JCP&L represents that if any permanent debt securities are issued and sold by it prior to the maturity of all notes proposed to be issued under this filing, the net proceeds thereof (as defined) will be applied in reduction of or in total payment of such notes, and that the maximum amount of notes authorized to be outstanding hereunder will be reduced by the amount of such net proceeds.

JCP&L estimates that its expenses incident to the proposed issue and sale of notes will be approximately $2,100, including counsel fees of $1,800; and it states that no State commission and no Federal commission, other than this Commission, has jurisdiction over the proposed transaction.

Notice is further given that any interested person may, not later than April 29, 1965, request in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by said application which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C., 20549. A copy of such request should be served personally or by mail (air mail if the person being served is located more than 500 miles from the point of mailing) upon applicant, at the above-stated address, and proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed contemporaneously with the request. At any time after said date, the application, as filed or as it may be amended, may be granted as provided in Rule 23 of the general rules and regulations promulgated under the Act, or the Commission may grant exemption from such rules as provided in Rules 20(a) and 100 thereof or take such other action as it may deem appropriate.

For the Commission (pursuant to delegated authority).

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 65-3531; Filed, Apr. 6, 1965; 8:46 a.m.]

INTERSTATE COMMERCE COMMISSION

FOURTH SECTION APPLICATIONS FOR RELIEF

APRIL 2, 1965.

Protests to the granting of an application must be prepared in accordance with Rule 1.40 of the general rules of practice (49 CFR 1.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

LONG-AND-SHORT HAUL

FSA No. 39669—*Brick and related articles between points in WTL territory.* Filed by Western Trunk Line Committee, Agent (No. A-2397), for interested rail carriers. Rates on brick and related articles, in carloads, between Salina and Sid, Kan., on the one hand, and points in western trunkline territory, on the other.

Grounds for relief—Market competition, modified short-line distance formula and grouping.

Tariff—Supplement 90 to Western Trunk Line Committee, Agent, tariff I.C.C. A-4475.

FSA No. 39670—*Cinders from Erwinville, La.* Filed by Southwestern Freight Bureau, Agent (No. B-8712), for interested rail carriers. Rates on cinders, viz.; coal, clay, shale or slate, in carloads, from Erwinville, La., to specified points in Alabama, Florida, Georgia, Kentucky, and Tennessee.

Grounds for relief—Carrier competition.

Tariff—Supplement 54 to Southwestern Freight Bureau, Agent, tariff I.C.C. 4565.

By the Commission.

[SEAL] BERTHA F. ARMES, *Acting Secretary.*

[F.R. Doc. 65-3569; Filed, Apr. 6, 1965; 8:48 a.m.]

[Notice 347]

MOTOR CARRIER ALTERNATE ROUTE DEVIATION NOTICES

APRIL 2, 1965.

The following letter-notices of proposals to operate over deviation routes for operating convenience only have been filed with the Interstate Commerce Commission, under the Commission's Deviation Rules Revised, 1957 (49 CFR 211.1(c)(8)) and notice thereof to all interested persons is hereby given as provided in such rules (49 CFR 211.1(d)(4)).

Protests against the use of any proposed deviation route herein described may be filed with the Interstate Commerce Commission in the manner and form provided in such rules (49 CFR 211.1(e)) at any time, but will not operate to stay commencement of the proposed operations unless filed within 30 days from the date of publication.

Successively filed letter-notices of the same carrier under the Commission's Deviation Rules Revised, 1957, will be numbered consecutively for convenience in identification and protests if any should refer to such letter-notices by number.

MOTOR CARRIERS OF PROPERTY

No. MC 26739 (Deviation No. 11), CROUCH BROS., INC., Transport Building, St. Joseph, Mo., 64501, filed March 22, 1965. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *general commodities*, with certain exceptions, over a deviation route as follows: From Davenport, Iowa, over Interstate Highway 80 to junction Iowa Highway 141 (approximately 9 miles west of Des Moines, Iowa), thence over Iowa Highway 141 to junction Iowa Highway 64, thence over Iowa Highway 64 to Guthrie Center, Iowa, thence over Iowa Highway 25 to junction Iowa Highway 90, thence over Iowa Highway 90 to Casey, Iowa, thence over unnumbered highway to junction Interstate Highway 80, thence over Interstate Highway 80 to junction U.S. Highway 71, thence over U.S. Highway 71 to Clarinda, Iowa, and return over the same route, for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities over pertinent service routes as follows: From Chicago, Ill, over U.S. Highway 66 to junction U.S. Highway 52, thence over U.S. Highway 52 to junction U.S. High-

way 51, thence over U.S. Highway 51 to Mendota, Ill., thence over Illinois Highway 92 to Moline-Rock Island, Ill., thence over the Mississippi River to junction U.S. Highway 61, thence over U.S. Highway 61 to junction Iowa Highway 92, thence over Iowa Highway 92, to Washington, Iowa, thence over Iowa Highway 1 to Fairfield, Iowa, thence over U.S. Highway 34 to Ottumwa, Iowa, thence over U.S. Highway 63 to Bloomfield, Iowa, thence over Iowa Highway 2 to Bedford, Iowa, thence over Iowa Highway 148 to the Iowa-Missouri State line, thence over Missouri Highway 27 to junction U.S. Highway 71, and thence over U.S. Highway 71 to Maryville, Mo., from Maryville, Mo., over U.S. Highway 71 to Clarinda, Iowa, thence over Iowa Highway 2 to Shenandoah, Iowa, thence over U.S. Highway 59 to Emercon, Iowa, thence over U.S. Highway 34 to Glenwood, Iowa, and thence over U.S. Highway 275 to Omaha, Nebr., and return over the same routes.

No. MC 29555 (Deviation No. 10), BRIGGS TRANSPORTATION CO., 2360 County Road C, St. Paul, Minn., 55113, filed March 25, 1965. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *general commodities*, with certain exceptions, over a deviation route as follows: From Minneapolis-St. Paul, Minn., over Minnesota Highway 36 to junction Minnesota Highway 95 near Stillwater, Minn., thence over Minnesota Highway 95 to junction U.S. Highway 12, and return over the same route, for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities over a pertinent service route as follows: From Minneapolis-St. Paul, Minn., over U.S. Highway 12 to junction Minnesota Highway 95, and return over the route.

No. MC 29555 (Deviation No. 11), BRIGGS TRANSPORTATION CO., 2360 W. County Road C, St. Paul, Minn., 55113, filed March 26, 1965. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *general commodities*, with certain exceptions, over a deviation route as follows: From junction U.S. Highway 6 and Iowa Highway 48, over Iowa Highway 48 to junction Iowa Highway 92, thence over Iowa Highway 92 to Council Bluffs, Iowa, and return over the same route, for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities over a pertinent service route as follows: From junction U.S. Highway 6 and Iowa Highway 48, over U.S. Highway 6 to Council Bluffs, Iowa, and return over the same route.

No. MC 43421 (Deviation No. 10), DOHRN TRANSFER COMPANY, 4016 Ninth Street, Rock Island, Ill. Applicant's attorney: Edward G. Bazelon, 39 South La Salle Street, Chicago 3, Ill., filed March 23, 1965. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *general commodities*, with certain exceptions over a deviation route as follows: From Cincinnati, Ohio, over Interstate Highway 75 to junction Interstate Highway 275, thence over Interstate Highway 275 to junction Interstate Highway 71, thence over Interstate Highway 71 to Columbus, Ohio, and return over the same route, for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities over pertinent service routes as follows: From Chicago, Ill., over U.S. Highway 41 to junction U.S. Highway 52, thence over U.S. Highway 52 to Indianapolis, Ind., thence over U.S. Highway 40 to Columbus, Ohio; from Cincinnati, Ohio, over U.S. Highway 225 to Wapakoneta, Ohio, thence over U.S. Highway 33 to Fort Wayne, Ind., and thence over U.S. Highway 30 to junction U.S. Highway 41, and return over the same routes.

No. MC 108185 (Deviation No. 7), DIXIE HIGHWAY EXPRESS, INC., 1900 Vanderbilt Road, Birmingham, Ala., filed March 22, 1965. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *general commodities*, with certain exceptions, over a deviation route as follows: From Pulleys Mill, Ill., over Illinois Highway 148 to junction Illinois Highway 13 and return over the same route, for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities over a pertinent service route as follows: From Pulleys Mill, Ill., over Illinois Highway 37 to junction Illinois Highway 13, thence over Illinois Highway 13 to junction Illinois Highway 148, and return over the same route.

MOTOR CARRIERS OF PASSENGERS

No. MC 1515 (Deviation No. 232), GREYHOUND LINES, INC. (WESTERN DIVISION), Market and Fremont Streets, San Francisco, Calif., 94106. Applicant's attorney: W. T. Meinhold, 371 Market Street, San Francisco, Calif., 94106, filed March 23, 1965. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *passengers and their baggage*, and *express and newspapers*, in the same vehicle with passengers over deviation routes in California as follows: (1) From junction Business U.S. Highway 60 and U.S. Highway 60 (Soto Avenue Junction), over U.S. Highway 60 to junction Business Route U.S. Highway 60 (East Riverside); (2) from junction U.S. Highway 395 and Interstate Highway 10 (San Bernardino Junction), over Interstate Highway 10 to Redlands; and (3) from junction U.S. Highway 60 and U.S. Highway 395 in Riverside (Riverside Freeway Junction), over U.S. Highway 395 to junction Business Route U.S. Highway 395 (North Riverside), and return over the same routes, for operating convenience only. The notice indicates that the carrier is presently authorized to transport passengers and the same property over pertinent service routes as follows: From Los Angeles over U.S. Highway 70 to West Pomona, thence over U.S. Highway 60 to junction Interstate Highway 10 (West Beaumont Junction), thence over Interstate Highway 10 to Banning, thence over U.S. Highway 70 to the point where it intersects the California-Arizona State line; from junction U.S. Highway 60 and U.S. Highway 70 West of Pomona (West Pomona), over U.S. Highway 70 to Beaumont; from Riverside over LaCadena Drive to Colton, thence over Colton Avenue to junction U.S. Highway 395 (South San Bernardino Junction), thence over U.S. Highway 395 to San Bernardino, and return over the same routes.

No. MC 2890 (Deviation No. 48), AMERICAN BUSLINES, INC., 1805 Leavenworth Street, Omaha 2, Nebr., filed March 18, 1965. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *passengers and their baggage*, and *express and newspapers*, in the same vehicle with passengers, over a deviation route as follows: Between Springfield and Joplin, Mo., over Interstate Highway 44, for operating convenience only. The notice indicates that the carrier is presently authorized to transport passengers and the same property over a pertinent service route as follows: Between St. Louis and Joplin, Mo., over U.S. Highway 66.

No. MC 2890 (Deviation No. 49), AMERICAN BUSLINES, INC., 1805 Leavenworth Street, Omaha 2, Nebr., filed March 18, 1965. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *passengers and their baggage*, and *express* and *newspapers*, in the same vehicle with passengers, over deviation routes as follows: (1) From junction new U.S. Highway 66 and old U.S. Highway 66 (now unnumbered highway) east of Bourbon, Mo., over new U.S. Highway 66 to junction old U.S. Highway 66 (now unnumbered highway) west of Cuba, Mo.; (2) from junction new U.S. Highway 66 and old U.S. Highway 66 (also U.S. Highway 63) north of Rolla, Mo., over new U.S. Highway 66 to junction old U.S. Highway 66 (now unnumbered highway) west of Rolla; (3) from junction new U.S. Highway 66 and old U.S. Highway 66 (now unnumbered highway) east of Waynesville, Mo., over new U.S. Highway 66 to junction old U.S. Highway 66 (now unnumbered highway) west of Waynesville, Mo.; and (4) from junction new U.S. Highway 66 and old U.S. Highway 66 (now unnumbered highway) east of Waynesville, Mo., over new U.S. Highway 66 to junction old U.S. Highway 66 (now unnumbered highway) west of Lebanon, and return over the same routes for operating convenience only. The notice indicates that the carrier is presently authorized to transport passengers and the same property over a pertinent service route as follows: between St. Louis and Joplin, Mo., over U.S. Highway 66.

By the Commission.

[SEAL] BERTHA F. ARMES, *Acting Secretary.*

[F.R. Doc. 65-3570; Filed, Apr. 6, 1965; 8:48 a.m.]

[Notice 753]

MOTOR CARRIER APPLICATIONS AND CERTAIN OTHER PROCEEDINGS

APRIL 2, 1965.

The following publications are governed by the new Special Rule 1.247 of the Commission's rules of practice, published in the FEDERAL REGISTER, issue of December 3, 1963, which became effective January 1, 1964.

APPLICATIONS ASSIGNED FOR ORAL HEARING

No. MC 7555 (Sub-No. 49) (REPUBLICATION), filed February 24, 1965, published FEDERAL REGISTER, issue of March 10, 1965, and republished this issue.

Applicant: TEXTILE MOTOR FREIGHT, INC., Post Office Box 7, Ellerbe, N.C. Applicant's attorney: Jacob P. Billig, Investment Building, Washington 5, D.C. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Foodstuffs*, from Westfield and Buffalo, N.Y., and Erie and North East, Pa., to points in Florida, Georgia and South Carolina, and *exempt commodities*, on return.

NOTE: Applicant states that it presently holds authority to transport foodstuffs, and frozen foodstuffs, in mixed shipments with foodstuffs, from Westfield, N.Y., and North East, Pa., to points in Georgia and South Carolina; frozen grape products, in mixed shipments with canned goods, from Westfield, N.Y., and North East, Pa., to points in Florida; and canned goods from Fredonia, N.Y., and points within 25 miles thereof, and from North East, Pa., to points in Florida. The purpose of this republication is to indicate the hearing information set forth below.

HEARING: April 12, 1965, at the Offices of the Interstate Commerce Commission, Washington, D.C., before Examiner H. Reece Harrison.

No. MC 7555 (Sub-No. 50) (REPUBLICATION), filed February 24, 1965, published FEDERAL REGISTER, issue of March 10, 1965, and republished this issue. Applicant: TEXTILE MOTOR FREIGHT, INC., Post Office Box 7, Ellerbe, N.C. Applicant's attorney: Jacob P. Billig, Investment Building, Washington 5, D.C. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Foodstuffs*, in mixed shipments with *frozen foods*, from Westfield and Buffalo, N.Y., to point in North Carolina, and *exempt commodities*, on return.

NOTE: Applicant states that it presently holds authority to transport canned goods from Fredonia, N.Y., and 25 miles thereof to points in North Carolina; and foodstuffs and frozen foodstuffs, in mixed shipments with foodstuffs, from North East and Erie, Pa., to points in North Carolina. The purpose of this republication is to indicate the hearing information set forth below.

HEARING: April 12, 1965, at the Offices of the Interstate Commerce Commission, Washington, D.C., before Examiner H. Reece Harrison.

No. MC 113362 (Sub-No. 51) (AMENDMENT), filed September 14, 1964, published in FEDERAL REGISTER issue of September 24, 1964, amended January 25, 1965, and republished as amended this issue. Applicant: ELLSWORTH FREIGHT LINES, INC., 220 East Broadway, Eagle Grove, Iowa. Applicant's attorney: Donald L. Stern, 924 City National Bank Building, Omaha, Nebr. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Petroleum products*, in containers, from St. Louis and Maryland Heights, Mo., to points in Wisconsin, Minnesota, North Dakota, South Dakota, New Mexico, Iowa, Nebraska, Colorado, Kansas, and Kentucky.

NOTE: The purpose of this republication is to add Maryland Heights, Mo., to the origin point.

HEARING: May 13, 1965, in Room 401, U.S. Court House and Custom House, 1114 Market Street, St. Louis, Mo., before Examiner Edith H. Cockrill.

No. MC 29120 (Sub-No. 72) (REPUBLICATION), filed June 29, 1964, published FEDERAL REGISTER, issue of July 15, 1964, and republished this issue. Applicant: ALL-AMERICAN TRANSPORT, INC. (formerly WILSON ALL-AMERICAN TRANSPORT, INC.), Sioux Falls, S. Dak. By application filed June 29, 1964, applicant seeks a certificate of public convenience and necessity authorizing operation, in interstate or foreign commerce, as a common carrier by motor vehicle, of meats, meat products, meat byproducts, and articles distributed by meatpacking houses, as described in Sections A and C of Appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766 (except hides and commodities in bulk in tank vehicles) serving the off-route point of Cherokee, Iowa, in connection with applicant's authorized regular-route operations, restricted to Wilson & Co., Inc., traffic originating at the plant site of cold storage facilities utilized by Wilson & Co., Inc., at or near Cherokee, Iowa, and destined to points authorized to be served by applicant. A supplemental order, Operating Rights Board No. 1, dated March 22, 1965, served March 29, 1965, finds that the present and future public convenience and necessity require operation by applicant as a *common carrier* by motor vehicle, in interstate or foreign commerce, of *meats, meat products, meat byproducts*, and *articles distributed by* meatpacking houses, as described in Sections A and C of Appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766 (except hides and commodities in bulk in tank vehicles), serving the plant site and storage facilities utilized by Wilson & Co., Inc., at or near Cherokee, Iowa, as an off-route point in connection with applicant's authorized regular-route operations, restricted to the transportation of traffic originating at such facilities; and that because it is possible that other parties, who have relied upon the notice of the application as published, may have an interest in and would be prejudiced by the lack of proper notice, a notice of the authority actually granted will be published in the FEDERAL REGISTER and issuance of a certificate in this proceeding will be withheld for a period of 30 days from the date of publication, during which period any proper party in interest may file an appropriate protest or other pleading.

No. MC 110193 (Sub-No. 71) (REPUBLICATION), filed October 5, 1964, published FEDERAL REGISTER, issue of October 21, 1964, and republished this issue. Applicant: SAFEWAY TRUCK LINES, INC., South Bend, Ind. By application filed October 5, 1964, applicant seeks a certificate of public convenience and necessity authorizing operation, in interstate or foreign commerce, as a common carrier by motor vehicle, over irregular routes, of (1) frozen prepared foods, from Eagle Grove, Iowa, to points in Connecticut, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont, and (2) frozen meat, from Cedar Rapids, Iowa, to points in Connecticut, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont; Part (2) restricted to pickup of part loads, the remainder of which originates at Eagle Grove, Iowa. An order, Operating Rights Board No. 1, dated March 12, 1965, served March 19, 1965, finds that the present and future public convenience and necessity require operation by applicant, in interstate or foreign commerce, as a *common carrier*, by motor vehicle, over irregular routes, of (1) *frozen prepared foods*, from Eagle Grove, Iowa, to points in Connecticut, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont, and (2) *frozen meat*, from Cedar Rapids, Iowa, to points in New Hampshire and Vermont; and that because it is possible that other parties, who have relied upon the notice of the application as published, may have an interest in and would be prejudiced by the lack of proper notice of the authority as described in the findings, a notice of the authority actually granted will be published in the FEDERAL REGISTER, and issuance of a certificate will be withheld for a period of 30 days from the date of such publication, during which period any proper party in interest may file an appropriate protest or other pleading.

No. MC 126264 (REPUBLICATION), filed May 13, 1964, published FEDERAL REGISTER, issue of June 3, 1964, and republished this issue. Applicant: ROBERT SIGMON AND DAVID RYERSON, a Partnership, doing business as ROBERT SIGMON TRUCKING, El Centro, Calif. By application filed May 13, 1964, as amended, applicants seek a certificate of public convenience and necessity authorizing operation in interstate or foreign commerce, as a common carrier, by motor vehicle, over irregular routes, of farm tractors and road building equipment which because of size or weight require the use of special equipment, between points in Imperial County, Calif., and Parker, Ariz., and points within a radius of 20 miles thereof. An order, Operating Rights Board No. 1, dated March 22, 1965, served March 29, 1965, finds that the present and future public convenience and necessity require operation by applicants, in interstate or foreign commerce, as a common carrier by motor vehicle, over irregular routes, of *farm machinery and equipment and contractors machinery and equipment*, between points in Imperial County, Calif., and points in Yuma County, Ariz., north of U.S. Highway 60; and that because it is possible that other parties, who have relied upon the notice of the application as published, may have an interest in and would be prejudiced by the lack of proper notice of the authority described in the findings, a notice of the authority actually granted will be published in the FEDERAL REGISTER and issuance of a certificate in this proceeding will be with-

held for a period of 30 days from the date of such publication, during which period any proper party in interest may file an appropriate protest or other pleading.

No. MC 126632 (Sub-No. 7) (CORRECTION), filed March 15, 1965, published in FEDERAL REGISTER issue of March 24, 1965, and republished as corrected this issue. Applicant: MILLER-ILLINOIS, INC., 531 Walnut, Kansas City, Mo., 64106. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Articles*, each weighing 15,000 pounds or more, self-propelled or not, and not requiring special equipment, together with *incidental machinery, tools, parts*, or *supplies moving in conjunction therewith*, (1) between points in Illinois, Iowa, Kansas (points within 300 miles of Ames, Iowa), Minnesota, Missouri, and Nebraska and Wisconsin, (2) from points in Arkansas, Kentucky, Ohio, and Tennessee to points in Illinois, Iowa, Kansas (points within 300 miles of Ames, Iowa), Minnesota, Missouri, Nebraska, and Wisconsin, (3) from points in Illinois, Iowa, Kansas (points within 300 miles of Ames, Iowa), Minnesota, Missouri, Nebraska, and Wisconsin, to points in Arkansas, Indiana, Kentucky, Michigan (lower peninsula), Ohio, and Tennessee, and (4) from points in Indiana and Michigan (lower peninsula), to points in Illinois, Iowa, Kansas (points within 300 miles of Ames, Iowa), Minnesota, Missouri, Nebraska, Tennessee, and Wisconsin.

NOTE: The purpose of this republication is to add a line in paragraph (4) which was omitted in previous publication.

HEARING: Remains as assigned May 5, 1965, at the New Federal Office Building, Room 9207, 450 Golden Gate Avenue, San Francisco, Calif., before Examiner Harold P. Boss, pursuant to special order in MC 1872 Sub-56 et al., dated March 11, 1965.

No. MC 126413 (Sub-No. 1) (REPUBLICATION), filed August 7, 1964, published FEDERAL REGISTER, issue of September 2, 1964, and republished after report and order, this issue. Applicant: AUDREY N. McGUFFEY, doing business as A. N. McGUFFEY, Scottsville, Ky. By application filed August 7, 1964, as amended, applicant seeks a permit authorizing operation, in interstate or foreign commerce as a contract carrier by motor vehicle over irregular routes, of lumber and ties, from yards or sawmills operated by or for Kentucky Tie and Lumber Co., at or near Hatfield and Marengo, Ind., Bowling Green, Columbia, and Liberty, Ky., and Westmoreland, Tenn., to Cookeville, McMinnville, Nashville, and Tullahoma, Tenn., Huntingburg, Jasper, Paoli, Salem, and Tell City, Ind., points in Clark, Floyd, and Marion Counties, Ind., and points in Kentucky east of a line beginning at the Kentucky-Tennessee State line near Fort Campbell, Ky., and extending along U.S. Highway 41A to the Kentucky-Indiana State line near Henderson, Ky., and west of a line beginning at junction of U.S. Highway 42 and Interstate Highway 75 near Florence, Ky., and extending along Interstate Highway 75 to the Kentucky-Tennessee State line near Jellico, Tenn., restricted to traffic originating at the plant sites of the above-named shipper located at the above-named origins and destined to the above-described destination territory. The application was referred to Joint Board No. 264 for hearing and the recommendation of an appropriate order thereon. Hearing was held on January 11, 1965, at Louisville, Ky. A report and order, recommended by Joint Board No. 1, served February 16, 1965, effective March 18, 1965, finds that applicant is fit, willing, and able properly to perform the service of a contract carrier by motor vehicle and to perform to the provisions of the Interstate Commerce Act and with the lawful requirements, rules, and regulations of the Commission thereunder, and that operation, in interstate or foreign commerce by applicant as a *contract carrier* by motor vehicle, under a continuing contract with Kentucky Tie and Lumber Co., of *lumber and ties*, from plant sites operated by the named shipper at or near Marengo, and Hatfield, Ind., Bowling Green, Columbia and Liberty, Ky., and Westmoreland, Tenn., to Cookeville, McMinnville, Nashville, and Tullahoma, Tenn., Huntingburg, Jasper, Paoli, Salem, and Tell City, Ind., points in Clark, Floyd, and Marion Counties, Ind., and points in Kentucky east of a line beginning at the Kentucky-Tennessee State line near Fort Campbell, Ky., and extending along U.S. Highway 41A to the Kentucky-Indiana State line near Henderson, Ky., and west of a line beginning at the Kentucky-Tennessee State line near Jellico, Tenn., and extending along Interstate Highway 75 to the Kentucky-Ohio State line, restricted to traffic originating at the plant sites of the above-named shipper located at the above-named origins and destined to the above-described destination territory, will be consistent with the public interest and the national transportation policy, subject to the condition, however, that the grant of authority recommended shall be published in the FEDERAL REGISTER. Issuance of a permit will be withheld for a period of 30 days from the date of such publication, during which period any proper party in interest may file an appropriate protest or other pleading.

No. MC 126549 (REPUBLICATION), filed August 27, 1964, published FEDERAL REGISTER, issue of September 24, 1964, and republished this issue. Applicant: AWAWEGO DELIVERY, INC., Syracuse, N.Y. By application filed August 27, 1964, as amended, applicant seeks a certificate of public convenience and necessity authorizing operation, in interstate or foreign commerce, as a common carrier, by motor vehicle, over irregular routes, of general commodities (with certain exceptions), between the points indicated below, restricted to shipments having an immediately prior or immediately subsequent movement by air. A supplemental order, Operating Rights Board No. 1, dated March 17, 1965, served March 23, 1965, finds that the present and future public convenience and necessity require operation by applicant, in interstate or foreign commerce, as a *common carrier*, by motor vehicle, over irregular routes of *general commodities* (except those of unusual value, Classes A and B explosives, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment), restricted to shipments having an immediately prior or immediately subsequent movement by air, (a) between Clarence E. Hancock Airport (Onondaga County), N.Y., on the one hand, and, on the other, points in Onondaga, Chenango, Chemung, Broome, Tioga, Schuyler, Cayuga, Madison, Seneca, Oneida, Cortland, Tompkins, Oswego, Lewis, Herkimer, Yates, and Jefferson Counties, N.Y.; (b) between Clarence E. Hancock Airport (Onondaga County), N.Y., on the one hand, and, on the other, John F. Kennedy International Airport (Nassau and Queens Counties), La Guardia Airport (Queens County), the Greater Buffalo International Airport (Erie County), Rochester-Monroe County Airport (Monroe County), Oneida County Airport (Oneida County), Broome County Airport (Broome County), Chemung County Airport (Chemung County), Albany County Airport (Albany County), Watertown Airport (Jefferson County), Massena Airport (St. Lawrence County), Tompkins County Airport (Tompkins County), N.Y., and Newark Airport (Essex County), N.J.

NOTE: Authority granted in (a) and (b) above may be joined for the purpose of rendering a through transportation service; and that because it is possible that other parties, who have relied upon the notice of the application as published, may have an interest in and would be prejudiced by the lack of proper notice of the authority described above, a notice of the authority actually granted will be published in the FEDERAL REGISTER, and issuance of a certificate in this proceeding will be withheld for a period of 30 days from the date of such publication, during which period any proper party in interest may file an appropriate protest or other pleading.

MOTOR CARRIERS OF PASSENGERS BROKER

No. MC 12924 (REPUBLICATION), filed October 5, 1964, published FEDERAL REGISTER, issue of November 25, 1964, and republished this issue. Applicant: JOE REX MAHAFFAY, doing business as OIL FIELD TOURS, San Angelo, Tex. By application, as amended, filed October 5, 1964, applicant seeks a license authorizing operation in interstate or foreign commerce, as a broker at San Angelo, Tex., in arranging for transportation of passengers and their baggage, both as individuals and groups, in special operations, in all expense round trip tours, between points in Tom Green County, Tex., and points in the United States. An order, Operating Rights Board No. 1, dated March 22, 1965, served March 26, 1965, finds that operation by applicant at San Angelo, Tex., as a broker in arranging for transportation by motor vehicle, in interstate or foreign commerce, of *passengers and their baggage*, in all-expense round trip tours, in special and charter operations, beginning and ending at points in Tom Green County, Tex., and extending to points in the United States, will be consistent with the public interest and the national transportation policy; and that because it is possible that other parties, who have

relied upon the notice of the application as published, may have an interest in and would be prejudiced by the lack of proper notice, a notice of the authority actually granted will be published in the FEDERAL REGISTER, and issuance of a license will be withheld for a period of 30 days from the date of such publication, during which period any proper party in interest may file an appropriate protest or other pleading.

NOTICE OF FILING OF PETITIONS

No. MC 67200 (Sub-No. 19) (PETITION FOR MODIFICATION OF CERTIFICATE), filed March 12, 1965. Applicant: THE FURNITURE TRANSPORT COMPANY, INC., West Haven, Conn. Petitioner states that it holds a Certificate in No. MC 67200 (Sub-No. 19) authorizing it to transport, over irregular routes, as a common carrier, such commodities as are dealt in by retail department stores, from the site of the warehouse of R. H. Macy & Co., at Long Island City, New York, N.Y., to points in Connecticut. Petitioner also states that R. H. Macy & Co., maintains other warehouse facilities in and throughout the City of New York from which it desires to ship merchandise to points in Connecticut through the use of petitioner's services. By the instant petition, petitioner prays that the Commission will revise the authority contained in No. MC 67200 (Sub-No. 19) to permit it to provide service from the warehouse facilities of R. H. Macy & Co., at New York, N.Y., to points in Connecticut. Any person or persons desiring to participate in this proceeding, may, within 30 days from the date of this publication in the FEDERAL REGISTER, file an appropriate pleading, consisting of an original and six copies each.

APPLICATIONS FOR CERTIFICATES OR PERMITS WHICH ARE TO BE PROCESSED CONCURRENTLY WITH APPLICATIONS UNDER SECTION 5 GOVERNED BY SPECIAL RULE 1.240 TO THE EXTENT APPLICABLE

No. MC 28478 (Sub-No. 24), filed March 1, 1965. Applicant: GREAT LAKES EXPRESS CO., a corporation, 172 Davenport Street, Saginaw, Mich. Applicant's attorney: Rex Eames, 1800 Buhl Building, Detroit, Mich., 48226. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, Classes A and B explosives, livestock, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment), between Adrian, Ann Arbor, Ypsilanti, Holly, Flint, Pontiac, Monroe, Mount Clemens, Port Huron, and Detroit, Mich., on the one hand, and, on the other Cleveland, Youngstown, Akron, and Canton, Ohio: (1) From Adrian over Michigan Highway 52 to junction U.S. Highway 223, thence over U.S. Highway 223 to Toledo, Ohio; (2) from Adrian over Michigan Highway 52 to the Michigan-Ohio State line, thence over Ohio Highway 109 to junction U.S. Highway 20, thence over U.S. Highway 20 to Toledo, Ohio; (3) from Ann Arbor over U.S. Highway 23 to junction U.S. Highway 223, thence over U.S. Highway 223 to Toledo, Ohio; (4) from Ypsilanti over Michigan Highway 12 to junction U.S. Highway 23, thence over U.S. Highway 23 to junction U.S. Highway 223, thence over U.S. Highway 223 to Toledo, Ohio; (5) from Holly, Mich. over unnumbered Michigan Highway to junction unnumbered Michigan Highway, thence over unnumbered Michigan Highway to Fenton, thence over unnumbered Michigan Highway to junction U.S. Highway 23, thence over U.S. Highway 23 to junction U.S. Highway 223, thence over U.S. Highway 223 to Toledo, Ohio; (6) from Flint over U.S. Highway 23 to junction U.S. Highway 223, thence over U.S. Highway 223 to Toledo, Ohio; (7) from Flint over Michigan Highway 54 to junction Interstate Highway 75.

Thence over Interstate Highway 75 to junction Michigan Highway 150, thence over Michigan Highway 150 to Detroit, thence over U.S. Highway 25 to junction Interstate Highway 75, thence over Interstate Highway 75 to Toledo, Ohio; (8) from Pontiac over U.S. Highway 24, thence over U.S. Highway 24 to junction U.S. Highway 25, thence over U.S. Highway 25 to Toledo, Ohio; (9) from Pontiac over U.S. Highway 10 to Detroit, thence over U.S. Highway 25 to junction Interstate Highway 75, thence along Interstate Highway 75 to Toledo, Ohio; (10) from Pontiac over Michigan Highway 59 to junction U.S. Highway 23, thence over U.S. Highway 23 to junction U.S. Highway 223, thence over U.S. Highway 223 to Toledo, Ohio; (11) from Monroe over Interstate Highway 75 to Toledo, Ohio; (12) from Monroe over U.S. Highway 25 to Toledo, Ohio; (13) from Monroe over U.S. Highway 24 to Toledo, Ohio; (14) from Mount Clemens over Interstate Highway 94 to Detroit, thence over Michigan Highway 85 to junction Interstate Highway 75, thence over Interstate Highway 75 to Toledo, Ohio; (15) from Mount Clemens over U.S. Highway 25 to Toledo; (16) from Port Huron over U.S. Highway 25 to Toledo, Ohio; (17) from Port Huron over Interstate Highway 94 to Detroit, thence over Michigan Highway 25 to junction Interstate Highway 75, thence over Interstate Highway 75 to Toledo, Ohio; (18) from Detroit over Michigan Highway 85, thence over Michigan Highway 85 to junction Interstate Highway 75, thence over Interstate Highway 75 to Toledo, Ohio; (19) from Detroit over U.S. Highway 25 to Toledo, Ohio; (20) from Detroit over U.S. Highway 25 to junction U.S. Highway 24, thence over U.S. Highway 24 to Toledo, Ohio; (21) from Toledo over Ohio Highway 51 to junction U.S. Highway 20, thence over U.S. Highway 20 to Cleveland, Ohio; (22) from Toledo over Ohio Highway 2 to Sandusky, Ohio, thence over Ohio Highway 2 or U.S. Highway 6 to Cleveland, Ohio; (23) from Toledo over U.S. Highway 24 or 25 to Maumee.

Thence over U.S. Highway 25 or Interstate Highway 75 to junction U.S. Highway 6, thence over U.S. Highway 6 to Cleveland, Ohio; (24) from Toledo over Ohio Highway 51 to junction U.S. Highway 20, thence over U.S. Highway 20 to Fremont, thence over U.S. Highway 6 to Cleveland, Ohio; (25) from Toledo over Interstate Highway 280 to junction Interstate Highway 80, thence over Interstate Highway 80 to junction U.S. Highway 42, thence over U.S. Highway 42 to Cleveland, Ohio; (26) from Toledo over Ohio Highway 65 to Perrysburg, thence over U.S. Highway 20 to Cleveland, Ohio; (27) from Toledo over Ohio Highway 51 to junction U.S. Highway 20, thence over U.S. Highway 20 to Bellevue, Ohio, thence over Ohio Highway 113 to Elyria, thence over Ohio Highway 20 to Cleveland, Ohio; (28) from Toledo over Interstate Highway 280 to junction Interstate Highway 80, thence over Interstate Highway 80 to Ohio Highway 10, thence over Ohio Highway 10 to Cleveland, Ohio; (29) from Toledo over U.S. Highway 24 or 25 to Maumee, thence over U.S. Highway 25 or Interstate Highway 75 to junction U.S. Highway 224, thence over U.S. Highway 224 to Akron, Ohio; (30) from Toledo over Interstate Highway 280 to junction Interstate Highway 80, thence over Interstate Highway 80 to junction U.S. Highway 21, thence over U.S. Highway 21 to junction Ohio Highway 18, thence over Ohio Highway 18 to Akron, Ohio; (31) from Toledo, over Ohio Highway 65 to Perrysburg, Ohio, thence over U.S. Highway 23 to Fostoria, Ohio, thence over Ohio Highway 18 to junction U.S. Highway 224, thence over U.S. Highway 224 to Akron, Ohio; (32) from Toledo over Ohio Highway 51 to junction U.S. Highway 20, thence over U.S. Highway 20 to Norwalk, Ohio, thence over Ohio Highway 18 to Akron, Ohio; (33) from Toledo over Ohio Highway 51 to junction U.S. Highway 20, thence over U.S. Highway 20 to Norwalk, thence over U.S. Highway 250 to junction U.S. Highway 224, thence over U.S. Highway 224 to Akron, Ohio; (34) from Toledo over Interstate Highway 280 to junction U.S. Highway 20, thence over U.S. Highway 20 to Norwalk.

Thence over U.S. Highway 250 to junction U.S. Highway 30, thence over U.S. Highway 30 to Canton, Ohio; (35) from Toledo over Ohio Highway 65 to Perrysburg, thence over U.S. Highway 23 to junction U.S. Highway 224, thence over U.S. Highway 224 to junction U.S. Highway 21, thence over U.S. Highway 21 to Massillon, thence over U.S. Highway 30 to Canton, Ohio; and (36) from Cleveland over U.S. Highway 422 to Youngstown, Ohio and return over the same routes serving no intermediate points, but serving points within 5 miles of Ann Arbor, Ypsilanti, Holly, Flint, Pontiac, Monroe, Mount Clemens, and Port Huron, and points within 10 miles of Detroit in connection with each of the above routes (1) thru (36). Service also is sought at all points in the following described area in Ohio as off-route points in connection with the foregoing regular routes: Points in that part of Ohio bounded by a line beginning at Cleveland, Ohio, and extending over U.S. Highway 21 to junction U.S. Highway 62 near Massillon, Ohio, thence over U.S. Highway 62 to Salem, Ohio, thence over Ohio Highway 14 A to junction Ohio Highway 14, thence over Ohio Highway 14 to the Ohio-Pennsylvania State line to junction U.S. Highway 422, thence over U.S. Highway 422 to junction Ohio Highway 534, thence over Ohio Highway 534 to Southington, Ohio, thence over

Ohio Highway 305 to junction U.S. Highway 422, and thence over U.S. Highway 422 to point of origin, including points on the indicated portions of the highways specified. In addition service is authorized at the off-route points of Gibraltar, Mich., the site of the Ford Motor Company Plant located at the intersection of Michigan Highway 218 (Wixom Road) and unnumbered highway (West Lake Drive) north of U.S. Highway 16, in Novi Township, Oakland County, Mich., the site of the Ford Willow Run Plant located approximately four miles east of Ypsilanti, Mich., the site of the Ford Motor Company Plant located near the unincorporated village of Rawsonville, Mich., at the southwest intersection of Textile and McKean Road, in Washtenaw County, Mich.

NOTE: This is a matter directly related to MC-F 8866, which was published in the FEDERAL REGISTER, issue of September 9, 1964. A hearing has been held on the latter proceeding at which opposition to the purchases was withdrawn.

No. MC 60186 (Sub-No. 25), filed March 25, 1965. Applicant: NELSON FREIGHTWAYS, INC., 28 East Main Street, Rockville, Conn. Applicant's attorney: Mary E. Kelley, 10 Tremont Street, Boston 8, Mass. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *General commodities* (except those of unusual value, Classes A and B explosives, household goods, commodities in bulk, commodities requiring special equipment and those injurious or contaminating to other lading), between points in Rhode Island.

NOTE: Applicant is also authorized to conduct contract carrier operations in Permit No. MC 93421, therefore, dual operations may be involved. This is a matter directly related to MC-F 9062, published in FEDERAL REGISTER issue of March 31, 1965.

APPLICATIONS UNDER SECTIONS 5 AND 210a(b)

The following applications are governed by the Interstate Commerce Commission's special rules governing notice of filing of applications by motor carriers of property or passengers under sections 5(a) and 210a(b) of the Interstate Commerce Act and certain other proceedings with respect thereto. (49 CFR 1.240.)

MOTOR CARRIERS OF PROPERTY

No. MC-F-9065. Authority sought for purchase by MAGNOLIA TRANSPORTATION CO., INC., 2117 McCarty, Houston, Tex., of the operating rights of M. H. RACHEAU (CHARLES N. WOOTEN, SYNDIC), doing business as M. H. RACHEAU OIL FIELD TRUCKING, Lafayette, La., and for acquisition by CHARLES E. HARP, also of Houston, Tex., of control of such rights through the purchase. Applicants' attorneys: H. H. Prewett, 2159 Tennessee Building, Houston, Tex., and Charles N. Wooten, 115 East Main Street, Post Office Box 3029, Lafayette, La. Operating rights sought to be transferred: *Materials, supplies*, and *equipment* used in construction, operation, and maintenance of petroleum refineries and *equipment, materials* and *supplies* incidental to or used in the construction, development, and operations, and maintenance of facilities for the discovery and production of natural gas and petroleum, except the stringing of pipe incidental to the construction of transportation lines other than those related to the production of petroleum or natural gas in an oil field or adjacent oil field, as a *common carrier*, over irregular routes, between points in Louisiana, between points in the parishes of Acadia, Assumption, East Baton Rouge, Evangeline, Iberia, Iberville, Jefferson Davis, Lafayette, Pointe Coupee, St. Landry, St. Martin, St. Mary, Vermillion, and West Baton Rouge, La., on the one hand, and, on the other, points in Mississippi and Texas. Vendee is authorized to operate as a common carrier under a certificate of registration in Docket No. MC-120750 Sub 1, in the State of Texas. Application has been filed for temporary authority under section 210a(b).

NOTE: No. MC-120750 Sub-2 is a matter directly related.

No. MC-F-9064. Authority sought for purchase by FOX TRANSPORT SYSTEM, 300 Bourse Building, 21 South Fifth Street, Philadelphia, Pa., 19106, of the operating rights of WARREN E. WALTERS AND THEODORE KAZMIERCZAK, doing business as MERCURY MOTOR FREIGHT LINES, 5 South Keyser Avenue, Taylor, Pa., and for acquisition by FREDERICK W. FOX, also of Philadelphia, Pa., of control of such rights through the purchase. Applicants' attorney: Morris J. Winokur, 1920 Two Penn Center Plaza, Philadelphia, Pa., 19102. Operating rights sought to be transferred: *Canned goods, groceries, sugar*, and *meats*, as a *common carrier* over regular routes between Scranton, Pa., and New York, N.Y., serving no intermediate points; *pineapples, including canned pineapples*, over irregular routes, from the port of entry of Philadelphia, Pa., to points in Luzerne and Lackawanna Counties, Pa.; *salmon*, from the port of entry of Philadelphia, Pa., to Scranton, Pa., and points in Luzerne County, Pa.; *sugar*, from the port of entry of Philadelphia, Pa., to Kingston, Pa.

RESTRICTION: The service authorized herein is restricted to shipments moving from territories and possessions of the United States; *such merchandise* as is dealt in by wholesale, retail and chain grocery and food business houses, and in connection therewith, *equipment, materials and supplies* used in the conduct of such business restricted to shipments moving from, to, or between plants, warehouses, retail outlets or other facilities of grocery and food business houses, between certain points in New Jersey, Delaware and Pennsylvania; *fruits, vegetables, farm products, poultry*, and *seafood*, in the respective seasons of their production, from points in Delaware, New Jersey, and Pennsylvania, to points in the immediately above territory. The separate grants of authority granted herein shall not be tacked or joined, directly or indirectly with each other or with the authority set forth in Certificate No. MC-96617, issued March 24, 1960, for the purpose of performing any through transportation. Vendee is authorized to operate as a *common carrier* in Pennsylvania, New Jersey, New York, Delaware, Maryland, Virginia, and the District of Columbia. Application has not been filed for temporary authority under section 210a(b).

By the Commission.

[SEAL] BERTHA F. ARMES, *Acting Secretary.*

[F.R. Doc. 65-3571; Filed, Apr. 6, 1965; 8:48 a.m.]

NOTICE OF FILING OF MOTOR CARRIER INTRASTATE APPLICATIONS

APRIL 2, 1965.

The following applications for motor common carrier authority to operate in intrastate commerce seek concurrent motor carrier authorization in interstate or foreign commerce within the limits of the intrastate authority sought, pursuant to section 206(a)(6) of the Interstate Commerce Act, as amended October 15, 1962. These applications are governed by Special Rule 1.245 of the Commission's rules of practice, published in the FEDERAL REGISTER, issue of April 11, 1963, page 3533, which provides, among other things, that protests and requests for information concerning the time and place of State Commission hearings or other proceedings, any subsequent changes therein, and any other related matters shall be directed to the State Commission with which the application is filed and shall *not* be addressed to or filed with the Interstate Commerce Commission.

State Docket No. assigned 15639, filed March 24, 1965. Applicant: A-OK MOTOR LINES, INC., Opp, Ala. Applicant's attorney: James M. Wright, Box 142, Montgomery, Ala. Certificate of public convenience and necessity sought to operate a freight service as follows: Transportation of *general commodities*, (1) between Opp, Ala., and Montgomery, Ala., over U.S. Highway 331, (2) between Frisco City, Ala., and Evergreen, Ala., over Alabama Highway 21 to junction U.S. Highway 84, thence over U.S. Highway 84 to Evergreen, Ala., and (3) between all points within a radius of fifteen miles of Sheffield, Ala.

HEARING: Interested parties should contact the Secretary of the Alabama Public Service Commission, Post Office Box 991, Montgomery, Ala., for information as to time and place of hearing.

Requests for procedural information, including the time for filing protests, concerning this application should be addressed to the Alabama Public Service Commission as shown above, and should *not* be directed to the Interstate Commerce Commission.

By the Commission.

[SEAL] BERTHA F. ARMES, *Acting Secretary.*

[F.R. Doc. 65-3573; Filed, Apr. 6, 1965; 8:48 a.m.]

[Notice 1152]

MOTOR CARRIER TRANSFER PROCEEDINGS

APRIL 2, 1965.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 179), 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–67583. By order of March 30, 1965, the Transfer Board approved the transfer to Paddison Truck Lines, Inc., 1 East Lenox Avenue, Yakima, Wash., of the operating rights of A. D. Paddison and Thomas D. Paddison, a partnership, doing business as Paddison Truck Line, 1 East Lenox Avenue, Yakima, Wash., issued March 30, 1955, in Certificate No. MC–61748, authorizing the transportion, over irregular routes, of fruits and farm products, between points in Yakima County, Wash., on the one hand, and, on the other, Portland and Hillsboro, Oreg., and Seattle, Wash., and spray materials, between Portland, Oreg., on the one hand, and, on the other, points in Yakima County, Wash.

No. MC–FC–67624. By order of March 30, 1965, the Transfer Board approved the transfer to Nantasket, Allerton & Hull Express Co., Inc., doing business as Daley & Wanzer, Hull, Mass., of a portion of the operating rights in Certificate No. MC–94411 issued August 6, 1952, to William W. Tikkanen and Theodore C. Ahola, doing business as A & T Trans. Co., Quincy, Mass., authorizing the transportation of: Household goods, as defined by the Commission, over irregular routes, between Quincy, Mass., and points within 5 miles thereof, on the one hand, and, on the other, points in Connecticut, New York, New Hampshire, New Jersey, Maine, Rhode Island, and Pennsylvania. Robert J. Gallagher, 111 State Street, Boston, Mass., attorney for applicants.

No. MC–FC–67625. By order of March 30, 1965, the Transfer Board approved the transfer to M. C. Slater, Inc., a Delaware Corporation, Granite City, Ill., of operating rights in Certificates Nos. MC–107757 (Sub-No. 1), MC–107757 (Sub-No. 2), MC–107757 (Sub-No. 3), MC–107757 (Sub-No. 6), MC–107757 (Sub-No. 7), MC–107757 (Sub-No. 9), MC–107757 (Sub-No. 10), MC–107757 (Sub-No. 13), MC–107757 (Sub-No. 14), MC–107757 (Sub-No. 16), MC–107757 (Sub-No. 18), MC–107757 (Sub-No. 19), issued to M. C. Slater, Inc., an Illinois Corporation, June 28, 1950, May 25, 1950, April 7, 1949, November 6, 1952, March 3, 1953, May 27, 1954, April 8, 1954, June 27, 1957, November 18, 1958, December 26, 1961, December 26, 1961, and February 7, 1962, authorizing the transportation, over irregular and regular routes, of: General commodities, and certain specified commodities, serving specified points and areas in Arkansas, Illinois, Kansas, Missouri, and Oklahoma. William G. Spruill, 1815 H Street NW., Washington, D.C., 20006, attorney for applicants.

No. MC–FC–67626. By order of March 30, 1965, the Transfer Board approved the transfer to Intermountain Van Lines, Inc., Tulsa, Okla., of the operating rights in Certificate No. MC–125935 issued December 2, 1964, to Wm. B. Johnson, doing business as Intermountain Van Lines, Tulsa, Okla., authorizing the transportation over irregular routes, of: Household goods, between points in Arizona within 25 miles of Parker, Ariz., including Parker, and points in San Bernardino County, Calif., within 50 miles of Earp, Calif., including Earp. Carll V. Kretsinger, 510 Professional Building, Kansas City 6, Mo., attorney for applicants.

No. MC–FC–67627. By order of March 30, 1965, the Transfer Board approved the transfer to J. Herbert Ewell, Narvon, Pa., of a portion of the operating rights in Certificate No. MC–110353 (Sub-No. 8) issued June 23, 1961, to Mineral Transport, Inc., Gettysburg, Pa., authorizing the transportation, over irregular routes, of: Clay, in bags and barrels, from points in Lancaster County, Pa., to points in New York, New Jersey, Delaware, and Maryland, with no transportation for compensation on return except at otherwise authorized. Clay, in bulk, from points in Lancaster County, Pa., to points in New York, Delaware, Maryland, and New Jersey (except points in Cumberland, Salem, Gloucester, Cape May, Atlantic, Camden, and Burlington Counties, N.J.), with no transportation for compensation on return except as otherwise authorized. John M. Musselman, 400 North Third Street, Harrisburg, Pa., attorney for applicants.

No. MC–FC–67629. By order of March 30, 1965, the Transfer Board approved the transfer to North Manchester Trucking Co., Inc., North Manchester, Ind., of the operating rights in Certificate No. MC–10436 issued November 4, 1952, to Ray Karn and Arden Urschel, a partnership, doing business as North Manchester Trucking Co., North Manchester, Ind., authorizing the transportation, over irregular routes, of: General commodities, with the usual exceptions, between Fort Wayne, Ind., and North Manchester, Ind., and the intermediate and off-route points of Peabody, Collamer, South Whitley, Liberty Mills, Servia, and Laketon, Ind., from Fort Wayne over Indiana Highway 14 to junction Indiana Highway 13, and thence over Indiana Highway 13 to North Manchester, and return over the same route. Robert S. McCain, Lincoln Tower, Fort Wayne, Ind., attorney for applicants.

No. MC–FC–67630. By order of March 30, 1965, the Transfer Board approved the transfer to Baumann Bros. Transportation, Inc., Grafton, Nebr., of the operating rights in Certificate No. MC–2593 issued June 22, 1951, to Baumann Brothers, Inc., Grafton, Nebr., authorizing the transportation, over specified regular routes: Agricultural implements and parts, twine, cocoa, wallpaper, paint, groceries, and grocery store supplies, malt beverages, and canned goods, between named cities and towns in Illinois, Iowa, and Nebraska. Donald E. Leonard, 605 South 14th, Box 2028, Lincoln, Nebr., attorney for applicants.

No. MC–FC–67662. By order of March 30, 1965, the Transfer Board approved the transfer to Patrick J. Fitzgerald, James Fitzgerald, Thomas M. Fitzgerald, Catherine B. Fitzgerald, Anna Margaret Prout, and Joan Beckerich, a partnership, doing business as The Fitzgerald Co., Indianapolis, Ind., the operating rights in Permits Nos. MC–117389 and MC–117389 (Sub-No. 1), issued June 2, 1959, and April 10, 1964, to Patrick J. Fitzgerald, James Fitzgerald, Thomas M. Fitzgerald, Jr., Donald J. Fitzgerald, Catherine B. Fitzgerald, Anna Margaret Prout, and Joan Beckerich, a partnership, doing business as The Fitzgerald Co., Indianapolis, Ind., authorizing the transportation, over irregular routes, of: Malt beverages, and beverage containers, between Newport, Ky., and Indianapolis, Ind., nonalcoholic beverages and nonalcoholic beverage preparations, in containers, from Cincinnati, Ohio, to Indianapolis, Ind. Thomas F. Quinn, 715 First National Bank Building, Indianapolis, Ind., 46204, attorney for applicants.

[SEAL] BERTHA F. ARMES,
Acting Secretary.

[F.R. Doc. 65–3574; Filed, Apr. 6, 1965; 8:48 a.m.]

[Notice 1152–A]

MOTOR CARRIER TRANSFER PROCEEDINGS

APRIL 2, 1965.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 179), appear below:

As provided in the Commission's general rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 30 days from the date of service of the order. 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–67401. By order of March 30, 1965, Division 3, acting as an Appellate Division, approved the transfer to Tryon Trucking, Inc., an Ohio corporation, Fairless Hills, Pa., of the operating rights in Certificates Nos. MC–117313 and MC–117313 (Sub-No. 1), issued by the Commission November 3, 1964, and November 12, 1964, respectively, to Tryon Trucking, Inc., a Pennsylvania corporation, authorizing the transportation,

over irregular routes, of: Furnaces, air conditioners, and parts, between Cincinnati, Ohio, and Philadelphia, Pa., tin plate, sheet metal, and tinners' and roofers' supplies, not requiring special equipment, special handling or rigging, between Philadelphia, on the one hand, and, on the other, points in Delaware, Maryland, New Jersey, New York, Ohio, Pennsylvania, and the District of Columbia, and commodities, requiring the use of special equipment, between points in New Jersey, Maryland, and New York, and a specified portion of Pennsylvania. A. Charles Tell, 44 East Broad Street, Columbus, Ohio, attorney for applicants.

[SEAL] BERTHA F. ARMES,
Acting Secretary.

[F.R. Doc. 65-3575; Filed, Apr. 6, 1965; 8:49 a.m.]

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