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## TITLE 6—AGRICULTURAL CREDIT

### Chapter IV—Commodity Stabilization Service and Commodity Credit Corporation, Department of Agriculture

#### Subchapter B—Loans, Purchases, and Other Operations

[1957 C. C. C. Grain Price Support Bulletin 1, Supp. 1, Amdt. 1, Corn]

#### PART 421—GRAINS AND RELATED COMMODITIES

#### SUBPART—1957-CROP CORN LOAN AND PURCHASE AGREEMENT PROGRAM

##### MISCELLANEOUS AMENDMENTS

The regulations issued by the Commodity Credit Corporation and the Commodity Stabilization Service published in 22 F. R. 5521, and 8871 containing the specific requirements of the 1957-crop corn price support program are hereby amended as follows:

1. Section 421.2333 (e) is amended to make corn grading No. 4 and 5 solely because of damaged kernels (including heat damage) eligible for loan provided the corn in other respects grades No. 3 or better, or No. 4 or better on the factor of test weight only, but otherwise No. 3 or better. The amended section reads as follows:

§ 421.2333 *Eligible corn.* \* \* \*

(e) Corn placed under loan must, except for moisture content, grade No. 4 or better on the factor of test weight and/or No. 5 or better on the factor of total damaged kernels (including heat damage) but otherwise grade No. 3 or better. Such corn must also meet the following additional requirements:

(1) For ear corn placed under a farm-storage loan, the moisture content must not exceed 20.5 percent if the corn is tested for loan eligibility from time of harvest through February 1958; 19.0 percent if tested for loan eligibility during March 1958; 17.5 percent if tested for loan eligibility during April 1958, and 15.5 percent if tested for loan eligibility during May 1958.

(2) For corn placed under a warehouse-storage loan, and for shelled corn placed under a farm-storage loan, the moisture content must not exceed 13.5 percent irrespective of when the corn is tested for loan eligibility.

(3) Corn placed under loan must not grade "weevily."

2. Section 421.2338 (f) (2) is amended to provide that in addition to other requirements corn delivered under a purchase agreement from approved warehouse storage which grades No. 4 or 5 because of damaged kernels (including heat damage) is eligible for purchase. The amended subparagraph reads as follows:

§ 421.2338 *Eligible corn.* \* \* \*  
(f) \* \* \*

(2) Corn placed in approved warehouse storage prior to the time that the producer notifies the county committee of his intentions to sell the corn to CCC: (i) Must grade No. 4 or better on the factor of test weight and/or No. 5 or better on the factor of total damaged kernels (including heat damage) but otherwise grade No. 3 or better (ii) must not contain in excess of 13.5 percent moisture and (iii) must not grade "weevily."

3. Section 421.2346 (a) (1) is amended to provide for the basis of settlement on corn delivered under farm-storage loans which grades below No. 3, excepting corn which grades No. 4 on test weight only. The amended subparagraph reads as follows:

§ 421.2346 *Settlement—(a) Settlement value—(1) Farm-storage loans.* In the case of corn delivered to CCC under farm-storage loans grading No. 3 or better, or No. 4 on the factor of test weight only, but otherwise grading No. 3 or better, settlement shall be made at the applicable support rate for the county in which the corn was produced. The support rate shall be for the grade and quality of the total quantity of corn eligible for delivery subject to premiums and discounts shown in § 421.2347 (b) (3). The settlement value of corn which upon delivery grades below No. 3 (except for corn which grades No. 4 on test weight only, but otherwise No. 3 or better) shall be the applicable basic county support rate without reference to any premiums or discounts less the difference, if any, at the time of delivery, between the market price of corn grading No. 3 and the market price of the corn delivered, as determined by CCC: *Provided,*

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however, That if such corn is sold by CCC in order to determine its market price the settlement value shall not be less than such sales price: *And provided further*, That if upon delivery the corn contains mercurial compounds or other substances poisonous to man or animals, such corn shall be sold for seed (in accordance with applicable State seed laws and regulations), fuel or industrial uses where the end product will not be consumed by man or animals, and the settlement value shall be the same as the sales price, except that if CCC is unable to sell such corn for the use specified above, the settlement value shall be the market value, as determined by CCC, as of the date of delivery.

4. Section 421.2346 (a) (3) (ii) is amended to provide for the basis of settlement on corn under a purchase agreement delivered from approved warehouse storage which grades No. 4 and 5 solely because of damaged kernels (including heat damage) and otherwise meets the eligibility requirements of the bulletin. The amended subdivision reads as follows:

§ 421.2346 *Settlement*—(a) *Settlement value.* \* \* \*

(3) *Purchase agreements.* \* \* \*

(ii) *Delivery from approved warehouse storage.* In the case of eligible corn stored commingled in an approved warehouse, the producer must, not later than the day following the loan maturity date, or during such period of time thereafter as may be specified by the county committee, submit to the office of the county committee warehouse receipts under which the warehousemen guarantees quality and quantity for the quantity of corn the producer elects to sell to CCC. Settlement for corn delivered under purchase agreement to CCC by submission of warehouse receipts issued by an approved warehouse which grades No. 3 or better or No. 4 on test weight only, but otherwise grades No. 3 or better and contains not in excess of 13.5 percent moisture shall be made on the basis of the weight, grade and other quality factors shown on the warehouse receipt or accompanying documents at the applicable support rate for the county in which the corn was pro-

duced. The settlement value of corn delivered under a purchase agreement from approved warehouse storage which contains not in excess of 13.5 percent moisture but which grades No. 4 or No. 5 because of damaged kernels (including heat damage) but otherwise grades No. 3 or better, or No. 4 on test weight only shall be the applicable basic county support rate for corn without reference to any premiums or discounts less the difference, if any, at the time of delivery, between the market price of corn grading No. 3 and the market price of the corn delivered, as determined by CCC.

(Sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. 714b. Interpret or apply sec. 5, 62 Stat. 1072, secs. 101, 401, 63 Stat. 1051, 1054; sec. 308, 70 Stat. 206, 15 U. S. C. 714c, 7 U. S. C. 1441, 1421)

Issued this 8th day of January 1958.

[SEAL] CLARENCE L. MILLER,  
*Acting Executive Vice President,*  
*Commodity Credit Corporation.*

[F. R. Doc. 58-256; Filed, Jan. 10, 1958; 8:50 a. m.]

[1957 C. C. C. Grain Price Support Bulletin 1, Supp. 2, Amdt. 1, Corn]

**PART 421—GRAINS AND RELATED COMMODITIES**

**SUBPART—1957-CROP CORN LOAN AND PURCHASE AGREEMENT PROGRAM**

**SUPPORT RATES**

The regulations issued by Commodity Credit Corporation and Commodity Stabilization Service published in 22 F. R. 5521, 8371, and F. R. Doc. 58-256, *supra*, containing the specific requirements for the 1957-Crop Corn Price Support Program are hereby amended as follows:

Section 421.2347 (b) is amended to provide that discounts for corn grading No. 4 or No. 5 because of containing damaged kernels (including heat damage) shall be applied to the basic support rate at the time the loan is completed, and, to establish the discounts for corn of these grades and qualities so that the amended section reads as follows:

§ 421.2347 *Support rates.* \* \* \*

(b) *Premiums and discounts*—(1) *Farm storage.* In the case of corn grading No. 3 or better or No. 4 on the factor of test weight only, but otherwise grading No. 3 or better, delivered from farm storage under purchase agreements and in the case of farm storage loans, the applicable premiums and discounts shown in subparagraph (3) of this paragraph shall be applied to the basic rate at the time of settlement. The discounts for corn placed under a farm-storage loan which grades "mixed," or No. 4 or No. 5 because of damaged kernels (including heat damage) shall be applied to the basic rate at the time the loan is completed but shall not be applicable at the time of settlement, except for corn which grades "mixed."

(2) *Warehouse storage.* In the case of warehouse-storage loans, the applicable premiums and discounts shown in subparagraph (3) of this paragraph shall be applied to the basic support rate

at the time the loan is completed. In the case of corn represented by warehouse receipts tendered to CCC under purchase agreement which grades No. 3 or better or No. 4 on the factor of test weight only, but otherwise No. 3 or better, the applicable premiums and discounts shown in subparagraph (3) of this paragraph shall be applied to the basic support rate at the time of settlement. The discounts for weevily and for moisture content are not applicable since corn in approved warehouse storage which grades weevily or contains in excess of 13.5 percent moisture is not eligible.

(3) *Schedule of premiums and discounts.*

	<i>Cents per bushel</i>
<b>Premiums:</b>	
Grade No. 2 or better-----	1
Cracked Corn and Foreign Material (percent) 2.0 or less-----	1
Moisture content (percent), 13.5 or less-----	1
<b>Discounts, moisture content (percent):</b>	
0 to 14.0-----	0
14.1 to 15.5-----	1
15.6 to 16.0-----	2
16.1 to 16.5-----	3
16.6 to 17.0-----	4
17.1 to 17.5-----	5
Weevily-----	2
Mixed-----	2

Damaged kernels <sup>1</sup>		Discounts <sup>2,3</sup>
Total	Heat	
Percent	Percent	Cents
0-7-----	00.5-----	0
7.1-8-----	-----	1
8.1-9-----	-----	2
9.1-10-----	0.6-1.0-----	3
10.1-11-----	-----	5
11.1-12-----	-----	7
12.1-13-----	-----	9
13.1-14-----	-----	11
14.1-15-----	1.1-3.0-----	13

<sup>1</sup> Use the column which gives highest applicable discount.

<sup>2</sup> These discounts are cumulative with other discounts and/or premiums.

<sup>3</sup> These discounts shall be deducted from the basic support rate at the time the loan is completed. For settlement purposes these discounts are applicable to warehouse-storage loans only.

(Sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. 714b. Interpret or apply sec. 5, 62 Stat. 1072, secs. 101, 401, 63 Stat. 1051, 1054; sec. 308, 70 Stat. 206, 15 U. S. C. 714c, 7 U. S. C. 1441, 1421)

Issued this 8th day of January 1958.

[SEAL] CLARENCE L. MILLER,  
*Acting Executive Vice President,*  
*Commodity Credit Corporation.*

[F. R. Doc. 58-255; Filed, Jan. 10, 1958; 8:50 a. m.]

[Amdt. 2]

**PART 446—PEANUTS**

**SUBPART—1957 CROP PEANUT PRICE SUPPORT PROGRAM**

**MISCELLANEOUS AMENDMENTS**

The regulations issued by CCC with respect to the 1957 Crop Peanut Price Support Program (22 F. R. 6551 and 9913) are amended as follows in order to provide price support for peanuts containing damage from 8 percent to 25 percent, inclusive.

The regulations in §§ 446.901 to 446.933 inclusive are amended as specified below:

1. The footnote in § 446.906 (b) (3) is amended to read as follows:

<sup>1</sup>Not eligible for price support, except as provided in paragraph (e) of this section.

2. Section 446.906 is amended by adding the following paragraph (e) at the end thereof:

(e) *Peanuts containing damage from 8 percent to 25 percent, inclusive.* Support prices and producer advance values for peanuts containing damage from 8 percent to 25 percent, inclusive, shall be at the rates specified in the following schedule:

Peanuts containing damaged kernels of—	Support price (cents per pound)	Producer advance value (cents per pound)
8 or 9 percent.....	6.5	6.1
10 or 11 percent.....	6.1	5.7
12 or 13 percent.....	5.8	5.4
14 or 15 percent.....	5.4	5.0
16 to 19 percent, inclusive.....	5.0	4.6
20 to 25 percent, inclusive.....	4.3	3.9

3. Section 446.907 (a) is amended to read as follows:

(a) Contain not more than 10 percent foreign material and not more than 7 percent damaged kernels: *Provided, however,* That peanuts containing from 8 percent to 25 percent damaged kernels, inclusive (referred to herein as "high-damage" peanuts) shall, if such high-damage peanuts meet the other requirements of this section, be eligible for price support through a warehouse storage loan to the association at the rates specified in § 446.906 (e);

4. Section 446.907 (b) is amended to read as follows:

(b) Contain moisture not in excess of (1) 10 percent when placed under a farm storage loan, (2) the maximum moisture limitation specified by the association for peanuts received into a warehouse as collateral for a loan to the association, such maximum being 10 percent for high-damage peanuts, or (3) 9 percent in the Southeast and Southwest areas or 10 percent in the Virginia-Carolina area when delivered under a purchase agreement; except that peanuts which have been mechanically dried shall contain at least 5 percent moisture when placed under a farm storage loan or when received in the warehouse and shall not show evidence of damage from the drying process, as indicated by hardness, off flavor or excessive slippage of the skin;

(Sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. 714b. Interpret or apply sec. 5, 62 Stat. 1072, secs. 101, 401, 63 Stat. 1051, 1054; sec. 201, 68 Stat. 899; 15 U. S. C. 714c, 7 U. S. C. 1441, 1421)

Issued this 7th day of January 1958.

[SEAL] WALTER C. BERGER,  
Executive Vice President,  
Commodity Credit Corporation.

[F. R. Doc. 58-233, Filed, Jan. 10, 1958; 8:45 a. m.]

## TITLE 7—AGRICULTURE

### Chapter VII—Commodity Stabilization Service (Farm Marketing Quotas and Acreage Allotments), Department of Agriculture

#### PART 722—COTTON

##### PROCLAMATION OF RESULTS OF MARKETING QUOTA REFERENDUM FOR 1958 CROP OF UPLAND COTTON

§ 722.904 *Basis and purpose.* The purpose of this proclamation is to announce the results of the marketing quota referendum for the 1958 crop of upland cotton. Under the provisions of the Agricultural Adjustment Act of 1938, as amended, the Secretary of Agriculture on October 11, 1957, proclaimed a national marketing quota for the 1958 crop of upland cotton (22 F. R. 8136), and on October 22, 1957, announced that a referendum would be held on December 10, 1957, to determine whether cotton farmers were in favor of or opposed to such quota (22 F. R. 8491). Since the only purpose of this proclamation is to announce the results of the referendum, it is hereby found and determined that, with respect to the proclamation, application of the notice and public procedure provisions of the Administrative Procedure Act (60 Stat. 238; 5 U. S. C. 1003) is unnecessary.

§ 722.905 *Proclamation of results of the marketing quota referendum for the 1958 crop of upland cotton.* In a referendum held on December 10, 1957, of farmers engaged in the production of the 1957 crop of upland cotton, 229,315 farmers voted. Of those voting 213,046 or 92.9 percent, favored the national marketing quota proclaimed by the Secretary of Agriculture for the 1958 crop of upland cotton, and 16,269, or 7.1 percent, opposed such quota. Therefore the national marketing quota of 11,920,290 bales proclaimed by the Secretary of Agriculture on October 11, 1957, for the 1958 crop of upland cotton shall continue in effect.

(Sec. 375, 52 Stat. 66, as amended; 7 U. S. C. 1375. Interpret or apply secs. 342-345, 52 Stat. 56-58, as amended; 7 U. S. C. 1342-1345)

Done at Washington, D. C., this 9th day of January 1958. Witness my hand and the seal of the Department of Agriculture.

[SEAL] TRUE D. MORSE,  
Acting Secretary.

[F. R. Doc. 58-267; Filed, Jan. 9, 1958; 3:30 p. m.]

#### PART 722—COTTON

##### PROCLAMATION OF RESULTS OF MARKETING QUOTA REFERENDUM FOR 1958 CROP OF EXTRA LONG STAPLE COTTON

§ 722.1504 *Basis and purpose.* The purpose of this proclamation is to announce the results of the marketing quota referendum for the 1958 crop of extra long staple cotton. Under the provisions of the Agricultural Adjustment Act of 1938, as amended, the Secretary

of Agriculture on October 11, 1957, proclaimed a national marketing quota for the 1958 crop of extra long staple cotton (22 F. R. 8147) and on October 22, 1957, announced that a referendum would be held on December 10, 1957, to determine whether cotton farmers were in favor of or opposed to such quota (22 F. R. 8492). Since the only purpose of this proclamation is to announce the results of the referendum, it is hereby found and determined that, with respect to the proclamation, application of the notice and public procedure provisions of the Administrative Procedure Act (60 Stat. 238; 5 U. S. C. 1003) is unnecessary.

§ 722.1505 *Proclamation of results of the marketing quota referendum for the 1958 crop of extra long staple cotton.* In a referendum held on December 10, 1957, of farmers engaged in the production of the 1957 crop of extra long staple cotton, 1,246 farmers voted. Of those voting 1,097, or 88.0 percent, favored the national marketing quota proclaimed by the Secretary of Agriculture for the 1958 crop of extra long staple cotton, and 149, or 12.0 percent, opposed such quota. Therefore, the national marketing quota of 79,022 bales proclaimed by the Secretary of Agriculture on October 11, 1957, for the 1958 crop of extra long staple cotton shall continue in effect.

(Sec. 375, 52 Stat. 66, as amended; 7 U. S. C. 1375. Interpret or apply secs. 342-345, 347, 52 Stat. 56-59, as amended; 7 U. S. C. 1342-1345, 1347)

Done at Washington, D. C., this 9th day of January 1958. Witness my hand and the seal of the Department of Agriculture.

[SEAL] TRUE D. MORSE,  
Acting Secretary.

[F. R. Doc. 58-268; Filed, Jan. 9, 1958; 3:30 p. m.]

### Chapter IX—Agricultural Marketing Service (Marketing Agreements and Orders), Department of Agriculture

#### [Navel Orange Reg. 130]

##### PART 914—NAVEL ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

#### LIMITATION OF HANDLING

§ 914.430 *Navel Orange Regulation 130—(a) Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 14, as amended (7 CFR Part 914), regulating the handling of navel oranges grown in Arizona and designated part of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.; 68 Stat. 906, 1047), and upon the basis of the recommendation and information submitted by the Navel Orange Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such navel oranges as hereinafter provided will tend to effectuate the declared policy of the act.

[Grapefruit Reg. 279]

## PART 933—ORANGES, GRAPEFRUIT, TANGERINES, AND TANGELOS GROWN IN FLORIDA

## LIMITATION OF SHIPMENTS

§ 933.887 *Grapefruit Regulation 279—*

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 33, as amended (7 CFR Part 933; 22 F. R. 8511), regulating the handling of oranges, grapefruit, tangerines, and tangelos grown in Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and upon the basis of the recommendations of the committees established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of grapefruit, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The Committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for navel oranges and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such navel oranges; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on January 9, 1958.

(b) *Order.* (1) The respective quantities of navel oranges grown in Arizona and designated part of California which may be handled during the period beginning at 12:01 a. m., P. s. t., January 12, 1958, and ending at 12:01 a. m., P. s. t., January 19, 1958, are hereby fixed as follows:

- (i) District 1: 462,000 cartons;
- (ii) District 2: Unlimited movement;
- (iii) District 3: Unlimited movement;
- (iv) District 4: Unlimited movement.

(2) All navel oranges handled during the period specified in this section are subject also to all applicable size restrictions which are in effect pursuant to this part during such period.

(3) As used in this section, "handled," "District 1," "District 2," "District 3," "District 4," and "carton" have the same meaning as when used in said amended marketing agreement and order.

(Sec. 5, 49 Stat. 853, as amended; 7 U. S. C. 608c)

Dated: January 10, 1958.

[SEAL] G. R. GRANGE,  
Acting Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F. R. Doc. 58-303; Filed, Jan. 10, 1958; 11:24 a. m.]

tive term in said amended marketing agreement and order; and terms relating to grade, diameter, standard pack, and standard box, as used herein, shall have the same meaning as is given to the respective term in the United States Standards for Florida Grapefruit (§§ 51.750 to 51.790 of this title); and the term "mature" shall have the same meaning as set forth in section 601.16 Florida Statutes, chapters 26492 and 28090, known as the Florida Citrus Code of 1949, as supplemented by section 601.17 (chapters 25149 and 28090) and also by section 601.18, as amended June 2, 1955 (chapter 29760).

(2) During the period beginning at 12:01 a. m., e. s. t., January 13, 1958, and ending at 12:01 a. m., e. s. t., January 20, 1958, no handler shall ship between the production area and any point outside thereof in the continental United States, Canada, or Mexico:

(i) Any seeded grapefruit, grown in the production area, which are not mature and do not grade at least U. S. No. 1 Bronze;

(ii) Any seeded grapefruit, grown in the production area, which are of a size smaller than a size that will pack 80 grapefruit, packed in accordance with the requirements of a standard pack, in a standard nailed box;

(iii) Any seedless grapefruit, grown in Regulation Area I, which are not mature and do not grade at least U. S. No. 1 Bronze;

(iv) Any seedless grapefruit, grown in Regulation Area II, which are not mature and do not grade at least U. S. No. 1 Russet: *Provided*, That any grapefruit which grade U. S. No. 2 Russet, U. S. No. 2 or U. S. No. 2 Bright, may be shipped if such grapefruit meets the requirements as to form (shape) and color specified in the U. S. No. 1 grade; or

(v) Any seedless grapefruit, grown in the production area, which are of a size smaller than a size that will pack 96 grapefruit, packed in accordance with the requirements of a standard pack, in a standard nailed box.

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. 608c)

Dated: January 9, 1958.

[SEAL] G. R. GRANGE,  
Acting Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F. R. Doc. 58-262; Filed, Jan. 10, 1958; 9:15 a. m.]

[Orange Reg. 332]

## PART 933—ORANGES, GRAPEFRUIT, TANGERINES AND TANGELOS GROWN IN FLORIDA

## LIMITATION OF SHIPMENTS

§ 933.888 *Orange Regulation 332—*

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 33, as amended (7 CFR Part 933; 22 F. R. 8511), regulating the handling of oranges, grapefruit, tangerines and tangelos grown in Florida, effective

under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and upon the basis of the recommendations of the committees established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of oranges, including Temple oranges, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. Shipments of oranges, including Temple oranges, grown in the production area, are presently subject to regulation by grades and sizes, pursuant to the amended marketing agreement and order; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after an open meeting of the Growers Administrative Committee on January 8, 1958, such meeting was held to consider recommendations for regulation, after giving due notice of such meeting, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including the effective time hereof, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such oranges; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter set forth so as to provide for the continued regulation of the handling of oranges, including Temple oranges, and compliance with this section will not require any special preparation on the part of the persons subject thereto which cannot be completed by the effective time hereof.

(b) *Order.* (1) Terms used in the amended marketing agreement and order shall, when used herein, have the same meaning as is given to the respective term in said amended marketing agreement and order; and terms relating to grade, diameter, standard pack, and standard box, as used herein, shall have the same meaning as is given to the respective term in the amended United States Standards for Florida Oranges and Tangelos (§§ 51.1140 to 51.1186 of this title; 22 F. R. 6676).

(2) During the period beginning at 12:01 a. m., e. s. t., January 13, 1958, and ending at 12:01 a. m., e. s. t., January 20,

1958, no handler shall ship between the production area and any point outside thereof in the continental United States, Canada, or Mexico:

(i) Any oranges, except Temple oranges, grown in the production area, which do not grade at least U. S. No. 2;

(ii) Any oranges, except Temple oranges, grown in the production area, which are of a size smaller than  $2\frac{1}{16}$  inches in diameter, except that a tolerance of 10 percent, by count, of oranges smaller than such minimum diameter shall be permitted, which tolerance shall be applied in accordance with the provisions for the application of tolerances, specified in the amended United States Standards for Florida Oranges and Tangelos (§§ 51.1140 to 51.1186 of this title; 22 F. R. 6676): *Provided*, That in determining the percentage of oranges in any lot which are smaller than  $2\frac{1}{16}$  inches in diameter, such percentage shall be based only on those oranges in such lot which are of a size  $2\frac{1}{16}$  inches in diameter and smaller;

(iii) Any Temple oranges, grown in the production area, which do not grade at least U. S. No. 2 Russet; or

(iv) Any Temple oranges, grown in the production area, which are of a size smaller than  $2\frac{1}{16}$  inches in diameter, except that a tolerance of 10 percent, by count, of Temple oranges smaller than such minimum diameter shall be permitted, which tolerance shall be applied in accordance with the provisions for the application of tolerances specified in the United States Standards for Florida Oranges and Tangelos (§§ 51.1140 to 51.1186 of this title; 22 F. R. 6676).

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. 608c)

Dated: January 9, 1958.

[SEAL] G. R. GRANGE,  
*Acting Director, Fruit and Vegetable Division, Agricultural Marketing Service.*

[F. R. Doc. 58-263; Filed, Jan. 10, 1958; 9:15 a. m.]

[Tangelo Reg. 4]

PART 933—ORANGES, GRAPEFRUIT, TANGELINES, AND TANGELOS GROWN IN FLORIDA

LIMITATION OF SHIPMENTS

§ 933.889 *Tangelo Regulation 4—(a) Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 33, as amended (7 CFR Part 933; 22 F. R. 8511), regulating the handling of oranges, grapefruit, tangerines, and tangelos grown in Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and upon the basis of the recommendations of the committees established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of tangelos, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the

public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. Shipments of tangelos, grown in the production area, are presently subject to regulation by grades and sizes, pursuant to the amended marketing agreement and order; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after an open meeting of the Growers Administrative Committee on January 8, 1958, such meeting was held to consider recommendations for regulation, after giving due notice of such meeting, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including the effective time hereof, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such tangelos; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter set forth so as to provide for the continued regulation of the handling of tangelos, and compliance with this section will not require any special preparation on the part of the persons subject thereto which cannot be completed by the effective time hereof.

(b) *Order.* (1) Terms used in the amended marketing agreement and order shall, when used herein, have the same meaning as is given to the respective term in said amended marketing agreement and order; and terms relating to grade, diameter, standard pack, and standard box, as used herein, shall have the same meaning as is given to the respective term in the amended United States Standards for Florida Oranges and Tangelos (§§ 51.1140 to 51.1186 of this title; 22 F. R. 6676).

(2) During the period beginning at 12:01 a. m., e. s. t., January 13, 1958, and ending at 12:01 a. m., e. s. t., January 20, 1958, no handler shall ship between the production area and any point outside thereof in the continental United States, Canada, or Mexico:

(i) Any tangelos, grown in the production area, which do not grade at least U. S. No. 2 Russet; or

(ii) Any tangelos, grown in the production area, which are of a size smaller than  $2\frac{1}{16}$  inches in diameter, except that a tolerance of 10 percent, by count, of tangelos smaller than such minimum diameter shall be permitted, which tolerance shall be applied in accordance with the provisions for the application

of tolerances specified in the United States Standards for Florida Oranges and Tangelos (§§ 51.1140 to 51.1186 of this title; 22 F. R. 6676).

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. 608c)

Dated: January 9, 1958.

[SEAL] G. R. GRANGE,  
Acting Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F. R. Doc. 58-264; Filed, Jan. 10, 1958; 9:15 a. m.]

[Tangerine Reg. 198]

**PART 933—ORANGES, GRAPEFRUIT, TANGERINES, AND TANGELOS GROWN IN FLORIDA**

**LIMITATION OF SHIPMENTS**

§ 933.890 *Tangerine Regulation 198*—(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 33, as amended (7 CFR Part 933; 22 F. R. 8511), regulating the handling of oranges, grapefruit, tangerines, and tangelos grown in Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and upon the basis of the recommendations of the committees established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of tangerines, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. Shipments of tangerines, grown in the production area, are presently subject to regulation by grades and sizes, pursuant to the amended marketing agreement and order; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after an open meeting of the Growers Administrative Committee on January 8, 1958, such meeting was held to consider recommendations for regulation, after giving due notice of such meeting, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including the effective time hereof, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such tangerines; it

is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter set forth so as to provide for the continued regulation of the handling of tangerines, and compliance with this section will not require any special preparation on the part of the persons subject thereto which cannot be completed by the effective time hereof.

(b) *Order.* (1) Terms used in the amended marketing agreement and order shall, when used herein, have the same meaning as is given to the respective term in said amended marketing agreement and order; and terms relating to grade, diameter, and standard pack, as used herein, shall have the same meaning as is given to the respective term in the United States Standards for Florida Tangerines (§§ 51.1810 to 51.1836 of this title).

(2) During the period beginning at 12:01 a. m., e. s. t., January 13, 1958, and ending at 12:01 a. m., e. s. t., January 20, 1958, no handler shall ship between the production area and any point outside thereof in the continental United States, Canada, or Mexico:

(i) Any tangerines, grown in the production area, that do not grade at least U. S. No. 2; or

(ii) Any tangerines, grown in the production area, that are of a size smaller than the size that will pack 246 tangerines, packed in accordance with the requirements of a standard pack, in a half-standard box (inside dimensions 9½ x 9½ x 19½ inches; capacity 1,726 cubic inches).

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. 608c)

Dated: January 9, 1958.

[SEAL] G. R. GRANGE,  
Acting Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F. R. Doc. 58-265; Filed, Jan. 10, 1957; 9:15 a. m.]

[Lemon Reg. 721]

**PART 953—LEMONS GROWN IN CALIFORNIA AND ARIZONA**

**LIMITATION OF HANDLING**

§ 953.828 *Lemon Regulation 721*—(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 53, as amended (7 CFR Part 953), regulating the handling of lemons grown in California and Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.; 68 Stat. 906, 1047), and upon the basis of the recommendation and information submitted by the Lemon Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such lemons as hereinafter provided will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this

section until 30 days after publication hereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based becomes available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The Committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for lemons and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such lemons; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on January 8, 1958.

(b) *Order.* (1) The respective quantities of lemons grown in California and Arizona which may be handled during the period beginning at 12:01 a. m., P. s. t., January 12, 1958, and ending at 12:01 a. m., P. s. t., January 19, 1958, are hereby fixed as follows:

(i) District 1: 32,550 cartons;

(ii) District 2: 153,450 cartons;

(iii) District 3: Unlimited movement.

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

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. 608c)

Dated: January 9, 1958.

[SEAL] G. R. GRANGE,  
Acting Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F. R. Doc. 58-290; Filed, Jan. 10, 1958; 9:16 a. m.]

**TITLE 13—BUSINESS CREDIT AND ASSISTANCE**

**Chapter II—Small Business Administration**

[Amdt. 1]

**PART 101—LOAN POLICY STATEMENT**

**BUSINESS LOANS; DISASTER AND DROUGHT LOANS**

The Loan Policy Statement issued by the Loan Policy Board of the Small Busi-

ness Administration (21 F. R. 5044), is hereby amended by:

1. Deleting § 101.2 (c) (2) in its entirety and substituting the following in lieu thereof:

(2) In agreements to participate in loans on a deferred or an immediate basis, such participation by the Small Business Administration shall not be in excess of 90 percent of the balance of the loan outstanding at the time of disbursement.

2. Deleting § 101.5 (c) in its entirety and substituting the following in lieu thereof:

(c) In agreements to participate in disaster and drought loans on a deferred or an immediate basis, such participation by the Small Business Administration shall not be in excess of 90 percent of the balance of the loan outstanding at the time of disbursement.

(Sec. 204, 67 Stat. 233; 15 U. S. C. 634)

Dated: December 19, 1957.

SMALL BUSINESS ADMINISTRATION  
LOAN POLICY BOARD,  
WENDELL B. BARNES,  
Chairman.

[F. R. Doc. 58-238; Filed, Jan. 10, 1958;  
8:46 a. m.]

## TITLE 14—CIVIL AVIATION

### Chapter I—Civil Aeronautics Board

Subchapter D—Policy Statements  
[Regulation Policy Statement 3]

#### PART 399—STATEMENTS OF GENERAL POLICY

##### 1958 TRANSATLANTIC CHARTER POLICY

Adopted by the Civil Aeronautics Board at its office in Washington, D. C., on the 7th day of January 1958.

Having received written comments and heard oral argument from interested persons concerning the Board's 1957 Transatlantic Charter Policy, the Board hereby promulgates its 1958 Transatlantic Charter Policy.

The Board believes that in its broad aspects the existing Charter Policy should be continued but that certain changes are warranted, most of which are for purposes of clarification and more ready administration. These changes are reflected in the substantive sections of 1958 charter policy which follow.

A primary objective of the Board in promulgating the 1958 policy is to recast and reorganize it so as more clearly to specify the rights and obligations of the various interested persons, i. e., the carrier applicant, the chartering group, the travel agent and the certificated carriers. With that objective in mind provision has also been made for a standardized questionnaire form and after-flight report. These are attached as Appendices A and B to the 1958 policy statement.<sup>1</sup> These changes from the previous policy should permit the public, the carriers and the Board more readily

to determine the charterworthiness of prospective charter groups and thus tend to avoid the difficulties caused by last-minute charter denials such as have occurred on occasion in the past. For this purpose, the new policy also provides that the Board be notified by the carriers within five days of the names and addresses of groups who reserve flight dates. Thus, the Board may directly supply such groups with a copy of the charter policy and emphasize the availability of the advisory opinion procedures under which the Board's staff is authorized to give advice to prospective charter groups as to their charter eligibility prior to the time that they commit themselves to a course of action. The names and addresses of groups supplied to the Board under this procedure will, of course, be kept in strict confidence by the Board.

Recognizing that rapid Board action on charters is highly important to an efficient conduct of charters by both prospective charter groups and the air carriers, the Board intends, where complete and proper applications are filed, to process such applications within thirty days. As a further step in processing charter applications rapidly, the Board has granted certain delegations of authority to the Director, Bureau of Air Operations, with respect to approval of such matters as single entity charters, minor changes in operations after Board approval but prior to flight date, pro rata charters for groups approved in prior years where no objections are filed, and requests for one-way passengers or intermingling.

The 1958 policy requires that certain new data be supplied and procedures be followed which have not been required in previous years. These requirements, as noted above, have been designed by the Board to permit all interested persons more readily to determine charter eligibility of groups. Comments received by the Board indicate some apprehension over the possibility that the burden of the new requirements may impede the development of charter business by carriers operating under the charter policy. The Board wishes to make clear at this time that, should experience during 1958 indicate that the new procedural provisions of the policy prove to be impediments of significance, the Board will give full consideration to the question of whether revisions in such requirements are in order.

The Board desires to advise all interested persons that it has under consideration a proposal to convert the Transatlantic Charter Policy from the form of a policy statement to the form of a regulation. The conversion of the charter policy to regulation form should lend more stability to this area of activity and provide a more convenient administrative form for the handling of the problems involved. In addition, it would provide a more effective basis for compliance action where such action may be necessary.

The following sections of this explanatory statement deal with the more significant factors involved in the adoption of the new policy as they affect the applicant carrier, the travel agent, the

chartering group and the certificated carriers:

**Applicant carriers.** The policy clarifies the extent to which carriers can utilize paid advertising in media of mass circulation. "Institutional-type" advertising is permitted to the effect that the carrier conducts transatlantic charters pursuant to CAB procedures. However, the carrier may not directly or indirectly advertise rates on an individual fare basis. Thus advertisements in mass media which would indicate, for example, both the round-trip charter price between New York and London, on the one hand, and the number of passenger seats, on the other, would be prohibited under the policy.

In those cases where carriers utilize tariffs showing live and ferry mileages, the policy requires a refund to the charterer if in fact the amount of ferry mileage envisaged at the time the charter contract was signed does not in fact materialize. However, as to ferrying performed in excess of that contracted for (except where requested by the charterer) the policy provides that the burden should be on the carrier—since it, rather than the charterer, is knowledgeable as to its aircraft utilization and positioning problems—to foresee the ferrying that will be necessary and to contract accordingly.

Certain carriers have suggested that the present prohibition against "split charters" be modified to permit two bona fide groups to charter one aircraft. They allege that many small groups are deprived of the advantages of charter service and that the advent of larger aircraft has accentuated the problem. The Board does not believe that this is an adequate showing to warrant a relaxation of the Board's long-standing policy against split charters. The contracting for the exclusive use of an aircraft is basic to the concept of charter service. Among other things, relaxation of the policy would open an avenue to a breakdown between charter and individually-ticketed services, would complicate the Board's administrative problems (a) by dividing charterers' responsibilities between two charterers and (b) by giving rise to "hardship" cases where an eligible group would be injured if the Board found its partner group to be ineligible. It would also create a temptation to a group, a carrier, or a travel agent to seek out or "promote" a fill-up group.

The Independent Airlines Association has urged that supplemental air carriers be given first refusal rights over certificated cargo carriers. We do not feel the propriety of such a proposal at this time has been established. First, no showing has been made by the proponents of such a priority that they are prevented under the present rules from obtaining all the business that they can handle. Next, a showing has not been made that, should a priority be granted, the supplemental carriers would be able to handle the current charter services of the cargo carriers on a reasonably adequate basis. Finally, from a procedural point of view it would appear to be unsound to establish a priority system with such an apparent far-reaching effect on

<sup>1</sup> Filed as part of the original document.

the certificated cargo carriers on the basis of the present record.

**Travel agents.** The new policy makes more explicit the permissible relationships between the travel agent and the chartering group. The only specific question raised after circulation of the tentative policy concerned the propriety of prohibiting the travel agent from, in the first instance, incurring expenses relating to solicitation of individuals within the group (e. g., printing of brochures) subject to later reimbursement by the charterer. It must be realized that the Board must determine on the basis of a written record whether or not the travel agent has participated unduly in the formation of the group. For this reason the lines of permissible activity must be sharply drawn. In this instance the prohibition appears clearly necessary for administrative purposes and would not appear to constitute any significant impediment to either the group or the agent.

One suggestion has been made that the agent's commission be raised from 5 percent to 7½ percent. There is no general allegation either by various carriers or by various agents that the commission rate is too low to attract business to the carriers or to permit the agents to profit from or be interested in charter business. Taking into account the normal IATA rate of 5 percent, the Board does not feel warranted at this time in taking any action to raise the permissible fee under the charter policy.

**Chartering groups.** For the first time the charter policy attempts to describe the kinds of organizations which have been found charterworthy for purposes of guiding prospective charter groups. Size and geographic area are discussed as well as the matter of public solicitation.

The new policy also clarifies the rules with respect to length of membership in an organization (six-months rule), one-way passengers, intermingling of passengers in the case of two or more round-trip flights, definition of immediate family, and proration of charges among charter participants.

The new policy also permits payments to members of the organization for labor in administering the charter in amounts not to exceed \$300.00 per round trip. Question has been raised as to whether this limitation is too low in relation to the task involved in administering a charter flight. Since the policy provides that where amounts in excess of \$300.00 can be justified they may be permitted, the Board does not feel that any change in the policy is warranted at the present time. Along with permission to include payments to the organizers of the charters for labor, the policy specifically prohibits compensation to any member of the chartering organization, direct or indirect, from the carrier, the travel agent, or any organization providing any services to the chartering group whether of an air transportation or land tour nature or otherwise.

The new policy continues and makes more specific the requirement for after-flight reports by chartering groups. The Board wishes to point out that chartering groups should discharge their respon-

sibility to file after-flight reports. Failure to do so will be taken into account by the Board in determining whether it is in the public interest to grant charter applications for such groups in future years.

**Certificated carriers.** The new policy provides that first refusal privileges for certificated carriers will apply only to the off-season (October through May, inclusive), and not to the peak season (June through September, inclusive). We have been urged to retain this requirement throughout the year, or that in the peak season we at least continue it in the off-peak direction. Taking into account the fact that this right has not been exercised during 1957, that certificated carriers have doubtful need for the artificial priority so provided in view of their other substantial competitive advantages over carriers operating under the charter policy, and that exercise of the privilege of first refusal could have a significant economic impact upon other carriers' charter flight patterns, we conclude that there should be no first refusal privileges during the peak season.

The 1958 Charter Policy which follows consists of three main parts: provisions of general applicability; provisions relating to "pro rata" charters (where the passengers transported share the cost of transportation); and provisions relating to "entity charters" (where the entire transportation cost is borne by the chartering organization and none of the cost is paid by the individual passenger).

Since this rule relates only to statements of policy, notice and public procedures hereon are unnecessary, and the regulation may be made effective upon less than 30 days' notice.

In consideration of the foregoing, the Civil Aeronautics Board hereby repeals § 399.28 and enacts Regulation Policy Statement No. 3 comprising new § 399.29 of Subpart B of Part 399, effective January 7, 1958, to read as follows:

§ 399.29 *Transatlantic Charter Policy*—(a) *General provisions.* (1) This section prescribes the general standards which will be used in processing and deciding applications for 416 (b) exemptions permitting otherwise unauthorized air carriers to engage in transatlantic passenger charter operations. The Board will neither grant blanket exemptions to an entire class of carriers to engage in charter operations, nor exempt all charter flights performed during an entire season by a particular air carrier. Thus, an application for specific exemption must be filed for each proposed charter movement.

(2) The Board's policy is to favor the granting of only those applications which comply fully with the terms and conditions of the charter policy. However, the determination of whether a particular exemption should be granted will be made on a case-to-case basis in the light of the statutory standard of section 416 (b). Thus the Board is necessarily reserving its discretion to waive any of the requirements of this section in appropriate cases.

(3) It is the Board's policy to retain the basic charter concept presently found in § 207.1 of this chapter as amplified

and modified by this statement in order to preclude the entry of persons acting as indirect air carriers in this field.

(b) *Pro rata charters*—(1) *Requirements relating to air carrier applicant.*

(i) Within 5 days after a charter flight date is reserved by the carrier or its agent, the carrier must advise the Board in writing of the name and address of the prospective charterer in order that the Board may inform the charterer of the requirements of this section and the availability of the procedure for obtaining an advisory opinion from the Board's staff with respect to the eligibility of the group for charter service.

(ii) Within seven days after a charter contract has been executed a copy of the contract must be submitted to the Board.

(iii) The application for exemption authority to conduct the charter flight must be filed with the Board at least 60 days in advance of the first flight under the charter contract. It is the intention of the Board to process applications, properly submitted with the required data, within 30 days after filing.

(iv) The carrier must have a tariff on file with the Board at the time the application is filed disclosing all its rates and charges for the use of the entire capacity of one or more aircraft in air transportation and all its rules and regulations in connection with all transatlantic pro rata charter service which it offers to perform. The tariff may be amended upon 30 days statutory notice consistent with the Board's normal tariff procedures.

(v) The total charter price or other terms of service set forth in the application must conform to those set forth in the applicable tariff on file with the Board at the time the exemption application is filed and the contract must be for the entire capacity of one or more aircraft. Where a carrier's charter charge computed according to a mileage tariff includes a charge for ferry mileage, the carrier shall refund to the charterer any sum charged for ferry mileage which is not in fact flown in the performance of the charter: *Provided*, That the carrier shall not charge the charterer for ferry mileage flown in addition to that stated in the contract unless such mileage is flown for the convenience of and at the express direction of the charterer.

(vi) The carrier's application must contain the information required by the questionnaire (Appendix A).<sup>1</sup>

(vii) The carrier may not pay its agent a commission or any other benefits, directly or indirectly, in excess of five percent of the total charter price as set forth in the carrier's charter tariff on file with the Board.

(viii) The carrier shall require full payment of the total round-trip charter price or the posting of a satisfactory bond for full payment prior to the commencement of the air transportation.

(ix) Without prior Board approval, upon good cause shown at the time the application is filed, the carrier shall not transport one-way passengers in the case of a round-trip charter. Similarly, in the case of a charter contract calling for

<sup>1</sup> Filed as part of the original document.

two or more round trips, without prior Board approval upon good cause shown at the time of application, there shall be no intermingling and each plane-load group shall move as a unit in both directions.

(x) Within 10 days after the completion of each one-way flight or each round trip, whichever is authorized, manifests shall be filed showing the names and addresses of the persons transported and the relationship of each such person to the charterer.<sup>2</sup>

(xi) Within 30 days after completion of each one-way, or each round trip, whichever is authorized, a report shall be filed showing separately all the charges (including air transportation) pro rated by the charterer among the members of the group, indicating the number of passengers, and resulting pro-rated charge per passenger. (See Appendix B.<sup>3</sup>)

(xii) The carrier may not solicit individual members of the chartering organization either through personal contact, through the placing of advertisements in newspapers, magazines or billboards, or through radio or television stations, or otherwise. However, a carrier may solicit prospective charter groups, but may not engage in public advertising except the "institutional-type" provided for in subdivision (xiii) of this subparagraph.

(xiii) A carrier is not prohibited from "institutional-type" advertising to the effect that it conducts transatlantic charters under procedures established by the Civil Aeronautics Board. However, the carrier may not, directly or indirectly, advertise rates on an individual passenger basis.

(xiv) The carrier may not employ, directly or indirectly, any person for the purpose of organizing and assembling members of the chartering party into a chartering group.

(xv) The carrier or its agent shall at the time a charter flight date is tentatively reserved, advise the chartering group of the availability of prior clearance of the charterworthiness of the group by the staff of the Civil Aeronautics Board.

(2) *Requirements relating to travel agent.* (i) A travel agent may not receive a commission from both the direct air carrier and the charterer for services performed in connection with the charter agreement or for services rendered on behalf of the charterer.

(ii) A travel agent may not assist in the organization and assembly of the charter group or handle the sale or ticketing of any individual members of the group except as hereinafter indicated.

(iii) In cases where the group has itself engaged the aircraft without intermediary, they may employ the services of a travel agent for the land tour who may solicit individual members of the group for such tours, receive deposits and conduct ticketing for such land tours. He may not, however, engage in

any activities with or without compensation relating to the organization or assembly of the charter group itself or receive remuneration of any kind from the carrier in connection with the charter.

(iv) In cases where an agent, either singly or by agreement with others, acts as both the direct air carrier's agent and as agent for land tours, such agent may not directly handle the sale or ticketing of any individual members of the group either for the air transportation portion of their journey or for the land tour portion, except for charter participants who, on an individual basis, request land tour arrangements different from those made available to the charter group. The services of the travel agent may be utilized in the preparation of a brochure or other literature describing all the aspects of the whole trip: *Provided, however*, That the distribution of such material, and the actual administration of the charter flight (which includes the collection and distribution of all pro rata shares of all the participants) be confined to the hands of the charterer.

(v) The travel agent shall not incur any obligations on behalf of a chartering group relating to the expenses of solicitation or organization of the individual participants in the chartering group, whether or not it is intended for the group to assume ultimately the obligation incurred.

(vi) The travel agent shall make no payments or extend gratuities of any kind, directly or indirectly, to any member of the chartering organization in relation either to the air transportation or land tour portions of the charter trip.

(vii) No travel agent, or officer, director or employee of such an agent, who may be a member of a charter group, shall participate in the charter activity of such group, if such travel agent, or officer, director or employee thereof, is receiving directly or indirectly any compensation either from the charter flight or the land tours.

(3) *Requirements relating to chartering organization.* (i) (a) An application for exemption to perform a charter flight in foreign air transportation where the participants are individually bearing all or a substantial part of the cost of such transportation will be granted only where such participants have not been brought together as a result of solicitation of the general public or a substantial portion thereof. In making this determination, the Board will consider both the size of the group and the area of residence of the group from which the participants have been solicited. The Board will also consider the relative ease of admission to membership and, where admission is on a casual or informal basis, many construe a charter solicited from such membership as being, in effect, held open to the general public.

(b) As a rule of thumb, the Board has heretofore followed a policy of granting exemptions for charter parties solicited from organizations with substantial memberships only where the membership is located in a limited area. The Board has denied approval to charter parties solicited from groups of more

limited size where these are organized on a state or nationwide basis. For example, the Board has approved charters drawn from universities and employees of business firms in a given locality open to more than 20,000 persons but has denied charters to statewide organizations with memberships in excess of 10,000 persons, and nationwide groups having more than 5,000 members. In this connection, a charter open to statewide or nationwide membership of a religious denomination, a political party, or a profession or occupation would ordinarily be considered as drawn, in effect, from the general public and thus ineligible. But a charter open only to a subdivision of any of the foregoing might, in many circumstances, be found eligible. Furthermore, where a charter is desired to transport a limited number of members of a national or statewide organization who are to participate actively in a special project—e. g., as delegates to a scientific congress—and participation is on a selective basis so that the charter is not open to the membership in general, the size or geographic area of the whole organization may not be a bar to approval of the charter. The Board has found that parties organized by solicitations strictly limited to members of the following types of organizations are charterworthy:

- a. Government agency recreational associations.
- b. Employee groups of industrial and mercantile firms.
- c. Local chapters of professional associations.
- d. College campus charters and college study trips.
- e. Local church groups.
- f. Local social and fraternal clubs.

(ii) An organized club or group may solicit only its members and their immediate families for participation in the charter flight. Immediate family is construed by the Board to include the spouse, children and parents who are in the member's immediate household. Further, participation of immediate families should be limited to the immediate families of those members who will themselves participate in the charter flight as passengers. Only those members who are members at the time the application is filed and will have been members of the organization for a minimum period of six months prior to charter flight date may be solicited. If other members of the organization are solicited, the chartering group must overcome a presumption that these new members are not bona fide members of the organization but rather join the organization merely for the purpose of becoming members of the charter party and that they did so as a result of a solicitation of a public character. This presumption is primarily directed toward social or fraternal clubs with only nominal entrance requirements. Conversely, where full-time employment in a given organization is a requirement for participation in a charter, for example, the six-month membership provision would appear to be inapplicable.

(iii) It shall be considered solicitation of the general public when the charter is described, announced or referred to in

<sup>1</sup> Filed as part of the original document.

<sup>2</sup> The carrier shall promptly notify the Board regarding any flights authorized by the Board that are later cancelled.

advertisements, whether paid or unpaid, in any media of mass communication such as newspapers, magazines, radio, or television. A news item carried on such media would be considered as solicitation if initiated or inspired by the charterer, carrier, or travel agent and, if reasonably construed, it is likely to induce travel on the charter. However, advertising or the initiation of an unpaid announcement in media the circulation of which is primarily restricted to an eligible group—e. g., the plant newspaper of a factory, the student newspaper of a college—would not ordinarily be considered as solicitation of the general public, particularly if it included a statement that the charter is limited to bona fide members of the organization and their immediate families. Distribution of circulars to persons not members of the organization or the posting of notices outside the premises of the organization will also be regarded as evidence of solicitation of the general public, as will campaigns by telephone, telegraph, or letter going beyond the bona fide membership.

(iv) In the case of a round-trip charter flight, one-way passengers are not permitted. Where more than one round trip is contracted for, intermingling between flights or reforming of plane-load groups is not permitted, and each plane-load group must move as a unit in both directions. Waiver of this section may be obtained where there is good cause shown at the time the charter application is filed.

(v) The costs of the charter flight must be pro rated equally among all charter passengers, except to the extent that the charter application may indicate a lesser charge for children under 12. In the event there is any unequal division of charges, good cause therefor must be shown at the time the application is filed. Free transportation of a particular passenger (except children under 2 years) is not permitted.

(vi) Reasonable administrative costs of developing the charter may be pro rated among the charter participants. These may include a reasonable amount of compensation to members of the organization for labor in administering the charter. Any such charge should be clearly indicated and should not exceed in total the amount of \$300.00 for the round-trip charter unless the additional amounts above \$300.00 are justified at the time the application is filed. Neither the organizers of the charter, any member participating in the charter, nor any member of the chartering organization (non-participants) may receive any compensation, direct or indirect, from the carrier, the travel agent, or any organization providing any services to the chartering group whether of an air transportation or land tour nature or otherwise.

(vii) The chartering organization may not make charges to the charter participants which exceed the actual out-of-pocket or added costs incurred in consummating the charter arrangements. Any announcements to the prospective charter participants of the anticipated individual charge for the charter shall clearly identify the portion

of the charges to be separately paid for the air transportation, for the land tour, and for the administrative expenses of the charterer. Within 15 days after completion of the charter, the chartering organization must supply to each charter participant a detailed statement in the form shown in Appendix B<sup>1</sup> of the total and prorated amounts collected from each charter participant and paid to the direct air carrier together with an itemization and justification of all charges made in addition to the pro rata share of the total charter transportation charge. Such statement shall also include the names of all persons receiving payment for their services and the amounts paid to each.

(viii) The chartering organization must prepare and submit to the direct air carrier, for purposes of filing with the Board, as outlined in subparagraph (1) (xi) of this paragraph, the statement of pro rated charges in the form shown in Appendix B.<sup>1</sup> Failure on the part of the chartering organization to submit an adequate and timely report will be a factor in any future Board decision as to charters for such organization.

(ix) In order to avoid uncertainties on the part of the prospective groups concerning their eligibility for charters under the Board's policy and to prevent hardships resulting from consummation of travel arrangements and their subsequent disapproval and cancellation shortly before flight time, the Board has instructed the Bureau of Air Operations to render advisory opinions concerning the eligibility of a particular group to either the group or the applicant carrier. Whenever the chartering group has any doubts as to its eligibility, it is strongly urged that these advisory opinion procedures be utilized. The advisory opinion must, of course, be given on the basis of representations made by the requesting parties and cannot be considered a valid indication of the Board's probable position unless the charter actually conforms thereto. Further, the opinions are not binding upon the Board.

(4) *Requirements relating to certificated transatlantic passenger carriers.* During the winter season from October through May, the Board will follow the policy of denying applications for exemptions where the certificated air carrier serving the route over which a proposed pro rata charter is to be flown is itself willing adequately to perform such charter service at reasonable rates. The Board in evaluating the sufficiency of any offer made by the certificated carrier will consider the disparity between the individual passenger rate respectively proposed by the applicant and the certificated carrier serving the route. Where the applicant's offer is based on a plane-mile rate which is not unreasonably low and a seating density which is not so high as to render the service inadequate, an alternative offer by the certificated carrier serving the route will serve to justify preemption only if its proposed rate does not exceed that of the applicant by more than 5 percent in the case of similar equipment or by more than 10 percent in the case of superior equipment. An offer to perform the charter

with pressurized aircraft will be regarded as providing superior equipment when the applicant proposes to fly unpressurized aircraft.

(c) *Single entity charters.* (1) Single entity charters must be filed at least 30 days before flight date. Later filings may be made if good cause is shown.

(2) Single entity charters are not subject to first refusal rights on the part of certificated air carriers.

(3) Commissions may not be paid to a travel agent in excess of 5 percent of the total charter price.

(4) Tariffs are not required to be on file at the time of application in the case of single entity charters, but must be on file prior to flight.

(d) *Mixed single entity and pro rata charters.* The Board has approved several mixed single entity and pro rata charters in the past such as for an industrial concern where the employees have paid less than their pro rata share of the cost and the industrial concern has borne the residual costs. The pro rata rules in this section apply in the case of such charters.

(Sec. 205a, 52 Stat. 984 as amended; 48 U. S. C. 425)

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN,  
Secretary.

[F. R. Doc. 58-248; Filed, Jan. 10, 1958;  
8:48 a. m.]

## TITLE 32—NATIONAL DEFENSE

### Chapter XIV—The Renegotiation Board

Subchapter B—Renegotiation Board Regulations Under the 1951 Act

PART 1455—PERMISSIVE EXEMPTIONS FROM RENEGOTIATION

#### "STOCK ITEM" EXEMPTION

Section 1455.6 *Subcontracts as to which it is not administratively feasible to segregate profits* is amended as follows:

a. Paragraph (b) is amended by deleting from the caption "January 1, 1958" and inserting in lieu thereof "January 1, 1959".

b. Paragraph (b) is further amended by deleting "January 1, 1958" and inserting in lieu thereof "January 1, 1959".

(Sec. 109, 65 Stat. 22; 50 U. S. C. App. 1219)

Dated: January 8, 1958.

THOMAS COGGESHALL,  
Chairman.

[F. R. Doc. 58-231; Filed, Jan. 10, 1958;  
8:45 a. m.]

## TITLE 33—NAVIGATION AND NAVIGABLE WATERS

### Chapter II—Corps of Engineers, Department of the Army

PART 203—BRIDGE REGULATIONS

GULF INTRACOASTAL WATERWAY, RIGOLETS, LA. TO APALACHEE BAY, LA.; BROAD RIVER, S. C.

1. Pursuant to the provisions of section 5 of the River and Harbor Act of

August 18, 1894 (28 Stat 362; 33 U. S. C. 499), § 203.241 wherein drawbridges across the Intracoastal Waterway from the Virginia-North Carolina boundary to Key West, Florida, and tributaries thereto, are not required to open for boats carrying appurtenances unessential to navigation is hereby amended to include the Gulf Intracoastal Waterway from Rigolets, Louisiana to Apalachee Bay, Florida, as follows:

§ 203.241 *The Intracoastal Waterway from the Virginia-North Carolina boundary to Key West, Florida and the Gulf Intracoastal Waterway from Rigolets, Louisiana to Apalachee Bay, Florida and tributaries thereto; bridges.* \* \* \*

[Regs., Dec. 20, 1957, 823.01 (Gulf Int. W. W.—Mobile DO)—ENGWO] (Sec. 5, 28 Stat. 362; 33 U. S. C. 499)

2. Pursuant to the provisions of section 5 of the River and Harbor Act of August 18, 1894 (28 Stat. 362; 33 U. S. C. 499), § 203.245 (h) (9) governing the operation of the Seaboard Air Line Railway Company bridge across Broad River, South Carolina, is hereby redesignated as (h) (9-a) and a new paragraph (h) (9) is hereby prescribed to govern the operation of the South Carolina State Highway Department bridge across Broad River near Beaufort, South Carolina, as follows:

§ 203.245 *Navigable waters discharging into the Atlantic Ocean south of and including Chesapeake Bay and into the Gulf of Mexico, except the Mississippi River and its tributaries and outlets; bridges where constant attendance of drawtenders is not required.* \* \* \*

(h) *Waterways discharging into Atlantic Ocean south of Charleston.* \* \* \*

(9) Broad River, S. C.; South Carolina State Highway Department bridge near Beaufort. At least 24 hours' advance notice required.

(9-a) Broad River, S. C.; Seaboard Air Line Railway Company bridge near Whale Branch. \* \* \*

[Regs., Dec. 20, 1957, 823.01 (Broad River, S. C.)—ENGWO] (Sec. 5, 28 Stat. 362; 33 U. S. C. 499)

[SEAL] HERBERT M. JONES,  
Major General, U. S. Army,  
The Adjutant General.

[F. R. Doc. 58-237; Filed, Jan. 10, 1958; 8:46 a. m.]

## TITLE 39—POSTAL SERVICE

### Chapter I—Post Office Department

#### PART 92—TRANSPORTATION OF MAIL BY RAILROADS

In Part 92 Transportation of Mail by Railroad, make the following changes:

1. Redesignate §§ 92.1 through 92.9 as §§ 92.100 through 92.108, respectively; and amend the caption preceeding said sections to read as follows: "Comprehensive Plan B of the Postmaster General for the Transportation of United States Mail by Certain Railroads".

2. Add new § 92.109 to read as follows:

§ 92.109 *Applicability of Comprehensive Plan B; railroads covered.* Sections

92.100 through 92.108 shall apply to all railroads which are not listed in § 92.12.

3. Insert new §§ 92.1 through 92.12, with accompanying caption, to read as follows:

#### COMPREHENSIVE PLAN A OF THE POSTMASTER GENERAL FOR THE TRANSPORTATION OF UNITED STATES MAIL BY CERTAIN RAILROADS

Sec.	Transportation of the mail.
92.1	Classes and nature of service.
92.2	Space and equipment.
92.3	Definitions.
92.4	General conditions of service.
92.5	Services required of railroads.
92.6	RPO service.
92.7	Storage service—line haul.
92.8	Terminal and piece handling services.
92.9	Side and mail messenger service.
92.10	Preparation and processing of forms for payment.
92.11	Applicability of Comprehensive Plan A; railroads covered.
92.12	

§ 92.1 *Transportation of the mail.*  
(a) All railway common carriers engaged in the transportation of United States mail shall transport such mail in the manner, under the conditions, and with the service prescribed by the Post Office Department and otherwise in accordance with the provisions of the Railway Mail Pay Act of 1916.

(b) Any railway common carrier desiring to be relieved of the transportation of the mail may make application to the Post Office Department accordingly, and consideration will be given to the granting of its request in whole or in part as the needs of the Postal Service will permit.

(c) Mail shall be carried upon such trains as the Post Office Department shall designate from time to time in the interest of the Postal Service, and the character of trains carrying the mails shall be that of the passenger train operating between passenger or mail handling facilities. When required by the interests of the Postal Service, the Department may provide for the movement of mail between passenger or special mail handling facilities in other than passenger trains.

(d) The transit time of trains upon which mail is transported shall be that which is maintained by the carriers for their general transportation business in connection with their published schedules.

(e) Each railway common carrier engaged in the transportation of mail is required to furnish such cars as are necessary for the service authorized or requested by the Post Office Department.

§ 92.2 *Classes and nature of service—*  
(a) *Classes of service.* The service shall be of the following classes:

(1) *Full railway post office car service.* Service of this class shall be authorized in standard cars, 60 feet in length, inside measurement, constructed and fitted in accordance with the plans and specifications approved by the Post Office Department for the handling, distribution, storage, and delivery of mail by postal transportation clerks. The requirements for service in such cars shall include sanitation, cleaning, heating, lighting, and the furnishing of ice and drinking

water, both in terminals and en route. When required, such cars shall be suitably placed and made available for advance distribution before train departure.

(2) *Railway post office apartment car service.* Service of this class shall be authorized in standard apartments, 30 and 15 feet in length, inside measurement. The apartment shall be separated from the remainder of the car by a partition. The requirements for service are essentially the same as in full railway post-office cars with respect to construction and furnishings, sanitation, cleaning, heating, lighting, furnishing of ice and drinking water, and the placing of apartment cars for advance distribution.

(3) *Storage car service.* Service of this class shall be requested in units of 60 feet in length, inside measurement, except as hereinafter provided, used exclusively for mails. This service is the transportation and handling of made-up mails in bulk and the requirements for this service shall include the maintenance and cleaning of the cars. The handling of mail into and from all storage cars shall be performed by employees of the railroad companies under instructions of postal employees with respect to proper routing and separation of mail.

(4) *Lesser storage unit service.* Service of this class shall be requested in the established less than full-car units of space in mixed traffic, combination, or other cars. This service shall be the transportation and handling of mail of the same type as that handled in storage car service. The requirements for lesser storage unit service are the same as for storage car service.

(b) *Nature of services.* The services which the railroads are to render in connection with mail transportation shall be as follows:

(1) Railroad companies are required to perform all necessary switching of cars; to load all mail into cars so as to obtain maximum utilization of the space authorized or requested, including the proper separation, piling, and storing of such mail; and to unload mail from all cars. Handling of all mail within railway post office cars and apartments shall be performed by postal transportation clerks.

(2) Railroad companies are required to transfer all mail between cars in the same train where such transfers are necessary and required by the Post Office Department.

(3) Railroad companies are required to take mails in transit from and deliver them to Government employees and contractors at an accessible point at railroad stations for transfer to and from post offices or railroad stations, and to transfer mails between trains operating into and out of the same railroad station, as required by the Post Office Department.

(4) Railroad companies are required to furnish all necessary facilities for carrying for and handling mail, including suitable and adequate space and rooms in their stations for storing and transfer of mail in transit. They shall also furnish suitable and adequate office space for transfer clerks of the Postal Trans-

portation Service when required by the Post Office Department.

(5) Railroad companies are required to transport without extra charge the persons in charge of the mail and the agents and officers of the Post Office Department and Postal Transportation Service, under the conditions prescribed by law and regulations pursuant thereto.

(6) Railroad companies are required to construct, light, and maintain mail cranes and other adequate facilities for the exchange of mail at points or stations on the run where the train does not stop and exchange of mail is necessary.

(7) Railroad companies are required to take the mails from their railroad terminals and stations and deliver them into post offices, postal stations, and Postal Transportation Service Terminals; take the mails from post offices, postal stations, and Postal Transportation Service terminals, and deliver them into their railroad terminals and stations; and take the mails from their stations and deliver them into other railroad stations where the distance does not exceed 80 rods, unless other provision for this service is made by the Post Office Department.

§ 92.3 *Space and equipment*—(a) *General.* (1) The anticipated space needs of the Department for railway post office car and railway post office apartment car service shall be reflected by regular authorizations which shall be restricted to the needs of the service between established railway passenger or freight division points or junctions. Regular authorizations for railway post office car and railway post office apartment car service shall be determined in accordance with such instructions as may be issued by the Postmaster General, and shall remain in effect unless and until modified as herein provided.

(2) The space needs of the Department for storage service shall be reflected by requests for storage space adequate to accommodate the mail available for dispatch on each train designated by the Post Office Department. Requests for storage service shall be restricted to the needs of the service between established railway passenger or freight division points or junctions, and shall be made in accordance with the instructions issued by the Postmaster General.

(3) Railroad companies are required to furnish railway post office service only to the extent of the regular authorizations. They are required to furnish adequate cars and space in cars for storage service to the extent necessary to accommodate the normal mail load. The normal mail load shall be the volume available on the same day of the week in similar past traffic periods, excluding the dispatched under unusual or emergency conditions and taking into consideration reasonably predictable seasonal and other changes. Where there is storage mail in excess of the normal load and baggage or express or both to be loaded, and the available space is not sufficient to accommodate all, such mail is required to be given preference. Railroad companies will not, however, be required to unload baggage or express in order to provide space for mail in excess of the

normal load. Mail in excess of the normal load which is not accommodated in the designated train shall be transported in the next train having available space therefor.

(4) The class, frequency, and distance of service to be authorized or requested shall be determined in accordance with the needs of the Postal Service and under such rules and regulations or instructions as shall be prescribed by the Postmaster General.

(b) *Equipment.* (1) Authorization for railway post office cars shall be for cars of the standard length of 60 feet. Authorizations for railway post office apartments shall be for the standard lengths of 30 or 15 feet, as the needs of the Postal Service require. If a railroad company is unable to furnish standard railway post office cars and apartment cars, the Department may accept non-standard railway post office equipment as a convenience to the carriers provided compensation not exceeding pro rata pay is accepted for the facilities furnished. Any deficiency may be provided in another car in the train when necessary and in such cases full pay will be made for the standard car authorized.

(2) The Department does not require and will not authorize railway post office equipment longer than the standard lengths specified herein. However, as a convenience to the carriers, and to enable them to obtain revenue from the operation of space which otherwise might be unused, the Department will, at the carriers' request, accept the excess space beyond the standard lengths authorized for the accommodation of storage service when needed.

(3) Cars in excess of 60 feet in which a railway post office unit of 60 feet is partitioned from the remainder of the car may be accepted to fulfill an authorization for a railway post office car of 60 feet.

(4) When a railroad company is unable to furnish cars of the standard unit length requested for storage car service, the Department may accept cars which are more or less than 60 feet in length, inside measurement.

(c) *Modification of authorizations or requests.* (1) Authorizations for full railway post office car service and railway post office apartment service shall be subject to modification at any time to provide for new and additional service, discontinuance of service, or reduction in service.

(2) Requests for storage car service and lesser storage unit service shall be discontinued or reduced if necessitated by service changes, and shall be subject to modification at any time to provide for new and additional service.

(3) Requests for storage service in excess of the normal load may be made as needed.

(d) *Cancellations.* Whenever there is insufficient mail on any day to warrant the operation of an exclusive storage car which would otherwise be required to accommodate the normal load, the request for such car may be cancelled by a representative of the Post Office Department at the initial point of the run of the car. Reasonable advance notice

of such cancellation shall be given to the railroad company at the initial point of the run of the car to permit the car to be removed from the train.

§ 92.4 *Definitions*—(a) *Railroad or railway.* This refers to railway common carriers and does not refer to urban and interurban electric railway common carriers.

(b) *RPO.* "RPO" is the abbreviation for a railway post office. It is the only type of service to be regularly authorized by formal orders issued by the Post Office Department.

(c) *Train date.* The date a train is due to leave the initial point of the RPO or CP designation shall be used as the date for all service performed in the train. Each RPO division shall be considered separately in cases where the RPO line is divided into East, Middle and West, or North and South Divisions.

§ 92.5 *General conditions of service*—(a) *Service to be performed in accordance with space rules with certain exceptions*—(1) *Deviations.* Deviations from the space rules and regulations must be in writing and be approved by the Bureau of Transportation.

(2) *Competitive agreements.* The Department may conclude agreements with a railroad effecting economies such as mileage equalization, competitive rates, or waiver of terminal charges.

(3) *Equalization agreements.* When competing railroad lines are available for the dispatch of mail to the same destination, the Department may, for service reasons, allow the mail to remain on the longer route if the railroad agrees to claim only the mileage of the shorter route over which the mail could be carried. In such cases, an equalization agreement must be executed between the railroad operating the longer route and the Department.

(4) *Highway service in lieu of rail.* Agreements may be made whereby railroads will provide mail service over highways in lieu of service by train. Such railroad-operated highway service may be authorized to provide service to post offices on or adjacent to the rail line on which the railroad mail service has been superseded. Compensation will not be in excess of linehaul rates and terminal charges on the basis of the railroad track mileage of record. All such cases must be reported to the Department so that a proper record may be made and approval given. Where a railroad has completely abandoned all service, both freight and passenger, over all or a segment of its trackage, the Bureau of Transportation will not approve continued performance of mail service over such segment in motor vehicles at railroad space rates. Service must be converted to contract highway service. District Managers shall continually review all bus and truck service operated in lieu of rail service. They shall report promptly any cases where all train service has been discontinued and tracks abandoned, with appropriate recommendations.

(5) *Approval.* All agreements shall be in writing and shall be submitted through the Regional Transportation Manager to the Bureau of Transportation for approval.

(b) *Mail to be carried only on designated trains.* A railroad must not carry mail on a train which has not been designated for the transportation of mail. In emergencies, local representatives of the Postal Transportation Service, or postmasters who have been authorized to do so by the Regional or District Transportation Manager, may request a railroad to provide necessary space on any train. The railroad must be informed of the issuance of such authority.

(c) *Changes in service—(1) Notification of changes.* District Managers shall promptly notify the Regional Transportation Manager and the proper official of a railroad of any changes in service or routing of mail, including pouch changes, which affect the handling of mail. Changes affecting consist or operation of trains will be referred to the Regional Transportation Manager for approval and prompt notification of the proper official of the railroad.

(2) *Service changes by railroad.* When a railroad plans a withdrawal or curtailment of service which it operates, which will in turn require the Post Office Department to consider substitute service, the railroad will give reasonable advance notice of the changes to the District and Regional Transportation Managers. At that time the railroad will state whether or not it is interested in continuing to perform the mail transportation service.

(d) *Withholding mail from train.* Regional Transportation Managers may withhold the dispatch of catalog, circular, parcel post, and ordinary paper mail, in the order named, if necessary and advisable to prevent delay to important trains or to effect economy in transportation. Such mail must be forwarded in other available trains in the most advantageous manner and with the least possible delay.

(e) *Irregularities—(1) RPO car maintenance.* The Post Office Department may fine a railroad in an amount not in excess of the compensation due for the service authorized, for failure to furnish an RPO car with sanitary drinking water, adequate toilet facilities, or adequate heat and light; or failure to regularly and thoroughly clean the car, provided the railroad has been given the opportunity to correct the condition.

(2) *Service failures.* The Department may impose fines on railroads for delinquencies, including:

(i) Allowing the mail, or any part of it to become wet, lost, injured, or destroyed, or conveying or keeping the mail in a place or manner that exposes it to depreciation, loss, or injury.

(ii) Refusing, after demand, to transport mail by any suitable car, boat, or other conveyance which the railroad operates or is concerned in operating on a mail route.

(iii) Leaving or putting aside the mail, or any part of it, for the accommodation of passengers, baggage, express, or other matter.

(iv) Habitual failure to observe schedules.

(v) Leaving mail which arrives at a station within a reasonable time before

the departure of the train for which it is intended.

(vi) Failure to use the first practicable means of forwarding mail which is delayed en route.

(vii) Failure to sound proper signal when approaching a mail crane.

(viii) Failure to furnish proper accommodations for the handling, storage, and, if necessary, the distribution of mail in railroad station.

(ix) Failure to place an RPO car in a station at the time specified by the Department for the advance distribution of mail, and to switch an RPO car with due regard for the crew on duty.

(x) Permitting storage cars to accumulate at any point for operation in mail, or mail-express sections when suitable prior trains are available for dispatch to destinations.

(xi) Failure to provide a sufficient number of storage cars to accommodate the normal volume of mail in designated trains, and to operate these cars expeditiously.

(xii) Failure to unload a storage car at the point of destination within the time specified by the Department when the mail is actually delayed.

(xiii) Failure to handle mail between train connections, resulting in delay in the final delivery of the mail.

(xiv) Failure to handle mail between trains and designated points for the exchange of mail with postal installations, star, mail messenger, and highway post office routes, resulting in delay in the final delivery of the mail.

(xv) Habitual failure to dispatch mail at the proper station.

(3) *Assessment of fine.* The fine in each case shall be such sum as the Postmaster General may impose, in view of the gravity of the delinquency, and shall be deducted from the railroad's pay for service on the route on which the delinquency occurred.

#### § 92.6 Services required of railroads—

(a) *Cars—(1) Switching.* Necessary switching means the normal and usual movement of cars to and from trains for the loading and unloading of cars at mail handling facilities at or adjacent to railroad terminals; the pickup and set-out of cars at en route points; and the normal and usual delivery of cars to or receipt of cars from connecting lines.

(2) *Prompt placement.* The railroad shall provide for switching and placing cars at designated mail handling facilities so as to permit prompt loading, separating and unloading of mail. In the event that the railroad fails to perform this service, the District Manager shall initiate immediate corrective action.

(3) *Advance placement of RPO cars.* When required, railroads must suitably spot RPO cars and make them available for distribution in advance of the scheduled departure of the train at the time specified by the District Manager. In most cases this should be approximately 30 minutes before the first clerk is due to start work. If advance distribution time is lost because of the railroad's failure to spot the car, the supervisor must report the failure to the District Manager.

(b) *Loading and unloading of mail—(1) Railroad to furnish employees.* A railroad must furnish the necessary employees to handle mail, to load and pile mail into and unload mail from storage and baggage cars, and to load mail into and receive from doorways of RPO cars. Mail intended for direct delivery to a postal transportation clerk must not be placed in an RPO car unless a postal transportation clerk or an authorized postal representative is on duty.

(2) *Time limits.* Reasonable time limits within which storage mail is to be unloaded must be established at important railroad stations or terminals in order that outgoing connections may be assured and delivery into local post offices, postal stations, or postal transportation terminals may not be delayed. In collaboration with local railroad officials, Regional Transportation Managers will take necessary action to establish such time limits. Railroads shall be briefed when failure to observe such time limits causes delay to mail. In all cases of continued delays, the Regional Transportation Manager shall make a special report to the Bureau of Transportation.

(3) *Loading delays.* Delays in loading, resulting in delayed dispatch of mail, will be treated similarly.

(c) *Train service—(1) Designation of trains for local service.* A railroad carrying mail must designate at least one scheduled train in each direction in each 24-hour period to stop for the dispatch and receipt of mail at any station or point serving a post office, unless relieved of this requirement by the Department. The stop may be regularly scheduled or made on appropriate signal by a postmaster or mail messenger or on notice to a conductor by a postal transportation clerk or baggageman. The Department may permit a railroad to transport mail by motor vehicle instead of by local rail service to satisfy this requirement.

(2) *Non-stop station service.* (i) Until proper facilities for safe exchange are provided, the train speed must be reduced or a train stop made to permit safe exchange of mail.

(ii) When mail is caught or delivered at night, a railroad must furnish the lantern or light to be attached to the crane and keep it in proper condition, regularly placed and lighted. Where a railroad has no representative at a station, it must furnish the light which shall be cared for and hung by the Department's carrier.

(iii) The engineer of an RPO train shall give timely notice, by whistle or other signal, when approaching a non-stop exchange point.

(iv) Where the Department deems it necessary for the safe exchange of the mail, the railroad may be required to reduce the speed or stop the train.

(d) *Station services—(1) Transfer office facilities.* This shall consist of suitable office space for transfer clerks to perform their duties at points designated by the Bureau of Transportation. Such offices must be kept in order by the railroad, lighted, heated, furnished, supplied with ice water, and provided with toilet facilities where such facilities are not otherwise easily accessible.

(2) *Letter boxes.* Where the public convenience is better served, the Bureau of Transportation may authorize a railroad to place letter boxes in its stations for the receipt of first-class mail other than that for local delivery.

(e) *Timetables and mileages*—(1) *Timetables.* Railroads must forward timetables not less than 72 hours before taking effect, to the Regional Transportation and District Managers of the Post Office Department having supervision over service on their lines. They must also notify these officials by telegraph if it becomes necessary to annul, curtail, or suspend service temporarily. Where a representative of the railroad is on duty, he must notify the postmaster as soon as possible after receipt of notice of any change in the schedule of a mail train.

(2) *Distance circulars.* (i) A railroad shall keep the Post Office Department informed at all times of correct mileage between all stations, junctions, or points where mail is put on and off trains. The Department shall be notified immediately of any change in trackage or other facility resulting in changes in mileage between such points. Such notification shall be made by submission to the Department, in quadruplicate, of a railroad distance circular, Post Office Department Form No. 2504-B, covering that segment of the route affected. The report shall state the correct mileage and furnish the effective date of the change. Claims for pay shall properly reflect revised mileage distances, based upon the effective dates set by the Department. Normally such changes will be effective on the first of the month following the month in which the change was made.

(ii) In addition to the notification prescribed above, a railroad, on or before January 1 of each year, shall submit to the Department, in quadruplicate, a certificate, Post Office Department Form 2504-C, prepared by the Chief Engineer stating that the mileages previously submitted to the Department, including any corrections filed during the previous calendar year, are correct in every respect.

(iii) For purposes of reporting mileages to the Department, a railroad shall measure the mileage between stations, junctions or points where mail is put on and off trains to the nearest hundredth of a mile. The measurement shall be in such a manner that the aggregate of the mileages between the individual stations, junctions, or other points where mail is put on or off trains shall not exceed the mileage between the origin and destination of the train on which mail is authorized.

(3) *Detour service.* (i) When, for any reason, a mail-carrying train is operated between usual termini over a line other than that on which it is regularly operated, payment will be made on the basis of the regular mileage if it is the shorter. If the mileage via the detour is shorter, payment will be made on the basis of the actual mileage traveled.

(ii) When a detour occurs and a special train is operated over part of the regular run, a railroad will be required to carry in the special train any mail

that can be advanced in delivery without additional compensation. The mail in such a special train will be charged to the regular train and space used determined accordingly.

(f) *Mail exchanges.* Railroads and other carriers or postal representatives must exchange mail as follows:

(1) *Between railroads.* (i) At joint stations where mail is due for transfer from the train of one railroad to that of another, unloaded mail is held to be in the custody of the outbound railroad which is responsible for the transfer.

(ii) Unless relieved of the requirement by the Department, a railroad carrying mail on its train for a connecting train is required to deliver the connection mail to the railroad operating the connecting train where the railroad stations are directly contiguous when both railroads employ representatives or when passengers or baggage are transferred. When the train connection is not immediate, the mail may be delivered to the representative of the railroad operating the departing train.

(2) *Between railroads and highway carriers.* (i) A railroad is responsible for separating mail when the mail:

(a) Has received an immediately prior rail haul and is due for dispatch to a Government-operated vehicle, star, mail messenger or highway post office route at a railroad station;

(b) Is received from a Government-operated vehicle, star, mail messenger, or highway post office route at a railroad station and is due to receive an immediately subsequent rail haul.

(ii) A railroad must provide necessary tailboard space to deliver mail which has received an immediately prior rail haul and is due for dispatch to Government-operated vehicle, star, mail messenger or highway post office route at a railroad station, and to receive mail from such vehicles due to receive an immediately subsequent rail haul, at a point accessible to such vehicles, except where other arrangements have been made by mutual agreement between the Department and the railroad. A railroad must arrange for mail to be handled promptly between trains and between railroads and electric lines and designated points at railroad stations accessible to the vehicles of Government-operated, star, mail messenger and highway post office routes.

(3) *Between railroads and electric lines.* Railroads and electric lines must transfer mail between connecting trains when they employ representatives, and the railroad station is directly contiguous to the electric car tracks, and connection is immediate.

(4) *Between postal representative and railroad at night.* (i) Where mail is due receipt or dispatch at night and a railroad employee is on duty, the railroad must retain custody and safeguard the mail until:

(a) Dispatch can be made to the proper train.

(b) Delivery can be made to a vehicle service driver, highway post office clerk, mail messenger or star route operator.

(c) Delivery can be made to a post office when the building is directly contiguous to the railroad property.

(ii) The Department reserves the right to require such service of a railroad at times when the regular employee of the railroad is not on duty. At railroad stations where no railroad employee is on duty, the railroad must, if deemed necessary by the Regional Transportation Manager, provide for the exchange of mail by means of a safe room or suitable locked box at the station.

(5) *Between trains in emergencies.*

(i) If it becomes necessary for a railroad to make a transfer at the place of a wreck or washout, officials and employees of the railroad must see that:

(a) The mail and any postal transportation clerks are promptly transferred.

(b) Every possible convenience is furnished the clerks for working the mail.

(ii) Whenever operating conditions require that a car with mail be set out, the railroad must arrange to transfer all mail in the car to any available space in the train. However, where an important passenger train is involved and the transfer of all mail would result in serious delay, such transfer may be limited to first-class, air and registered mail, daily newspapers, special delivery and special handling. Other classes will be transferred if time permits.

(iii) Mail may be held for a following train, if it makes substantially the same connections and delivery as the first train.

(iv) Where an RFO car is set out, the clerks and mail must be transferred to other suitable cars in the train. Postal transportation clerks will give all possible assistance in transferring mail.

(6) *Between railroads and mail messengers.* (i) If a mail messenger is employed by the Department, a railroad may not be required to receive or dispatch mail at cars, or to place it on a crane when:

(a) A railroad representative is on duty and the volume of mail is small enough so the mail messenger can readily carry it by hand in one trip;

(b) A railroad representative is not on duty and the railroad makes sufficient trucks available to the mail messenger.

(ii) Where mail cars are not accessible to vehicles of mail messengers or other carriers, a railroad shall receive and deliver mail at points accessible to such vehicles, except as provided in subdivision (i) of this subparagraph.

(iii) A mail messenger shall call at the railroad station for incoming mail and deliver it to the post office as soon as practicable. If the arrival of the train is at night and the post office is closed, the mail may be handled as provided in subparagraph (4) of this paragraph.

(iv) A mail messenger will wait for the arrival of a train when a representative of the railroad is not on duty. At the end of two hours, he may return the outgoing mail to the post office for inclusion in the next regular dispatch. A mail messenger need not wait for a delayed train when:

(a) Other mail would be delayed.

(b) The railroad representative cannot give advance information as to the time of arrival of the train.

(c) The train is reported as more than two hours late.

(d) In such cases, the mail messenger may deliver the mail to the railroad's representative. The railroad is responsible for the safe dispatch of outgoing mail to the proper train and the safe delivery of incoming mail to the messenger or other authorized representative of the Department.

(7) *Between trains or on trains; holding for mail.* (i) A train shall not depart from a station and leave mail which is:

(a) Being loaded;

(b) Being trucked from vehicles or some part of the station to the train;

(c) Aboard a connecting train that has come to a stop in the same station.

(ii) When holding an important train for mail from a delayed connection would cause serious delay and subsequent train service is available within a reasonable period of time, the Department may authorize a time limit beyond which the important train may not be held except to load first-class mail and daily newspapers, and to load foreign mail if necessary to assure steamer connection.

(iii) A railroad must request authorization for such time limit, if desired, from the Regional Transportation Manager having jurisdiction of the train involved, specifying reasons and a time limit beyond which it is impracticable to hold the train. Where requests are approved by the Regional Transportation Manager, any delayed mail involved must be carried without compensation on a later train of the same company to the extent of any unused space in the RPO or apartment RPO car authorized on the first train. Any delayed mail in excess of the unused space in the RPO car will be charged to the train in which it is carried.

(iv) When it is necessary to transfer passengers, baggage, or express from one train to another, all mail must also be transferred unless the transfer is a regular connection coming within the provisions of subparagraph (1) of this paragraph and subdivisions (ii) and (iii) of this subparagraph.

(v) A mail train must not be held beyond its scheduled departure for mail originating in local postal units or offices of publication. The Regional Transportation Manager must fix and enforce an ample time limit in which mail must be delivered, by local postal units or a publisher, to a railroad for dispatch.

(8) *Advance deliveries to trains.* Where a railroad is responsible for the transfer of mail from a postal unit to a train, the railroad must make advance delivery to a train when the Department requires such delivery earlier than the regular closing time of the mail.

(g) *Handling and protection of mail—*

(1) *Handling mail on platforms.* Mail must not be stored on trucks and allowed to stand on platforms at local stations or transfer points unprotected from degradation. When it is necessary to place close connection mail on trucks to be left standing on platforms, the mail must be in full view of employees of the railroad at all times. The portion of a platform used for loading, unloading, and transfer of mail must be well lighted.

Mail being trucked through subways and tunnels must be carefully guarded.

(2) *Holding mail in storage rooms.* Rooms in which mail is stored must be locked except when a railroad employee is on duty. Adequate light must be provided above the door, when practicable. Unauthorized employees or unknown persons shall not be allowed in the vicinity. When necessary at small stations to provide proper protection, mail must be stored in a locked room or in a room where railroad employees are present, or in a suitable locked box.

(3) *Exposing mail to weather.* Mail must not be left exposed to weather. Tarpaulins may be used for protection from weather in unusual cases or to cover mail being held on station platform trucks.

(4) *While exchanging non-stop station mail.* A railroad employee or other authorized person shall be assigned to guard mail being exchanged at non-stop stations. At non-stop points where a railroad station representative is scheduled to be on duty at the time mail is received or dispatched, he must observe the exchange of mail and, if the pouch is not caught, must retrieve it for proper disposition, except where other arrangements have been made.

(5) *No smoking in storage cars.* Railroad and postal employees must not smoke or carry lighted cigars, cigarettes, or pipes in storage cars. Regional Transportation Managers will take appropriate action with railroad officials in all cases where violations are reported in order to enforce this subparagraph.

(6) *Reports of failure to comply.* Postal employees must report through channels to the Regional Transportation Manager any failure on the part of a railroad to comply with the instructions in this paragraph.

(7) *Railroad employees handling mail regarded as agents of railroads.* At places where railroads are required to take the mail from and deliver it into post offices or postal stations or to transfer it to connecting railroads, the persons employed to perform such service shall be regarded as agents of the railroad and not employees of the Postal Service, and need not be sworn; but such persons shall be more than 16 years of age and of suitable intelligence and character. Postal officials shall promptly report any violation of this requirement to the Department.

(h) *Pay claims.* Claims for service performed must be prepared in such form and manner as prescribed by the Post Office Department.

§ 92.7 *RPO service—(a) Authorizations.* This is the only class of service which is authorized by the issuance of formal orders.

(1) *Establishment or extension of service.* Regional Transportation Managers shall make recommendations and furnish supporting facts to the Post Office Department concerning the necessity of establishing service on a new railroad, extending service on an existing route, or increasing or decreasing RPO space on a route to conform properly to the distribution needs of the Postal Service.

(2) *RPO mileage.* RPO mileage will be stated and paid for in accordance with the distance circulars furnished by the railroads to the Post Office Department and will reflect the regularly scheduled operation of each train. This may result in different mileages between the same points.

(3) *Restriction on railroad employees.* Train crews are not permitted to ride in RPO cars while in use, even though an oversize car is furnished.

(4) *Changes in RPO authorizations.* In changing or terminating authorizations of railway post office cars at established junction points, the following principles shall be observed:

(i) The railroad facilities at points designated for changes in RPO authorizations shall be such that an actual change in equipment may be made, should the railroad so elect. Ordinarily this shall mean that there is a terminal or yard organization that can properly care for passenger equipment, that is, a switch engine and crew, and facilities for heating and cleaning cars.

(ii) Should the railroad elect to change the equipment, it must be possible for the postal clerks to prepare for the change and keep their distribution current.

(iii) In cases where a train run terminates 30 miles or less beyond the last point where RPO service is needed, the RPO or apartment car authorization will be stated through to end of the train run.

(b) *Storage space requirements—(1) Linear feet of storage space; current plans.* Storage space requirements in full and apartment RPO cars based on standard plans dated August 1, 1956, are as follows:

Car size:	Linear feet of storage space
60-foot	11' 10"
30-foot apartment	4' 9"
15-foot apartment	3' 2"

(2) *Prior plan cars.* Apartment cars or full RPO cars which are 15, 30 or 60 feet in length, and which were built according to prior standard plans of the Department, are considered standard cars and not deficient in storage space.

(c) *Non-standard cars—(1) Undersize.*

(i) Where distributing facilities are deficient, a railroad must install such additional facilities as are necessary on the particular run of the car involved but not to exceed the requirements of existing specifications. Where storage space is deficient, the entire deficiency may be made up in another part of the train and full payment for the RPO car or apartment allowed. In such case, any deficiency in storage space in the non-standard full or apartment RPO car must be taken into account in computing the total volume of storage mail in the train.

(ii) New or remodeled full or apartment RPO cars shall not be considered deficient in storage space where the clear storage space has been decreased by the installation of new or larger interior equipment.

(2) *Oversize.* (i) Where an RPO car of greater length than the unit authorized is operated, and the available storage space in the car in addition to

that provided under the authorization is used to capacity, the additional space provided shall be considered as follows:

Size of RPO car operated	In lieu of authorization for	
	Feet	Feet
70-foot	60	10
69-foot	30	13
30-foot	15	8¼

In order to obtain the additional space listed in the third column above for a 30- or 15-foot authorization, all racks not due under such authorizations must be placed in non-use position to provide storage space.

(ii) Handling of excess mail within RPO car: When excess storage mail is carried in an oversize full or apartment RPO car, the mail shall be handled by postal transportation clerks to and from the doorways of the car.

(iii) Count of storage mail: The volume of storage mail carried in an oversize RPO car shall be determined by count, provided that the storage mail allowance so determined shall not exceed the maximum storage space available on a measurement basis.

(iv) In addition to the clear storage space due under the RPO authorization, the space in front of the doors and in the aisles in the car is considered available for the accommodation of storage mail to the extent that such space would be available in a standard car of the unit authorized.

(v) If part of the rack space due under the regular RPO authorization is not needed for distribution, and racks are placed in non-use position so that the resulting space may be utilized for storage purposes, the mail carried in such space shall not be included in the count of pieces due the clear storage space referred to in subdivision (i) of this subparagraph.

(d) *Intermediate points*—(1) *Emergency withdrawal of car.* Where an RPO car is withdrawn at an intermediate point of its run because of an emergency, and mail and clerks are transferred to other cars in the train:

(i) Payment of the full rate will be allowed to the point of withdrawal.

(ii) From the point of withdrawal to destination, payment will be allowed for the other car space used in the train:

(a) At a prorate of the authorized RPO car rate based upon the amount of space occupied when the mail is in the custody of the RPO clerks.

(b) At appropriate storage rates based on the volume of each type of storage mail carried in the train, when the mail is in the custody of railroad representatives.

(c) Additional pay will not be allowed for the later deadhead operation of the RPO car over the remainder of the run.

(2) *Advance distribution.* (i) A railroad will not be required to cut out an apartment car at an intermediate point on the authorized run of the car to substitute another car used for advance distribution.

(ii) Railroads may be required to cut out and in full RPO cars at important intermediate points of the train run where it is necessary to place a car for advance distribution. In requiring railroads to cut out and in full RPO cars, Regional Transportation Managers must exercise care to avoid delaying important mail trains.

(e) *Mail carried in RPO cars*—(1) *Mail carried in baggage cars in lieu of RPO car.* Where a postal transportation clerk is not on duty in an authorized RPO car until an intermediate point of the car run is reached, and mail is carried in a baggage car for the railroad's convenience from the point of RPO authorization to the intermediate point, the space in the baggage car is considered in lieu of space in the RPO car, to the extent of the volume which could be accommodated in the RPO authorization.

(2) *Loading storage mail in RPO cars.* At intermediate points, upon arrival at the station, the RPO supervisor shall promptly advise the railroad representative whether mail can be taken into the RPO car, and the amount thereof. The railroad shall offer such mail to the RPO car before loading it in storage service. When mail is so offered and is refused by the postal transportation clerk, and the railroad subsequently loads the mail into baggage car space, no adjustment can be made if the Postal Transportation Service ultimately discovers, just before or after the departure of the train from that particular station, that there is some vacant or unoccupied space in the RPO car. Space held in an RPO car until train departure time, for the purpose of receiving connections which are finally missed, is not valid for subsequently charging mail from storage space to RPO space at that station.

(3) *Form 5061.* (i) When, at the initial terminal of an RPO run, mail which could be accommodated in the authorized distributing unit is loaded into the baggage car for the convenience of the railroad, such mail shall be charged to the RPO car. The supervisor of the RPO car shall use his judgment as to the number of pieces that could be accommodated in the RPO car and furnish the railroad company with this information. Form 5061 will be used for this purpose. This form shall not be issued against mail loaded in destination or destination relay storage cars, nor against mail already on the train.

(ii) At designated stops, mail which could be accommodated in the RPO car and which is loaded into baggage or working storage cars for railroad operating reasons, shall be charged to the RPO car. This includes mail which the railroad preloads for its own convenience. On such preloaded mail, the RPO supervisor must exercise the option of requesting transfer with due regard to the nature of the operations at each station, such as scheduled station time, avoidance of delay to train resulting in overtime payments to Postal Transportation Service employees, missed connections, et cetera. The same procedure outlined in subdivision (i) of this subparagraph shall be followed in charging mails to the RPO.

(f) *Construction and maintenance of RPO cars*—(1) *Construction standards.*

(i) New and/or rebuilt full and apartment railway post office cars shall be constructed of steel or an equally indestructible material, and conform to Post Office Department Publication No. 19, "Specifications for the Construction of Full and Apartment Railway Post Office Cars", approved August 1, 1956, and any subsequent modification thereof. A rebuilt full or apartment RPO car is a car which has been stripped to the under frame and then reconstructed.

(ii) Full and apartment railway post office cars previously accepted for service shall not be required to be brought up to standards of current specifications in all material respects, except when operating conditions render standardization or improvements necessary. Approval must be obtained from the Bureau of Transportation before any changes are made in construction or fixtures.

(iii) Cars originally built for other traffic are not acceptable for conversion to full and apartment railway post office cars unless they are constructed or reconstructed to meet Departmental specifications. All conversions of this type must be approved by the Bureau of Transportation, before work is started.

(iv) Post Office Department Form 5292, Certificate of Construction, shall be furnished to the Bureau of Transportation, for each new and/or rebuilt mail car, by the principal mechanical officer of the railroad. Form 5292 shall be furnished for cars originally built for other traffic, prior to approval of their conversion to postal cars, when requested by the Bureau of Transportation.

(2) *Inspection by Departmental representatives.* (i) New, rebuilt and repaired railway post office cars shall be inspected by representatives of the Department in accordance with instructions issued by the Bureau of Transportation.

(ii) Railroads and car-building companies shall advise the Bureau of Transportation concerning proposed new construction or rebuilding of railway post office cars and the dates when such cars will be ready for inspection.

(iii) Railroads shall notify the proper Regional Transportation Manager when cars are received at any of their shops for repairs, so that a representative from the Regional Transportation Manager's office may inspect such cars and call attention to needed repairs and improvements. Notice shall also be given as to the date cars are to be "out-shopped," so that an inspection may be made by the Regional Transportation Manager's representative if considered necessary.

(iv) Railroads shall not "out-shop" or return to service any full or apartment railway post office car unless requested changes, improvements and repairs have been made in a manner that is acceptable to the Postal Service.

(3) *Maintenance; water and sanitation.* (i) Drinking water shall be furnished in accordance with the requirements and standards of the United States Public Health Service.

(ii) Fresh water and ice shall be supplied at all times in railway post office

cars being used for the distribution of mail.

(iii) Toilet paper shall be provided in all cars.

(iv) The water coolers, hoppers and fixtures in railway post office cars shall be thoroughly cleaned after each trip and en route as often as may be necessary, when cars are in continuous service for more than 24 hours.

(4) *Operational standards.* All facilities and equipment in full and apartment railway post office cars shall be provided, operated and maintained within the minimum standards as set forth by Post Office Department Publication 19, Specifications for the Construction of Full and Apartment Railway Post Office Cars, and any subsequent modification thereof.

(5) *Light failures.* When the primary lighting system fails to provide sufficient illumination to allow distribution for a period of more than 30 minutes, it shall be regarded as a total light failure. When insufficient light retards or renders distribution difficult for a period of 30 minutes or less, it shall be regarded as a partial light failure.

(g) *Operation of RPO cars in trains—*  
(1) *Car strength.* Full and apartment railway post office cars shall be equal or superior in construction strength to other cars operated in a train.

(2) *Operation in mixed trains.* In "mixed trains" the railway post office car shall be operated in the rear-end consist, followed only by a passenger coach or caboose.

(3) *Operation in consist.* When practicable, one or more cars shall be operated between the locomotive and the railway post office car.

(4) *Use restrictions.* Cars, or parts of cars, bearing the legend "United States Mail," or "U. S. Mail," shall be reserved exclusively for carrying the mail and shall not be used for other classes of traffic, unless the legend is obliterated.

§ 92.8 *Storage service—line haul—*  
(a) *General—*(1) *Classes.* Storage service is composed of storage car service and lesser storage unit service.

(2) *Determination of service needs.* Storage car service and lesser storage unit service shall be operated in accordance with the requirements of the Postal Service. Local postal transportation and railroad officials shall collaborate in establishing storage service needs as required to insure the expeditious transportation, movement, and terminal handling of mail. Railroads shall provide for the transportation of storage mail as thus determined.

(b) *Measurement of cars—*(1) *Standard length.* A standard storage car shall have an inside length of 60 feet without obstructions, and shall provide at least 8 feet 6 inches in width and 7 feet in height of clear storage space.

(2) *Deductions.* If there are interior fittings or obstructions, deductions shall be stated against the inside length of the car. Deductions to compensate for interior fittings in storage cars will be computed on the basis of 42 cubic feet being equal to one linear foot of floor space. This basis will be used whether the car is loaded with an aisle 18 inches wide or is loaded solid.

(3) *Official car register.* (i) The Bureau of Transportation will publish an official car register and corrections thereto listing all cars normally used in the transportation of storage mail. This register will show the inside length, the mail pay length, and the inside width and height of cars which are less than 8 feet 6 inches in width or provide less than 7 feet in piling height. The railroads will furnish this information promptly to the Post Office Department.

(ii) Railroads will also promptly furnish the Department with the above information on new or rebuilt cars usable for storage mail service, and on any changes in the mail pay length of storage cars resulting from the installation or removal of interior fittings.

(4) *RPO cars used for storage.* Under the specifications for the construction of RPO cars dated August 1, 1956, the following deductions will be made for space occupied by letter cases, racks, boxes and other interior fittings which are not removed when RPO cars are used as storage cars.

Car size	Car plan	Deduction in linear feet
60-foot-----	R	21
	T	23
	T-1	25
	T-2	28
30-foot apartment-----	S	9
	W	13
15-foot apartment-----	X	6

(c) *Loading and spacing of storage cars—*(1) *Loading.* (i) Storage cars shall be loaded solidly at initial points of the run as far as practicable, observing all safety regulations and leaving only such doorways or aisles as are needed en route to handle mail. In storage cars provided with safety rods, the mail should be piled to the safety rods as long as mail is available for loading. In loading mail into baggage cars, safety devices should not be obstructed. In cars not provided with safety rods, mail shall be piled to an average height of 8 feet provided mail is available for loading. Cars providing 7 feet or less in height shall be loaded to the ceiling, or to safety devices.

(ii) In storage cars in which it is desired to maintain an aisle and free doorways to permit unobstructed passage of clerks or trainmen in the performance of their duties, the aisle should not exceed 18" in width, and shall extend only through as much of the car as is necessary. A 3-foot allowance will be made for each such doorway as is necessary, when the volume of mail in the car exceeds 30 feet. In such "open" or "working" cars, one end of the car, or that part of the car between the doorways, should be loaded solid without aisle, if practicable. With due regard for necessary separations mails shall be piled to the same height as in solidly loaded storage cars. In computing the percentage of load in such "open" or "working" cars, a 60-foot storage car will be considered as loaded 60 feet when it is filled to capacity except for essential aisle and doorways and any separations (stalls).

not completely filled because of the need for maintaining designated separations.

(iii) Where mail for dispatch at intermediate points is carried in through storage cars, it shall be piled so as to permit of prompt dispatch at such points to avoid unnecessarily delaying the train. However, separations which do not require the use of more than one-half of a stall should be combined with other separations, if it is feasible to make further separation of the mail en route between points of dispatch. The number of separations maintained or required shall be reviewed frequently to meet changed conditions. Any unnecessary separations shall be discontinued in order to utilize the space as efficiently as possible.

(2) *Weight limitations.* (i) A 60-foot storage car with a weight-carrying capacity of not less than 60,000 pounds or 1,000 pounds per linear foot is required. Storage cars provided by railroads for regular movements of mixed mail shall be capable of loading to 1,000 pounds per foot or to their full cubical capacity whenever mail is available.

(ii) Car weight capacity limitations must be observed in all loadings. When a railroad stops loading a car because of weight limitations before the capacity is reached, pro rata footage shall be allowed for the mail in the car. The footage shall be based either on the space occupied by the mail as compared to a fully loaded 60-foot storage car, or the approximate weight of the mail as compared to the weight-carrying capacity of 60,000 pounds, whichever is greater.

(d) *Failure to move mail in regularly designated train—*(1) *Service by other than regularly designated train.* When for operating reasons or because of delayed connections a railroad transports mail on a different train than that on which the same railroad has been designated to carry it, the mail will be charged to the train on which actually carried. When a railroad desires to forward mail on a train not due to receive it from one station to another station for dispatch from the latter station, permission may be granted with the understanding that the movement shall be without additional compensation and that no delay will result to the mail.

(2) *Overtaken train.* When one mail-carrying train is overtaken by another and mail is combined and forwarded from that point in a single train, payment will not be allowed for the non-mail carrying train beyond the merger point.

(3) *Missed connections.* Where mail misses connection and there is no representative of the Postal Service to authorize movement of such mail, the railroad may carry the mail on an undesignated train that can be used to advantage.

(4) *Fast and local train.* When, for postal service reasons, mail is delivered by fast train at a certain point from which it is forwarded or returned on a local train to a local point, payment will be allowed in both trains between appropriate points. When mail is dispatched on a local train from a local station and delivered to a fast train at a

certain point, payment will be allowed in the local train between appropriate points and in the fast train from point of receipt.

(e) *Lesser storage unit service*—(1) *Railroad and electric car lines.* Points of intersection between railroad lines and electric car lines are not considered as junction points.

(2) *Performance.* Lesser storage unit service may be performed independently or in conjunction with storage car service.

(3) *Basis for determining lesser unit.* The number of linear feet needed on both sides of baggage, storage or over-size RPO or apartment cars for carrying the mail in lesser storage units of 3, 6, 9, 12, 15, 18, 21, 24, 27, and 30 feet shall be determined on the basis of the number of pieces (sacks and outside parcels combined) that will fill 3 linear feet of space on both sides of the car as determined in the last biennial test. Where the space unit is determined by count, each box of baby chicks shall be considered equivalent to one piece.

(f) *Method of determining mail load*—(1) *Several cars.* Where mail is carried in several cars in a train the total volume of storage mail in the train shall be determined by adding the volume transported in storage service in all cars operating in the train, including destination and destination relay cars.

(2) *Determination of volume in car.* The volume of mail in a car must be determined by:

(i) Count, when the linear feet of space occupied by the mail is 30 feet or less;

(ii) Measurement, when the linear feet of space occupied by mail is more than 30 feet.

(iii) Measurement, in those cases where the linear feet of space occupied by the mail is 15 feet or more when mutually agreed to by the Department and the railroad.

(iv) Measurement reflecting the inside length of a car or compartment of a car when the car or compartment is fully loaded.

(3) *Count versus footage computations.* Where the mail in a car exceeds 30 feet by count, but actually occupies 30 linear feet or less of space, the volume of mail is considered as 30 feet. Once the unit of space has been determined as 30 feet, such unit must be considered to be theoretically filled. Any additional mail added to that carried in the car shall be added to the 30 foot arbitrary unit. If there is a net increase in mail loaded at intermediate points between division or junction points, it will be added to the 30 feet, making it necessary to respace the car and allow credit for the maximum footage carried between the division or junction points.

(4) *Measurement and count cars.* Where mail is carried in two or more cars operated in the same train, some cars on the measurement basis and others on the count basis, total all pieces in the count cars, convert to feet, and combine with footage in other cars to determine volume carried in the train. Cars computed in accordance with sub-

paragraph (3) of this paragraph will be considered as measurement cars.

(5) *Descending load.* A descending load is a load which decreases from a storage car containing more than 30 feet of mail by measurement to a lesser storage unit (count basis). To determine the volume of mail in a storage car leaving intermediate points after the car has departed from a junction or division point where the volume of mail was determined by measurement (that is, where more than 30 linear feet of space was occupied by the mail subject to a compact loading), the count equivalent of the estimated measured load will be the basis for adding the mail loaded and subtracting the mail unloaded by pieces as indicated on the train baggagemen's report. If it regularly develops that the mail runs out before the count or converted footage equivalent, or vice versa, the car must be respaced at agreed points on the run. This will be done either by a transfer clerk or PTS road supervisor, and, if the railroad so desires, in conjunction with a railroad employee. This reestimate will correct the count or converted footage equivalent at that point and will stand as the base count to the next reestimate point or to the end of the line.

(6) *Ascending load.* An ascending load is a load which increases from a lesser storage unit (count basis) to a storage car containing more than 30 feet of mail. For line-haul purposes the volume of mail shall be determined by count with due regard for the provisions of subparagraph (3) of this paragraph covering the determination of 30 feet of space under circumstances where the count footage equivalent and actual space occupied differ. The footage conversion shall not exceed the inside length of the car or compartment.

NOTE: The footage of mail in destination and destination relay cars is used for line haul purposes—not the inside length of the cars.

(7) *Exceptional.* In those exceptional circumstances where the volume of mail transported in a train is carried solely in solidly loaded destination and/or destination relay storage cars, no other mail space is available and the volume of mail exceeds 60-foot or even multiples thereof, payment shall be allowed for no more than the maximum mail footage furnished and used as follows:

(i) When the residual footage exceeds 30 feet, it will be stated as the appropriate prorate of a 60-foot car.

(ii) When the residual footage is 30 feet or less, the appropriate lesser storage unit will be allowed, provided the inside length of the solidly loaded car or cars is equal to a 60-foot unit or units plus an exact lesser unit of storage space.

(iii) When the residual footage is 30 feet or less, and the inside length of the solidly loaded car or cars is not equal to a 60-foot unit or units plus an exact lesser unit of storage space, the 60-foot unit or units plus the prorate of the appropriate lesser unit of storage space will be allowed. For examples; a fully loaded 70-foot destination car is the only mail space available in the train—allow

a 60-foot car and 10/12ths of a 12-foot lesser unit; two 40-foot fully loaded destination cars are the only mail space available in the train—allow a 60-foot car and 20/21sts of a 21-foot lesser unit.

(8) *Mail carried by in error.* Mail carried by a station in error by a railroad and returned on another train shall not be counted for line-haul compensation.

(g) *Placards*—(1) *Railroad employees.* Railroad employees shall placard cars loaded at points where transfer clerks are not located. Form 5111 shall be used to placard this type of car.

§ 92.9 *Terminal and piece handling services*—(a) *Storage service—per car charges*—(1) *Basis.* The terminal charge per car is stated in an amount per 60-foot storage car. This amount is prorated when so provided in this section.

(2) *Determining volume.* Where more than 30 feet of mail is loaded at a point into two or more cars operated in the same train, the loading into some cars being recorded on a count basis and into some cars on a measurement basis, total all pieces recorded as being loaded by count, convert to feet, and combine with footage loaded into other cars to determine the footage allowable for terminal charge purposes.

(3) *Mail left in car at destination.* When a storage car is received at the final destination point of its placarded run and mail for a particular point beyond the destination is contained in the car and the car is not fully unloaded, but by mutual agreement between the railroad and Regional Transportation Manager the mail is left in the car and the car is filled out and transferred to another train, the railroad is entitled to a prorate of the car terminal charge on the basis of mail actually unloaded at the point. For destination and destination relay cars this prorate will be computed as the allowable inside length of the car minus the footage of mail left in the car. The loading railroad is entitled to a loading charge only on the basis of mail actually loaded at that point.

(b) *Storage service—per piece charges; ascending load.* Terminal charge volume will be determined on a count basis for all mail loaded into an ascending load, where the volume loaded is 30 feet or less. At any point where the count of mail loaded exceeds an equivalent of 30 feet, payment for the terminal service at that point will be made on the basis of the prorate of a 60-foot per car terminal charge.

(c) *Interline movements of working storage cars and lesser units; at same rate level.* In the case of storage service other than destination storage car and destination relay storage car service, involving movement between two or more carriers with the same rate level, the combined loading and unloading charges shall be applied at the point of loading for mail interchanged with another railroad, and payment shall be made to the loading railroad only. Where the mail is loaded at a joint terminal, payment shall be made to the railroad performing the immediately subse-

quent line-haul service. The unloading railroad shall look to the loading railroad for any payment adjustments due.

(d) *Exceptions to application of terminal and piece handling charges*—(1) *Storage cars and lesser units.* Terminal charges are not allowed for rehandling of mail when:

(i) A railroad orders a car out of service after mail has been loaded for onward dispatch to destination.

(ii) The receiving railroad at an interchange point refuses to operate a car because of size, type or bad order and transfer of the mail to another car is required.

(iii) Mail is carried by a station in error and returned in another train.

(2) *RPO cars.* The per piece charge will not apply to mail loaded into a standard or oversize RPO car or apartment while postal transportation clerks are on duty, except that one-half of the per piece charge will apply to the number of pieces loaded into an RPO car when:

(i) Loaded by railroad employees prior to the origin of clerks' run.

(ii) Unloaded by railroad employees at points beyond the end of clerks' run.

NOTE: For simplicity of administration the charges due under this subparagraph will be computed by applying the per piece charge to one-half of the number of pieces so loaded or unloaded.

(3) *Loading stopped by railroad.* Where for any reason a railroad fails to load a storage car to its space capacity and mail is available for loading, pro rata pay will be allowed on the basis of the space capacity load. However, where the weight of the mail is exceptionally heavy and a car satisfactory to the Department is furnished, full payment may be allowed for less than space capacity load.

(4) *Loading by other than railroad employees.* Loading as used in this paragraph, is defined as loading, separating, and piling in the car.

(i) *At plants.* (a) The loading charge will not apply to destination and destination relay cars when loaded by plant employees. The origin point will indicate by symbol "PL" on Form 5121 and the placard that the cars are plant loaded.

(b) When mail is loaded by plant employees, the terminal charge will not apply for loading. The proper unloading charge shall be credited to the originating railroad, and the originating railroad shall make proper interline settlement for these charges, except as otherwise provided in Interstate Commerce Commission Orders.

(ii) *By star route and mail messenger contractors.* (a) When all mail at a point is loaded by a contractor, terminal charges shall be credited in the same manner as for plant loaded storage cars and lesser storage units.

(b) When only a portion of the mail is loaded by a contractor and the remainder by railroad employees, the full terminal charge will be credited to the railroad for all mail loaded.

(iii) *By postal clerks in storage cars at intermediate points.* When storage mail is transferred between storage cars and RPO cars, or loaded in or unloaded from

storage cars at intermediate points by postal transportation clerks, the full terminal charge will be allowable on all mail so transferred or handled.

§ 92.10 *Side and mail messenger service*—(a) *Route measurement.* In all cases the distance between the railroad station or terminal and postal unit must be measured by the shortest route open to public travel, avoiding angles, from the nearest door of the baggage room to the nearest door of the postal unit involved. Where there is no baggage room or station, the measurement must be made from the middle of the station platform. The route need not be a regularly used public way, and, if over private property, no prohibition against the Government shall hold that has not also been made and enforced against the public.

(b) *Railroad employees.* Persons employed to handle mail where a railroad is required to receive and deliver mail from the Post Office or postal stations or to transfer mail to connecting railroads must be regarded as agents of the railroad and not employees of the postal service. They need not be sworn but must be of suitable character and intelligence and more than 16 years of age. Postmasters must promptly report any violation of this requirement to the Department.

(c) *Discontinuance notice.* A railroad must give thirty days' notice to the Department of the discontinuance of any agency handling mail or the removal of a station beyond the 440-yard limit. A railroad must not be relieved of the duty of handling mail unless this advance notice is given.

(d) *Departmental service.* The Department will provide for the transportation of mail to and from postal units located: More than 440 yards from the nearest railroad station or terminal; 440 yards or less from the nearest railroad station or terminal where a representative of the railroad is not on duty.

(e) *Time of service.* The Department reserves the right to require the performance of such service by a railroad representative at any time during the 24-hour period.

(f) *Contract letting.* Where railroads contract for such service, contracts shall be let to the lowest responsible bidder upon advertisement, in accordance with the provisions of the regulation governing Mail Messenger Service.

§ 92.11 *Preparation and processing of forms for payment*—(a) *Forms prepared by railroad companies*—(1) *Form 1034—Public Voucher for Purchases and Services Other Than Personnel, and 1034A—Memorandum Copy of Form 1034.* These forms will be furnished and prepared by railroads. The form will be used to claim the total amount due for RPO and for storage line-haul service performed on each railroad route.

(2) *Form 2531—Report of Railroad Mail Service Performed.* This form is used for the submission of claims for RPO service. It will be furnished and prepared by the railroad. It will be attached to Form 1034.

(3) *Form 2533—Claim for Terminal and Station Mail Handling Service.* This is a summary form furnished and pre-

pared by the railroad in duplicate, and supported by Forms 2535 and 2535-A.

(4) *Form 2535, Monthly Report of Destination and Destination Relay Storage Car Footage Loaded and Unloaded.* This form will be furnished and prepared in triplicate by the railroad.

(5) *Form 2535-A, Monthly Report of Working Storage Car Footage Loaded and Pieces Loaded.* This form will be furnished and prepared in triplicate by the railroad.

(6) *Train Baggage Man's Report.* This form is provided by each individual railroad under its own number and format.

(b) *Forms prepared by railroads and/or postal service.* (1) *Form 5121—Daily Report of Destination and Destination Relay Cars.* These forms shall be used for destination, destination relay, and for other storage cars moving over lines having different rate levels. They shall be prepared in quintuplicate, daily, at all stations or mail originating points designated by a Regional Transportation Manager, by a transfer clerk, or by a railroad representative where no transfer clerk is employed. A separate set of forms shall be prepared for each district and for each railroad at stations where more than one railroad or RPO line operates. Each completed set of forms must be signed daily by the transfer clerk and railroad representative, or by the railroad representative where no transfer clerk is employed.

(2) *Form 5122—Daily Report of Working Storage Cars and Lesser Storage Units.* This form will be prepared and distributed in the same manner as Form 5121.

(3) *Form 5373—Statement of Space Used.* (Replaces present Forms 5365 and 5369 on "Space Used" routes.) On many trains the size of the storage unit is fairly static over the period of a month. On such trains Form 5373 may be used instead of Form 5372. Form 5373 will be used primarily on the smaller trains carrying a total of 30 feet of mail or less, in one or two cars. Forms 5373 will usually cover the entire month's operation of each such train. For RPO trains, the form will be prepared in triplicate in the postal district office from data taken from trip reports, Forms 5122, train baggage man's reports, and other records. For CP trains, railroads will prepare the form in triplicate.

§ 92.12 *Applicability of Comprehensive Plan A; railroads covered.* Sections 92.1 through 92.11 shall apply to the following railroads:

Alabama Great Southern Railroad Co. (The).

Albany & Northern Railway Co.  
Atchison, Topeka & Santa Fe Railway Co. (The).

Atlantic Coast Line Railroad Co.  
Canadian National Railway Co.—Lines in Minnesota.

Carolina, Clinchfield & Ohio Railway, Lessees: Atlantic Coast Line Railroad Co.; Louisville & Nashville Railroad Co.  
Central of Georgia Railway Co.

Chicago & North Western Railway Co.  
Chicago, Burlington & Quincy Railroad Co.  
Chicago Great Western Railway Co.  
Chicago, Milwaukee, St. Paul & Pacific Railroad Co.

Chicago, Rock Island & Pacific Railroad Co.

Cincinnati, New Orleans & Texas Pacific Railway Co. (The).  
 Colorado & Southern Railway Co. (The).  
 Denver & Rio Grande Western Railroad Co. (The).  
 Duluth, Missabe & Iron Range Railway Co.  
 Duluth, South Shore & Atlantic Railroad Co.  
 Duluth, Winnipeg & Pacific Railway Co.  
 Florida East Coast Railway Co.  
 Fort Worth and Denver Railway Co.  
 Georgia Northern Railway Co. (The).  
 Georgia Railroad.  
 Georgia Southern & Florida Railway Co.  
 Great Northern Railway Co.  
 Gulf, Colorado & Santa Fe Railway Co.  
 Gulf, Mobile & Ohio Railroad Co.  
 Illinois Central Railroad Co.  
 Kansas City Southern Railway Co. (The).  
 Louisiana & Arkansas Railway Co.  
 Louisville & Nashville Railroad Co.  
 Minneapolis & St. Louis Railway Co. (The).  
 Minneapolis, St. Paul & Sault Ste. Marie Railroad Co.  
 Missouri-Kansas-Texas Railroad Co.  
 Missouri-Kansas-Texas Railroad Co. of Texas.  
 Missouri-Pacific Railroad Co.  
 New Orleans and Northeastern Railroad Co.  
 Northern Pacific Railway Co.  
 Northwestern Pacific Railroad Co.  
 Oregon Trunk Railway.  
 Panhandle & Santa Fe Railway Co.  
 St. Louis-San Francisco Railway Co.  
 St. Louis, San Francisco & Texas Railway Co.  
 St. Louis Southwestern Railway Co.  
 Seaboard Air Line Railroad Co.  
 Southern Pacific Co.  
 Southern Railway Co.  
 Spokane, Portland & Seattle Railway Co.  
 Tennessee Central Railway Co.  
 Texas & New Orleans Railroad Co.  
 Texas & Pacific Railway Co. (The).  
 Texas-New Mexico Railway Co.  
 The Western Railway of Alabama.  
 Union Pacific Railroad Co.  
 Wabash Railroad Co.  
 Western Pacific Railroad Co. (The).  
 White Sulphur Springs & Yellowstone Park Railway Co.  
 Wisconsin Central Railroad Co.

(R. S. 161, 396, secs. 1, 5, 39 Stat. 419, 425-431; 5 U. S. C. 22, 369, 39 U. S. C. 523-541, 542-568)

The foregoing amendments are effective February 1, 1958.

[SEAL] ABE MCGREGOR GOFF,  
*General Counsel.*

[F. R. Doc. 58-235; Filed, Jan. 10, 1958; 8:46 a. m.]

## TITLE 43—PUBLIC LANDS: INTERIOR

### Chapter I—Bureau of Land Management, Department of the Interior

[Circular 1990]

#### PART 192—OIL AND GAS LEASES

#### LEASING OF WILDLIFE REFUGE LANDS, GAME RANGE LANDS AND COORDINATION LANDS

Section 192.9 is revised as follows:

§ 192.9 *Leasing of wildlife refuge lands, game range lands and coordination lands—(a) Definitions—(1) Wildlife refuge lands.* Such lands are those embraced in a withdrawal of public domain and acquired lands of the United States for the protection of all species of wild-

life within a particular area. Sole and complete jurisdiction over such lands for wildlife conservation purposes is vested in the United States Fish and Wildlife Service even though such lands may be subject to prior rights for other public purposes or, by the terms of the withdrawal order, may be subject to mineral leasing.

(2) *Game range lands.* Game ranges created by a withdrawal of public lands and reserved for dual purposes, namely protection and improvement of the public grazing lands and natural forage resources and conservation and development of natural wildlife resources, are under the joint jurisdiction of the Bureau of Land Management and the United States Fish and Wildlife Service.

(3) *Coordination lands.* These lands are withdrawn or acquired by the Government and made available to the States by cooperative agreements entered into between the United States Fish and Wildlife Service and the game commissions of the various States, in accordance with the act of March 10, 1934 (48 Stat. 401), as amended by the act of August 14, 1946 (60 Stat. 1080), or by long-term leases or agreements between the Department of Agriculture and the game commissions of the various States pursuant to the Bankhead-Jones Farm Tenant Act (50 Stat. 525), as amended, where such lands were subsequently transferred to the Department of the Interior, with the United States Fish and Wildlife Service as the custodial agency of the Government.

(4) *Alaska wildlife areas.* Such lands are areas in Alaska created by a withdrawal of public lands for the management of natural wildlife resources and administered by the United States Fish and Wildlife Service.

(b) *Leasing policy and procedure.* (1) No offers for oil and gas leases covering wildlife refuge lands will be accepted and no leases covering such lands will be issued except as provided in subparagraph (2) of this paragraph.

(2) In instances where it is determined by the Geological Survey that any of the lands mentioned in paragraph (a) (1), or any of the lands mentioned in paragraph (a) (2), (3) and (4) of this section and defined in this section as not available for leasing are subject to drainage, the Bureau of Land Management, with the concurrence of the United States Fish and Wildlife Service, will process an offering inviting competitive bids in accordance with the then existing regulations relating to competitive oil and gas leasing. Such leases shall be issued only upon approval by the Secretary of the Interior and shall contain such stipulations as are necessary to assure that leasing activities and drilling shall be carried out in such a manner as will result in a minimum of damage to wildlife resources.

(3) As to game range lands and Alaska wildlife areas, representatives of the appropriate office of the Bureau of Land Management and the United States Fish and Wildlife Service will confer for the purpose of entering into an

agreement specifying those lands which shall not be subject to oil and gas leasing. No such agreement shall become effective, however, until approved by the Secretary of the Interior. As to coordination lands, representatives of the Bureau of Land Management and the United States Fish and Wildlife Service will, in cooperation with the authorized members of the various State game commissions, confer for the purpose of determining by agreement those lands which shall not be subject to oil and gas leasing.

(4) The remaining lands in paragraph (a) (2) and (4) of this section not closed to oil and gas leasing will be subject to leasing on the imposition of such stipulations agreed upon by the Fish and Wildlife Service and the Bureau of Land Management. The remaining lands in paragraph (a) (3) of this section not closed to oil and gas leasing will be subject to leasing on the imposition of such stipulations agreed upon by the State Game Commission, the United States Fish and Wildlife Service, and the Bureau of Land Management.

(c) *Publication and filing of agreements; filing of lease offers.* The agreements referred to in paragraph (b) (3) of this section shall be published in the FEDERAL REGISTER and shall contain a description of the lands affected thereby which are not subject to oil and gas leasing, together with a statement of the stipulations agreed upon by the parties thereto for inclusion in such leases to assure that all operations under the lease shall be carried out in such a manner as will result in a minimum of damage to wildlife resources. The agreements, as supplemented by maps or plats specifically delineating the lands will be filed in the appropriate land offices of the Bureau of Land Management where they may be inspected by the public at the usual hours specified for that purpose. Lease offers for such lands will not be accepted for filing until the tenth day after the agreements and supplemental maps or plats are noted on the land office records.

(d) *Suspension of pending applications.* All pending offers or applications heretofore filed for oil and gas leases covering game ranges, coordination lands, and Alaska wildlife areas, will continue to be suspended until the agreements referred to in paragraph (b) (3) of this section shall have been completed.

(e) *Lands in requested withdrawal.* All existing offers or applications for oil and gas leases covering lands included in requests for withdrawals for wildlife refuges, game ranges, coordination lands or Alaska wildlife areas, as defined herein, shall be suspended until after the consummation of the withdrawal, and thereafter such offers shall be considered in accordance with the provisions of this section.

(Sec. 32, 41 Stat. 450; 30 U. S. C. 189)

FRED A. SEATON,  
*Secretary of the Interior.*

JANUARY 8, 1958.

[F. R. Doc. 58-274; Filed, Jan. 10, 1958; 8:50 a. m.]

## PROPOSED RULE MAKING

### DEPARTMENT OF AGRICULTURE

#### Agricultural Marketing Service

#### [ 7 CFR Part 961 ]

#### MILK IN THE PHILADELPHIA, PA., MARKETING AREA

NOTICE OF PUBLIC MEETING TO PERMIT INTERESTED PARTIES OPPORTUNITY TO PRESENT DATA, VIEWS AND ARGUMENTS TO SHOW WHETHER CERTAIN PROVISIONS OF THE ORDER SHOULD OR SHOULD NOT BE SUSPENDED

The handling of milk in the Philadelphia, Pennsylvania, marketing area has for a number of years been regulated under the provisions of Order 61 issued by the Secretary of Agriculture of the United States under the authority of the Agricultural Marketing Agreement Act. During this period independent orders establishing minimum prices to be paid producers for milk within the marketing area covered by Order 61 have also been issued by the Milk Control Commission of the Commonwealth of Pennsylvania. Historically, the Class I prices established by the two agencies have been similar (the Class I definition has not been identical however) and over the period from 1950 through 1956 the average difference has amounted to approximately 8 cents per hundredweight. From July through December 1956 the price of Class I milk under the Pennsylvania Milk Control Commission orders for Philadelphia was established at a level 5 cents over the Federal order price. Because of differences in accounting procedures and other reasons these differences have not resulted in significantly disparate prices to producers.

Effective January 1, 1957 the price established by the Commission was 45 cents over the Federal order price, the February-March price was 41 cents over the Federal order price, the April-December price was 51 cents over the Federal order price. The price established by the Commission for January 1 through March 31, 1958 is 91 cents over the Federal order price. Estimates based on current regulations indicate that a substantial differential will continue throughout 1958. By all pertinent standards of the Agricultural Marketing Agreement Act, under which Federal orders are promulgated, the prices which have been in effect in the Philadelphia market for periods prior to January 1, 1957 have secured for the area an adequate milk supply and have tended to effectuate the purposes of the Agricultural Marketing Agreement Act. Because of the wide disparity in prices between the Federal and State orders now existent, the Federal order price is and promises to be without force or effect in that handlers are returning prices to producers which are in excess of those required to be paid under the terms and provisions of Order 61. Notwithstanding, in accordance with the directives of Order 61 the Federal market administrator is required to expend funds obtained

from assessments on regulated milk handlers to carry out his functions. The computation of class prices for the individual handlers and the audit program carried on to verify the reported receipts and utilization of producer milk and the correctness of payments to producers however, now effects no useful purpose. Since the provisions of the Federal order which relate to pricing and pooling, as a practical matter, are having no significant influence upon the prices being paid to dairy farmers in the Philadelphia market, there is serious doubt that they effectuate the declared policy of the act and it is therefore imperative to consider the propriety of suspending such provisions.

Pursuant to the provisions of section 4 (b) of the Administrative Procedure Act with respect to informal rule making (5 U. S. C. 1001 *et seq.*) notice is hereby given of a public meeting to be held in Jefferson Memorial Auditorium, United States Department of Agriculture, South Building, Fourteenth Street and Independence Avenue, Washington, D. C., beginning at 10:00 a. m., e. s. t., January 15, 1958, at which data, views or arguments may be presented in favor of or against the question of whether the provisions of §§ 961.22 (i), 961.40, 961.41, 961.42, 961.43, 961.53, 961.70, 961.71, 961.80, 961.81, 961.82, 961.83, 961.84, 961.85 and other provisions of Federal Order 61 as amended, should or should not be suspended.

Such data, views and arguments shall be presented by means of statements not under oath. Cross-examination will be permitted only at the discretion of the presiding officer. Statistical tables, maps, charts, or other written exhibits shall be supplied in quadruplicate by the person offering the exhibit.

Issued at Washington, D. C., this 10th day of January 1958.

[SEAL] ROY W. LENNARTSON,  
Deputy Administrator, AMS.

[F. R. Doc. 58-311; Filed, Jan. 10, 1958;  
1:25 p. m.]

### DEPARTMENT OF THE TREASURY

#### Internal Revenue Service

#### [ 26 (1954) CFR Part 11 ]

INCOME TAX; TAXABLE YEARS BEGINNING  
AFTER DECEMBER 31, 1953

#### INSTALLMENT METHOD OF REPORTING INCOME

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, At-

tention: T:P, Washington 25, D. C., 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 a case, a public hearing will be held and notice of the time, place, and date will be published in a subsequent issue of the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U. S. C. 7805).

[SEAL]

O. GORDON DELK,  
Acting Commissioner of  
Internal Revenue.

The following regulations, relating to the installment method of accounting, effective for taxable years beginning after December 31, 1953, and ending after August 16, 1954, except as specifically provided otherwise, are hereby prescribed under section 453 of the Internal Revenue Code of 1954:

Sec.	
1.453	Statutory provisions; installment method.
1.453-1	Installment method of reporting income.
1.453-2	Special rules applicable to dealers in personal property.
1.453-3	Special rules applicable to casual sales or casual dispositions of personal property.
1.453-4	Sale of real property involving deferred periodic payments.
1.453-5	Sale of real property treated on installment method.
1.453-6	Deferred-payment sale of real property not on installment method.
1.453-7	Change from accrual to installment method by dealers.
1.453-8	Requirements for adoption of or change to installment method.
1.453-9	Gain or loss on disposition of installment obligations.
1.453-10	Effective date.

§ 1.453 *Statutory provisions; installment method.*

SEC. 453. *Installment Method*—(a) *Dealers in personal property.* Under regulations prescribed by the Secretary or his delegate, a person who regularly sells or otherwise disposes of personal property on the installment plan may return as income therefrom in any taxable year that proportion of the installment payments actually received in that year which the gross profit, realized or to be realized when payment is completed, bears to the total contract price.

(b) *Sales of realty and casual sales of personalty*—(1) *General rule.* Income from—  
(A) A sale or other disposition of real property, or

(B) A casual sale or other casual disposition of personal property (other than property of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year) for a price exceeding \$1,000,

may (under regulations prescribed by the Secretary or his delegate) be returned on the

basis and in the manner prescribed in subsection (a).

(2) *Limitation.* Paragraph (1) shall apply—

(A) In the case of a sale or other disposition during a taxable year beginning after December 31, 1953 (whether or not such taxable year ends after the date of enactment of this title), only if in the taxable year of the sale or other disposition—

(i) There are no payments, or

(ii) The payments (exclusive of evidences of indebtedness of the purchaser) do not exceed 30 percent of the selling price.

(B) In the case of a sale or other disposition during a taxable year beginning before January 1, 1954, only if the income was (by reason of section 44 (b) of the Internal Revenue Code of 1939) returnable on the basis and in the manner prescribed in section 44 (a) of such code.

(c) *Change from accrual to installment basis*—(1) *General rule.* If a taxpayer entitled to the benefits of subsection (a) elects for any taxable year to report his taxable income on the installment basis, then in computing his taxable income for such year (referred to in this subsection as "year of change") or for any subsequent year—

(A) Installment payments actually received during any such year on account of sales or other dispositions of property made in any taxable year before the year of change shall not be excluded; but

(B) The tax imposed by this chapter for any taxable year (referred to in this subsection as "adjustment year") beginning after December 31, 1953, shall be reduced by the adjustment computed under paragraph (2).

(2) *Adjustment in tax for amounts previously taxed.* In determining the adjustment referred to in paragraph (1) (B), first determine, for each taxable year before the year of change, the amount which equals the lesser of—

(A) The portion of the tax for such prior taxable year which is attributable to the gross profit which was included in gross income for such prior taxable year, and which by reason of paragraph (1) (A) is includible in gross income for the taxable year, or

(B) The portion of the tax for the adjustment year which is attributable to the gross profit described in subparagraph (A).

The adjustment referred to in paragraph (1) (B) for the adjustment year is the sum of the amounts determined under the preceding sentence.

(3) *Rule for applying paragraph (2).* For purposes of paragraph (2), the portion of the tax for a prior taxable year, or for the adjustment year, which is attributable to the gross profit described in such paragraph is that amount which bears the same ratio to the tax imposed by this chapter (or by the corresponding provisions of prior revenue laws) for such taxable year (computed without regard to paragraph (2)) as the gross profit described in such paragraph bears to the gross income for such taxable year. For purposes of the preceding sentence, the provisions of chapter 1 (other than of subchapter D, relating to excess profits tax, and of subchapter E, relating to self-employment income) of the Internal Revenue Code of 1939 shall be treated as the corresponding provisions of the Internal Revenue Code of 1939.

(d) *Gain or loss on disposition of installment obligations*—(1) *General rule.* If an installment obligation is satisfied at other than its face value or distributed, transmitted, sold, or otherwise disposed of, gain or loss shall result to the extent of the difference between the basis of the obligation and—

(A) The amount realized, in the case of satisfaction at other than face value or a sale or exchange, or

(B) The fair market value of the obligation at the time of distribution, transmis-

sion, or disposition, in the case of the distribution, transmission, or disposition otherwise than by sale or exchange.

Any gain or loss so resulting shall be considered as resulting from the sale or exchange of the property in respect of which the installment obligation was received.

(2) *Basis of obligation.* The basis of an installment obligation shall be the excess of the face value of the obligation over an amount equal to the income which would be returnable were the obligation satisfied in full.

(3) *Special rule for transmission at death.* Except as provided in section 691 (relating to recipients of income in respect of decedents), this subsection shall not apply to the transmission of installment obligations at death.

(4) *Effect of distribution in certain liquidations*—(A) *Liquidations to which section 332 applies.* If—

(i) An installment obligation is distributed by one corporation to another corporation in the course of a liquidation, and

(ii) Under section 332 (relating to complete liquidations of subsidiaries) no gain or loss with respect to the receipt of such obligation is recognized in the case of the recipient corporation,

then no gain or loss with respect to the distribution of such obligation shall be recognized in the case of the distributing corporation.

(B) *Liquidations to which section 337 applies.* If—

(i) An installment obligation is distributed by a corporation in the course of a liquidation, and

(ii) Under section 337 (relating to gain or loss on sales or exchanges in connection with certain liquidations) no gain or loss would have been recognized to the corporation if the corporation had sold or exchanged such installment obligation on the day of such distribution,

then no gain or loss shall be recognized to such corporation by reason of such distribution.

§ 1.453-1 *Installment method of reporting income*—(a) *In general.* Section 453 permits dealers in personal property, that is, persons who regularly sell or otherwise dispose of personal property on the installment plan, to return the income from the sale or other disposition thereof on the installment method. The installment method may also be applied with certain limitations (see paragraph (c) of this section) to the sale or other disposition of real property and the casual sale or other casual disposition of certain personal property.

(b) *Income to be reported.* Persons permitted to use the installment method of accounting prescribed in section 453 may return as income from installment sales in any taxable year that proportion of the installment payments actually received in that year which the gross profit realized or to be realized when the property is paid for bears to the total contract price. In the case of dealers in personal property, for this purpose, gross profit means sales less cost of goods sold. See § 1.453-2 for rules applicable to the computation of income of dealers in personal property reporting on the installment method. In the case of sales of real estate and casual sales of personal property, gross profit means the selling price less the adjusted basis as defined in section 1011 and the regulations thereunder. Gross profit, in the case of a

sale of real estate by a person other than a dealer and a casual sale of personal property, is reduced by commissions and other selling expenses for purposes of determining the proportion of installment payments returnable as income.

(c) *Limitations on the use of the installment method.* (1) Income from the sale or other disposition of real property or from casual sales or other casual dispositions of personal property may be reported on the installment method for taxable years beginning after December 31, 1953, only if, in the taxable year of the sale or other disposition, (i) there are no payments or (ii) the payments (exclusive of evidences of indebtedness of the purchaser) do not exceed 30 percent of the selling price.

(2) The income from a casual sale or other casual disposition of personal property may be reported on the installment method only if (i) the property is not of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year, and (ii) its sale price exceeds \$1,000.

(d) *Treatment of gain or loss on default by the purchaser of personal property sold on the installment plan.* If for any reason the purchaser defaults in any of his installment payments, and the vendor (whether he is a dealer in personal property or a person who has made a casual sale or other casual disposition of personal property), returning income on the installment method, repossesses the property sold, whether title thereto had been retained by the vendor or transferred to the purchaser, gain or loss for the year in which the repossession occurs is to be computed upon any installment obligations of the purchaser which are satisfied or discharged upon the repossession or are applied by the vendor to the purchase or bid price of the property. Such gain or loss is to be measured by the difference between the fair market value at the date of repossession of the property repossessed and the basis in the hands of the vendor of the obligations of the purchaser which are so satisfied, discharged, or applied, with proper adjustment for any other amounts realized or costs incurred in connection with the repossession. (See also § 1.453-6.) The basis in the hands of the vendor of the obligations of the purchaser satisfied, discharged, or applied upon the repossession of the property shall be the excess of the face value of such obligations over an amount equal to the income which would be returnable were the obligations paid in full. No deduction for a bad debt shall in any case be taken on account of any portion of the obligations of the purchaser which are treated by the vendor as not having been satisfied, discharged, or applied upon the repossession unless it is clearly shown that after the property was repossessed the purchaser remained liable for such portion; and in no event shall the amount of the deduction exceed the basis in the hands of the vendor of the portion of the obligations with respect to which the purchaser remained liable after the repossession. (See also section 166 and the regulations thereunder.) If the property repossessed is bid in by the vendor

at a lawful public auction or judicial sale, the fair market value of the property shall be presumed to be the purchase or bid price thereof in the absence of clear and convincing proof to the contrary. The property repossessed shall be carried on the books of the vendor at its fair market value at the time of repossession.

(e) *Other accounting methods.* If the vendor chooses as a matter of consistent practice to return the income from installment sales on an accrual method or on the cash receipts and disbursements method, such a course is permissible.

(f) *Records.* In adopting the installment method of accounting the seller must maintain such records as are necessary to clearly reflect income in accordance with this section, section 446 and § 1.446-1.

§ 1.453-2 *Special rules applicable to dealers in personal property—(a) In general.* A person who regularly sells personal property on the installment plan may adopt (but is not required to do so), one of the following four ways of protecting his interest in case of default by the purchaser:

(1) By an agreement that title is to remain in the vendor until the purchaser has completely performed his part of the transaction;

(2) By a form of contract in which title is conveyed to the purchaser immediately, but subject to a lien for the unpaid portion of the selling price;

(3) By a present transfer of title to the purchaser, who at the same time executes a reconveyance in the form of a chattel mortgage to the vendor; or

(4) By conveyance to a trustee pending performance of the contract and subject to its provisions.

(b) *Installment income of dealers in personal property.* The income from installment sales of a dealer, that is, a person regularly engaged in the sale of personal property on the installment plan, may be ascertained by treating as income that proportion of the total payments received in the taxable year from installment sales (such payments being allocated to the year against the sales of which they apply) which the gross profit realized or to be realized on the total installment sales made during each year bears to the total contract price of all such sales made during that respective year. Dealers in personal property, for example, a department store selling at retail, may treat installment sales on a store-wide basis or separately by departments or branches. In any case, a dealer who desires to compute income by the installment method shall maintain accounting records in such a manner as to enable an accurate computation to be made by such method in accordance with the provisions of this section.

(c) *Treatment of payments on sales made in years prior to change to installment method.* No payments received in the taxable year shall be excluded in computing the amount of income to be

returned on the ground that they were received under a sale the total profit from which was returned as income during a taxable year or years prior to the change by the taxpayer to the installment method of returning income. In this regard, however, see section 453 (c) and § 1.453-7 for the computation of the adjustments for amounts previously included in income in the case of a change from an accrual method to the installment method. Deductible items are not to be allocated to the years in which the profits from the sales of a particular year are to be returned as income, but must be deducted for the taxable year in which the items are "paid or incurred" or "paid or accrued". See sections 461 and 7701 (a) (25), and the regulations thereunder.

§ 1.453-3 *Special rules applicable to casual sales or casual dispositions of personal property.* Income shall be computed and reported separately for each casual sale or other casual disposition of personal property as installment payments are received in the year of sale and subsequent years. See § 1.453-1 (c) for limitations on the use of the installment method.

§ 1.453-4 *Sale of real property involving deferred periodic payments—(a) In general.* Sales of real property involving deferred payments include (1) agreements of purchase and sale which contemplate that a conveyance is not to be made at the outset, but only after all or a substantial portion of the selling price has been paid, and (2) sales in which there is an immediate transfer of title, the vendor being protected by a mortgage or other lien as to deferred payments.

(b) *Classes of sales.* Such sales, under either paragraph (a) (1) or (2) of this section, fall into two classes when considered with respect to the terms of sale, as follows:

(1) Sales of real property which may be accounted for on the installment method, that is, sales of real property, in which (i) there are no payments during the taxable year of the sale or (ii) the payments in such taxable year (exclusive of evidences of indebtedness of the purchaser) do not exceed 30 percent of the selling price, or

(2) Deferred-payment sales in which the payments received in cash or property other than evidences of indebtedness of the purchaser during the taxable year in which the sale is made exceed 30 percent of the selling price.

(c) *Determination of "selling price".* In the sale of mortgaged property the amount of the mortgage, whether the property is merely taken subject to the mortgage or whether the mortgage is assumed by the purchaser, shall, for the purpose of determining whether a sale is on the installment plan, be included as a part of the "selling price"; and for the purpose of determining the payments and the total contract price as those terms are used in section 453, and §§ 1.453-1 through 1.453-7, the amount

of such mortgage shall be included only to the extent that it exceeds the basis of the property. The term "payments" does not include amounts received by the vendor in the year of sale from the disposition to a third person of notes given by the vendee as part of the purchase price which are due and payable in subsequent years. Commissions and other selling expenses paid or incurred by the vendor shall not reduce the amount of the payments, the total contract price, or the selling price.

§ 1.453-5 *Sale of real property treated on installment method—(a) In general.* In any transaction described in paragraph (b) (1) of § 1.453-4, that is, sales of real property in which there are no payments during the year of sale or the payments in that year do not exceed 30 percent of the selling price, the vendor may return as income from each such transaction in any taxable year that proportion of the installment payments actually received in that year which the gross profit (as described in paragraph (b) of § 1.453-1) realized or to be realized when the property is paid for bears to the total contract price. In any case, the sale of each lot or parcel of a subdivided tract must be treated as a separate transaction and gain or loss computed accordingly. (See paragraph (a) of § 1.61-6.)

(b) *Defaults and repossessions.* If the purchaser of real property on the installment plan defaults in any of his payments, and the vendor returning income on the installment method reacquires the property sold, whether title thereto had been retained by the vendor or transferred to the purchaser, gain or loss for the year in which the reacquisition occurs is to be computed upon any installment obligations of the purchaser which are satisfied or discharged upon the reacquisition or are applied by the vendor to the purchase or bid price of the property. Such gain or loss is to be measured by the difference between the fair market value at the date of reacquisition of the property reacquired (including the fair market value of any fixed improvements placed on the property by the purchaser) and the basis in the hands of the vendor of the obligations of the purchaser which are so satisfied, discharged, or applied, with proper adjustment for any other amounts realized or costs incurred in connection with the reacquisition. The basis in the hands of the vendor of the obligations of the purchaser satisfied, discharged, or applied upon the reacquisition of the property will be the excess of the face value of such obligations over an amount equal to the income which would be returnable were the obligations paid in full. No deduction for a bad debt shall in any case be taken on account of any portion of the obligations of the purchaser which are treated by the vendor as not having been satisfied, discharged, or applied upon the reacquisition of the property, unless it is clearly

shown that after the property was reacquired the purchaser remained liable for such portion; and in no event shall the amount of the deduction exceed the basis in the hands of the vendor of the portion of the obligations with respect to which the purchaser remained liable after the reacquisition. (See section 166 and the regulations thereunder.) If the property reacquired is bid in by the vendor at a foreclosure sale, the fair market value of the property shall be presumed to be the purchase or bid price thereof in the absence of clear and convincing proof to the contrary. If the property reacquired is subsequently sold, the basis for determining gain or loss is the fair market value of the property at the date of reacquisition (including the fair market value of any fixed improvements placed on the property by the purchaser).

§ 1.453-6 *Deferred-payment sale of real property not on installment method*—(a) *Value of obligations.* (1) In transactions included in paragraph (b) (2) of § 1.453-4, that is, sales of real property involving deferred payments in which the payments received during the year of sale exceed 30 percent of the selling price, the obligations of the purchaser received by the vendor are to be considered as the equivalent of cash to the amount of their fair market value in ascertaining the profit or loss from the transaction. Such obligations, however, are not considered in determining whether the payments during the year of sale exceed 30 percent of the selling price.

(2) If the obligations received by the vendor have no fair market value, the payments in cash or other property having a fair market value shall be applied against and reduce the basis of the property sold and, if in excess of such basis, shall be taxable to the extent of the excess. Gain or loss is realized when the obligations are disposed of or satisfied, the amount thereof being the difference between the reduced basis as provided in the preceding sentence and the amount realized therefor. Only in rare and extraordinary cases does property have no fair market value.

(b) *Title retained by vendor.* (1) If the vendor in sales referred to in paragraph (a) of this section has retained title to the property and the purchaser defaults in any of his payments, and the vendor repossesses the property, the difference between (i) the entire amount of the payments actually received on the contract and retained by the vendor plus the fair market value at the time of repossession of fixed improvements placed on the property by the purchaser and (ii) the sum of the profits previously returned as income in connection therewith and an amount representing what would have been a proper adjustment for exhaustion, wear and tear, obsolescence, amortization, and depletion of the property during the period the property was in the hands of the purchaser had the sale not been made, will constitute

gain or loss, as the case may be, to the vendor for the year in which the property is repossessed.

(2) The basis of the property described in subparagraph (1) of this paragraph in the hands of the vendor will be the original basis at the time of the sale plus the fair market value at the time of repossession of fixed improvements placed on the property by the purchaser, except as provided in subparagraph (3) of this paragraph.

(3) With respect to repossessions occurring after the date of publication in the FEDERAL REGISTER of final regulations under section 453, the basis of property determined in accordance with subparagraph (2) of this paragraph shall be reduced by what would have been a proper adjustment for exhaustion, wear and tear, obsolescence, amortization, and depletion of the property during the period the property was in the hands of the purchaser had the sale not been made.

(c) *Title transferred to purchaser.* If the vendor in sales described in paragraph (a) of this section has previously transferred title to the purchaser, and the purchaser defaults in any of his payments, and the vendor accepts a voluntary reconveyance of the property, in partial or full satisfaction of the unpaid portion of the purchase price, the receipt of the property so reacquired, to the extent of its fair market value at that time, including the fair market value of fixed improvements placed on the property by the purchaser, shall be considered as the receipt of payment on the obligations satisfied. If the fair market value of the property is greater than the basis of the obligations of the purchaser so satisfied (generally, such basis being the fair market value of such obligations previously recognized in computing income), the excess constitutes ordinary income. If the value of such property is less than the basis of such obligations, the difference may be deducted as a bad debt if uncollectible, except that if the obligations satisfied are securities (as defined in section 165 (g) (2) (C)), any gain or loss resulting from the transaction is a capital gain or loss subject to the provisions of sections 1201 through 1241. If the property reacquired is subsequently sold, the basis for determining gain or loss is the fair market value of the property at the date of reacquisition including the fair market value of the fixed improvements placed on the property by the purchaser. See section 166 and the regulations thereunder with respect to property reacquired in a foreclosure proceeding.

§ 1.453-7 *Change from accrual to installment method by dealers*—(a) *In general.* A taxpayer who is a dealer in personal property and who is entitled to the benefits of section 453 (a) may elect to report his taxable income on the installment method of accounting without securing consent of the Commissioner. In the event a dealer elects to change from an accrual method of accounting to the installment method, any

installment payments actually received in the year of change or in subsequent taxable years on account of sales or other dispositions of property made in any taxable year before the year of change shall not be excluded from taxable income. This means that profits attributable to installment sales even though included in taxable income in their entirety in a year of sale before the year in which the change to the installment method is made are also includible in taxable income as payments are received in the year of change and in subsequent taxable years. But the tax imposed for the year of change or any subsequent taxable years (such years being referred to as "adjustment years") beginning after December 31, 1953, shall be reduced by an adjustment proportionate to the tax attributable to the gross profit which is, by reason of the change to the installment method, included in gross income a second time, determined by the method of computation described in section 453 (c) and paragraph (b) of this section.

(b) *Adjustment to tax.* (1) The adjustment to tax under section 453 (c) (2) is determined as follows:

(i) Determine separately the portion of the tax for each taxable year before the year of change which is attributable to the gross profit from installment sales which was included in gross income in that year and which is also includible in gross income for any adjustment year;

(ii) Determine separately the portion of the tax for each adjustment year which is attributable to the gross profit described in subdivision (i) of this subparagraph;

(iii) Select for each adjustment year the lesser of the amounts determined under subdivisions (i) and (ii) of this subparagraph;

(iv) The tax imposed in any adjustment year shall be reduced by the amount as determined in subdivision (iii) of this subparagraph or the sum of all such amounts if more than one prior taxable year is involved;

(v) The portion of the tax for any taxable year attributable to the gross profit described in subdivision (i) of this subparagraph shall be that proportion of the tax determined for such year without regard to the adjustments under this paragraph, which the gross profit included in gross income in the prior year and includible in gross income for the adjustment year bears to the gross income of that year.

(2) The tax determined in any of the steps provided in subparagraph (1) of this paragraph shall be the tax imposed by chapter 1, subtitle A of the Internal Revenue Code of 1954; or chapter 1, not including subchapter D, relating to excess profits tax, nor subchapter E, relating to self-employment income, of the Internal Revenue Code of 1939.

(3) The computation of the adjustment provided in section 453 (c) (2) may be illustrated by the following example:

## ADJUSTMENTS IN TAX ON CHANGE TO INSTALLMENT METHOD

	Taxable years (prior to change)		Adjustment years (after change)	
	Year 1	Year 2	Year 3	Year 4
Gross profit from installment sales (receivable in periodic payments over 5 years).....	\$100,000	\$50,000	\$20,000 (1) 10,000 (2) 80,000 (3)	\$12,000 (4) 8,000 (5) 40,000 (6) 90,000 (7)
Other income.....	80,000	200,000	90,000	90,000
Gross income.....	180,000	250,000	200,000	240,000
Deductions.....	60,000	50,000	50,000	60,000
Taxable income.....	120,000	200,000	150,000	180,000
Tax rate assumed (percent).....	30	50	40	40
Tax would be.....	\$36,000	\$100,000	\$60,000	\$72,000

		Lesser tax portion
COMPUTATION OF ADJUSTMENT IN YEAR 3		
Year 1 items		
In year 3 (portion of tax).....	$20,000/200,000 \times 60,000 = \$6,000$	
In year 1 (portion of tax).....	$20,000/180,000 \times 36,000 = \$4,000$	\$4,000
Year 2 items		
In year 3 (portion of tax).....	$10,000/200,000 \times 60,000 = \$3,000$	
In year 2.....	$10,000/250,000 \times 100,000 = \$4,000$	3,000
Adjustment in respect to tax of year 3.....		7,000
COMPUTATION OF ADJUSTMENT IN YEAR 4		
Year 1 items		
In year 4 (portion of tax).....	$12,000/240,000 \times 72,000 = \$3,600$	
In year 1 (portion of tax).....	$12,000/180,000 \times 36,000 = \$2,400$	2,400
Year 2 items		
In year 4 (portion of tax).....	$8,000/240,000 \times 72,000 = \$2,400$	
In year 2 (portion of tax).....	$8,000/250,000 \times 100,000 = \$3,200$	2,400
Adjustment to tax of year 4.....		4,800

- (1) and (4) from year 1 sales.  
 (2) and (5) from year 2 sales.  
 (3) and (6) from year 3 sales.  
 (7) from year 4 sales.

(c) *Special rules for partnerships.* In the case of a change from an accrual method of accounting to the installment method of accounting by a partnership which is a dealer in personal property, payments attributable to installment sales under such accrual method shall be included in the gross income of the partnership in their entirety as payments are received in the year of change and in subsequent taxable years, even though included in gross income of the partnership for a year before the year in which the change to the installment method is made. Each partner's distributive share of the profits attributable to installment sales included in partnership taxable income for the year of sale and for each "adjustment year" shall be taken into account separately in accordance with section 702 (a) (8) and § 1.702-1 (a) (8). The income tax of each partner for adjustment years shall be computed with the adjustment provided by section 453 (c) (2) for amounts previously taxed. However, it is not necessary for a partner to have been a member of the partnership for the year of sale and each subsequent taxable year, including adjustment years, in order to apply the adjustment to tax provided by section 453 (c) (2).

§ 1.453-8 *Requirements for adoption of or change to installment method—*

(a) *Dealers in personal property—(1) Adoption of installment method.* A taxpayer who adopts the installment method of accounting in the first taxable year in which he makes installment sales must indicate in his income tax return for that taxable year that the installment method of accounting is being adopted.

(2) *Change to installment method.* A taxpayer who changes to the installment method in accordance with § 1.453-7 shall attach a statement to his income tax return for the taxable year with respect to which the change is made. This statement must show—

(i) The method of accounting used in computing taxable income before the change;

(ii) The span of taxable years over which it will be necessary to compute adjustments; and

(iii) A schedule similar to the schedule shown in the example in paragraph (b) (3) of § 1.453-7, showing the computation of the required adjustments under section 453 (c) (2).

Similar statements must be attached to and filed with income tax returns for subsequent taxable years in which adjustments are required because of the inclusion of installment payments in gross income a second time.

(b) *Sales of real property and casual sales of personal property.* (1) A taxpayer who sells or otherwise disposes of

real property, or who makes a casual sale or other casual disposition of personal property, and who elects to report the income therefrom on the installment method must set forth in his income tax return (or in a statement attached thereto) for the year of the sale or other disposition the computation of the gross profit on the sale or other disposition under the installment method. In any taxable year in which the taxpayer receives payments attributable to such sale or other disposition, he must also show in his income tax return the computation of the amount of income which is being reported in that year on such sale or other disposition.

(2) The information required by subparagraph (1) of this paragraph must be submitted for each separate sale or other disposition but, in the case of multiple sales or other dispositions, separate computations may be shown in a single statement.

(c) *Installment method and other accounting methods.* Notwithstanding the fact that a dealer in personal property may change to the installment method of accounting without permission, a dealer may not change from the installment of accounting for sales on the installment plan to an accrual method of accounting or to any other method of accounting without the permission of the Commissioner.

§ 1.453-9 *Gain or loss on disposition of installment obligations—(a) In general.* Subject to the exceptions contained in section 453 (d) (4) and paragraph (c) of this section, the entire amount of gain or loss resulting from any disposition or satisfaction of installment obligations, computed in accordance with section 453 (d), is recognized in the taxable year of such disposition or satisfaction and shall be considered as resulting from the sale or exchange of the property in respect of which the installment obligation was received by the taxpayer.

(b) *Computation of gain or loss.* (1) The amount of gain or loss resulting under paragraph (a) of this section is the difference between the basis of the obligation and (i) the amount realized, in the case of satisfaction at other than face value or in the case of a sale or exchange, or (ii) the fair market value of the obligation at the time of disposition, if such disposition is other than by sale or exchange. The basis of the installment obligation shall be the excess of the face value of such obligation over an amount equal to the income which would have been returnable had the obligation been satisfied in full.

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

*Example (1).* In 1960 the M Corporation sold a piece of unimproved real estate to B for \$20,000. The company acquired the property in 1948 at a cost of \$10,000. During 1960 the company received \$5,000 cash and vendee's notes for the remainder of the selling price, or \$15,000, payable in subsequent years. In 1962, before the vendee made any further payments, the company sold the notes for \$13,000 in cash. The corporation makes its returns on the calendar year basis. The income to be reported for 1962 is \$5,500, computed as follows:

Proceeds of sale of notes-----	\$13,000
Selling price of property-----	\$20,000
Cost of property-----	10,000
<b>Total profit-----</b>	<b>10,000</b>
<b>Total contract price-----</b>	<b>20,000</b>
Percent of profit, or proportion of each payment returnable as income, \$10,000 divided by \$20,000, 50 percent.	
Face value of notes-----	15,000
Amount of income returnable were the notes satisfied in full, 50 percent of \$15,000-----	7,500
Excess of face value of notes over amount of income returnable were the notes satisfied in full-----	7,500
Taxable income to be reported for 1962-----	5,500

*Example (2).* Suppose in example (1) the M Corporation, instead of selling the notes, distributed them in 1962 to its shareholders as a dividend, and at the time of such distribution, the fair market value of the notes was \$14,000. The income to be reported for 1962 is \$6,500, computed as follows:

Fair market value of notes-----	\$14,000
Excess of face value of notes over amount of income returnable were the notes satisfied in full (computed as in example (1))-----	7,500
Taxable income to be reported for 1962-----	6,500

(c) *Disposition from which no gain or loss is recognized.* (1) Under section 453 (d) (4), no gain or loss shall be recognized to a distributing corporation with respect to the distribution of installment obligations in certain corporate liquidations, under the following conditions:

- (i) If the distribution is made, pursuant to a plan for the complete liquidation of a subsidiary meeting the requirements of section 332, to a corporation in the hands of which no gain or loss is recognized with respect to such distribution, or
- (ii) If the distribution is made, pursuant to a plan for the complete liquidation of a corporation which meets the requirements of section 337, under conditions whereby no gain or loss would have been recognized to the corporation had such installment obligations been sold or exchanged on the day of distribution.

(2) Where the Internal Revenue Code provides for exceptions to the recognition of gain or loss in the case of certain dispositions, no gain or loss shall result under section 453 (d) in the case of a disposition of an installment obligation. Such exceptions include: Certain transfers to corporations under sections 351 and 361; contributions of property to a partnership by a partner under section 721; and distributions by a partnership to a partner under section 731 (except as provided by section 736 and section 751).

(3) Any amount received by a person in payment or settlement of an installment obligation acquired in a transaction described in subparagraphs (1) or (2) of this paragraph (other than an amount received by a stockholder with respect to an installment obligation distributed to him pursuant to section 337) shall be

considered to have the character it would have had in the hands of the person from whom such installment obligation was acquired.

(d) *Carryover of installment method.* For the treatment of income derived from installment obligations received in transactions to which section 381 (a) is applicable, see section 381 (c) (8) and the regulations thereunder.

(e) *Installment obligations transmitted at death.* Where installment obligations are transmitted at death, see section 691 (a) (4) and the regulations thereunder for the treatment of amounts considered income in respect of a decedent.

(f) *Losses.* See sections 1201-1241, as to the limitation on capital losses sustained by corporations and the limitation as to both capital gains and capital losses of individuals.

§ 1.453-10 *Effective date.* (a) Except as provided in this section, the provisions of section 453 and §§ 1.453-1 through 1.453-7, and § 1.453-9 shall apply to any taxable year beginning after December 31, 1953, and ending after August 16, 1954.

(b) The provisions of § 1.453-8 shall apply to taxable years ending more than 90 days after the publication of final regulations under section 453 in the FEDERAL REGISTER.

(c) Under the provisions of sections 453 (b) and 7851 (a) (1) (C), section 453 (b) (1) and the regulations with respect thereto shall also apply—

(1) To a sale or other disposition during a taxable year beginning before January 1, 1954, only if the income was returnable (by reason of section 44 (b) of the Internal Revenue Code of 1939) on the basis and in the manner prescribed in section 44 (a) of such code.

(2) To a sale or other disposition during a taxable year beginning after December 31, 1953, and ending before August 17, 1954, though such taxable year is subject to the provisions of the Internal Revenue Code of 1939.

(d) Under the provisions of sections 453 (c) (1) (B) and 7851 (a) (1) (C), section 453 (c) and the regulations with respect thereto shall also apply to taxable years beginning after December 31, 1953, and ending before August 17, 1954, though such taxable years are subject to the provisions of the Internal Revenue Code of 1939.

(e) The provisions of § 1.453-6 (b) (3) shall apply to reposessions occurring after the date of publication in the FEDERAL REGISTER of regulations under section 453.

[F. R. Doc. 58-236; Filed, Jan. 10, 1958; 8:46 a. m.]

**SMALL BUSINESS ADMINISTRATION**

**[ 13 CFR Part 103 ]**

**SMALL BUSINESS SIZE STANDARDS**

**NOTICE OF PROPOSAL TO AMEND DEFINITION OF SMALL BUSINESS FOR PETROLEUM REFINING INDUSTRY**

Notice is given that the Administrator of the Small Business Administration

proposes to adopt the following amendments to the small business size standards regulation, as amended (21 F. R. 9709, 22 F. R. 2121, 2758, 3314, 4190) to provide a revised definition of a small business concern in the petroleum refining industry. All interested persons may submit their views on the proposed amendments, in writing, to the Administrator, Small Business Administration, 811 Vermont Avenue NW., Washington 25, D. C., within 15 days from the date of publication of this notice in the FEDERAL REGISTER. Limited oral statements will be permitted at a date to be announced, if a request to make an oral statement accompanies filing of views on the proposed amendments as set forth below.

The small business size standards regulation, as amended (21 F. R. 9709, 22 F. R. 2121, 2758, 3314, 4190), is hereby amended by:

1. Adding to § 103.3 the following new paragraph designated as paragraph (e):

(e) *Petroleum refinery industry.* A small business concern in the petroleum refinery industry for the purpose of procurement assistance is a concern that (1) is independently owned and operated, (2) is not dominant in its field of operation, (3) together with its affiliates employs not more than 500 persons, and (4) does not have more than 20,000-barrels-per-day capacity from owned or leased facilities.

2. Adding to § 103.4 the following new paragraph designated as paragraph (j):

(j) *Petroleum refineries.* A concern in the petroleum refinery industry is deemed to be a small business for the purpose of financial and other assistance if it meets the requirements of § 103.3 (e).

3. Deleting "Census Classification Code No. 2911, Petroleum Refining" from Schedule "A" immediately following § 103.6.

Dated: January 6, 1958.

WENDELL B. BARNES,  
Administrator.

[F. R. Doc. 58-240; Filed Jan. 10, 1958; 8:47 a. m.]

**DEPARTMENT OF LABOR**

**Wage and Hour Division**

**[ 29 CFR Parts 686, 704, 715 ]**

[Administrative Order 499]

**SHOE AND RELATED PRODUCTS; LEATHER, LEATHER GOODS, AND RELATED PRODUCTS; AND FABRIC AND LEATHER GLOVE INDUSTRIES IN PUERTO RICO**

**RESIGNATION AND APPOINTMENT OF EMPLOYEE MEMBER OF INDUSTRY COMMITTEES**

George O. Focteau of Washington, D. C., has resigned as employee representative on Industry Committees numbered 36-A, 36-B, and 36-C. The Secretary of Labor, pursuant to authority under the Fair Labor Standards Act of 1938 (52 Stat. 1060, as amended; 29 U. S. C. 201 et seq.), hereby appoints Anthony F. Heller of St. Louis, Missouri

to serve on said Committees as an employee representative.

Signed at Washington, D. C., this 7th day of January 1958.

JAMES P. MITCHELL,  
Secretary of Labor.

[F. R. Doc. 58-245; Filed, Jan. 10, 1958;  
9:17 a. m.]

## I 29 CFR Parts 687, 688, 689, 703 I

[Administrative Order 493]

**HOSIERY; ARTIFICIAL FLOWER, DECORATION, AND PARTY FAVOR; TEXTILE AND TEXTILE PRODUCTS; AND STRAW, HAIR, AND RELATED PRODUCTS INDUSTRIES IN PUERTO RICO**

**APPOINTMENTS TO INVESTIGATE CONDITIONS AND RECOMMEND MINIMUM WAGES; NOTICE OF HEARING**

Pursuant to authority under the Fair Labor Standards Act of 1938 (52 Stat. 1060, as amended; 29 U. S. C. 201 et seq.), and Reorganization Plan No. 6 of 1950 (3 CFR, 1950 Supp., p. 165), I hereby appoint, convene, and give notice of the hearings of Industry Committee No. 37-A for the Textile and Textile Products Industry in Puerto Rico; Industry Committee No. 37-B for the Hosiery Industry in Puerto Rico; Industry Committee No. 37-C for the Artificial Flower, Decoration, and Party Favor Industry in Puerto Rico; and Industry Committee No. 37-D for the Straw, Hair, and Related Products Industry in Puerto Rico.

Industry Committee No. 37-A is composed of the following representatives:

For the public: George Allan Dash, Jr., Chairman, Philadelphia, Pa.; James C. Hill, Pelham Manor, N. Y.; Alvin Mayne, Santurce, P. R.

For the employees: Jack Rubenstein, New York, N. Y.; Andrew A. J. Janaskie, Philadelphia, Pa.; Luis G. Estades, San Juan, P. R.

For the employers: Irene Blunt, Fort Lauderdale, Fla.; Oscar Castro-Rivera, San Juan, P. R.; Malcolm Gordon, Cayey, P. R.

For the purposes of this order, the textile and textile products industry in Puerto Rico is defined as follows:

The preparation of textile fibers, including the ginning and compressing of cotton; the manufacture of batting, wadding, and filling; the manufacture of yarn, cordage, twine, felt, woven and knitted fabrics, and lace-machine products, from cotton, jute, sisal, coir, maguey, silk, rayon, nylon, wool, or other vegetable, animal, or synthetic fiber, or from mixtures of these fibers; and the manufacture of blankets, textile bags, mattresses, quilts, pillows, hairnets, oil-cloth and artificial leather containing a textile base, woven carpets, and rugs, and hooked or punched rugs and carpeting: *Provided, however,* That the definition shall not include the chemical manufacturing of synthetic fiber and such related processing of yarn as is conducted in establishments manufacturing synthetic fiber.

Industry Committee No. 37-B is composed of the following representatives:

For the public: George Allan Dash, Jr., Chairman, Philadelphia, Pa.; James C. Hill,

Pelham Manor, N. Y.; Alvin Mayne, Santurce, P. R.

For the employees: Jack Rubenstein, New York, N. Y.; Andrew A. J. Janaskie, Philadelphia, Pa.; Luis G. Estades, San Juan, P. R.

For the employers: Irene Blunt, Fort Lauderdale, Fla.; Oscar Castro-Rivera, San Juan, P. R.; Malcolm Gordon, Cayey, P. R.

For the purposes of this order, the hosiery industry in Puerto Rico is defined as follows:

The manufacture and processing of full-fashioned and seamless hosiery, including, among other processes, the knitting, seaming, looping, dyeing, clocking, and all phases of finishing hosiery, but not including the manufacture or processing of yarn or thread.

Industry Committee No. 37-C is composed of the following representatives:

For the public: George Allan Dash, Jr., Chairman, Philadelphia, Pa.; James C. Hill, Pelham Manor, N. Y.; Alvin Mayne, Santurce, P. R.

For the employees: Jack Rubenstein, New York, N. Y.; Andrew A. J. Janaskie, Philadelphia, Pa.; Sarah E. Torres-Peralta, Rio Piedras, P. R.

For the employers: Irene Blunt, Fort Lauderdale, Fla.; Samuel S. Berger, Naranjito, P. R.; Francisco Ponsa Feliu, San Juan, P. R.

For the purposes of this order, the artificial flower, decoration, and party favor industry in Puerto Rico is defined as follows:

The manufacture of flowers, buds, berries, foliage, leaves, fruits, plants, stems, and branches which are commonly or commercially known as artificial; and the manufacture of party favors and ornaments and decorations for holidays, except those made of molded plastic or metal other than metallic chenille, foil or tinsel.

Industry Committee No. 37-D is composed of the following representatives:

For the public: George Allan Dash, Jr., Chairman, Philadelphia, Pa.; James C. Hill, Pelham Manor, N. Y.; Alvin Mayne, Santurce, P. R.

For the employees: Jack Rubenstein, New York, N. Y.; Andrew A. J. Janaskie, Philadelphia, Pa.; Sarah E. Torres-Peralta, Rio Piedras, P. R.

For the employers: Irene Blunt, Fort Lauderdale, Fla.; Oscar-Castro-Rivera, San Juan, P. R.; Max Watson, Nato Rey, P. R.

For the purposes of this order, the straw, hair, and related products industry in Puerto Rico is defined as follows:

The manufacture of all products made wholly or chiefly of straw, raffia, sisal, maguey, palm leaves, rushes, grasses, hair, hair bristles, feathers, and similar materials: *Provided, however,* That the definition shall not cover products or activities included in the artificial flower, decoration, and party favor industry (29 CFR Part 688), the button, jewelry, and lapidary work industry (29 CFR Part 709), the children's dress and related products industry (29 CFR Part 717), the men's and boys' clothing and related products industry (29 CFR Part 703), the textile and textile products industry (29 CFR Part 699), or the shoe and related products industry, as defined in Administrative Order No. 497 appointing Industry Committee No. 36-A for Puerto Rico (22 F. R. 10063).

I hereby refer to each of the above mentioned industry committees the question of the minimum wage rate or rates to be fixed under section 6 (c) of the act for the industry. Each such industry committee shall investigate conditions in its industry, and the committee, or any authorized sub-committee thereof, shall hear such witnesses and receive such evidence as may be necessary or appropriate to enable the committee to perform its duties and functions under the act.

Industry Committee No. 37-A shall commence its hearings on February 10, 1958, at 2:00 p. m., in the office of the Wage and Hour Division, United States Department of Labor, New York Department Store Building, Fortaleza, and San Jose Streets, San Juan, Puerto Rico. Immediately upon the conclusion of the hearing of Industry Committee No. 37-A, Industry Committees Nos. 37-B, 37-C, and 37-D will hold their hearings at the same place in that order.

Each committee will meet at the same place before its hearing to make its investigation and appropriate decisions concerning its forthcoming hearing. Industry Committee No. 37-A will meet at 10 a. m. on February 10, 1958, and Industry Committees Nos. 37-B, 37-C, and 37-D will meet at an hour to be designated by the committee chairman.

In order to reach as rapidly as is economically feasible the objective of the minimum wage prescribed in paragraph (1) of section 6 (a) of the act, each industry committee shall recommend to the Administrator the highest minimum wage rate or rates for the industry which it determines, having due regard to economic and competitive conditions, will not substantially curtail employment in the industry and will not give any industry in Puerto Rico a competitive advantage over any industry in the United States outside of Puerto Rico, the Virgin Islands, and American Samoa. Where an industry committee finds that a higher minimum wage may be determined for employees engaged in certain activities or in the manufacture of certain products in the industry, the industry committee shall recommend such reasonable classifications within the industry as it determines to be necessary for the purpose of fixing for each classification the highest minimum wage rate that can be determined for it under the principles set out here which will not substantially curtail employment in such classifications and will not give a competitive advantage to any group in the industry. No classification shall be made, however, and no minimum wage shall be fixed solely on a regional basis or on the basis of age or sex. In determining whether there should be classifications within the industry, in making such classifications, and in determining the minimum wage rates for such classifications, the committee shall consider, among other relevant factors, the following: (1) Competitive conditions as affected by transportation, living, and production costs; (2) the wages established for work of like or comparable character by collective labor agreements negotiated between employers and em-

ployees by representatives of their own choosing; and (3) the wages paid for work of like or comparable character by employers who voluntarily maintain minimum wage standards in the industry.

The Administrator shall prepare an economic report for each committee containing such data as he is able to assemble pertinent to the matters herein referred to that committee. Copies of each such report may be obtained at the national and the Puerto Rican offices of the United States Department of Labor as soon as they are completed and prior to the hearings. Each committee will take official notice of the facts stated in the economic report to the extent they are not refuted at the hearings.

The procedure of these industry committees will be governed by Part 511 of Title 29, Code of Federal Regulations. As a prerequisite to participation as witnesses or parties these regulations require, among other things, that interested persons in the present matters shall file a prehearing statement containing certain specified data, not later than January 31, 1958.

Signed at Washington, D. C., this 8th day of January 1958.

JAMES P. MITCHELL,  
*Secretary of Labor.*

[F. R. Doc. 58-246; Filed, Jan. 10, 1958;  
8:48 a. m.]

## DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

### Food and Drug Administration

#### I 21 CFR Part 120 I

#### TOLERANCES AND EXEMPTIONS FROM TOLERANCES FOR PESTICIDE CHEMICALS IN OR ON RAW AGRICULTURAL COMMODITIES

#### NOTICE OF FILING OF PETITION FOR ESTABLISHMENT OF TOLERANCES FOR RESIDUES OF MANEB

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408 (d) (1), 68 Stat. 512; 21 U. S. C. 346a (d) (1)), the following notice is issued:

A petition has been filed by E. I. du Pont de Nemours and Company, Inc., Wilmington 98, Delaware, proposing the establishment of tolerances for residues of maneb (manganous ethylenebis (dithiocarbamate), calculated as zinc ethylenebis (dithiocarbamate)) in or on raw agricultural commodities, as follows:

1. 25 parts per million in or on: Apricots, beans (in succulent form), cabbage, celery, Chinese cabbage, collards, endive (escarole), kale, lettuce, mustard greens, nectarines, peaches, spinach, sweet corn, turnip tops.

2. 7 parts per million in or on: Beans (in dry form), turnips (roots).

The analytical method proposed in the petition for determining residues of maneb is a modification of the analytical method described in "Analysis of Manganese Ethylenebis(dithiocarbamate) Compositions and Residues," by W. K. Lowen, in the Journal of the Association of Official Agricultural Chemists, Volume 36, pages 484-492 (May 1953). The prin-

cipal modifications are the refinement of recovery apparatus and techniques.

Dated: January 6, 1958.

[SEAL] ROBERT S. ROE,  
*Director,*  
*Bureau of Biological*  
*and Physical Sciences.*

[F. R. Doc. 58-232; Filed, Jan. 10, 1958;  
8:45 a. m.]

## NOTICES

### DEPARTMENT OF AGRICULTURE

#### Agricultural Research Service

DIRECTOR, ADMINISTRATIVE SERVICES  
DIVISION

#### DELEGATION OF AUTHORITY WITH RESPECT TO NEGOTIATION OF CONTRACTS IN ADMINISTRATION OF SCREW-WORM ERADICATION PROGRAM

Pursuant to the authority vested in the Administrator, Agricultural Research Service, by the Secretary of Agriculture, under date of December 12, 1957 (22 F. R. 10126), authority is delegated to the Director, Administrative Services Division, to negotiate, without advertising, under sections 302 (c) (4) and 302 (c) (9) of the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), contracts required by the Department of Agriculture in the administration of the programs for screw-worm eradication for the period ending December 31, 1958.

The authority hereby delegated shall be exercised in accordance with the requirements of the above-titled act, particularly sections 304, 305 and 307, the delegation of authority of the Administrator, General Services Administration to the Secretary of Agriculture under date of November 15, 1957 (22 F. R. 9301), the policies, procedures and controls prescribed by the General Services Administration, and the delegation of authority of the Secretary of Agriculture above mentioned.

The authority herein delegated may not be redelegated.

Done at Washington, D. C., this 7th day of January 1958.

[SEAL] B. T. SHAW,  
*Administrator,*  
*Agricultural Research Service.*

[F. R. Doc. 58-247; Filed, Jan. 10, 1958;  
8:48 a. m.]

### CIVIL AERONAUTICS BOARD

[Docket No. 8432]

#### NATIONAL AIRLINES, INC.; INVESTIGATION OF SERVICE TO WINSTON-SALEM AND/OR GREENSBORO-HIGH POINT, N. C.

#### NOTICE OF ORAL ARGUMENT

In the matter of the investigation of service to Winston-Salem and/or Greensboro-High Point, N. C., by National Airlines, Inc., pursuant to sections

401 (h) and 1002 (b) of the Civil Aeronautics Act of 1938, as amended.

Notice is hereby given that oral argument in the above-entitled proceeding is assigned to be held on February 5, 1958, at 10:00 a. m., e. s. t., in Room 5042, Commerce Building, 14th Street and Constitution Avenue NW., Washington, D. C., before the Board.

Dated at Washington, D. C., January 7, 1958.

[SEAL] FRANCIS W. BROWN,  
*Chief Examiner.*

[F. R. Doc. 58-250; Filed, Jan. 10, 1958;  
8:48 a. m.]

[Docket No. 8711]

#### TACA INTERNATIONAL AIRLINES, S. A.

#### NOTICE OF HEARING

In the matter of the application of TACA International Airlines, S. A. for renewal of its foreign air carrier permit.

Notice is hereby given that the hearing in the above-entitled proceeding is assigned to be held on January 21, 1958, at 10:00 a. m., in Room 5859, Commerce Building, 14th Street and Constitution Avenue NW., Washington, D. C., before Examiner Ferdinand D. Moran.

Dated at Washington, D. C., January 7, 1958.

[SEAL] FRANCIS W. BROWN,  
*Chief Examiner.*

[F. R. Doc. 58-251; Filed, Jan. 10, 1958;  
8:49 a. m.]

[Docket No. 9190]

#### EAGLE AIRWAYS (BERMUDA) LTD.

#### NOTICE OF PREHEARING CONFERENCE

In the matter of the application of The Eagle Airways (Bermuda) Ltd., for a foreign air carrier permit authorizing service between Bermuda and New York.

Notice is hereby given that a prehearing conference in the above-entitled application is assigned to be held on January 16, 1958, at 10:00 a. m., e. s. t., in Room 5855, Commerce Building, 14th Street and Constitution Avenue NW., Washington, D. C., before Examiner Joseph L. Fitzmaurice.

Dated at Washington, D. C., January 7, 1958.

[SEAL] FRANCIS W. BROWN,  
*Chief Examiner.*

[F. R. Doc. 58-252; Filed, Jan. 10, 1958;  
8:49 a. m.]

[Docket No. 9150]

#### LINEA AEREA NACIONAL DE CHILE

#### NOTICE OF PREHEARING CONFERENCE

In the matter of the application of Linea Aerea Nacional de Chile for a foreign air carrier permit to authorize service between Santiago, Chile and Miami, Florida, U. S. A., via intermediate points.

Notice is hereby given that the pre-hearing conference in the above-indicated proceeding which was postponed from December 30, 1957, to January 15, 1958, will be held in Room 5859, Commerce Building, 14th Street and Constitution Avenue NW., Washington, D. C., at 10 a. m.

Dated at Washington, D. C., January 8, 1958.

[SEAL] FRANCIS W. BROWN,  
Chief Examiner.

[F. R. Doc. 58-295; Filed, Jan. 10, 1958;  
9:19 a. m.]

## FEDERAL DEPOSIT INSURANCE CORPORATION

INSURED STATE BANKS NOT MEMBERS OF FEDERAL RESERVE SYSTEM, EXCEPT BANKS IN DISTRICT OF COLUMBIA AND MUTUAL SAVINGS BANKS

CALL FOR REPORT OF CONDITION AND ANNUAL REPORT OF EARNINGS AND DIVIDENDS

Each insured State bank not a member of the Federal Reserve System, except a bank in the District of Columbia and a mutual savings bank, is requested, pursuant to the provisions of section 10 (e) of the Federal Deposit Insurance Act, to send to the Federal Deposit Insurance Corporation within ten days after receipt of this notice a Report of Condition as of the close of business Tuesday, December 31, 1957, on Form 64—Call No. 48,<sup>1</sup> and a Report of Earnings and Dividends for the calendar year 1957, on Form 73.<sup>2</sup>

Said Report of Condition shall be prepared in accordance with, "Instructions for the Preparation of Report of Condition on Form 64," dated December 1955, and any amendments thereto. Said Report of Earnings and Dividends shall be prepared in accordance with "Instructions for the Preparation of Report of Earnings and Dividends on Form 73," dated December 1954.

FEDERAL DEPOSIT INSURANCE CORPORATION,  
E. F. DOWNEY,  
Secretary.

[SEAL]

[F. R. Doc. 58-253; Filed, Jan. 10, 1958;  
8:49 a. m.]

INSURED MUTUAL SAVINGS BANKS NOT MEMBERS OF FEDERAL RESERVE SYSTEM

CALL FOR REPORT OF CONDITION AND ANNUAL REPORT OF INCOME AND DIVIDENDS

Each insured mutual savings bank not a member of the Federal Reserve System is requested, pursuant to the provisions of section 10 (e) of the Federal Deposit Insurance Act, to send to the Federal Deposit Insurance Corporation within ten days after receipt of this notice a Report of Condition as of the close of business Tuesday, December 31, 1957, on Form 64 (Savings)<sup>1</sup> and a Report of Income and Dividends for the calendar year 1957, on Form 73 (Savings).<sup>2</sup>

Said Report of Condition and Report of Income and Dividends shall be prepared in accordance with, "Instructions

<sup>1</sup> Filed as part of the original document.

for the Preparation of Report of Condition on Form 64 (Savings) and Report of Income and Dividends on Form 73 (Savings)," dated June, 1951 and any amendments thereto.

FEDERAL DEPOSIT INSURANCE CORPORATION,  
E. F. DOWNEY,  
Secretary.

[SEAL]

[F. R. Doc. 58-254; Filed, Jan. 10, 1958;  
8:49 a. m.]

## INTERSTATE COMMERCE COMMISSION

[Section 5a Application 64]

STEEL CARRIERS' TARIFF ASSOCIATION, INC.  
NOTICE OF APPLICATION FOR APPROVAL OF AGREEMENT

JANUARY 8, 1958.

The Commission is in receipt of the above-entitled and numbered application for approval of an agreement under the provisions of section 5a of the Interstate Commerce Act.

Filed: December 31, 1957, by Ambrose A. Such, Attorney-in-Fact for the Carriers and Secretary of Steel Carriers' Tariff Association, Inc., 3695 West 165th Street, Cleveland 11, Ohio.

Agreement involved: Agreement among and between common carriers by motor vehicle, members of Steel Carriers' Tariff Association, Inc., relating to rules, regulations, rates, exceptions, and classifications governing the movement of iron and steel, iron and steel articles, or products of iron and steel between points in the United States.

The complete application may be inspected at the office of the Commission in Washington, D. C.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 20 days from the date of this notice. As provided by the general rules of practice of the Commission, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing.

By the Commission, division 2.

[SEAL] HAROLD D. McCoy,  
Secretary.

[F. R. Doc. 58-234; Filed, Jan. 10, 1958;  
8:45 a. m.]

## SECURITIES AND EXCHANGE COMMISSION

[File No. 70-3656]

CENTRAL POWER AND LIGHT CO.

NOTICE OF PROPOSED ISSUE AND SALE AT COMPETITIVE BIDDING OF FIRST MORTGAGE BONDS

JANUARY 6, 1958.

Notice is hereby given that Central Power and Light Company ("Company"), a public utility subsidiary of Central and

South West Corporation, a registered holding company, has filed a declaration pursuant to the Public Utility Holding Company Act of 1935 ("act"), designating sections 6 (a) and 7 of the act and Rule U-50 thereunder as applicable to the proposed transaction, which is summarized as follows:

The Company proposes to issue and sell, subject to the competitive bidding requirements of Rule U-50, \$12,000,000 principal amount of its First Mortgage Bonds, Series H, to be dated February 1, 1958, and to mature February 1, 1988. The interest rate (a multiple of 1/8 of 1 percent) and the price to be paid to the Company for the Bonds (not less than 100 percent nor more than 102.75 percent of the principal amount, exclusive of accrued interest) will be determined by the bidding. Said bonds will be issued under and secured by the Company's mortgage to The First National Bank of Chicago and Robert L. Grinnell, Trustees, as heretofore supplemented and as to be further supplemented and amended by a proposed Supplemental Indenture from the Company to said bank and Coll Gillies (successor to Robert L. Grinnell), Trustees.

It is stated that the net proceeds from the sale of said bonds will be used by the Company to pay for a part of the cost of additions, extensions, and improvements made and to be made to its electric utility properties, including the payment or prepayment of short-term bank debt (now \$4,500,000) incurred and to be incurred for such purpose. The construction expenditures of the Company are estimated at \$23,600,000 for 1958 and \$26,400,000 for 1959.

The Company estimates its fees and expenses to be incurred in connection with the proposed transaction as follows:

Filing fee, this Commission	\$1,250
Federal stamp tax	13,200
Recording fee and other miscellaneous expenses	2,200
Printing and engraving	9,000
Expenses of qualifying under State laws	2,000
Accountants' fees (Arthur Andersen & Co.)	1,800
Trustee's fees (The First National Bank of Chicago)	6,050
Fee of Middle West Service Company	5,000
Counsel fees (Stevenson, Dentler, Bailey & McCabe)	6,000
Total	46,500

The legal fee and expenses of Isham, Lincoln & Beale, counsel to the underwriters, estimated not to exceed \$6,000 and \$250, respectively, will be paid by the successful bidders.

It is stated that no other regulatory commission has jurisdiction over the proposed transaction.

Notice is further given that any interested person may, not later than January 24, 1958 at 5:30 p. m., request the Commission 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, if any, raised by said declaration which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Com-

mission, Washington 25, D. C. At any time after said date the declaration, as filed or as amended, may be permitted to become effective as provided in Rule U-23 of the rules and regulations promulgated under the act, or the Commission may exempt such transaction as provided in Rules U-20 (a) and U-100 thereof, or take such other action as it may deem appropriate under the circumstances.

By the Commission.

[SEAL] ORVAL L. DUBOIS,  
Secretary.

[F. R. Doc. 58-244; Filed, Jan. 10, 1958;  
8:48 a. m.]

## SMALL BUSINESS ADMINISTRATION

[S. B. A. Pool Request 24]

CLEVELAND INDUSTRIAL TOOL CO.

WITHDRAWAL FROM MEMBERSHIP IN GENERAL TIRE PRODUCTION POOL, INC., OF AKRON, OHIO

Pursuant to Section 708 of the Defense Production Act of 1950, as amended, the name of the following company, which has withdrawn from participation in the operations of General Tire Production Pool, Inc., is herewith published.

Cleveland Industrial Tool Company, Char-don, Ohio.

The acceptance of this company appeared in 18 F. R. 2423, on April 24, 1953. (Sec. 708, 64 Stat. 818; 50 U. S. C. App. 2158; E. O. 10493, 18 F. R. 6583, October 16, 1953)

Dated: January 6, 1958.

WENDELL B. BARNES,  
Administrator.

[F. R. Doc. 58-239; Filed, Jan. 10, 1958;  
8:47 a. m.]

[Declaration of Disaster Area 177]

TERRITORY OF HAWAII

DECLARATION OF DISASTER AREA

Whereas, it has been reported that beginning on or about December 7, 1957, because of the disastrous effects of Hurricane Nina, damage resulted to residences and business property located in certain areas in the Territory of Hawaii;

Whereas, the Small Business Administration has investigated and has received other reports of investigations of conditions in the areas affected; and

Whereas, after reading and evaluating reports of such conditions, I find that the conditions in such areas constitute a catastrophe within the purview of the Small Business Act of 1953, as amended;

Now, therefore, as Administrator of the Small Business Administration, I hereby determine that:

1. Applications for disaster loans under the provisions of section 207 (b) (1),

of the Small Business Act of 1953, as amended, may be received and considered by the Offices below indicated from persons or firms whose property situated on the Island of Kauai (including any areas adjacent to the Island of Kauai) suffered damage or other destruction as a result of the catastrophe above referred to:

Small Business Administration Regional Office, 40 Davis Street, San Francisco 11, Calif.  
Small Business Administration Branch Office, 119 Merchant Street, Room 510, Honolulu, Territory of Hawaii.

2. No special field offices will be established at this time.

3. Applications for disaster loans under the authority of this declaration will not be accepted subsequent to July 31, 1958.

Dated: January 2, 1958.

WENDELL B. BARNES,  
Administrator.

[F. R. Doc. 58-241; Filed, Jan. 10, 1958;  
8:47 a. m.]

## DEPARTMENT OF JUSTICE

### Office of Alien Property

C. G. H. BURGER

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following property, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

*Claimant, Claim No., Property, and Location*

C. G. H. Burger, Zeist, The Netherlands; \$134.92 in the Treasury of the United States. Vesting Order No. 17945; Claim No. 62236.

Executed at Washington, D. C., on January 6, 1958.

For the Attorney General.

[SEAL] PAUL V. MYRON,  
Deputy Director,  
Office of Alien Property.

[F. R. Doc. 58-242; Filed, Jan. 10, 1958;  
8:47 a. m.]

[Vesting Order SA-216]

BRITISH AND HUNGARIAN BANK LTD.

In re: debt owing to British and Hungarian Bank Limited; F-34-223.

Under the authority of Title II of the International Claims Settlement Act of 1949, as amended (69 Stat. 562), Executive Order 10644, November 7, 1955 (20 F. R. 8363), Department of Justice Order No. 106-55, November 23, 1955 (20 F. R. 8993), and pursuant to law, after in-

vestigation, it is hereby found and determined:

1. That the property described as follows: That certain debt or other obligation of Continental Illinois National Bank and Trust Company of Chicago, 231 South La Salle Street, Chicago 90, Illinois, arising out of an account entitled, "British and Hungarian Bank, Limited, V. Bajcay Zsilinszky—UT. 32, Budapest, Hungary. Deposit \$1,048.67," maintained at the aforesaid bank, together with any and all rights to demand, enforce and collect the same,

is property within the United States which was blocked in accordance with Executive Order 8389, as amended, and remained blocked on August 9, 1955, and which is, and as of September 15, 1947, was, owned directly or indirectly by British and Hungarian Bank Limited, Budapest, Hungary, a national of Hungary as defined in said Executive Order 8389, as amended.

2. That the property described herein is not owned directly by a natural person.

There is hereby vested in the Attorney General of the United States the property described above, to be administered, sold, or otherwise liquidated, in accordance with the provisions of Title II of the International Claims Settlement Act of 1949, as amended.

It is hereby required that the property described above be paid, conveyed, transferred, assigned and delivered to or for the account of the Attorney General of the United States in accordance with directions and instructions issued by or for the Assistant Attorney General, Director, Office of Alien Property, Department of Justice.

The foregoing requirement and any supplement thereto shall be deemed instructions or directions issued under Title II of the International Claims Settlement Act of 1949, as amended. Attention is directed to section 205 of said Title II (69 Stat. 562) which provides that:

Any payment, conveyance, transfer, assignment, or delivery of property made to the President or his designee pursuant to this title, or any rule, regulation, instruction, or direction issued under this title, shall to the extent thereof be a full acquittance and discharge for all purposes of the obligation of the person making the same; and no person shall be held liable in any court for or in respect of any such payment, conveyance, transfer, assignment, or delivery made in good faith in pursuance of and in reliance on the provisions of this title, or of any rule, regulation, instruction, or direction issued thereunder.

Executed at Washington, D. C., on January 7, 1958.

For the Attorney General.

[SEAL] DALLAS S. TOWNSEND,  
Assistant Attorney General,  
Director, Office of Alien Property.

[F. R. Doc. 58-243; Filed, Jan. 10, 1958;  
8:48 a. m.]

